

*Madden*

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI



In the Matter of the Application of )  
THE WILLOWS UTILITY COMPANY, )  
a Missouri corporation, for permission, )  
approval, and a Certificate of )  
Convenience and Necessity authorizing )  
it to improve, operate, control, manage )  
and maintain a water supply and sewer )  
collection system for the public, )  
located in an unincorporated area in )  
Greene County, Missouri. )

Case No. WA-80-86

APPLICATION

Comes now The Willows Utility Company, a Missouri corporation, and pursuant to Chapter 393 RSMo 1969 as amended, states as follows:

1. Applicant is a Missouri corporation duly organized and existing under the laws of the State of Missouri with its principal office and place of business located at 2200 East Sunshine, Commerce Terrace Building, Suite 100, Springfield, Missouri 65804. As a public utility it proposes to render water and sewer service to the public under the jurisdiction of the Commission. A copy of applicant's Certificate of Incorporation and Articles of Incorporation are attached to this application as Exhibit "1."

2. Communications regarding this application should be addressed to the following:

James F. Morris, President  
The Willows Utility Company  
2200 East Sunshine  
Commerce Terrace Building, Suite 100  
Springfield, Missouri 65804

Leland C. Bussell  
Attorney at Law  
1515 South Glenstone  
P. O. Box 3218 G.S.  
Springfield, Missouri 65804

3. Applicant requests permission, approval, and a Certificate of Public Convenience and Necessity to improve, own, acquire, construct, operate, control, manage and maintain a public water and sewer system for the general public in an unincorporated area in Greene County, Missouri, as set forth on the map attached to this application as

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Exhibit "2" and legally described by metes and bounds attached to this application as Exhibit "3."

4. The feasibility study is attached to this application and made a part hereof for all purposes and designated as Exhibit "4."

5. There are no municipalities located within the proposed area to be served and applicant has been serving the area in question with water service and sewer service prior to the date of this application but the sewage treatment facility is being expanded and heretofore the water and sewage system was operated strictly as a private utility. The present water and sewage distribution and collection systems are shown on the attached Exhibit "5."

6. The sewage and water systems meet all the requirements of the Commission and the Department of Natural Resources and all improvements and additions to the sewage collection and treatment system have been in accordance with direction from the Department of Natural Resources. Plans for expansion of the sewage treatment facility are attached hereto as Exhibit "6" and incorporated herein by reference.

7. There are no other public utilities or governmental bodies being operated or rendering sewer or water service within the area proposed to be served.


8. The area under consideration is rapidly being developed into a residential area by <sup>THE WILLOWS</sup> Chalet Cities of Springfield, a limited partnership, and plans are made to develop the area into residential homes with a number of such buildings already under construction, all of which will need adequate water and sewer service. Applicant believes that a public need exists for adequate water and sewer service within the area proposed to be served and the public convenience and necessity will be promoted by the granting of the authority herein requested.

9. Applicant states that all of the area proposed to be served is presently under a single ownership in the name of <sup>THE WILLOWS</sup> Chalet Cities of Springfield, a Missouri limited partnership, and that said owner has requested that a Certificate of Public Convenience and Necessity

be granted to the applicant for serving the area designated in Exhibit "3" with water and sewer services.

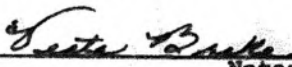
WHEREFORE, applicant respectfully requests the Commission to grant it permission, approval, and a Certificate of Convenience and Necessity authorizing it to expand, improve, construct, build, own, operate, control, manage, and maintain a water and sewer system for the public within the area referred to in paragraph three hereof, and for such further orders as the Commission may deem just and proper in the premises.

THE WILLOWS UTILITY COMPANY

By   
James P. Morris, President

STATE OF MISSOURI )  
                          ) SS.  
COUNTY OF GREENE )

On this 18th day of September, 1979, before me personally appeared JAMES F. MORRIS, President of The Willows Utility Company, a Missouri corporation, and being duly sworn on oath states that the facts and allegations set forth in the foregoing application for a Certificate of Public Convenience and Necessity are true and correct to the best of his knowledge and information.

