

Vaught, Dianna

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MAR 10 2010

Missouri Public
Service Commission

From: Charles L. Stroud [stroud_charlie@yahoo.com]
Sent: Wednesday, January 13, 2010 10:44 AM
To: Hernandez, Jennifer
Subject: Re: Draft agreement terms--privileged settlement discussions

Jennifer,

After rechecking my in-box, I found that I did receive this e-mail and overlooked it when I checked messages. Sorry for the error.

Charlie

From: "Hernandez, Jennifer" <jennifer.hernandez@psc.mo.gov>
To: "stroud_charlie@yahoo.com" <stroud_charlie@yahoo.com>
Sent: Tue, January 12, 2010 11:03:13 AM
Subject: Draft agreement terms--privileged settlement discussions

Exhibit No. 9
 Date 2/25/10 Reporter MM
 File No. SO-2010-0237

Hello Charlie,

As we discussed yesterday afternoon, I am forwarding in this email the list of terms with specific completion dates, both of which you and the Staff agreed to during the January 4th phone conference. From our conversations, you are well on the way to completing, if have not already completed, some of the items below. The final draft will be forwarded to you when it is complete. It is important that you contact me **today at your earliest convenience** to further discuss these requirements and the progress you have made towards their completion. We need to discuss completing the back-billing. I can arrange for you to meet with Lisa sometime this month, and she can assist with that process, as well as review the information you agreed to provide (or indicate the non-applicable items) in August and again during our January 4th phone conference. These items are necessary for the Staff to continue to file its quarterly status reports with the Commission. The required documents are specified below.

Also, I know you were busy yesterday with business, and will be part of today, but I need to see a copy of the bill you sent to the customers for service provided in November and December, and possibly October. The Staff has followed-up with certain customers who have stated they did not receive a bill as of yet for this time frame. Either the bill is still in the mail, or these customers are not on the service list you are using. Again, Lisa and other Staff members can assist you with the customer billing. It is imperative that if you are having difficulty completing the billing, **we discuss this matter immediately** and schedule an appointment at your earliest convenience with Lisa to assist with this.

Again, I know this agreement has kept you very busy over the last week, but in order to avoid a contested receivership hearing we need to continue to work towards completing the necessary items, or secure a schedule for going forward on a timely basis.

I appreciate your cooperation with the Staff the last couple of weeks and the effort you have put forth. I wanted to mention again that you have the right to contact an attorney to discuss this matter and fully determine your rights and legal obligations. If you hire an attorney, please have your counsel notify me so that I can communicate with your representative going forward.

Agreement Items

1. Mill Creek agrees that by **February 1, 2010**, the Company shall develop and implement on each customers' monthly bill a payment stub for customer use and remittance along with the monthly payment. The payment stub will at a minimum include the customer's account number, total amount due, due date, a box for the customer to indicate the current payment amount forwarded, and the address by which the customer is to remit the

2/25/2010

payment.

2. Mill Creek agrees the Company shall immediately, but no later than **January 15, 2010**, deposit into its bank account all customer checks for past service currently in its possession.
3. Mill Creek agrees that the Company shall back bill its customers the tariff rate for the provision of sewer service received during the 2009 months of March, April, and May under the advisement of 4 CSR 240-13 (Chapter 13) of the Commission's rules regarding billing practices for water, gas, and electric utilities. Mill Creek agrees it shall include the back bill amount for a) March 2009 on its February 2010 monthly bill; b) the back bill amount for April 2009 on its March 2010 monthly bill; and c) the back bill amount for May 2010 on its April 2010 monthly bill.
4. Mill Creek agrees that by **January 19, 2010**, the Company shall submit all information and/or applicable forms to DNR for a name/ownership change application, as well as any information and/or forms to obtain a renewed operating permit for its sewer system.
5. Mill Creek agrees that by **January 19, 2010**, the Company shall meet with any and all necessary individuals to address the outstanding personal property taxes and the dispute thereof.
6. Mill Creek agrees that by **January 19, 2010**, the Company shall have in place payment plans for outstanding balances owed to any vendor including, but not limited to: Testing-Analysis & Control, Inc. (TAC), AmerenUE, Missouri Department of Natural Resources, AT&T, Saint Louis Metropolitan Sewer District, Missouri Public Service Commission, Vernon Square, and any tax obligations owed to a municipality and/or state and federal governments. If after a good faith effort by the Company an agreement with any vendor is not reached by the time specified in this paragraph, then the Company shall file monthly status reports with the Staff indicating any progress towards an agreement with the vendor (s), and file written documentation as specified in paragraph seven (7) below when agreements are entered into with any vendor(s).
7. Mill Creek agrees that by **January 25, 2010**, the Company shall provide to the Staff copies of or written documentation detailing all of the payment plans or agreements entered into with any vendors, including those listed in Paragraph six (6) above to bring all outstanding balances current.
8. Mill Creek agrees that by **January 19, 2010**, the Company shall have a reliable cell phone with an active account by which customers and vendors may contact the Company regarding emergencies, inquiries, comments, and/or concerns. The Company shall strive to maintain the telephone number (314-749-8077) the customers, vendors, and the Staff currently use to contact the Company.
9. Mill Creek agrees that by **January 19, 2010**, the Company shall initiate use of a cell phone message box when it is unavailable to take calls, with the message including TAC's phone number in the case of a customer emergency.

