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LEGAL ASSISTANTS:
PATTY McDANIEL
TERRI GLENN

February 1, 1996

DAVID L RAUCH SECRETARY
MISSOURI PUBLIC SERVICE COMMISSION
PO BOX 360
JEFFERSON CITY MO 65102

FILED

FEB 02 1996

**MISSOURI
PUBLIC SERVICE COMMISSION**

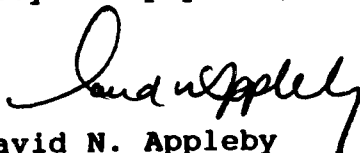
RE: SPOKANE HIGHLANDS WATER COMPANY

Dear Mr. Secretary:

Accompanying application for for certificate of convenience and necessity for water company is sent to you for filing in compliance with the requirements of the Public Service Commission Law:

P.S.C. Mo. No.
Effective June 30, 1988

Very truly yours,



David N. Appleby

pm

enclosures (original +14 copies)

cc: PUBLIC COUNSEL
TRUMAN BUILDING
301 WEST HIGH STREET
JEFFERSON CITY MO 65102

JAMES A MERCIEL JR
ASSISTANT MANAGER ENGINEERING
WATER & SEWER DEPARTMENT
MISSOURI PUBLIC SERVICE COMMISSION
PO BOX 360
JEFFERSON CITY MO 65102

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MO. PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION OF
THE STATE OF MISSOURI

In the Matter of the Application of)
SPOKANE HIGHLANDS WATER COMPANY,)
for a Certificate of Convenience and)
Necessity Authorizing it to Construct,)
Install, Operate and Maintain a Water)
System and to Supply and Render Water)
Service to the Public Located in and)
around an Unincorporated Area Near)
Spokane, Christian County, Missouri,)

Case No. WA-96-246

APPLICATION

COMES NOW SPOKANE HIGHLANDS WATER COMPANY, a Missouri Corporation, hereinafter referred to as "Applicant" and respectfully states:

1. That the Applicant is a corporation duly organized and existing under the laws of the State of Missouri, and has its principal offices and place of business at Spokane, Missouri. A copy of its Certificate of Incorporation and Articles of Incorporation are hereto attached and marked Exhibit A and Exhibit B respectively, and incorporated herein.

2. Communications in regard to the Applicant should be addressed to Kirk R. Jones, President, Spokane Highlands Water Company, 1250 Jonesville Road, Spokane, Missouri 65754, and David N. Appleby, Attorney at Law, 119 North Second Street, P.O. Box 158, Ozark, Missouri, 65721.

3. Applicant seeks a Certificate of Public Convenience and Necessity to build, construct, operate and maintain a water system and all other facilities, including the acquisition of

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MISSOURI
PUBLIC SERVICE COMMISSION

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easements, rights of way, land, etc., necessary for the purpose of furnishing water service to the public in a service area to include all of the area described in Exhibit C attached hereto.

4. Applicant states that there are no water companies under jurisdiction of the commission being operated or rendering service within the area proposed to be served.

5. Applicant states that the area proposed to be served is rapidly being developed into a residential subdivision and that there are seventy-four homes being planned in the near future within said area, all of which will need adequate water.

6. The Applicant will not require additional financing to construct said water system; however, all assets of the Corporation, to include the water system, are subject to a lien at Ozark Bank, Ozark, Missouri.

7. Applicant states that there is and will be a public need for water service within the area proposed to be served and that public convenience and necessity will be promoted by the granting of the authority herein requested.

8. There is a no municipality located within the proposed area, and the County of Christian has no ordinances that apply, and specifically no ordinances requiring a franchise for water companies.

