

## MEMORANDUM

**TO:** Missouri Public Service Commission  
Official Case File, Case No. SA-2022-0299

**FROM:** David C. Roos – Water and Sewer Department  
Daronn A. Williams – Water and Sewer Department  
Deborah Ann Bernsen – Customer Experience Department  
Courtney Horton – Auditing Department  
Ashley Sarver – Auditing Department

/s/ David C. Roos 8/29/2022  
Water and Sewer Dept. / date

/s/ Karen Bretz 8/29/2022  
Staff Counsel Division / date

**SUBJECT:** Recommendation of Approval of Application

**DATE:** August 29, 2022

### CASE BACKGROUND

On April 28, 2022, Confluence Rivers Utility Operating Company, Inc. (Confluence) filed its *Application and Motion for Waiver* (Application) with the Missouri Public Service Commission (Commission).

Confluence is seeking Commission authorization to acquire the sanitary sewer collection and treatment system belonging to Deer Run Estates Property Owners Association (Deer Run) and requests that the Commission grant Confluence a Certificate of Convenience and Necessity (CCN) to operate this system. This system is currently unregulated by the Commission.

Confluence's proposed purchase price for the Deer Run sewage collection and treatment system is \*\* [REDACTED] \*\*.

### BACKGROUND OF CONFLUENCE

Confluence is an existing regulated water and sewer utility currently providing water service in several service areas throughout Missouri. Confluence is a subsidiary of Central States Water Resources, LLC. In its Application, Confluence stated it provides water service to approximately 4,389 customers and sewer service to approximately 4,548 customers. Confluence provides these services to customers in Audrain, Boone, Cole, Franklin, Greene, Jefferson, Lincoln, Madison, Montgomery, Perry, Phelps, St. Francois, Taney and Washington Counties in Missouri.

\*\* Denotes Confidential Information \*\*

**APPENDIX A**

## **BACKGROUND OF DEER RUN**

Deer Run is a nonprofit corporation formed in 1998, with its office located in Fredericktown, Missouri, and is in good standing with the Missouri Secretary of State. Deer Run provides sewer services to approximately 61 customers in Madison County, Missouri. The service area includes Deer Run Lake and the single family homes on the north and south sides of the lake. According to Staff DR0021, for the majority of sewer customers Deer Run charges \$1.70 per 1000 gallons of water used. The Madison County Public Water Supply District 1 dispenses water to the Deer Run subdivision and provides usage data to Deer Run. For sewer customers that own their own water well, Deer Run charges a flat rate of \$10 per month.

## **STAFF'S INVESTIGATION**

Staff from the Water, Sewer, and Steam Department investigated the Deer Run wastewater treatment system's condition, including its performance and compliance with environmental regulations. Staff also reviewed information from records from the Missouri Department of Natural Resources (DNR), including operating permits, inspections, notices of violation, and letters of warning.

Staff performed an inspection of the sewer systems on June 28, 2022. The inspection included an on-site review of the current condition of the system and a discussion with Confluence's personnel on proposed capital improvements. Staff agrees with Confluence that based on its current knowledge of the systems, Staff, at this time, considers Confluence's proposals for system repairs and improvements to be a reasonable plan for providing safe and adequate service. Confluence's preliminary cost estimates are provided in this Memorandum for informational purposes only. Staff will review all investments and the actual costs for all repair and improvements during a future rate case to be filed by Confluence. Staff's review and observations are provided following the system description.

### **Description of Collection Sewers and Wastewater System**

The collection system consists of mostly 6" & 8" PVC pipe and some sections of 6" & 8" clay pipe. The wastewater gravity flows to a central 10" ductile iron pipe that runs underneath Deer Lake and Deer Lake's dam, and then gravity flows into the lagoon. About 20 years ago,

the lagoon's berms were raised to increase treatment capacity. Since then, wastewater has backed up an additional 7 feet in the manhole north of the lagoon. According to the operator, there have been issues with the 10" pipe getting blocked at the lake's dam.