10. Mill Creek agrees that the Company shall send a customer notification letter to all customers with **the February 2010 billing**, and such letter shall be subject to prior review and approval by the Staff. The customer notification letter shall include, but not be limited to the following information: a summary of the status of the Company including the February 2009 sale and new owner/manager information; notification on the continuance of monthly billing for the amount allowed by the tariff; explanation of the back-billing for the 2009 months of March, April, and May on the bills of the 2010 months of February, March, and April; an explanation of forth-coming Company brochures and door-hangers; explanation of the procedures allowed by the Companies tariff for disconnection on non-payment; contact information for TAC in the case of an emergency and the owner/manager is unavailable to immediately take the call; contact information for the Staff where customer inquiries, concerns, and/or complaints may be directed; any other information deemed appropriate by the Staff.

11. By **February 1, 2010**, the Company shall develop the following subject to review and approval by the Staff: an application for new customers; a Company brochure; and door-hangers to be used to notify customers of upcoming disconnections, or scheduled work that may interfere with customer service.

12. Mill Creek agrees that the Company shall provide written status reports weekly by email to Staff members Lisa Hanneken at lisa.hanneken@psc.mo.gov and Jim Busch at jim.busch@psc.mo.gov, or any other Staff member subsequently assigned to receive the report, **with the first report due on January 15, 2010**, and

including, but not limited to the following: status of financial and technical aspects of the Company and any significant changes subsequent to the last submitted report, including customer service issues; any deviation (s) from the current payment plans established in compliance with Paragraph fourteen (14) above; any deviation (s) from payment in full of vendor(s) current invoice(s) as stipulated in Paragraph thirteen (13) above; and any changes in vendor billing, such as a different due date or amount charged for service.

13. Mill Creek agrees that for the Staff to file an accurate and complete report, the Company shall provide **by January 25, 2010**, the following Company documentation to Ms. Hanneken, or any other Staff auditor assigned, at the Commission's Saint Louis office unless another location is mutually agreed upon by the Signatories: copies of bank statements for the 2009 months of September, October, November, and December for both checking and savings accounts; copies of Accounts Receivable records (billing register) for the billing months of March 2009 through January 18, 2010; copies of Accounts Payable records for August 2009 through January 18, 2010, including current invoices; payment plans for outstanding balances owed to any vendor listed in Paragraph fourteen (14) above, and any other vendor(s) utilized but not specifically listed; copies of the check register from August 1, 2009 through the present; any correspondence received or sent to any taxing authority from March 2009 through January 18, 2010; a copy of the Company's most recent billing to customers; copy of canceled check or other documentation showing method and amount of payment for the purchase of Mill Creek in February 2010; and the current contact information for Mill Creek, including the telephone number, postal mailing address, and email address.

14. Mill Creek agrees that for the Staff to continually file accurate and complete reports, the Company shall contact and schedule a meeting with Ms. Hanneken, or any other Staff auditor assigned, **at least one week prior to the due date of each status report**. Each meeting, unless otherwise agreed upon by the Signatories, shall occur at the Commission's Saint Louis office for the general discussion of upcoming events or any events that occurred during the prior quarter, and the provision of the following prior quarter's documents for inspection: copies of bank statements for all Company accounts; access to accounts receivable records (billing register); access to accounts payable records; access to the updated check register; and access to any new documentation including, but not limited to Company filings/correspondence with or correspondence received from the Missouri Secretary of State, DNR, and all taxing authorities; Mill Creek agrees that the Staff shall have the right to copy any documentation that it feels necessary for the oversight of the Company.

15. Mill Creek agrees that by **January 19, 2010**, the Company shall contact TAC to schedule sludge hauling and any necessary repairs to the pump used in cleaning the sewer system's clarifier, with both to occur no later than **January 31, 2010, unless otherwise suggested by TAC**.

Thank you.

Sincerely,

Jennifer Hernandez
Staff Legal Counsel
Missouri Public Service Commission
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Jefferson City, Missouri 65102
573-751-8706
573-751-9285 (fax)
jennifer.hernandez@psc.mo.gov

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