

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

In the Matter of the Application of Confluence Rivers)
Utility Operating Company, Inc., for Certificates of) File Nos. WA-2023-_____
Convenience and Necessity to Provide Water and) SA-2023-_____
Sewer Service in an Area of Lincoln County,)
Missouri (Quail Run).)

APPLICATION AND MOTION FOR WAIVER

COMES NOW Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”) pursuant to Sections 393.170, RSMo., 20 CSR 4240-2.060, 20 CSR 4240-3.305, 20 CSR 4240-3.600, and 20 CSR 4240-4.017, and for its *Application and Motion for Waiver*, states as follows to the Missouri Public Service Commission (“Commission”):

I. Introduction

1. Confluence Rivers is a Missouri corporation with its principal office and place of business at 1630 Des Peres Rd., Suite 140, St. Louis, MO 63131. Confluence Rivers is a Missouri corporation in good standing. A certified copy of Confluence Rivers’ certificate of good standing was filed in File No. WM-2018-0116 and is incorporated herein by reference.

2. Confluence Rivers provides water service to approximately 4,400 customers and sewer service to approximately 4,600 customers in the State of Missouri, pursuant to certificates of convenience and necessity previously granted by the Commission. Confluence Rivers is a “water corporation,” a “sewer corporation,” and a “public utility,” as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law.

3. Confluence Rivers has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Confluence Rivers

from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this Application.

4. Communications regarding this application should be addressed to the undersigned counsel and to:

Josiah Cox
Confluence Rivers Utility Operating Company, Inc.
1630 Des Peres Rd., Suite 140
St. Louis, MO 63131
Phone: (314) 380-8544
E-mail: jcox@cswrgroup.com

II. The Proposed Sale Transaction

5. Confluence Rivers proposes to acquire all or substantially all of the water and sewer system assets of the currently unregulated systems of Lincoln County Water and Sewer, LLC (“LCWS”).¹ These water and sewer assets are located in and around the Quail Ridge subdivision in Lincoln County. Confluence Rivers seeks Certificates of Convenience and Necessity (“CCN”) to operate the systems and provide service to the public.

6. LCWS is a Missouri limited liability company in good standing with the Missouri Secretary of State. LCWS provides water and sewer services to approximately 434 residential connections in Quail Run, including approximately 129 mobile home park customers, 21 single family homes, 222 apartments, and 62 townhomes. There is no other same or similar water or sewer service available in the area served by LCWS.

¹ Importantly, as reflected in the Missouri Secretary of State records, Lincoln County Water and Sewer, LLC. is legally distinct from Lincoln County Sewer & Water, LLC. Relevant to the Commission authority sought under this application, Lincoln County Water and Sewer, LLC is an unregulated water and sewer company. As such, Confluence Rivers is seeking Commission approval for certificates of convenience and necessity to serve in the area currently served by Lincoln County Water and Sewer, LLC. Since that entity is not regulated, however, it does not seek Commission approval to sell its assets under Section 393.190. In contrast, Lincoln County Sewer & Water, LLC is a regulated water and wastewater system. Nothing in this application affects the assets or service area of that regulated entity.

7. The drinking water system consists of 2 active wells with sodium hypochlorite disinfection and a standpipe tank (with total volume of approximately 307,963 gallons). The drinking water system is regulated under the Safe Drinking Water Act as a public water system with PWSID MO6031327. The system has primarily received violations for failure to complete required testing, with more serious violations for repeatedly failing to complete Disinfection Byproduct monitoring until the system was issued with a health-based violation in 2022 which was since resolved. There are not currently any unresolved violations.

8. The wastewater system consists of an aerated lagoon separated by baffles into three cells, with chlorination and dechlorination for disinfection, and sludge retained in the lagoon. The facility is regulated as a discharging facility under the clean water act with NPDES permit MO0126381. The facility has regularly violated permitted limits and failed to complete required testing, with 6 exceedances and 19 missing testing parameters in the last 3 years of available testing data. The facility has also received an informal enforcement action in 2019 related to the effluent violations.