North of the lagoon, there is an abandoned pump station. This was meant to be temporary while a lift station was installed to reduce the level of wastewater in manholes north of the lagoon. The lift station was abandoned after it was discovered that the lake's dam was built on sand and would move if excavation continued. The 10" pipe currently has a Y connection that connects to the pump station, but the valve closed.

The treatment system is a two-cell aerated lagoon with chlorination and dechlorination. Sludge is retained in the lagoon. No data was available on wastewater flow, however, the Operating Permit lists the design flow as 18,000 gallons per day and an actual flow of 23,000 gallons per day. It must be assumed that some portion of the daily flows are attributable to leakage from the lake into the main, although there is no way at this time to determine the amount. The effluent discharges into Rock Creek.

### **DNR Permit and Inspections of Wastewater Treatment System**

The results of Staff's Sunshine Request to DNR show that the system was last inspected by DNR in February 2014, and the system was found to be in compliance with the Missouri Clean Water Law at the time of the inspection. In response to Staff DR0023, Confluence stated that Deer Run represented that the system has had no compliance issues with DNR within the last five years. However, according to the Echo EPA Online Database, the facility had one reportable noncompliance for E. coli in the past three years.

The Deer Run wastewater treatment system's Missouri State Operating Permit MO-0116475 was last issued on October 1, 2017, and expired on June 30, 2022. The system is currently operating on an expired permit, however it is not unusual for some permits to be renewed late by DNR, particularly in the instance of a pending transfer to a new owner.

### **Staff Observations of Wastewater Collection and Treatment System**

During the June 28, 2022 site visit, Staff observed that the lagoon appeared to be in fair condition with rock lining the inner berm to prevent erosion and to keep muskrats from

burrowing into it. There was some vegetation around the berms that needed to be cut back. There is a storm water diversion ditch to reroute rain water and runoff from the hills away from the lagoon. System controls and aeration equipment was operational, but obsolete. Fencing appeared to be in good condition.

From discussions with Confluence's personnel, and identified in the Flinn Engineering report that Confluence provided in response to Staff DR0010, it is apparent that the collection system has had ongoing problems with infiltration and inflow (I&I) of groundwater and surface runoff.

### **Proposed Improvements for the Wastewater Collection and Treatment System**

Confluence is considering a phased approach to system improvements. As part of a first phase, flow measurement and remote monitoring equipment would be installed and system operating conditions would be monitored and assessed, followed by a second phase of system improvements. From Confluence's response to Staff's DR0020 and discussions with Confluence personnel, Confluence anticipates improvements will be necessary to reduce I&I and meet a new operating permit's final effluent limits.

Specifically, the Company proposes to install the following improvements for the first phase of operation:

- Improve the access road;
- Install V-notch weir in the chlorine contact chamber;
- Install flow measurement unit in the contact chamber; and
- Install remote monitoring at the lagoons and pump station.

During the second phase of operations, Confluence anticipates installing the following improvements:

- Installation of a Moving Bed Biological Reactor (MBBR) with media, piping and blower,
- Repair rock linings at lagoons; and
- Collection System Improvements to address I&I.

The construction costs for all of the proposed capital improvements is \*\* [REDACTED] \*\*

Confluence's phased approach and proposed improvements are consistent with the results of Staff's document review and Staff's observations at the time of Staff's inspection. In addition,

Staff recommends Confluence investigate the feasibility of lining the portions of the sewer main that are under the lake as part of the efforts to reduce I&I.

### **Rate and Tariff Matters**

In its Application, Confluence proposes to charge a flat rate of \$20 per month for sewer service, consistent with the current charges in its DeGuire service area. Confluence proposes to utilize the rules governing the rendering of service that are currently found in Confluence's existing Commission-approved tariffs for sewer service (P.S.C. MO No. 13), until such time as the rates and rules are modified according to law. Confluence states in its application, and Staff agrees that the current rates for this system do not reflect the current cost of providing service. A customer using 5,000 gallons of water per month is only paying \$8.50 for sewer service under the current arrangement. While Confluence's proposed \$20 flat rate is likely considerably lower than the actual cost of service, it is a step in the right direction, and complies with the concept of gradually raising rates to reduce rate shock. The actual cost of service will be reviewed as part of Confluence's next rate case. Additionally, this system will require investment after the purchase by Confluence that will necessarily result in a request for a rate increase of some amount after those additions have been completed.

