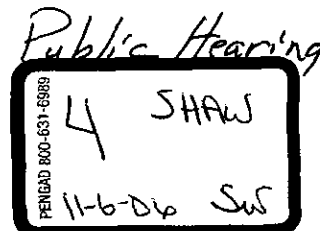


Diane Shaw

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Date: November 5, 2006

To: Missouri Public Service Commission

Missouri Public
Service Commission

Case No SO-2007-007

Regarding:

- Case SO 2007-0071-Central Jefferson County Utility Co.-Application for Approval of Transfer of Assets to Jefferson County Sewer District.
- Case WC 2007-0038 – "Overearnings" complaint brought by the Office of Public Counsel, Public Service Commission

From: Diane Shaw

Co-Chair of the Raintree Property Owners' Association committee on Sewer and Water.

Thank you, Commissioners and Judge Stearly for arranging to have Raintree property owners speak to you today. As I understand it, this hearing is for the purpose of allowing property owners in Raintree Plantation give you their opinion regarding the request for approval of the Central Jefferson County Utility Co.'s application to transfer its assets to the Jefferson County Sewer District.

My understanding of the transfer is that the Jefferson County Sewer District will take over the ownership of the sewer plant and employ the Environmental Management Corporation to manage the utility during the building of the improved sewer treatment plant. As part of this agreement, the district will accept approximately \$100,000 of debt claimed by the utility as well as collect approximately \$1100 in sewer fees that were agreed to contractually by everyone who bought property in Raintree Plantation. The original plan was to collect the \$1100 to pay for installing mains and sewer infrastructure in Raintree. In return, Raintree Plantation Incorporated was going to provide sewer treatment and the infrastructure for it. ~~As you are aware,~~ the utility failed to provide all of the sewer infrastructure it promised and as for the provision of the service of maintenance of the equipment and infrastructure and treatment of the sewage has been proven to have been woefully inadequate to the point of criminal

I understand

I have heard that The new agreement that the Jefferson Co. Sewer District proposes is one in which the district collects the \$1100 and passes a large portion of it along to Raintree Plantation Inc., thereby bypassing the investment of it into the utility as was agreed to. This only further victimizes the customers of the utility. I disagree with this arrangement. *if this is true* **I request that the Commission delay agreement with this aspect of the transfer until case WC 2007-0038 can determine if the utility owes its customers some financial consideration for failure to manage and reinvest the funding it has already collected.**

My other concerns are these:

There are many victims of the utility's failure to provide adequate water and sewer services to the residents and property owners of Raintree. Some are not so easily seen. All of us have experienced a drop in the value of our property. Some of us are living in poor temporary conditions, paying off adjustable rate loans that were agreed to when

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rates were lower only to have the rates increase while waiting to build. In the meantime, the cost to build increases every day. Residents are still drinking water that has high levels of lead and we have no promise of a cure to that problem in the near future. So there is a lot of pressure on property owners to accept this proposed transfer of assets because it is the only alternative we have. I too, want to accept it, but only after I know some very important facts.

Need a copy of the proposed plant building: If EMC can estimate the cost of the upgrade to be \$1,800,000 and be willing to contract with the district to provide the upgrade at that cost, then there must be some kind of building plan. We property owners need to see it so that we can see for ourselves that the plan will be to our benefit as far as where the water towers will be, how the problems with the contaminated water will be resolved, where pumping stations will be, the location of any equipment that may lower our property values, etc. **I request that the Commission provide a copy of the plans for the upgrade to the Raintree Plantation Property Owners Association in advance of making a decision regarding the transfer.**

We need to have an idea of what the rates will be: How can we be expected to comment on this transfer when we know that the agreement is to accept \$100,000 of debt and to continue to pass along funds to Raintree Plantation Inc., but we don't know what our financial price will be? At the time that the contract for transfer was negotiated, the parties to the agreement were: the utility, EMC and Jefferson County Sewer District. Nobody there represented us – the customers who have already been victimized as well as those of us who are being adversely impacted by the inability to build. It only makes sense that while all three parties were ironing out this agreement, they had and have some idea of how all of this will be paid for. The only people not represented and not aware of the cost are the people who are going to pay for it. We deserve to know an approximate figure of what the monthly and connection rates will be and what we will get for that. **I request that the Commission ascertain the expected rate that will be charged by the district and provide a copy of it to the Raintree Property Owners' Association in advance of making the decision to approve or disapprove of the transfer of assets.**

Representation: Right now, the customers of the utility have the Public Service Commission to protect our rights and review rates for fairness. After transfer to a governmental entity, we will not. At that point, if the rates become unfair, we have only the ability to complain to the Sewer District Board or to the County Commissioners, but we have no way to actually be impartially heard by someone not in the decision making process. That is going to limit our ability to impact on rates. While I know that the sewer district does not appoint board members based on representation of a certain location, I think that they should. Raintree Plantation will represent the vast majority of the customers of the Sewer District, and I feel that since we have no means to address rates after decisions are made, that we should have representation to address them **while** they are being made. Since board members are not elected – they are appointed by County Commissioners, it is possible that the decisions made by the board will be made by members who will never be impacted by them. Again, the property owners will not be represented. **I request that the Commission ask the Sewer District to appoint one**

member to the board who is chosen by the property owners of Raintree Plantation. Since there is a current vacancy, this would be possible.

Need for a study of the current infrastructure: The residents of Raintree Plantation have made our problems with the current management of the sewer company very clear. We are dealing with costly and unhealthful backups of raw sewage into our homes. We are personally maintaining the collection boxes in our yards and those who don't deal with raw human excrement filling their yard in July. The number of grinder pumps that burn out is higher than it should be. It is a known fact that rainwater infiltrates the system and overwhelms the treatment plant. We don't want to overburden an already questionable infrastructure with the higher demand that higher capacity will introduce. **I feel that before we place any further stress on our existing infrastructure, the integrity of existing lines and equipment should be studied and problems corrected so that the additional demand will not further burden residents and property owners.**

Need for a map of the current infrastructure: I have repeatedly attempted to get a map of the current infrastructure to determine if the utility made good on promises to install mains and to determine where new construction will be necessary. To date, I have been unable to obtain such a map, although I know that it exists. **Has a map of the current infrastructure been submitted to the Commission? If so, I would like to request that a copy be sent to the Raintree Plantation Property Owners Association.**

In conclusion, I want to say this: We property owners are under some heavy pressure to remedy the problems with the sewer treatment plant. Nobody wants that more than we do- both property owners who are waiting to build and existing residents. But, you have heard the term: "The devil is in the details". I don't want us to feel so pressured to get the upgrade going that we are willing to accept ANY arrangement that will accommodate that. We are in this mess due to lack of provision for the future, poor financial management and lack of planning. Let's not repeat that mistake. We customers acted in good faith. We became the victims. This transfer of assets is probably a really good opportunity for all of us, but not at ANY price. Let's not rush into it without knowing the details.

**Diane Shaw
9549 East Vista Drive
Hillsboro, MO 63050
(636) 797-2043**

*Agreement between DNR
& the utility.*