  
Notary Public

My Commission expires:  
VESTA BRAKE Notary Public  
Greene County State of Missouri  
~~My Commission Expires Sept 9 1983~~

Leland C. Bussell  
BUSSELL, HOUGH, BERNHARDT, LEIGHTON & O'NEAL  
1515 South Glenstone  
P. O. Box 3218 G.S.  
Springfield, MO 65804  
\_\_\_\_\_  
ATTORNEYS FOR APPLICANT



STATE of MISSOURI  
JAMES C. KIRKPATRICK, Secretary of State

CORPORATION DIVISION

Certificate of Corporate Records

*I, JAMES C. KIRKPATRICK, Secretary of State of the State of Missouri and Keeper of the Great Seal thereof, do hereby certify that the annexed pages contain a full, true and complete copy of* \_\_\_\_\_

\_\_\_\_\_ CERTIFICATE OF INCORPORATION \_\_\_\_\_

\_\_\_\_\_ AND \_\_\_\_\_

\_\_\_\_\_ ARTICLES OF INCORPORATION \_\_\_\_\_

\_\_\_\_\_ OF \_\_\_\_\_

\_\_\_\_\_ THE WILLOWS UTILITY COMPANY \_\_\_\_\_

*as the same appears on file and of record in this office.*

*In Testimony Whereof, I hereunto set my hand and affix the Great Seal of the State of Missouri. Done at the City of Jefferson, this*  
\_\_\_\_\_ 15th \_\_\_\_\_ day of \_\_\_\_\_ MAY \_\_\_\_\_ A. D.,  
*Nineteen Hundred and* \_\_\_\_\_ SEVENTY-NINE \_\_\_\_\_.

*James Kirkpatrick*  
\_\_\_\_\_

SECRETARY OF STATE

DEPUTY SECRETARY OF STATE







STATE of MISSOURI  
JAMES C. KIRKPATRICK, Secretary of State

Corporation Division

Certificate of Incorporation

WHEREAS, duplicate originals of Articles of Incorporation of .....  
THE WILLOWS UTILITY COMPANY

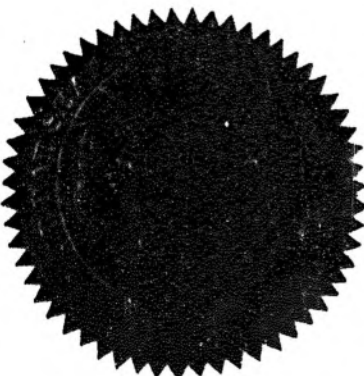
have been received and filed in the office of the Secretary of State, which Articles, in all respects, comply with the requirements of The General and Business Corporation Law:

NOW, THEREFORE, I, JAMES C. KIRKPATRICK, Secretary of State of the State of Missouri, by virtue of the authority vested in me by law, do hereby certify and declare .....  
THE WILLOWS UTILITY COMPANY

a body corporate, duly organized this day and that it is entitled to all rights and privileges granted corporations organized under The General and Business Corporation Law; that the address of its initial Registered Office in Missouri is .....  
1515 South Glenstone Springfield 65804

that its period of existence is ..... Perpetual .....; and that the amount of its Authorized Shares is .....  
30,000 Common \$1.00 Par

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the GREAT SEAL of the State of Missouri, at the City of Jefferson, this .8th... day of ... May ..... 19..79....



..... James Kirkpatrick  
Secretary of State

RECEIVED OF: ..... THE WILLOWS UTILITY COMPANY .....  
Fifty Three And No/00.....Dollars, \$.....53.00.....  
For Credit of General Revenue Fund, on Account of Incorporation Tax and Fee.

..... James Kirkpatrick  
Secretary of State

ARTICLES OF INCORPORATION  
OF  
THE WILLOWS UTILITY COMPANY

KNOW ALL MEN BY THESE PRESENTS: That I, the undersigned, being a natural person of the age of twenty-one years or more and desiring to form a corporation under "The General and Business Corporation Law of Missouri" do hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation shall be THE WILLOWS UTILITY COMPANY.

ARTICLE II

The address of its initial registered office in the State of Missouri is 1515 South Glenstone in Springfield, Missouri 65804, and the name of its registered agent at such address is Leland C. Bussell.

ARTICLE III

The aggregate number of shares which the corporation shall have authority to issue shall be thirty thousand (30,000), all of which shares shall have a par value of One Dollar (\$1.00), amounting in the aggregate to Thirty Thousand Dollars (\$30,000.00).

There are no preferences, qualifications, limitations, or restrictions upon said shares with the exception that no stockholder of the corporation shall have any preemptive rights or preferential rights of subscription to any shares of the corporation, whether now or hereafter authorized, or to any obligations convertible into stock of the corporation, issued or sold, or any right of subscription to any thereof other than such, if any, and at such price as the Board of Directors, in its discretion from time to time may determine, pursuant to the authority hereby conferred by this Certificate of Incorporation, and the Board of Directors may issue stock of the corporation or obligations convertible into stock without offering such issue of stock either in whole or in part to the other stockholders of the corporation. Should the

Board of Directors as to any portion of the stock of the corporation whether now or hereafter authorized, or to any obligation convertible into stock of the corporation, offer the same to the stockholders of any class thereof, such offer shall not in any way constitute a waiver or release of the right of the Board of Directors subsequently to dispose of other portions of such stock or obligations without so offering the same to the stockholders. The acceptance of the stock of the corporation shall be a waiver of any such preemptive or preferential rights which in the absence of this provision might otherwise be asserted by stockholders of the corporation, or any of them.