An appropriate legal description and map for the requested service area were included in the April 28, 2022, Application filing as Attachments C and D, and accompany this Memorandum as Attachments A and B, respectively. Staff recommends that this proposed service area map and legal description be approved.

A map and a description of the proposed Deer Run service area, similar to that shown on the attachments to this memorandum (A and B), will need to be included as new tariff sheets in Confluence's sewer tariff, P.S.C. MO No. 13. The table of contents in Confluence's tariff will also need to be updated to reflect the addition of the new sheets containing the map and description. Staff recommends that after approval, but before Confluence closes on the utility assets, Confluence submit the new or revised sewer tariff sheets so they may become effective on or before the date Confluence closes on the Deer Run assets.

**Technical, Managerial, and Financial Capacity**

In studying most situations involving the acquisition of existing water and/or sewer systems, Staff utilizes the concepts of technical, managerial, and financial capacity, or “TMF,” originally developed by the United States Environmental Protection Agency. Staff has reviewed and stated its position regarding TMF regarding Confluence in previous CCN and transfer of assets cases before the Commission. Staff again reviewed Confluence’s TMF capabilities in this context of this Application, and takes the position that Confluence continues to demonstrate adequate TMF capability.

**Technical Capacity**

As noted above, Confluence is an existing regulated water and sewer utility currently providing water service to approximately 4,389 customers and sewer service to more than 4,548 customers in Audrain, Boone, Cole, Franklin, Greene, Jefferson, Lincoln, Madison, Montgomery, Perry, Phelps, St. Francois, Taney and Washington Counties in Missouri. Confluence’s parent company provides service in several additional service areas through its ownership of six other utility companies in Missouri. Operation of these utilities has been satisfactory to date, and Staff has no reason to believe that this will change. Confluence has employees and contract operators with sufficient technical ability to operate the utilities. As such, it is Staff’s position that Confluence has the requisite technical capacities to acquire and operate Deer Run.

**Managerial Capacity**

Confluence intends to incorporate Deer Run into its current billing and customer service system. Confluence’s current customer service representatives will be available to take and process customer inquiries pertaining to billing and/or service issues, make necessary bill adjustments, assist customers enter into payment plans within company guidelines, interact with Staff in working with customer complaints, and manage new customer accounts and the closing of customer accounts. In the operation of its current system, Confluence has demonstrated the requisite managerial abilities to operate Deer Run.

### **Financial Capacity**

Confluence and its affiliates have demonstrated ability to utilize available approved financial resources in its other Missouri service areas to undertake rehabilitations, replacements and improvements to substandard water and sewer systems.

### **Tartan Criteria**

It is also customary with most cases involving the issuance of a new CCN for Staff to utilize the Tartan Criteria when analyzing the request. Further, Staff finds it appropriate to utilize the Tartan Criteria when analyzing a request to acquire the CCNs of existing utilities. In the case at hand, Confluence requests approval for the issuance of a new CCN for Deer Run.

The Tartan criteria contemplate: 1) need for service; 2) the utility's qualifications; 3) the utility's financial ability; 4) the feasibility of the proposal; and 5) promotion of the public interest. Similar to the TMF capacities, in previous CCN and CCN transfer cases, Staff has investigated these criteria as they relate to this proposed acquisition. Based on Staff's investigation, it is Staff's opinion there is 1) a need for service, as the customers are already receiving service and will continue to need that service; 2) Confluence is a qualified utility based on its current provisions of water and sewer service; 3) Confluence has demonstrated its financial ability by making appropriate investment in its current operations; 4) the proposed rates are feasible and they will be reviewed in Confluence's next rate case; and 5) due to the positive nature of the preceding criteria, and the improvements in service that Confluence can provide, this proposed acquisition is necessary or convenient for the public service.

### **Depreciation and Rate Base**

Normally, Staff would review Deer Run's plant-in-service records. However, Deer Run received the sewer system from the developer as contributed plant, as noted in the Flinn Engineering asset valuation, provided in response to Staff DR0010. Staff also understands the developer did not provide Deer Run with any documentation to support the developer's original cost to install the Deer Run sewer system.