9. On November 18, 2022, Central States Water Resources, Inc. (“CSWR”) entered into a *Purchase and Sale Agreement* with LCWS. A copy of the *Purchase and Sale Agreement* is attached as **Appendix A-C** and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. CSWR proposes to purchase substantially all the water and sewer system assets of LCWS, as specifically described in, and under the terms and provisions of, the *Purchase and Sale Agreement*.

III. Certificates of Convenience and Necessity

10. Pursuant to Section 7.04 of the *Purchase and Sale Agreement*, CSWR plans to assign its rights under the agreement to Confluence Rivers at closing. **Appendix B** verifies the authority of Josiah Cox, the President of Confluence Rivers, to enter into the *Purchase and Sale Agreement* and seek Commission approval of the transaction.

11. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control, and manage water and sewer systems for the public in an area of Lincoln County, Missouri, as an addition to its existing service territories. A legal description of the area sought to be certificated is attached hereto as **Appendix C**. A map of the area sought to be certificated is attached as **Appendix D**.

12. Attached hereto and marked as **Appendix E-C** is a list of ten residents or landowners within the proposed service area. **Appendix E-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(1), as it contains customer-specific information.

IV. Additional Information

13. Attached hereto and marked as **Appendix F-C** are feasibility studies for the LCWS water and sewer systems for which Confluence Rivers seeks CCNs, including estimates of the number of customers, expenses, and revenues during the first three (3) years of operation by Confluence Rivers. **Appendix F-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. To provide service to the proposed areas, Confluence Rivers will purchase existing water and sewer systems and will not construct systems. Thus, Confluence Rivers asks for a waiver of any requirement to provide

plans and specifications related to the construction of the treatment, distribution, and collection systems.

14. Confluence Rivers is not aware of any franchises or permits from municipalities, counties, or other authorities that would be required in order to provide service in the requested areas.

15. The sale and purchase of the referenced assets should have no impact on the tax revenues of relevant political subdivisions, as Confluence Rivers and the seller are private entities, and their status as taxpaying entities will not change as a result of these transactions.

V. Tariff/Rates

16. Confluence Rivers proposes to utilize the rules governing the rendering of service that are currently found in Confluence Rivers' existing PSC MO No. 12 tariff for water and its existing PSC MO No. 13 tariff for sewer, until such time as the rules are modified according to law.

17. LCWS currently does not have a separate charge for water and sewer service. Confluence Rivers proposes to adopt the existing contractual water and sewer rates in place for Quail Run customers – a fixed monthly water rate of \$17.50, and a fixed monthly sewer rate of \$17.50.

18. These systems will require investment after the purchase by Confluence Rivers that will necessarily result in a future request for a rate increase of some amount. That said, however, the rates established herein will not be affected by the Confluence River pending rate increase.

VI. Public Interest

19. The grant of the requested CCNs (and approval of the underlying transactions) is

in the public interest and will result in regulated water and sewer services provided to the current and future residents of these service areas. The systems would be acquired by Confluence Rivers, a Missouri public utility, and be subject to the jurisdiction of the Commission. As it has demonstrated to the Commission in past cases, Confluence Rivers, with the support and assistance of its parent company, is fully qualified, in all respects, to own and operate the water and sewer systems for which the certificates are sought. Confluence Rivers' successful operation of other water and sewer systems in Missouri demonstrates its ability to provide safe and reliable service to customers and to comply with the Commission's rules, regulations, and decisions governing the ownership and operation of such systems. Confluence Rivers also has, through the financial expertise of its parent company, the financial strength and resources necessary to make expenditures and investments required to maintain the systems.

VII. Motion for Waiver

20. Commission Rule 20 CSR 4240-4.017(1) requires "[a]ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." Because it did not file such a notice within the time period prescribed by that rule, Confluence Rivers seeks a waiver of the 60-day pre-filing notice requirement.