#### ARTICLE IV

The number of shares to be issued before the corporation shall commence business is Five Hundred (500), all of which shares are of a par value of One Dollar (\$1.00) each, and the consideration to be paid therefor and the capital with which the corporation shall commence business is Five Hundred Dollars (\$500.00).

All of said Five Hundred Dollars (\$500.00) has been paid up in lawful money of the United States in payment for shares of this corporation.

#### ARTICLE V

The name and address and the number of shares subscribed for and paid for by the organizer of the corporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>NUMBER OF SHARES</u>
Leland C. Bussell	1515 S. Glenstone Springfield, MO 65804	500

#### ARTICLE VI

The number of Directors to be elected at the first meeting of the shareholders is three (3). The Directors of the corporation may, by a majority vote, amend the Bylaws of the corporation at any meeting of the Board of Directors provided, however, that the Board of Directors shall take no such action contrary to the provisions of any resolution of the shareholders directing the Board not to do so.



#### ARTICLE VII

The duration of this corporation shall be perpetual.

#### ARTICLE VIII

The corporation is formed for the following purposes:

To enter into the business of supplying any town, city, village, district or neighborhood with gas, electricity, sewage and waste water treatment and disposal systems and water, and to enter into the operations and business of a public utility company, with full power to manufacture, buy, sell, obtain for resale and to furnish such quantities of gas, electricity or water as may be required by any city, town, village, district or neighborhood wherever located for public or private buildings or for other purposes; to purchase and sell or procure such goods, wares, merchandise, machinery, equipment, materials and supplies of all kinds necessary to such utility operations; to furnish, perform, negotiate and secure engineering and contracting services, and to do and perform construction work therefor; to lay, install, maintain and provide conductors for conveying gas, electricity, sewage or water through streets, alleys and squares of any city, town, village or unpopulated area with the consent of municipal authorities therefor under such reasonable regulations as such authorities may prescribe, and to set poles, pipes, filter systems, basins, abutments, wires and other installations and fixtures, along, across or under any public roads, streets and lands of this state in such manner as not to incommode the public in the use of such roads, streets and waters, all in accordance with the laws of the State of Missouri and under the jurisdiction of the Public Service Commission of the State of Missouri in such cases made and provided.

To own, operate and maintain and to construct, acquire by purchase, lease or otherwise railroads, railways, truck lines, bus lines, pipelines, shipping lines, and airlines, and any other means of transportation now or hereafter in use for the transportation of passengers, freight, mail, express, baggage, water, gas, goods, wares, merchandise, and other property of every kind and nature, and to conduct or engage in, and carry on the business of transportation of property of every class and description and of persons and by means of transportation now or hereafter in use; and to own, operate, maintain, hold and use, purchase, construct, establish, lease, or otherwise acquire, mortgage, grant security interests in, sell, or otherwise dispose of or deal with terminal properties and depots, freight and passenger station houses, storage facilities, machine and repair shops, water treatment facilities, freight, stock and repair yards, facilities of communication by telegraph, telephone, television, or otherwise, power plants and powerhouses, grain and other elevators, wharves, docks, sewage treatment plants, airports, laboratories, cars, locomotives, rolling stock, motors, buses, trucks, automobiles, ships and vessels, aircraft and all structures, tools, machinery, appliances and appurtenances and any and all other property, real or personal, or mixed, and wheresoever situated, whether or not similar to any property above described, which may be necessary or useful in connection with the business of the corporation.



To apply for and obtain or cause to be obtained from various Federal agencies, including but not limited to, the Federal Housing Administration and its Commissioner, hereinafter called the "Commissioner," a contract or contracts of mortgage insurance pursuant to the provisions of the National Housing Act, as amended, under any of its various sections, covering bonds, notes and other evidences of indebtedness issued by this corporation and any indenture of mortgage or deed of trust securing the same; and notwithstanding any other provision herein contained the corporation is authorized to enter into any contract or regulatory agreement with the Federal Housing Administration, and its duly appointed Commissioner, and it shall be bound by the terms thereof so as to enable the Commissioner to carry out the provisions of the National Housing Act, as amended; and, upon execution, the contract or regulatory agreement shall be binding upon the corporation, its successors and assigns, so long as a mortgage or deed of trust is outstanding, unpaid and insured or held by the Federal Housing Commissioner.

To purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital except as otherwise permitted by law; and providing further that shares of its own capital stock belonging to it shall not be voted either directly or indirectly.

To borrow money, issue notes, bonds, debentures, or other obligations of the corporation, and to secure the payment of same by mortgage, pledge, deed of trust, or other instruments of writing.

To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage, or otherwise dispose of Letters Patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trademarks and trade names, relating to or useful in connection with any business of this corporation.

To acquire, and to pay in cash, stock or bonds of this corporation or otherwise, the goodwill, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or incorporation engaged in the same or similar business.

To purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of shares of the capital stock of, or any bonds, securities or evidences of indebtedness created by any other corporation or corporations organized under the laws of this state or any other state, country, nation or government, and while the owner thereof to exercise all the rights, powers and privileges of said ownership.

To purchase, lease, hire or otherwise acquire real and personal property, improved or unimproved, of every kind and description, including franchises, easements, permits, licenses and rights in property of every nature, and to hold, sell, dispose of, convey, mortgage, pledge, manage, lease, operate, develop, contract, build, erect, maintain, construct and reconstruct such property; to act as escrow agent in all types of transactions; to abstract and certify titles to real estate; and to buy, handle and sell all kinds of property, collect rents, loan money, locate and lay out town sites and city additions; act as agents or brokers for others in said endeavors; and to deal, transact and carry on any and all such business as may arise out of or be connected with the carrying on of the above-mentioned purposes of the corporation.



Beginning at the NE corner of Sec. 16, Twn. 28N, Rng. 23W, thence South along the East line of said Sec. 16,  $800^{\circ}02'31''$  W 432.63 ft. to an iron pin for a new point of beginning; thence  $N62^{\circ}31'53''$  E, 345.43 ft. to an iron pin; thence  $N38^{\circ}24'38''$  E 73.41 ft. to an iron pin; thence  $N27^{\circ}28'07''$  W, 110 ft. to an iron pin on the South right-of-way of U.S. Hwy. 60; thence  $N62^{\circ}31'53''$  E, 110.32 ft. along said right-of-way to a Hwy. right-of-way marker; thence  $N77^{\circ}26'56''$  E, 241.83 ft. to an iron pin; thence  $N89^{\circ}37'27''$  E, 302.26 ft. to an existing nail; thence  $S00^{\circ}28'40''$  E, 559.69 ft. to an existing iron pin; thence  $N89^{\circ}19'48''$  E, 386.99 ft. to an existing iron pin on the East line of the NW 1/4 of the NW 1/4 of Sec. 15, Twn. 28N, Rng. 23W; thence  $S00^{\circ}13'16''$  E along the said East line 747.43 ft. to a stone at the SE corner of the said NW 1/4, NW 1/4; thence  $S89^{\circ}37'41''$  W, 1332.74 ft. to an iron pin at the SW corner of the said NW 1/4, NW 1/4; thence  $S89^{\circ}31'39''$  W, 1331.76 ft. to an iron pin at the SW corner NE 1/4, NE 1/4 Sec. 16 Twn. 28N, Rng 23W; thence  $N00^{\circ}02'05''$  E, 367.70 ft. along the West line of the said NE 1/4, NE 1/4 to an iron pin at the South line of Hwy. 60; thence  $N62^{\circ}32'18''$  E, 566.01 ft. along said right-of-way to an iron pin; thence leaving said right-of-way  $S27^{\circ}28'00''$  E, 94.35 ft. to an iron pin; thence along a curve concave to the Southwest having a radius of 103.68 ft., a length of 46.76 ft. and a chord bearing  $S88^{\circ}12'17''$  E, 46.36 ft. to an iron pin; thence  $S75^{\circ}17'06''$  E, 48.15 ft. to an iron pin; thence along a curve concave to the Northeast having a radius of 76.39 ft., a length of 55.26 ft. and a chord bearing  $N83^{\circ}59'23''$  E 54.07 ft. to an iron pin; thence  $N62^{\circ}48'08''$  E, 192.32 ft. to an iron pin; thence  $N36^{\circ}08'53''$  E, 180.00 ft.; thence  $N27^{\circ}28'07''$  W, 90.00 ft. to an iron pin on the South right-of-way of U.S. Hwy. 60; thence  $N62^{\circ}31'53''$  E, 119.78 ft. along said right-of-way to an iron pin; thence leaving said right-of-way  $S27^{\circ}28'07''$  E, 70.50 ft. to an iron pin; thence along a curve concave to the Northeast having a radius of 69.50 ft., a length of 109.17 ft. and a chord bearing  $S72^{\circ}28'07''$  E, 98.29 ft. to an iron pin; thence  $N62^{\circ}31'53''$  E, 193.27 ft. to an iron pin at the new point of beginning, said tract containing 51.2 acres in Greene County, Missouri.