Flinn Engineering, in preparing its asset valuation report for this case, estimated the value of the sewer system plant at today's cost of \*\* [REDACTED] \*\* and then converted that to an estimated 1968 cost of \*\* [REDACTED] \*\*. Staff performed a similar calculation using Flinn Engineering's estimated plant values, from 1968 to the end of 2021. Since the system was contributed to Deer Run and there are no known additions or retirements to the plant-in-service, Staff's calculation of rate base is \*\* [REDACTED] \*\* as of December 31, 2021.

Pursuant to Commission regulations, Confluence should keep its financial records for all utility capital related costs accounts and operating expenses in accordance with the National Association of Regulatory Utility Commission (NARUC) Uniform System of Accounts. Staff recommends the Commission specifically require such recordkeeping apply to the Deer Run sewer system.

#### **Publicity and Customer Notice**

Confluence has confirmed that Deer Run residents were informed of Confluence's intention to purchase the system on two separate instances at annual association meetings. The transfer was also regularly discussed at board meetings, which association members were encouraged to attend. Deer Run has stated that there has been agreement on this course of action.

#### **Customer Service and Billing**

Confluence will continue to have a business office at 1630 Des Peres Road, St. Louis, MO 63131 with office business hours from 7:30am to 4:30pm. Customers may contact Confluence in one of several manners utilizing the phone or email. Customer service personnel are available via phone to address customer questions or concerns Monday-Friday, 8:00am to 5:00pm. An emergency toll-free number and email are available 24/7. Confluence presently has a business office located in St. Louis and it can respond to concerns forwarded to it by operations or customer service personnel. Contact methods for the customer to use are included on the customer brochure, the website, and all written materials sent to customers. Staff recommends that Confluence provide five (5) customer billing statements to Staff from the first billing cycle of Deer Run to allow Staff to review billing accuracy.



Customer billing information for Deer Run will be obtained through company records and this data will be entered into Confluence's billing system. The existing customers will begin receiving a monthly bill from Confluence once it owns the system. Explanations of the bill are included in the Customer Rights and Responsibilities brochure being provided to all customers.

Customers may pay their bills by mail by enclosing a check or money order sent to Confluence's office in St. Louis. Payment can also be made on-line by credit card, debit card or e-check. Another alternative available is to establish a monthly auto-pay. Confluence does not require deposits from its customers.

Communications should occur with the newly acquired customers after closing on the assets and should include methods by which customers can contact Confluence. This communication should also include an informational brochure detailing the rights and responsibilities of the utility and its customers that is required by Commission Rule 20 CSR 4240-13.040(3). Staff recommends that Confluence be required to send copies of communications and the brochure to Staff along with a statement regarding when these were sent to customers.

### **OTHER ISSUES**

- Deer Run is an unregulated sewer operation, which has no obligations to the Commission, and has no pending actions before the Commission.
- Confluence is a corporation that is in "good standing" with the Missouri Secretary of State.
- Confluence is current with annual report filings with the Commission through calendar year 2021, as documented on the Commission's Electronic Filing and Information System (EFIS). Confluence's 2022 annual report is due April 15, 2023.
- Confluence is current on its annual assessment payments through August 23, 2022.
- Confluence has no cases pending before the Commission which will impact the outcome of this application.

### **STAFF'S RECOMMENDATIONS AND CONCLUSIONS**

Staff finds that issuance of a CCN to Confluence is necessary or convenient for the public service. Staff recommends the Commission grant Confluence's Application, authorize

Confluence to acquire the unregulated Deer Run sewer system assets, and grant Confluence a CCN to operate these assets, subject to the following conditions:

1. Require Confluence to revise P.S.C. MO No. 13 for the addition of Deer Run's sewer assets, to become effective before closing on the assets. Also require Confluence to file tariff sheets for the service area map, service area written description for Deer Run's sewer assets, and table of contents;
2. Require Confluence to notify the Commission of closing on the assets within five (5) days after such closing;
3. Require Confluence to work with the Department of Natural Resources to complete the renewal and transfer of the Operating Permit for the treatment facility.
4. If closing on the sewer assets does not take place within thirty (30) days following the effective date of the Commission's order approving such, require Confluence to submit a status report within five (5) days after this thirty (30) day period regarding the status of the closing, and additional status reports within five (5) days after each additional thirty (30) day period, until closing takes place, or until Confluence determines that the transfer of the assets will occur.
5. If Confluence determines that a transfer of the assets will not occur, require Confluence to notify the Commission of such, no later than the date of the next status report, as addressed above, after such determination is made, and require Confluence to submit tariff sheets as appropriate that would cancel the service area map and description applicable to Deer Run in its sewer tariff, and rate and charge sheet applicable to customers in the Deer Run service area in the sewer tariff;
6. Require Confluence to keep its financial books and records for plant-in-service and operating expenses in accordance with the National Association of Regulatory Utility Commissioners Uniform System of Accounts;
7. Require Confluence to provide training to its call center personnel regarding rates and rules applicable to the sewer customers in the acquired area.
8. Require Confluence to distribute to the customers in the acquired area an informational brochure detailing the rights and responsibilities of the utility and its customers regarding its sewer service, consistent with the requirements

of Commission Rule 20 CSR 4240-13, within thirty (30) days of closing on the assets;

9. Require Confluence to provide to the CXD Staff an example of its actual communication with the sewer customers of the acquired company regarding its acquisition and operations of the sewer system assets, and how customers may reach Confluence, within ten (10) days after closing on the assets;
10. Require Confluence to provide to the CXD Staff a sample of five (5) billing statements from the first month's billing for the acquired company within ten (10) days after the initial bill; and,
11. Require Confluence to file notice in this case outlining completion of the above-recommended training, customer communications, notifications and billing for the acquired company within ten (10) days after such communications and notifications.

**Attachments**

- A. Map of Deer Run Service Area
- B. Legal Description for Deer Run Service Area



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

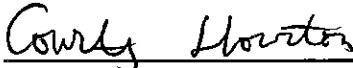
In the Matter of the Application of Confluence            )  
Rivers Utility Operating Company, Inc. for a            )  
Certificate of Service and Necessity and to            )  
Acquire Certain Sewer Assets                                )  
**File No. SA-2022-0299**

**AFFIDAVIT OF COURTNEY HORTON**

STATE OF MISSOURI        )  
  )        ss.  
COUNTY OF COLE        )

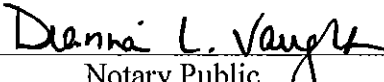
**COMES NOW** Courtney Horton, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Courtney Horton

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29<sup>th</sup> day of August, 2022.

  
\_\_\_\_\_  
Notary Public

DIANNA L VAUGHT Notary Public - Notary Seal STATE OF MISSOURI Cole County My Commission Expires: July 18, 2023 Commission #: 15207377
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**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of the Application of Confluence            )  
Rivers Utility Operating Company, Inc. for a            )  
Certificate of Service and Necessity and to            )  
Acquire Certain Sewer Assets                                )  
**File No. SA-2022-0299**

**AFFIDAVIT OF DAVID C. ROOS**

STATE OF MISSOURI        )  
  )        ss.  
COUNTY OF COLE        )

**COMES NOW** David C. Roos, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation to Approve Tariff*, and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

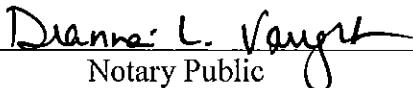
Further the Affiant sayeth not.

  
\_\_\_\_\_  
David C. Roos

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29<sup>th</sup> day of August, 2022.

DIANNA L VAUGHT  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Cole County  
My Commission Expires: July 18, 2023  
Commission #: 15207377

  
\_\_\_\_\_  
Notary Public

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

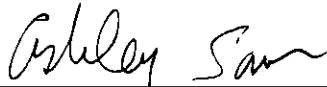
In the Matter of the Application of Confluence            )  
Rivers Utility Operating Company, Inc. for a            )  
Certificate of Service and Necessity and to            )  
Acquire Certain Sewer Assets                                )  
**File No. SA-2022-0299**

**AFFIDAVIT OF ASHLEY SARVER**

STATE OF MISSOURI        )  
  )  
COUNTY OF COLE        )            ss.