21. Under Rule 20 CSR 4240-4.017(1)(D), a waiver of the pre-filing notice requirement may be granted for good cause. In this regard, Confluence Rivers declares, as verified below, that it has had no communication with the Office of the Commission (as defined in 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case. Good cause for the requested waiver exists in accordance with Commission Rule 20 CSR 4240-4.017(1)(D) ("Good cause for waiver may include, among other things, a verified declaration from

the filing party that it has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case....”).

22. Therefore, as authorized by Rule 20 CSR 4240-4.017(1)(D), Confluence Rivers moves for a waiver of the 60-day notice requirement and acceptance of this application at this time.

WHEREFORE, for the reasons previously stated, Confluence Rivers respectfully requests the Commission issue an order:

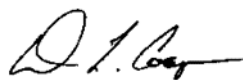
(A) Waiving the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) for good cause shown;

(B) Granting Confluence Rivers a CCN authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain water and sewer systems for the public within the specified areas currently served by Lincoln County Water and Sewer, LLC;

(C) Authorizing Confluence Rivers to acquire the water and sewer system assets of Lincoln County Water and Sewer, LLC, as described in this Application; and,

(D) Granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the agreements and the Application and to consummate related transactions in accordance with the agreements.

Respectfully submitted,



Dean L. Cooper MBE #36592

Jesse W. Craig MBE #71850

BRYDON, SWEARENGEN & ENGLAND P.C.

312 E. Capitol Avenue

P.O. Box 456

Jefferson City, MO 65012

(573) 635-7166 telephone

dcooper@brydonlaw.com

David L. Woodsmall MBE #40747
Central States Water Resources
1630 Des Peres Rd., Suite 140
Des Peres, MO 63131
dwoodsmall@cswrgroup.com

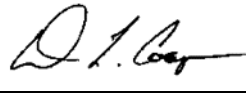
**ATTORNEYS FOR CONFLUENCE RIVERS
UTILITY OPERATING COMPANY, INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on May 24th, 2023, to the following:

Office of the General Counsel
staffcounservice@psc.mo.gov

Office of the Public Counsel
opcservice@opc.mo.gov



AFFIDAVIT

State of Missouri)
)
County of St. Louis) ss

I, Josiah Cox, having been duly sworn upon my oath, state that I am the President of Confluence Rivers Utility Operating Company, Inc. ("Confluence Rivers"), that I am duly authorized to make this affidavit on behalf of Confluence Rivers, that I have knowledge of the matters stated herein, and that said matters are true and correct to the best of my information, knowledge, and belief. Additionally, no representative of Confluence Rivers has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the one hundred fifty (150) days immediately preceding the filing of the Application regarding any substantive issue likely to be addressed in this case.

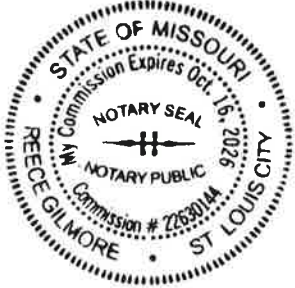
[Handwritten signature]

Subscribed and sworn before me this 24th day of May, 2023.

[Handwritten signature: Reece Gilmore]

Notary Public

My Commission Expires OCT 16th, 2024



APPENDIX A-C

HAS BEEN
IDENTIFIED AS

CONFIDENTIAL

IN ITS ENTIRETY

APPENDIX B

VERIFICATION OF AUTHORITY

COMES NOW the undersigned, the President of Confluence Rivers Utility Operating Company, Inc. ("Confluence Rivers") and Central States Water Resources, Inc. ("CSWR"), and does hereby verify that CSWR had and has the requisite authority to enter into each *Agreement for Sale of Utility System* described in the Application and to carry out all the obligations contained in each *Agreement for Sale of Utility System*.