September 17, 1979

The Willows Utility Company  
c/o Mr. James F. Morris  
2200 East Sunshine  
Suite 100, Commerce Terrace Building  
Springfield, MO 65804

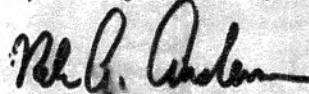
Gentlemen:

I am enclosing an engineering feasibility report for your proposed utility company. This report pertains to your application to the Public Service Commission of Missouri for a Certificate of Convenience and Necessity to provide water and sanitary sewer service to the area designated in the report.

The present population of the area does not warrant water or sanitary sewer service for the area; therefore, the proposed initial development of the area was used as a basis for this report.

Based upon my findings as shown in the report, the enlargement of the sanitary sewage treatment facility and the operation of the water system presently existing thereon to serve the area, although requiring some initial years of subsidization, is feasible.

Respectfully submitted,



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Nels A. Anderson, P.E.  
Route 24, Box 421  
Springfield, MO 65804



THE WILLOWS UTILITY COMPANY

I. PURPOSE:

The purpose of this engineering report is to illustrate the economic feasibility of constructing and operating a water supply system and a waste water treatment plant serving a 51.2 acre subdivision and certain adjoining properties as shown on the attached Exhibit "A."

The proposed area to be served is located in Greene County, Missouri, approximately two miles east of Republic, Missouri, along U. S. Highway No. 60 described as follows:

Beginning at the NE corner of Sec. 16, Twn. 28N, Rng. 23W, thence South along the East line of said Sec. 16, S00°02'31" W 432.63 ft. to an iron pin for a new point of beginning; thence N62°31'53" E, 345.43 ft. to an iron pin; thence N38°24'38" E 73.41 ft. to an iron pin; thence N27°28'07" W, 110 ft. to an iron pin on the South right-of-way of U.S. Hwy. 60; thence N62°31'53" E, 110.32 ft. along said right-of-way to a Hwy. right-of-way marker; thence N77°26'56" E, 241.83 ft. to an iron pin; thence N 89°37'27" E, 302.26 ft. to an existing nail; thence S00°28'40" E, 559.69 ft. to an existing iron pin; thence N 89°19'48" E, 386.99 ft. to an existing iron pin on the East line of the NW 1/4 of the NW 1/4 of Sec. 15, Twn. 28N, Rng. 23W; thence S00°13'16" E along the said East line 747.43 ft. to a stone at the SE corner of the said NW 1/4, NW 1/4; thence S89°37'41" W, 1332.74 ft. to an iron pin at the SW corner of the said NW 1/4, NW 1/4; thence S89°31'39" W, 1331.76 ft. to an iron pin at the SW corner NE 1/4, NE 1/4 Sec. 16 Twn. 28N, Rng 23W; thence N00°02'05" E, 367.70 ft. along the West line of the said NE 1/4, NE 1/4 to an iron pin at the South line of Hwy. 60; thence N62°32'18" E, 566.01 ft. along said right-of-way to an iron pin; thence leaving said right-of-way S27°28'00" E, 94.35 ft. to an iron pin; thence along a curve concave to the Southwest having a radius of 103.68 ft., a length of 46.76 ft. and a chord bearing S88°12'17" E, 46.36 ft. to an iron pin; thence S 75°17'06" E, 48.15 ft. to an iron pin; thence along a curve concave to the Northeast having a radius of 76.39 ft., a length of 55.26 ft. and a chord bearing N83°59'23" E 54.07 ft. to an iron pin; thence N 62°48'08" E, 192.32 ft. to an iron pin; thence N36°08'53" E, 180.00 ft.; thence N27°28'07"W, 90.00 ft. to an iron pin on the South right-of-way of U.S. Hwy. 60; thence N62°31'53" E, 119.78 ft. along said right-of-way to an iron pin; thence leaving said right-of-way S27°28'07" E, 70.50 ft. to an iron pin; thence along a curve concave to the Northeast having a radius of 69.50 ft., a length of 109.17 ft. and a chord bearing S72°28'07" E, 98.29 ft. to an iron pin; thence N62°31'53" E, 193.27 ft. to an iron pin at the new point of beginning, said tract containing 51.2 acres in Greene County, Missouri.