**COMES NOW** Ashley Sarver, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation in Memorandum form*; and that the same is true and correct according to her best knowledge and belief, under penalty of perjury.

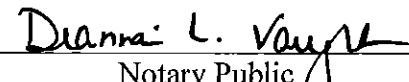
Further the Affiant sayeth not.

  
\_\_\_\_\_  
Ashley Sarver

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29<sup>th</sup> day of August, 2022.

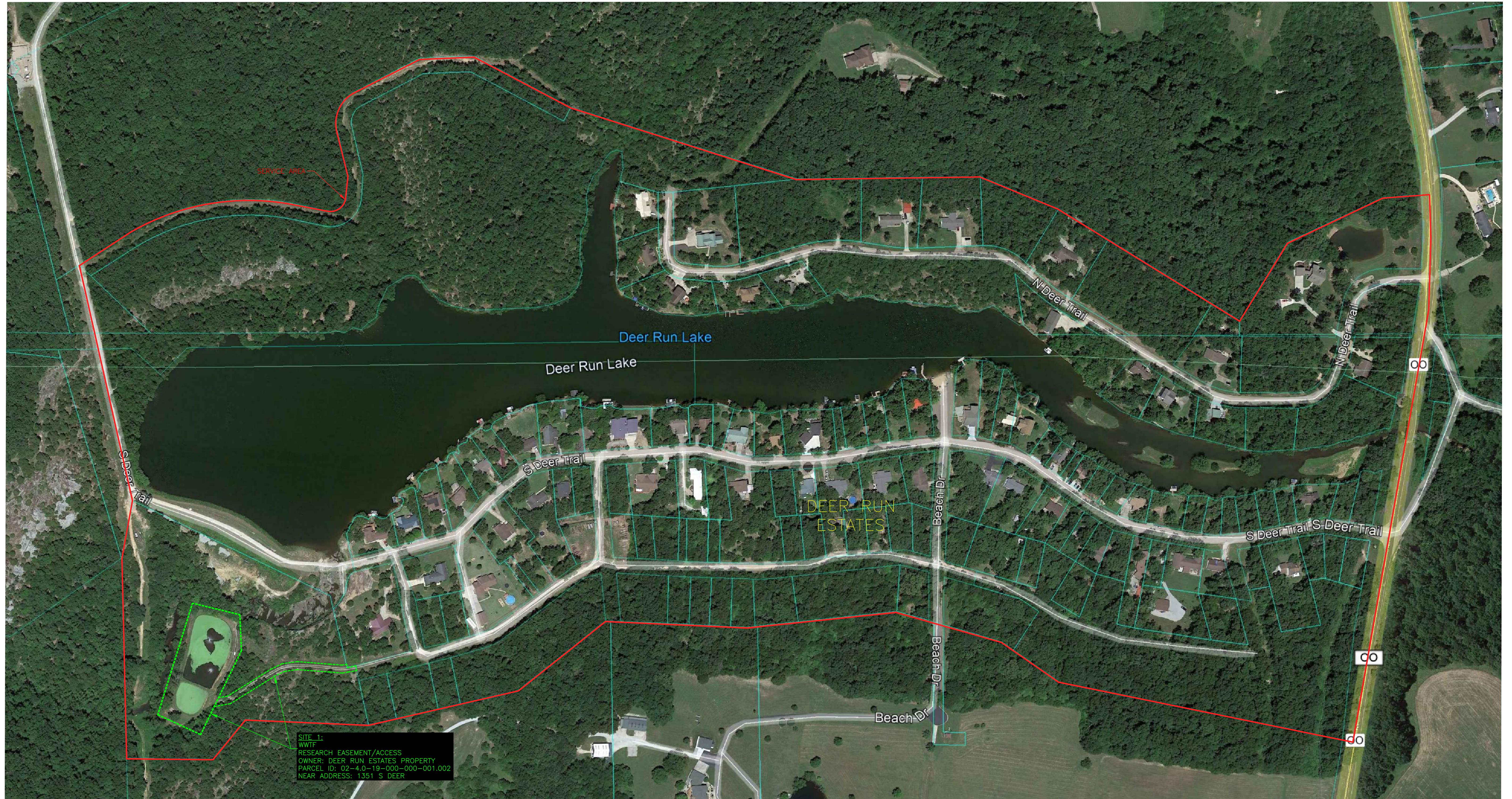
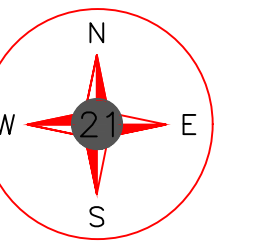
DIANNA L. VAUGHT  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Cole County  
My Commission Expires: July 18, 2023  
Commission #: 15207377