IN WITNESS WHEREOF, the undersigned has hereto set his hand the 10th day of February, 2023.



Josiah Cox, President
CONFLUENCE RIVERS UTILITY OPERATING
COMPANY, INC. and CENTRAL STATES
WATER RESOURCES, INC.

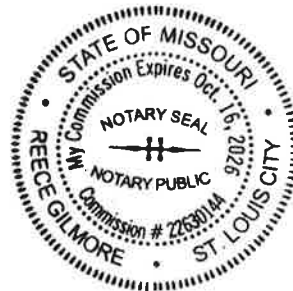
State of Missouri)
) ss
County of St. Louis)

Subscribed and sworn before me this 10th day of February, 2023.



Notary Public

My Commission Expires Oct 16th, 2024



APPENDIX C

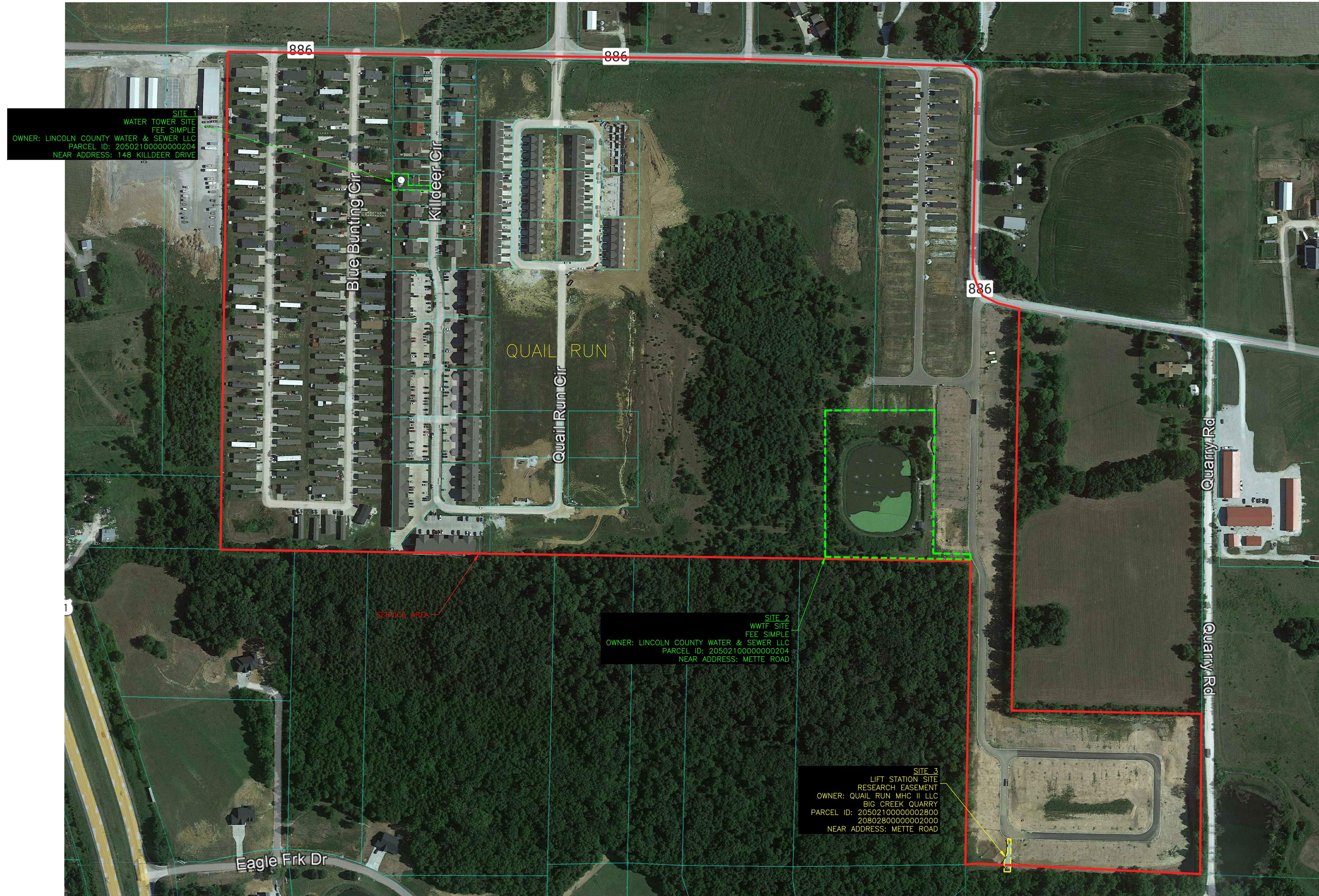
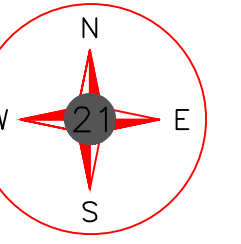
Quail Run MO Service Area Description

