BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Taney County)	
Utilities Corporation for Authority to Transfer Certain)	
Assets to Taney County Regional Sewer District)	File No. SM-2017-0056
And in Connection Therewith, Certain Other)	
Related Transactions.	j	

ORDER DIRECTING NOTICE

Issue Date: August 23, 2016 Effective Date: August 23, 2016

On August 23, 2016, Taney County Regional Sewer District ("District") and Taney County Utilities Corporation ("TCUC") filed a joint application ("Application") with the Commission. The Application seeks authority for District to buy the assets TCUC uses to provide sewer service to approximately 51 customers in Taney County, and then for District to provide sewer service to those customers.

The Commission will direct notice of the Application be given to the Taney County Commission, local newspapers, members of the General Assembly representing residents of Taney County, and the General Counsel for the Missouri Department of Natural Resources. The Commission will also set a deadline for interested parties to intervene.

THE COMMISSION ORDERS THAT:

 The Commission's Data Center shall provide a copy of this order and the Application to the County Commission of Taney County, Missouri, and the General Counsel for the Missouri Department of Natural Resources.

- 2. The Commission's Public Policy and Outreach Department shall make notice of this order available to the members of the General Assembly representing Taney County, Missouri, and to the media serving Taney County, Missouri.
- 3. Any person wishing to intervene in this matter shall file an application to intervene no later than September 7, 2016. The application shall be filed in the Commission's Electronic Filing and Information System ("EFIS") or with the Secretary of the Commission. Comments on the application can also be made in EFIS.
 - 4. This order shall be effective when issued.



BY THE COMMISSION

Morris L Woodryf

Morris L. Woodruff Secretary

Ronald D. Pridgin, Deputy Chief Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri, on this 23rd day of August, 2016.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of)		
Taney County Utilities Corporation)		
for Authority to Transfer Certain Assets)	CASE NO.	
to Taney County Regional Sewer District)		
and in Connection Therewith, Certain)		
Other Related Transactions.)		

JOINT APPLICATION

COMES NOW, Taney County Regional Sewer District (District) and Taney County Utilities Corporation (Taney County Utilities), and pursuant to Section 393.190, R.S.Mo. 2000, 4 CSR 240-2.060 and 4 CSR 240-3.310, states the following to the Missouri Public Service Commission (Commission):

BACKGROUND INFORMATION

- 1. Taney County Utilities Corporation is a Missouri corporation with its principal office and principal place of business located in Taney County, Missouri. Taney County Utilities Corporation is in good standing. A Certificate of Good Standing from the office of the Missouri Secretary of State is attached hereto as Exhibit "A" and incorporated herein by reference. Taney County Utilities Corporation currently provides sewer service to approximately 51 customers in an unincorporated area in Taney County, Missouri, pursuant to a certificate granted by the Commission in Case No. SR-2004-0451. A drawing of the area is attached hereto as Exhibit "B" and incorporated herein by reference.
- 2. Taney County Utilities is a "sewer corporation" and a "public utility" as those terms are defined in Section 386.020 R.S.Mo. 2000, and is subject to the jurisdiction and supervision of

the Commission as provided by law. Taney County Utilities has an ongoing dispute with the Public Service Commission regarding annual reports and assessment fees.

- 3. Taney County Regional Sewer District is a political subdivision in the State of Missouri and is in good standing with its principal place of business located at 207 David Street, Forsyth, Missouri 65653.
 - 4. Communications in regard to this Application shall be addressed to:

Matthew F. Trokey Cantwell, Smith & Trokey, LLP 115 West Atlantic Street Branson, MO 65616 (417) 334-2222 (417) 334-2777 (facsimile) mtrokey@cantwell-law.com

THE TRANSACTION

- 5. Taney County Utilities and Taney County Regional Sewer District have entered into an Agreement for Provision of Wastewater Collection and Treatment Services dated July 14, 2015, (Agreement), a copy of which is attached hereto as Exhibit "C" and incorporated herein by reference. Pursuant to the Agreement, Taney County Regional Sewer District agrees to obtain and acquire certain sewer facilities of Taney County Utilities as specifically described in the Agreement under the terms and provisions further described in the Agreement.
- 6. Because Taney County Utilities is a sewer corporation doing business in the State of Missouri, it is subject to the provisions of Section 393.190.1, R.S.Mo. 2000, which states, in the pertinent part, that "no ... sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary

or useful in the performance of its duties to the public ... without having first secured from the Commission an order authorizing it to do so."