  
\_\_\_\_\_  
Notary Public





# ROUGH SERVICE AREA MAP (v1) DEER RUN ESTATES (WASTEWATER) MADISON, MO



**SITE 1:**  
WWTF  
RESEARCH EASEMENT/ACCESS  
OWNER: DEER RUN ESTATES PROPERTY  
PARCEL ID: 02-4.0-19-000-000-001.002  
NEAR ADDRESS: 1351 S DEER

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:	8/23/2021
PROJECT NO:	0596-21
DRAWN BY:	KAR
SCALE:	
SHEET NAME:	
SERVICE AREA MAP	



1351 Jefferson, Suite 301  
Washington, MO 63090  
mail@21designgroup.net  
P: 636-432-5029

## ATTACHMENT B

### Deer Run Estates Service Area Description:

The area served is part of Madison County and St. Francois County, Missouri and being more particularly described as follows:

Beginning at the intersection of the south right-of-way line of South Deer Trail and the west right-of-way line of State Highway "OO" in Madison County, Missouri; thence along the west right-of-way line of State Highway "OO", Southerly 655.12 feet more or less; thence leaving the west right-of-way line of State Highway "OO", N78°52'47"W 950.11 feet more or less; thence N54°59'31"W 231.37 feet more or less; thence N73°45'05"W 357.63 feet more or less; thence S83°42'28"W 497.62 feet more or less; thence N87°36'16"W 462.00 feet more or less; thence S51°20'47"W 368.80 feet more or less; thence S77°16'59"W 501.09 feet more or less; thence N87°44'00"W 404.74 feet more or less; thence S38°42'43"W 167.14 feet more or less; thence N89°36'40"W 283.99 feet more or less; thence N1°27'01"W 663.86 feet more or less; thence N11°30'59"E 181.74 feet more or less; thence N10°55'28"W 749.28 feet more or less; thence N57°33'10"E 232.58 feet more or less; thence N69°02'19"E 145.88 feet more or less; thence N81°28'16"E 150.33 feet more or less; thence S88°14'23"E 148.10 feet more or less; thence S76°08'30"E 116.98 feet more or less; thence S87°18'07"E 65.39 feet more or less; thence N59°42'21"E 56.78 feet more or less; thence N29°31'03"E 59.58 feet more or less; thence N1°14'36"E 96.77 feet more or less; thence N12°48'14"W 88.15 feet more or less; thence N10°34'58"W 82.48 feet more or less; thence N22°03'14"E 43.41 feet more or less; thence N63°06'26"E 38.29 feet more or less; thence N61°43'50"E 208.40 feet more or less; thence N88°40'23"E 160.87 feet more or less; thence S62°02'30"E 342.33 feet more or less; thence N27°03'31"E 51.83 feet more or less; thence S73°18'48"E 388.00 feet more or less; thence S71°51'34"E 391.28 feet more or less; thence N88°49'06"E 601.22 feet more or less; thence S67°02'00"E 276.91 feet more or less; thence S59°07'11"E 698.30 feet more or less; thence N31°49'31"E 300.45 feet more or less; thence N65°42'00"E 340.41 feet more or less; thence N84°42'59"E 130.35 feet more or less to the west right-of-way line of State Highway "OO"; thence along the west right-of-way line of State Highway "OO", Southerly 1163.49 feet more or less to the point of beginning, containing 155.05 acres more or less.