II. AREA TO BE SERVED:

Exhibit "A" depicts the outer boundaries of the area to be served. There are no permanent residences located on the property but there are a number in the early stages of construction. The area was formerly used as a mobile home park and there are still a small number of occupied mobile homes within the area to be served. There is an existing well, standpipe storage tank, distribution system along with an existing waste water treatment plant and collection system.

The area to be served is level to gently rolling and is located south of and adjacent to the eastbound lane of U. S. Highway 60 which gives adequate availability of access to the east or west. The area appears to be in an excellent position for development due to the rapid growth in the City of Republic as a satellite community occupied by many people who work in Springfield only eight miles away to the east.

The initial phase of this development and the initial service area will be the CHALET CITY WEST SUBDIVISION which was finally platted in 1978 and said final plat recorded in Book FF at pages 6 through 64 in the Greene County Recorder's Plat Books (platted as filed 11/21/78). A copy of said plat is marked as Exhibit "A" and attached hereto.

### III. WATER SUPPLY:

The Willows Utility Company will receive its water from an existing deep well drilled in 1970 to a depth of 1,172 feet and cased to a depth of 383 feet with 8-inch steel casing sealed in place by the pressure grout method. Water is recovered from said well for the system by a 30-h.p. submersible pump having a capacity of 200 gallons per minute. The pump installation is provided with a master flow meter, water level drawdown gauge, sample tap and automatic electrical controls. The pump is set at 400 feet. Piping built to withstand internal working pressure of 200 p.s.i. and all pipe buried to a depth of 36 inches. The well was initially approved by the State Health Department on October 27, 1970, and has continued to be inspected periodically since that date with the last inspection having been made by said department on June 20, 1979. No treatment of the water is required; however, a positive displacement chemical feeder is a part of the system.

The system also has an 80-foot high standpipe with a 47,000 gallon capacity for pressure and storage. The distribution system includes 4, 3 and 2-inch PVC plastic pipe of which approximately five miles of such pipe is presently in place. Each lot is furnished with a meter. It is believed that sufficient water can be supplied by operation of the well 12 hours per day.

Fire protection is available with hydrant outlets and a fire department in Republic, Missouri, approximately three miles from the subdivision.

It is not the belief of the developers that the water source or storage facility will need to be enlarged to accommodate the entire development of 209 lots and the adjacent highway commercial operations.

### IV. WASTE WATER TREATMENT:

The Willows Utility Company has taken over an existing waste water treatment plant that was originally constructed in 1970 to service a mobile home park. An investigation of all sources seems to reveal that the plans and detail drawings on the existing plant were destroyed by a fire; however, petitioner has undertaken an improvement program under the guidance of the Missouri Department of Natural Resources.

The present system consists of a gravity collection system of 8" Armco Truss Pipe with concrete manholes which drains to a wet well located at the treatment plant. A Smith & Loveless lift station is mounted on the wet well. The lift station has duplex sewage pumps and automatic controls. Each pump has a capacity of 80 GPM at 12 ft. TDH. The sewage flows from the lift station through a flow splitter box to two extended aeration package treatment plants. Only one of these plants has been installed.



The existing plant is a Smith & Loveless Model 13, "Oxigest." This is a factory-built extended aeration plant capable of treating 35,200 gallon/day with organic loading of 76.5 pounds of five day BOD. This load is figured on the basis of a design population of 510, a per capita daily sewage flow of 69 gallons and a per capita daily five day BOD of .15 pounds. The plant has a 24-hour detention time at full design flow and is equipped with twin air blowers, each with a capacity of 84 CFM of air at 3.5 PSI. The Plant also has a built-in hopper bottom clarifier with three air lift sludge return pumps. Flow from the plant is then to an 18' x 36' reinforced concrete polishing tank which also serves as a chlorine contact chamber. The tank is equipped with a dry chlorine feeder. The plant is currently operating with a Missouri DNR discharge permit.

Future plans call for adding the second treatment plant and possibly sand filtration of the effluent as use warrants and as requirements of the DNR are met. It is estimated that these modifications will cost \$48,900.00.