ADDITIONAL INFORMATION

- 7. A certified copy of the resolution of the Taney County Regional Sewer District authorizing the transaction contemplated by the Agreement is attached hereto as Exhibit "C" and incorporated herein by reference.
- 8. The sale of assets shall have no impact on the tax revenues of the relevant political subdivisions. The current sewer rate for Taney County Utilities Corporation customers is a minimum charge of \$7.14 commodity and usage charge for the first 1000 gallons of water and an additional \$2.06 for each 1000 gallons above the initial 1000 gallon minimum. The anticipated sewer rate for Taney County Regional Sewer District will be \$39.88 per residence. Taney County Regional Sewer District does not anticipate this addition causing any variation to their existing customers' rates.

PUBLIC INTEREST

- 9. The proposed sale of the specified assets of Taney County Utilities and the related transactions are not detrimental to the public interest of the State of Missouri. The assets of Taney County Utilities will be acquired by Taney County Regional Sewer District. As described above, Taney County Regional Sewer District is an organization that was formed for the purpose of protecting the water quality in Taney County, Missouri, and is capable of effectively managing the facilities and customers.
- 10. Taney County Regional Sewer District is fully qualified, in all respects, to own and operate the system currently being operated by Taney County Utilities and to otherwise provide safe,

reliable and affordable service. Taney County Regional Sewer District will continue to utilize the

rates, rules and regulations that are determined by its Board of Trustees to be appropriate.

WHEREFORE, Taney County Utilities respectfully requests that the Commission issue its

order:

(A) Authorizing Taney County Utilities to sell the assets identified herein; and

(B) Authorizing Taney County Utilities to perform in accordance with the terms

described in the Agreement for Provision of Wastewater Collection and Treatment

Services that is attached to this Application and to take any and all other actions

which may be reasonably necessary and incidental to the performance of the sale; and

(C) Authorizing Taney County Utilities, effective upon the closing of the transaction, to

terminate its responsibilities as a water and sewer corporation in Missouri, and

cancelling Taney County Utilities certificates of convenience and necessity and its

filed tariffs; and,

(D) Granting such other relief as may be deemed necessary and appropriate to accomplish

the purposes of the Agreement and the Application and to consummate related

transactions in accordance with the Agreement.

Respectfully submitted,

MATTHEW F. TROKEY

CANTWELL, SMITH & TROKEY, LLP

115 WEST ATLANTIC STREET

BRANSON, MO 65616

PHONE: 417-334-2222

FAX: 417-334-2777

EMAIL: mtrokey@cantwell-law.com

ATTORNEY FOR TANEY COUNTY REGIONAL

SEWER DISTRICT MO BAR #38252

TANEY COUNTY UTILITIES CORPORATION

RICHARD SCOTT, President

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following this 23 day of Autor, 2016:

Office of the General Counsel Missouri Public Service Commission Governor State Office Building Jefferson City, MO 65101 gencounsel@psc.mo.gov

Office of the Public Counsel Governor State Office Building Jefferson City, MO 65101 opcservice@ded.mo.gov

Matthew F. Trokey

AFFIDAVIT

STATE OF MISSOURI)
) ss
COUNTY OF TANEY)

I, BRADLEY D. ALLBRITTON, being duly sworn upon my oath, state that I am the Administrator of the Taney County Regional Sewer District, that I am duly authorized to make this affidavit on behalf of the Taney County Regional Sewer District, and that the matters and things concerning the Taney County Regional Sewer District stated in the foregoing Application and exhibits attached thereto are true and correct to the best of my information, knowledge and belief.

BRADLEY D. ALLBRITTON

Subscribed and sworn to before me this 11th day of Gugust, 2016.

My Commission Expires: 11 29 16.



STATE OF MISSOURI



Jason Kander Secretary of State

CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

I, JASON KANDER, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

TANEY COUNTY UTILITIES CORPORATION 00203105

was created under the laws of this State on the 14th day of August, 1978, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 10th day of August, 2016.

