

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Missouri-American Water Company	§
For a Certificate of Convenience and Necessity	§
Authorizing it to Install, Own, Acquire, Construct,	§ File No. 2015-0065
Operate, Control, Manage and Maintain a Sewer	§
System in Benton County, Missouri	§

ADDENDUM TO

GEORGE M. HALL, PROPOSED INTERVENOR'S

RESPONSE TO

COMMISSION ORDER DATED DECEMBER 30, 2014

Comes now, George M. Hall, Proposed Intervenor, and makes and files this his Addendum to his Response To Commission Order Dated December 30, 2014, and respectfully submits the following:

1. Proposed Intervenor, George M. Hall has submitted there is an attempt by various parties to impose an unwritten policy, rule, procedure or other aspect to require proposed Intervenor and all other residents of the dissolved Benton County Sewer District #1 to be forced to use sewer services provided by Missouri American Water if a Certificate of Convenience and Necessity is issued in this case. One Such party is the USDA represented by the United States Attorney's office.

2. On July 30, 2014, Cause No. 13-00319-CV-W-BP came to be

heard before the Honorable Beth Phillips, United States District Judge, sitting in Kansas City, Missouri. A Partial Transcript of Proceedings, (See Exhibit "1A" is attached hereto and made a part of this Addendum.) The argument by United States Attorney Charles Thomas as purported on pgs. 10 -11 of Exhibit "1A" and provides:

"....Pg. 10, Line 17; Missouri American will be operating it, and, frankly, **everybody** will be better off with Missouri American operating it."

"....Pg. 10, Line 20; **Heroic efforts were made by trustees here**, but Missouri American does this all over Missouri. They know how to do it."

"....Pg. 11, Line 4;Let me cite -- 250.240 says three things. It say's it's the purpose of the chapter to protect public health and welfare by preventing and abating water pollution."

"....Pg. 11, Line 13; The APA absolutely serves the purpose of Chapter 250. **It keeps the sewer system alive** for those who need it and thus promotes public health and welfare."

3. The argument by U. S. Attorney Thomas that "**everybody** will be better off with Missouri American operating it" is highly suspect and questionable. Proposed Intervenor can install and maintain an on site residential system for a fraction of the current proposed monthly rate (\$65.22) by Missouri American Water. Over the life of a residential system proposed Intervenor's monthly expense would be approximately \$12-\$18 per month and not subject to repeated rate increases which will

more than likely occur with Missouri American Water. Further, the U. S. Attorney made no mention of the extensive repairs needed at the treatment plant and lift stations, which was estimated to be nearly one million dollars, nor does Missouri American Water reflect these costs anywhere in its feasibility study. **“Everybody”** as used by Mr. Thomas clearly means the USDA, Missouri Department of Natural Resources, and Missouri American Water. The USDA benefits because they will be paid funds from the APA by Missouri American Water to collect on an unauthorized and fraudulent loan. Further, the USDA will escape reporting to a possible congressional committee on their procedures in allowing unauthorized and fraudulently obtained loans to be obtained through the assistance of their employees. The Missouri Department of Natural Resources benefits because they do not have to explain why they awarded State Revolving Grant monies for projects being funded by an unauthorized and fraudulent loan. Further, the Missouri Department of Natural Resources does not have to explain why they haven't made need repairs to the treatment facility which they have been operating through their employee Scott Totten and on a facility they have a consent judgment for repairs to be made. Lastly, Missouri Department of Natural Resources does not have to explain how they are operating the treatment facility on an expired permit. Missouri American Water benefits by

acquiring a system which is in disarray and defunct, then expends funds for repairs to a system in a narrowly defined area, and then gets rate increases for all of its customers to cover the cost. In short other districts will be paying the expenses to rehabilitate the dissolved Benton County Sewer District #1. Finally, what other incentives have been offered to Missouri American Water from the USDA? Do they include tax write-offs? Will the asset purchase price really be \$750,000.00 since no signed copy of the agreement is on file?

4. **“Heroic efforts were made by trustees here”**. This statement by United States Attorney Charles Thomas is preposterous, ridiculous, ludicrous, farcical, risible, idiotic, foolish, inane, harebrained, cockamamie, nonsensical, incongruous, and pointless. The Benton County Sewer District #1 Board Minutes (which are public information) clearly establish:

A. Board Trustees ignored the vote of the people, which established the sewer district boundary, by there action to selectively enforce mandatory hookup, for a certain few, thereby creating a sub-district contrary to the provisions of the Missouri Revised Statutes Chapter 204, §§ 204.250, 204.251, 204.252, 204.253, 204.254, 204.255, 204.256, and 204.257.

B. Board of Trustees defied the Court Order of the 30th Judicial District Court of Benton County, Missouri and ignored the vote of the people

which only authorized the funding of the district construction was from Revenue Bonds. Said Revenue Bonds not an indebtedness, Missouri Revised Statutes Chapter 204, § 204.390. The Board of Trustees from its very first meeting December 1994, made it clearly known to themselves they wanted a USDA loan. The Board of Trustees applied for a loan and same was approved in 1996. In November of 1998, approximately \$32,000 interest on the loan was paid from construction funds by the Trustees. Nowhere in the Board Meeting Minutes can it be found that the Trustees ever once attempted to sale any Revenue Bonds as authorized by the voters. Nor does the minutes reflect any other attempts for financing other than the USDA loan.