#### V. FINANCIAL STATISTICS:

The Willows Utility Company is a Missouri corporation formed to repair, construct, maintain and operate the water system and waste water treatment facility for the Chalet City West Sub-division and three adjoining lots. The following tables numbered one through nine, inclusive, contain the costs, expenses, estimated additional investments, revenues, operating expenses and projected net income figures for the first five years of operation:

Table No. 1.	Rate Schedule.
Table No. 2.	Basis for proposed costs and rates.
Table No. 3.	Investment.
Table No. 4.	Estimated Investment in Water and Sewer Property.
Table No. 5.	Estimated Operating Statement.
Table No. 6.	Estimated Revenue Statement.
Table No. 7.	Estimated Operating Expense.
Table No. 8.	Estimated Earned Surplus Statement.
Table No. 9.	Estimated Cash Flow.

#### VI. CONCLUSION:

The present population of the service area cannot justify the extension of water or treatment facilities from any existing system; however, with the existence of a water system and a treatment facility requiring only expansion and upgrading along with a new residential subdivision development for single-family homes the project can be economically feasible when the entire 209 lots and the three adjoining commercial tracts have been improved.

Many of the service items for both water distribution as well as waste water recovery and treatment are already in place and have been operating adequately for some years. The improvements and additions to the treatment facility will provide healthy and nuisance-free operation at reasonable cost for many years.

As other areas outside the boundaries of the Subdivision or adjacent thereto develop, these areas could be served from the present or proposed facilities or with minimal additions thereto.

TABLE NO. 1  
THE WILLOWS UTILITY COMPANY

Water Rates

0 to 6,000 gallons per month-----	\$10.00 (Minimum)
Next 3,000 gallons per month-----	1.00 per 1,000 gallons
All over 9,000 gallons per month-----	.75 per 1,000 gallons

Sewer Rates

Sewer rates to be equal to water rates as charge will be based on usage.

TABLE NO. 2

BASIS FOR PROPOSED COSTS AND RATES

(Initial estimates based on 50 units.)  
Maximum number of lots 212 - 209  
residential and 3 commercial.

108,000 gallons per year, per lot.

\$156.00 per year, per lot

Service includes a meter and 3/4 inch P.V.C. service pipe to user's property line and installation.

Depreciation: Straight-line method and 40-year life to book value of both water and treatment systems including treatment facility modification.

Interest Rate: 10%

Income Tax: 25% of net income before income tax.

Property Tax: Determined by using present county tax base of \$3.82 per \$100 value of the water and treatment facility as shown on the company balance sheet.

Insurance: Based on estimates from insurance agency for coverage of water and treatment facilities.

Power: Costs are estimated on basis of 50 units for the first year.

Supplies and Materials: Chlorine and miscellaneous supplies and a \$25 per month lab fee.

Salaries and Payroll Taxes: These expenses cover cost of full-time maintenance man making \$4.50 per hour for a 2,080 hour work year.

SIZE OF SYSTEM

Present water distribution capable of:

108,000 gallons per year per lot.

3.5 persons per lot average.

85 plus gallons per day per capita.

20 p.s.i. minimum pressure.

220 plus gallons per lot storage.



TABLE NO. 3

## INVESTMENT

The following balance sheet shows the depreciated book value of the water system and the waste water treatment facility as of May 31, 1979. When purchased by the original owner in December of 1970, the systems had a combined new cost of \$164,047.

The balance of contributed capital at May 31, 1979, represents the contribution of the water and treatment systems to the utility company by its shareholders. The increase in contributed capital as of May 31, 1980, represents applicant's intention to cover excess costs of operation until such time as cash flow from operations can provide for normal operating costs.

<u>Assets</u>	<u>May 31 1980</u>	<u>May 31 1979</u>
Cash	\$ 500	\$ 500
Property and equipment:		
Sewage and water system	158,324	158,324
Waste water treatment facility modification	48,000	-
	<u>206,324</u>	<u>158,324</u>
Less accumulated depreciation	(5,158)	-
Net property and equipment	<u>201,166</u>	<u>158,324</u>
	<u>\$201,666</u>	<u>\$158,324</u>
<u>Liabilities and Stockholders' Equity</u>		
Note Payable	\$ 48,000	-
Contributed Capital	167,511	158,324
Common Stock	500	500
Retained (deficit)	<u>(14,345)</u>	<u>-</u>
	<u>\$201,666</u>	<u>\$158,824</u>
<u>1980</u>		
Cash provided by:		
Proceeds from Notes Payable		\$ 48,000
Less expenditure for facility modification		<u>48,000</u>
		-
Capital contributed by stockholder		<u>9,187</u>
Total cash provided		\$ 9,187
Cash used for:		
Net loss for year	\$(14,345)	
Less depreciation	<u>5,158</u>	<u>9,187</u>
Increase in cash		<u>\$ -0-</u>