Secretary of State

Certification Number: CERT-08102016-0042



AGREEMENT FOR PROVISION OF WASTEWATER COLLECTION AND TREATMENT SERVICES

THIS AGREEMENT dated July 1, 2015 (the "Agreement"), is made by and between Taney County Regional Sewer District, a common sewer district organized and operated under the provisions of Chapter 204 RSMo. (the "District"), Taney County Utilities Corporation, a Missouri corporation ("TCUC"). The District and TCUC are each a "Party" and collectively, the "Parties."

RECITALS

- A. TCUC owns and operates a sanitary sewer collection and treatment system (the "<u>Collection System</u>") which serves the Lakeway Village development located in Taney County, Missouri, as more fully described on the attached <u>Exhibit A</u> (the "<u>Development</u>").
- B. TCUC currently operates a reed bed wastewater treatment plant providing treatment services to the Development (the "Existing Plant").
- C. The District desires to design and construct a new wastewater treatment plant to provide treatment services to the Development (the "New Plant") in exchange for the conveyance of certain assets by TCUC to the District.
- D. The Parties previously notified the Missouri Department of Natural Resources ("MDNR") regarding their intent to enter into this Agreement for the connection of the Development to the New Plant as soon as a connection is available.

THEREFORE, the Parties agree as follows.

- 1. <u>TCUC's Obligations</u>. TCUC agrees to perform the following obligations.
- (a) Adjacent Land. TCUC shall grant the District an easement to access and use the land adjacent to the Existing Plant as more fully described on the attached Exhibit B, (the "Adjacent Land") for the purpose of constructing the New Plant. In preparation for constructing the New Plant, TCUC will-(i) cause Lakeway, Inc. to transfer to TCUC within 150 days after the date of this Agreement all portions of the Adjacent Land not currently owned by TCUC and (ii) assist the District in amending the lots and vacating certain roads that are part of the Adjacent Land.
- (b) <u>Interim Operation of Existing Plant</u>. TCUC will continue to operate the Existing Plant for the period beginning on the date of this Agreement through the date on which the New Plant is operational and fully able to support the Development.
- (c) <u>Conveyance of Land and Collection System</u>. Upon completion of construction of the New Plant by the District, TCUC shall transfer, assign, and convey to the District by deed, easement and bill of sale on forms approved by the District all of TCUC's right, title and interest in and to (i) the Adjacent Land, and (ii) the Collection System, including any rights to access or use any real property (including lease, license, permit or easement) directly or indirectly used to provide services to the Development.



- (d) <u>Customer Transition</u>. Upon completion of construction of the New Plant by the District, TCUC shall transfer, assign, and convey to the District by bill of sale on a form approved by the District all of TCUC's right, title and interest in and to its customer lists, records and any customer service agreements. For a period of __ months following the completion of the New Plant, TCUC will, in good faith, assist the District with any transition of TCUC's customers.
- (e) <u>Shutdown, Removal and Closure of Existing Plant</u>. Upon transition of the Development from the Existing Plant to the New Plant, TCUC will:
 - (i) Shutdown, remove and close the Existing Plant pursuant to (A) a closure plan developed pursuant to 10 CSR 20-6.010(12) and approved by the MDNR and (B) all other applicable laws (the "Shutdown"); and
 - (ii) After completion of the Shutdown, transfer, assign, and convey to the District all of TCUC's right, title, and interest in and to the site of the Existing Plant, as more fully described on the attached <u>Exhibit B</u>, by deed on a form approved by the District.
- 2. <u>District's Obligations</u>. The District agrees to perform the following obligations.
- (a) <u>Design and Construction of the New Plant</u>. The District agrees, at its sole expense, to:
 - (i) obtain the necessary permits and otherwise comply with all legal requirements necessary for the development and construction of the New Plant;
 - (ii) retain a licensed, qualified engineer to develop the plans and specifications for the construction of the New Plant to service the Development, in accordance with MDNR standards and regulations; and
 - (iii) construct the New Plant pursuant to such plans and specifications on the Adjacent Land.
- (b) <u>Operation of the New Plant</u>. Upon completion of the New Plant, the District agrees to:
 - (i) accept conveyance and transfer of the Adjacent Land and Collection System; and
 - (ii) provide wastewater collection and treatment services necessary to serve the Development.
- (c) <u>Acceptance of Existing Plant</u>. Upon completion of the Shutdown, the District agrees to accept conveyance and transfer of the Existing Plant.
- 3. <u>Access</u>. Prior to completion of the Shutdown, TCUC shall permit the District, and its affiliates, officers, directors, managers, employees, attorneys and other agents and