C. Trustees informed voters the Middle and High School would be served by the Benton County Sewer District #1. Benton County Enterprise Newspaper Article one week before the Revenue Bond Election in November 1995, yet earlier in the year Trustees had predetermined, from Board Minutes, the school would not be connected to the Benton County Sewer District #1.

D. The recent audit, by the Missouri State Auditor's Office, clearly reflects the Trustees operated a District that was unconstitutional in that its expenses exceeded its revenues every year contrary to the Missouri

Constitution. Further, on pg. 7 of the Audit, the shortcomings of the Trustees is clearly evident when the Auditor found “The District filed inaccurate financial reports with regulatory agencies and budgetary information and management reports used by the Board were inaccurate, incomplete, or failed to comply with statutory provisions.” The Auditor also identified conflicts of interest and nepotism conflicts by Trustees.

5. In reference to the “**Heroic efforts**” it is clearly evident there was a fraud committed by Trustees upon the voters of the District, the Vote of the people was ignored and not recognized by the Trustees not on one, not on two, but three separate elections, (the District Boundary, the District Funding, and the District Dissolution). As this were not enough, mismanagement, nepotism, and unconstitutional budgets, along with a laundry list of other infractions were further acts of the Trustees. “Heroic” by definition would reflect on a noble act. How can Mr. Thomas state that fraud, misrepresentation, and violating the constitutional right of the voters be deemed “**Heroic**”? **Is it based on his actions on trying to collect on an unauthorized and fraudulent loan,** all the while he knows the voters never once voted to indebt the district nor did the voters vote to fund the District by way of a loan from the USDA. Finally, is it based on his action to seek the assistance of Missouri American Water to cover up the

unauthorized and fraudulent loan through the APA?

6. Public health and welfare can be better protected by individual residential sewage treatment systems. This is evident by the fact that the only pollution in this District is by way of the centralized system. The individual systems have not posed a problem in this District, only the treatment plant and its collection works. The Missouri Department of Natural Resources is aware of the bypasses and the failing lift station and the main line overflow in recent years. Astonishingly, the Benton County Health Department cannot show one documented case of pollution where the resident homeowner did not correct the problem prior to the District formation or afterwards. Not to be said for the Missouri Department of Natural Resources and the District treatment facility, one million (\$1,000,000.00) dollars in repairs needed since August, 2012.

7. "...The APA...It keeps the sewer system alive...". This statement by Mr. Thomas is contrary to the dissolution vote which occurred April 2, 2013. The dissolution was to end the fiasco of an unfeasible and not viable centralized sewer system in this rural area. The voters overwhelmingly voiced they want decentralized, residential sewage treatment systems by their vote. Absent the APA, the USDA has no means to collect on the unauthorized and fraudulent loan which its employees

further advanced by their participation.

What is the cutoff number for Missouri American Water? In short, is it 275 customers, 250, customers 200 customers or some other figure. What number is needed when Missouri American Water states they will not proceed with the APA since it would not be profitable? What will Missouri American Water do if only 50, 100, or 150 is all the customers available in the District? Will they pass the expense along to all of their other customers in the state by asking for a rate increase from this Commission? It must be noted the treatment facility must have a minimum flow of at least nearly 15,000 gpd to function properly.

8. Proposed Intervenor submits the only purpose of the APA is to aid the USDA in attempting to avoid accountability and liability. The USDA insisted upon a mandatory hookup ordinance (USDA Letter Of Conditions) in order for the District to secure the loan. However, this type ordinance was ruled illegal and invalid per the decision rendered in *Moats -v- Pulaski County Sewer District #1*, previously referenced by proposed intervenor.

In the Benton County Sewer District #1, based upon the scheme designed by the Trustees, only a select, chosen few, were subjected to the mandatory hookup ordinance thus resulting in an unequal application of law

and denial of due process.

CONCLUSION

Proposed Intervenor submits the question that needs to be answered is simply will alternative residential treatment systems promote public health and welfare? Absolutely, YES! These systems are already in use and have been used since before and after the creation of the District. Thus the Application for a Certificate of Convenience and Necessity submitted by Missouri American Water in this case, should be in all things be denied.

Respectfully submitted,

 /s/ George M. Hall
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DECLARATION

I, George M. Hall, Proposed Intervenor/Petitioner in the foregoing document state, under the penalty of perjury, that I am the Proposed Intervenor/Petitioner in the foregoing, I have read the forgoing and that the factual allegations contained therein are true and correct to the best of my knowledge, information and belief.

By: ---George M. Hall---

George M. Hall

CERTIFICATE OF SERVICE

I, George M. Hall hereby certify that a true and correct copy of the foregoing was mailed, faxed, or e-mailed to the following:

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By: ----George M. Hall----

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