

**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 St. Charles County,)
Missouri (Stone Ridge Meadows).)

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 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 Stone Ridge Meadows Home Owners Association, Inc. (“Stone Ridge”). Confluence Rivers seeks Certificates of Convenience and Necessity (“CCN”) to operate the systems and provide service to the public.

6. Stone Ridge is a Missouri nonprofit corporation in good standing with the Missouri Secretary of State. Stone Ridge provides water and sewer services to approximately 18 residential connections (single family homes) in St. Charles County, Missouri. There is no other same or similar water or sewer service available in the area served by Stone Ridge.

7. The drinking water system consists of a single groundwater well (8 in. well, 1425 ft. depth, cased to 425 ft. with static water depth of 260 ft., 700 GPM yield with 150 GPM pump installed) located at the East end of Stone Ridge Meadow Drive. Groundwater is treated with sodium hypochlorite disinfection and is pumped to a 5,000-gallon hydropneumatic storage tank. The storage tank maintains pressure in the small distribution system providing water to the 18 homes all on roughly the same elevation. In 2020, and twice in 2021, the system violated MCL

(maximum contaminant level) limits for Combined Radium (a radionuclide) and was issued violations, however the system has yet to implement any form of radionuclide treatment. The site operates under the public water system ID MO6031488.

8. The wastewater system consists of an extended aeration/activated sludge treatment plant located in a building at the East end of Stone Ridge Meadow Drive. The treatment plant consists of flow equalization, followed by a bar screen, extended aeration process, clarifier, chlorination and dechlorination for disinfection. The plant also has an aerated sludge holding basin from which sludge is hauled by contract hauler. The facility did exceed limits for BOD and Ammonia once each in 2020, however the facility has been in consistent compliance since then. The facility is regulated under the NPDES permit MO0132349.

9. On March 28, 2022, Central States Water Resources, Inc. (“CSWR”) entered into an *Agreement For Sale and Continued Operation of Utility System (“Agreement”)* with Stone Ridge. A copy of the *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 Stone Ridge, as specifically described in, and under the terms and provisions of, the *Agreement*.

III. Certificates of Convenience and Necessity

10. Pursuant to Section 18 of the *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 *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 St. Charles 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 Stone Ridge water and sewer systems for which Confluence Rivers seeks CCNs, including estimates of the number of customers, expenses and revenues during the first three 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 rates and rules are modified according to law.

17. Stone Ridge currently does not have a separate charge for water and sewer service. Stone Ridge is, however, located approximately 14 miles from the Glenmeadows Water and Sewer LLC systems that are the subject of Confluence Rivers' application in File No. WA-2023-0026. Confluence Rivers proposes to use the same rates for Stone Ridge that have been proposed for Glenmeadow – a fixed monthly water rate of \$27.50, and a fixed monthly sewer rate of \$27.50.

18. These systems will require investment after the purchase by Confluence Rivers that will necessarily result in a request for a rate increase of some amount.

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 affiliates, 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 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:

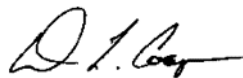
(A) Waiving the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) for good cause shown;

(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 Stone Ridge Meadows Home Owners Association, Inc.;

(C) Authorizing Confluence Rivers to acquire the water and sewer system assets of Stone Ridge Meadows Home Owners Association, Inc., 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
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

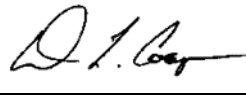
**ATTORNEYS FOR CONFLUENCE RIVERS
UTILITY OPERATING COMPANY, INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on September 9, 2022, to the following:

Office of the General Counsel
staffcounsel@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 a 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.



Subscribed and sworn before me this 8th day of September, 2022.



MERANDA K. KEUBLER
My Commission Expires
November 13, 2022
St. Louis County
Commission #14631487



Notary Public

My Commission Expires 11-13-2022

APPENDIX A

HAS BEEN
IDENTIFIED AS

CONFIDENTIAL

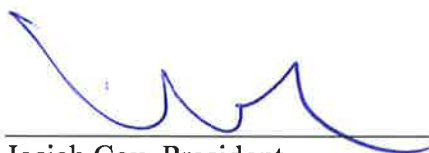
IN ITS ENTIRETY

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 the *Agreement For Sale and Continued Operation of Utility System* described in the Application and to carry out all the obligations contained in the *Agreement For Sale and Continued Operation of Utility System*.

IN WITNESS WHEREOF, the undersigned has hereto set his hand the 8th day of September, 2022.



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 8th day of September, 2022.



MERANDA K. KEUBLER
My Commission Expires
November 13, 2022
St. Louis County
Commission #14631487


Notary Public

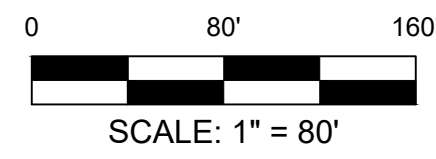
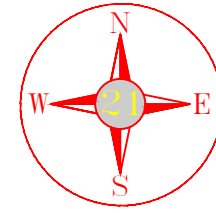
My Commission Expires 11-13-2022

Stone Ridge Meadows Service Area Description:

The area served is part of the City of St. Paul, St. Charles County, Missouri and being more particularly described as follows:

Commencing from the southwest corner of the Northwest Quarter of the Southeast Quarter of Section 7, Township 47 North, Range 3 East; thence $N1^{\circ}23'11''E$ 20.00 feet to the point of beginning; thence $N1^{\circ}23'11''E$ 640.00 feet; thence $S88^{\circ}16'49''E$ 1191.00 feet; thence $S1^{\circ}23'11''W$ 640.00 feet; thence $N88^{\circ}16'49''W$ 1191.00 feet to the point of beginning, containing 17.50 acres more or less.

FINAL SERVICE AREA MAP STONE RIDGE MEADOWS (WATER & WASTEWATER) ST. CHARLES COUNTY, MO



*ALL PLATS HAVE BEEN ACCOUNTED FOR.

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The area served is part of the City of St. Paul, St. Charles County, Missouri and being more particularly described as follows:

Commencing from the southwest corner of the Northwest Quarter of the Southeast Quarter of Section 7, Township 47 North, Range 3 East; thence N1°23'11"E 20.00 feet to the point of beginning; thence N1°23'11"E 640.00 feet; thence S88°16'49"E 1191.00 feet; thence S1°23'11"W 640.00 feet; thence N88°16'49"W 1191.00 feet to the point of beginning, containing 17.50 acres more or less.



MAP LEGEND

EASEMENT PER RECORDED PLAT	---
LOT LINE	---
SUBDIVISION OUTLINE	---
UTILITY AREA SERVICED	---

MAP DISCLAIMER:

This document is a graphic representation of the approximate service area for a utility system. It is solely to provide a visual of the area of the system. This drawing does not constitute a property boundary survey and shall not be used to convey property.

Utility Note Disclaimer:

The utilities shown hereon are depicted based on the original design plans provided by the system manager. 21 Design Group, Inc performed no field verification of the layout and are unable to determine the exact location of this time. The location represents approximate location only and should not be construed as being 100% accurate. It is shown to provide general layout of the system only and should not be used to interpret encroachments.

DATE:	04/27/22
PROJECT NO:	0596-22
DRAWN BY:	A.M.D.
SCALE:	1"=100'
SHEET NAME:	SERVICE AREA MAP

21 DESIGN GROUP INC.
ENGINEERING & SURVEYING
1351 Jefferson, Suite 501
Washington, MO 63090
mali@21designgroup.net
P: 636-432-5029

APPENDIX E

HAS BEEN
IDENTIFIED AS

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APPENDIX F

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