representatives (collectively, the "Representatives") to have reasonable access during normal business hours and upon reasonable advance notice to the Collection System, Existing Plant, and Adjacent Land and TCUC will furnish such additional information relating to the Collection System, Existing Plant, and Adjacent Land as the District may from time to time reasonably request. In connection with such access, the District and its Representatives shall be permitted to take reasonable measures necessary to assess the condition of the Collection System, Existing Plant, and Adjacent Land.

4. <u>Contingencies</u>.

- (a) <u>Taney County Sewer Sales Tax</u>. The District's performance of its obligations under this Agreement is subject to and contingent upon the District obtaining approval for the use of Taney County Sewer Sales Tax funds to finance the projects contemplated by this Agreement.
- (b) <u>Missouri Public Service Commission</u>. The Parties' performance of their respective obligations under this Agreement are subject to and contingent upon the Missouri Public Service Commission's approval of the sale and conveyance of the Collection System.

5. Indemnification.

- (a) TCUC agrees to indemnify, defend and hold harmless District and its officers, directors, employees, agents and representatives and their respective successors and assigns (each a "<u>District Indemnified Party</u>"), from and against any and all losses, including, without limitation, reasonable attorneys' fees and expenses ("<u>Losses</u>"), which any District Indemnified Party may incur or be obligated to pay arising from or relating to the Existing Plant.
- (b) The District agrees to indemnify, defend and hold harmless TCUC and its directors, employees, agent and representatives and their respective successors and assigns (each a "<u>TCUC Indemnified Party</u>"), from and against any and all Loses which any TCUC Indemnified Party may incur or be obligated to pay arising from or related to the New Plant.
- 6. <u>Assignment</u>. TCUC shall not assign its rights or obligations under this Agreement, in whole or in part, as a part of any sale or transfer of ownership of any land to which the Agreement applies, without the prior written consent of the District, which consent will not be unreasonably withheld, provided that the purchaser, lessee, or assignee of such land agrees to be bound by the terms and conditions of this Agreement.
- 7. Entire Agreement; Amendments. This Agreement sets forth the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes any prior understanding or agreements relating to this Agreement, oral or written. This Agreement shall not be amended without the prior written consent of all Parties.

- 8. <u>Further Assurances</u>. Each of the Parties will execute such other and further documents and do such further acts as may be reasonably required to effectuate the intent of the Parties and carry out the terms of this Agreement.
- 9. <u>Severability</u>. If any provision of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, all other provisions of this Agreement will remain in full force and effect.
- 10. <u>Waiver</u>. The failure of any party at any time to require performance by the other party of any provision of this Agreement will not affect the right of such party to require performance of that provision and any waiver by any party of any breach of any provision of this Agreement will not be construed as a waiver of any continuing or succeeding breach of such provisions, a waiver of the provision itself or a waiver of any right under this Agreement.
- 11. Governing Law. This Agreement will be governed by and construed and enforced in accordance with the laws of the State of Missouri without regard to any conflict of law rule that would cause the application of the laws of any other jurisdiction. Any legal action arising out of or in connection with this Agreement must be brought in, and each Party agrees to and hereby submits to the exclusive jurisdiction and venue of, the circuit court located in Taney County, Missouri.
- 12. <u>Headings</u>. The headings and other captions contained in this Agreement are for convenience only and are not to be used in the interpretation, construction, or enforcement of any of the provisions of this Agreement.
- 13. <u>Counterparts</u>. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

[Signature Page Follows]

The Parties have caused their duly authorized representatives to execute this Agreement as of the date first above written.