TABLE NO. 4

Estimated Investment in Water and Sewer Property

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>	<u>Fourth Year</u>	<u>Fifth Year</u>
1. Investment at beginning of year	158,324	206,324	206,324	206,324	206,324
2. Additional investment during year	48,000	-	-	-	-
3. Total investment at end of year	<u>206,324</u>	<u>206,324</u>	<u>206,324</u>	<u>206,324</u>	<u>206,324</u>
4. Depreciation @ 2½%	<u>5,158</u>	<u>5,158</u>	<u>5,158</u>	<u>5,158</u>	<u>5,158</u>
5. Depreciation Reserve	<u>5,158</u>	<u>10,316</u>	<u>15,474</u>	<u>20,632</u>	<u>25,790</u>
6. Net cost rate base	<u>201,166</u>	<u>196,008</u>	<u>190,850</u>	<u>185,692</u>	<u>180,534</u>

TABLE NO. 5  
ESTIMATED OPERATING STATEMENT

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Revenue	\$ 15,600	\$ 21,840	\$ 24,960	\$ 37,440	\$ 49,920
Operating Expenses	29,945	32,758	36,053	39,748	43,141
Net Operating Income (Loss)	<u>\$(14,345)</u>	<u>\$(10,918)</u>	<u>\$(11,093)</u>	<u>\$ (2,308)</u>	<u>\$ 6,779</u>
	(No taxes on income anticipated)				
Net Cost Rate Base	<u>\$201,166</u>	<u>\$196,008</u>	<u>\$190,850</u>	<u>\$185,692</u>	<u>\$180,534</u>
Percentage return on net cost rate base	<u>(7.13)</u>	<u>(5.57)</u>	<u>(5.81)</u>	<u>(1.24)</u>	<u>3.75</u>



TABLE NO. 6  
ESTIMATED REVENUE STATEMENT

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
1. Number of users	20	60	100	140	180
2. Number of users added during year	40	40	40	40	40
3. Total users at end of year	60	100	140	180	200
4. Total gallons sold (1000's)	2,160	6,480	10,800	15,120	19,440
5. Gross income (first year based on an average of 50 users)	<u>\$15,600</u>	<u>\$21,840</u>	<u>\$24,960</u>	<u>\$37,440</u>	<u>\$49,920</u>

TABLE NO. 7

## ESTIMATED OPERATING EXPENSE

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Salaries	\$ 9,360	\$10,296	\$11,326	\$12,459	\$13,705
Payroll Taxes	815	897	987	1,086	1,195
Power	1,070	2,140	3,745	5,617	7,022
Supplies & Materials	850	1,020	1,224	1,470	1,763
Depreciation	5,158	5,158	5,158	5,158	5,158
Maintenance & Repairs	2,600	2,950	3,300	3,650	4,000
Transportation	200	250	313	391	488
Office Supplies	300	360	450	563	703
Insurance	875	963	1,059	1,165	1,281
Property Taxes	2,000	2,000	2,000	2,000	2,000
Interest	4,800	4,560	4,104	3,488	2,790
Professional Fees	1,800	2,000	2,200	2,420	2,662
Uncollected Accounts	117	164	187	281	374
TOTAL EXPENSES:	<u>\$29,945</u>	<u>\$32,758</u>	<u>\$36,053</u>	<u>\$39,748</u>	<u>\$43,141</u>

TABLE NO. 8

## ESTIMATED EARNED SURPLUS STATEMENT

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
Net Income	\$(14,345)	\$(10,918)	\$(11,093)	\$ (2,308)	\$ 6,779
Earned Surplus:					
1. Earned surplus at beginning of operation	-0-	(14,345)	(25,263)	(36,356)	(38,664)
2. Balance transferred from income	(14,345)	(10,918)	(11,093)	(2,308)	6,779
TOTAL	<u>\$(14,345)</u>	<u>\$(25,263)</u>	<u>\$(36,356)</u>	<u>\$(38,664)</u>	<u>\$(31,885)</u>



TABLE NO. 9  
ESTIMATED CASH FLOW

Source of Funds:

	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>
1. Net Income (Loss)	\$(14,345)	\$(10,918)	\$(11,093)	\$ (2,308)	\$ 6,779
2. Depreciation	5,158	5,158	5,158	5,158	5,158
3. Cash Contribution by Stockholders	9,187	5,760	5,935	-0-	-0-
4. Increase in cash each year	-0-	-0-	-0-	2,850	11,937
5. Cash at beginning of year	500	500	500	500	3,350
6. Cash at end of year	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 3,350</u>	<u>\$15,287</u>