The area served is part of Lincoln County, Missouri and is more particularly described as follows:

Beginning at the southwest corner of the Southeast Quarter of Section 21, Township 48 North, Range 1 East; thence Northerly along the west line of said Southeast Quarter of Section 21, 1018.13 feet, more or less; thence leaving the west line of said Southeast Quarter of Section 21, N89°15'29"W 2450.48 feet, more or less; thence N0°28'26"E 1631.12 feet, more or less to the centerline of Mette Road (County Road #886); thence along said centerline of Mette Road, Easterly 2444.10 feet, more or less; thence continuing along said centerline of Mette Road, Southerly 774.55 feet, more or less; thence continuing along said centerline of Mette Road, Easterly 146.79 feet, more or less; thence leaving said centerline of Mette Road, S0°17'32"W 1333.52 feet, more or less; thence N89°31'19"E 616.35 feet, more or less; thence S0°31'23"E 557.51 feet, more or less to the south line of said Southeast Quarter of Section 21; thence along the south line of said Southeast Quarter of Section 21, Westerly 769.70 feet to the point of beginning, containing 106.15 acres, more or less.

NOTE: This description is for exhibit only and does not represent an actual boundary survey. The surveyor did not abstract nor perform any field verification of the exhibit accuracy. The location represents approximate location only and should not be construed as being 100% accurate.

**ROUGH SERVICE AREA MAP (v1)
QUAIL RUN
(WATER & WASTEWATER)
LINCOLN COUNTY, MO**



SITE 1
WATER TOWER SITE
FEE SIMPLE
OWNER: LINCOLN COUNTY WATER & SEWER LLC
PARCEL ID: 2050210000000204
NEAR ADDRESS: 148 KILLDEER DRIVE

SITE 2
WWTF SITE
FEE SIMPLE
OWNER: LINCOLN COUNTY WATER & SEWER LLC
PARCEL ID: 2050210000000204
NEAR ADDRESS: METTE ROAD

SITE 3
LIFT STATION SITE
RESEARCH EASEMENT
OWNER: QUAIL RUN MHC II LLC
BIG CREEK QUARRY
PARCEL ID: 20502100000002800
20802800000002000
NEAR ADDRESS: METTE ROAD

Utility Note Disclaimer:

The service area shown hereon are depicted based on a service area map provided by the system manager. 21 Design Group, Inc. performed no field verification of the layout and are unable to determine the exact location at this time. The location represents approximate location only and should not be construed as being 100% accurate. It is shown to provide general service area of the system to assist with ordering title work and preparation of scope for a License Land Surveyor. This sketch should not be used to interpret encroachments.

DATE:	11/21/2022
PROJECT NO:	0596-22
DRAWN BY:	KAR
SCALE:	
SHEET NAME:	SERVICE AREA MAP



APPENDIX E-C

HAS BEEN
IDENTIFIED AS

CONFIDENTIAL

IN ITS ENTIRETY

APPENDIX F -C

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