TANEY COUNTY UTILITIES CORPORATION

Richard Scott, President

TANEY COUNTY REGIONAL SEWER DISTRICT

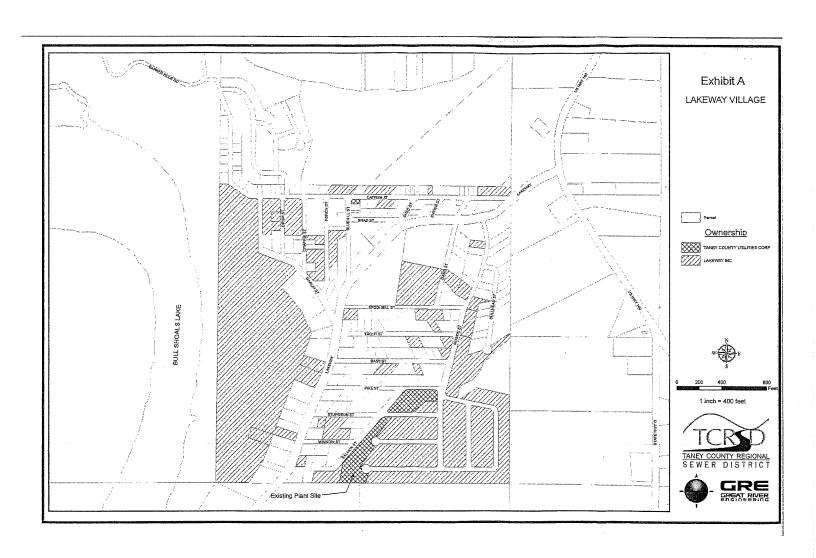
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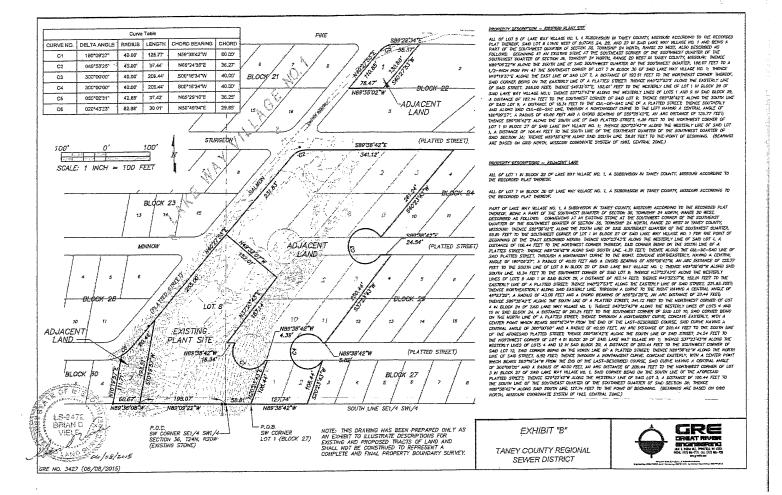
By: ________ lodo Linda Todd, Board Secretary

Bilda 10dd, Board Booloigi y

Approved as to Form and Legality:

David Shorr, District Attorney





STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 24th day of August 2016.

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Morris L. Woodruff

Secretary

MISSOURI PUBLIC SERVICE COMMISSION August 2(, 2016

File/Case No. SM-2017-0056

Missouri Public Service Commission

Staff Counsel Department 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102 staffcounselservice@psc.mo.gov

Office of the Public Counsel

James Owen 200 Madison Street, Suite 650 P.O. Box 2230 Jefferson City, MO 65102 opcservice@ded.mo.gov

County of Taney, Missouri

County Commission Clerk 266-A Main Street, Taney County Courthouse Annex PO Box 156 Forsyth, MO 65653

Resources

Legal Department 1101 Riverside Drive P.O. Box 176 Jefferson City, MO 65102-0176

Missouri Department of Natural Taney County Regional Sewer **District**

Matthew F Trokey 115 West Atlantic Street Branson, MO 65616 mtrokey@cantwell-law.com

Taney County Utilities Corporation

Legal Department P.O. Box 177 116 Laughing Lane Rockaway Beach, MO 65740 tcu@centurytel.net

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

orris I Woodul

Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.