

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

Gerald & Joanne Reiersen,

Complainants,

v.

Kenneth Jaeger and
Blue Lagoon Sewer Corp.,

Respondents.

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Case No. SC-2005-0083

**NOTICE TO THE COMMISSION
CONCERNING PREHEARING CONFERENCE**

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), and for its
Notice to the Commission Concerning Prehearing Conference states:

1. On March 3, 2006, the Staff requested that the Commission set this case for an On-the-Record Presentation due to the amount of time that has elapsed since the filing of the complaint.
2. On June 13, 2006, the Commission scheduled a prehearing conference for June 28.
3. The prehearing conference was attended by Mr. Jaeger and his counsel, Mr. Lemon, by complainants, Mr. Robert Hellebush, and Mr. Gerald Reiersen, (Case No. SC-2006-0083) the Staff and the Missouri Department of Natural Resources (DNR). During the prehearing conference, the parties discussed the status of the DNR case.
4. The Staff was notified that the board of directors of Cannon Water Supply District 1, in Perry, Missouri, a public water supply district that is also authorized to provide sewer service, will meet on July 10, in a public meeting to discuss whether it will take over the sewer system from Mr. Jaeger. Other alternative ownership possibilities were also discussed during the prehearing conference.

5. No one knew whether or not the Cannon Water Supply District No. 1 will agree to take over the system or whether it will make a decision on July 10. Staff has asked to be notified of the outcome of the meeting.

6. Mr. Ken Woods, who is an engineer from MECO Engineering Co. which Mr. Jaeger has retained for engineering work, is reportedly preparing a report which to be submitted to DNR and the Marion County (10th) Circuit Court, the Hon. Judge Robert M. Clayton II, on his July 5, law day, as to the status of improper discharge of sewage from this system, and what upgrade work would be necessary for the system to meet DNR requirements. That case is being prosecuted by the Attorney General and DNR. The engineering report was due to the DNR Regional Office by June 11, but at the prehearing conference, DNR indicated that it did not believe that the report has yet been submitted. Staff has asked for a copy of the final report that is submitted to DNR.

7. The parties agreed that it is reasonable for this Commission to wait to set the matter for hearing until the issue of whether the Cannon Water Supply Dist. 1 will take over the system, and the engineering report from MECO Engineering Co. has been submitted to both DNR and the court. At that time Staff and the Commission should know the resolution of the issues of:

- a. Whether the water pollution issues with respect to the sewage treatment and collection system that have been raised by the Missouri Department of Natural Resources (“DNR”) and the Missouri Attorney General's Office (“AGO”) have been resolved;
- b. The status of the Respondents' efforts to address the compliance issues raised by the AGO and the DNR;

8. Even if other matters in the Complaint are resolved by the circuit court case, Respondents' actions pertaining to the issue of billing for service may remain a matter for resolution by this Commission.

9. Staff will update the Commission as to the progress of the report and DNR's case in Circuit Court and the need for hearing in this matter.

WHEREFORE, the Staff respectfully submits this Notice to the Commission in compliance with the instructions of the Presiding Officer at the prehearing conference.

Respectfully Submitted,

/s/ Lera Shemwell

Lera Shemwell
Senior Counsel
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Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that copies of this Motion have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 3rd day of July 2006.

/s/ Lera Shemwell