9. There are presently eight residents (including the undersigned Kirk R. Jones), with two more anticipated in the next sixty days, in the proposed service area. Names and addresses are as follows:

Clay D. Branum
349 Highland Drive
Spokane, MO 65754

Susan K. Hughston
756 Highland Drive
Spokane, MO 65754

Byron S. Sutherland
490 Highland Drive
Spokane, MO 65754

Herbert M. Moore
246 Redbird
Spokane, MO 65754

Lee Schumacher
126 Greystone
Spokane, MO 65754

Jeff and Lisa Houseman
564 Highland Drive
Spokane, MO 65754

Brian Wilson
395 Highland Drive
Spokane, MO 65754

Kirk D. Jones
Lot 60 Highland Drive
Spokane, MO 65754

10. A feasibility letter is attached hereto as Exhibit D.

WHEREFORE, Applicant requests the Commission to grant it a Certificate of Convenience and Necessity authorizing it to acquire, build, construct, operate, and maintain a water system for the purpose of furnishing water to the public within the area above referred to and for such further orders as the commission may deem proper.

SPOKANE HIGHLANDS WATER COMPANY

By: Kirk R. Jones, Pres.
Kirk R. Jones, President

ATTEST:

Norma Stewart
Norma Stewart, Secretary

David N. Appleby
David N. Appleby, #25590
Attorney at Law
119 North Second Street
P. O. Box 158
Ozark, MO 65721
417-581-2411
Attorney for Applicant

VERIFICATION

STATE OF MISSOURI)
) ss.
COUNTY OF CHRISTIAN)

Kirk R. Jones, President of SPOKANE HIGHLANDS WATER COMPANY, being of age and duly sworn, states that he is President of said Corporation and that he has authority to make this application for Certificate of Convenience and Necessity authorizing water service to the proposed area, and that he has read the application and the allegations stated therein are true and correct according to his best knowledge, information and belief.

Kirk R. Jones Pres.
Kirk R. Jones, President

SUBSCRIBED AND SWORN to before me this 30th day of January, 1996.

Patty McDaniel
Patty McDaniel, Notary Public

My commission expires August 22, 1998.

STATE OF MISSOURI



Judith K. Moriarty
SECRETARY OF STATE

CORPORATION DIVISION
CERTIFICATE OF INCORPORATION

WHEREAS, DUPLICATE ORIGINALS OF ARTICLES OF INCORPORATION OF
SPOKANE HIGHLANDS WATER COMPANY

HAVE BEEN RECEIVED AND FILED IN THE OFFICE OF THE SECRETARY OF
STATE, WHICH ARTICLES, IN ALL RESPECTS, COMPLY WITH THE
REQUIREMENTS OF GENERAL AND BUSINESS CORPORATION LAW;

NOW, THEREFORE, I, JUDITH K. MORIARTY, SECRETARY OF STATE OF THE
STATE OF MISSOURI, BY VIRTUE OF THE AUTHORITY VESTED IN ME BY
LAW, DO HEREBY CERTIFY AND DECLARE THIS ENTITY A BODY CORPORATE,
DULY ORGANIZED THIS DATE AND THAT IT IS ENTITLED TO ALL RIGHTS
AND PRIVILEGES GRANTED CORPORATIONS ORGANIZED UNDER THE
GENERAL AND BUSINESS CORPORATION LAW.

IN TESTIMONY WHEREOF, I HAVE SET MY
HAND AND IMPRINTED THE GREAT SEAL OF
THE STATE OF MISSOURI, ON THIS, THE
29TH DAY OF AUGUST, 1994.



Judith K. Moriarty
Secretary of State

\$54.00



State of Missouri

Judith K. Moriarty, Secretary of State

P.O. Box 778, Jefferson City, Mo. 65102

Corporation
**FILED AND CERTIFICATE OF
INCORPORATION ISSUED**

AUG 29 1994

Judith K. Moriarty

Articles of Incorporation

(To be submitted in duplicate by an attorney or an incorporator.)

The undersigned natural person(s) of the age of eighteen years or more for the purpose of forming a corporation under The General and Business Corporation Law of Missouri adopt the following Articles of Incorporation:

Article One

The name of the corporation is SPOKANE HIGHLANDS WATER COMPANY

Article Two

The address, including street and number, if any, of the corporation's initial registered office in this state is 1160 SPOKANE ROAD, SPOKANE, MO. 65754

and the name of its initial agent at such address is Donald R. Stewart

Article Three

The aggregate number, class and par value, if any, of shares which the corporation shall have authority to issue shall be:

Thirty Thousand (30,000) shares common stock with One Dollar (\$1.00) per share par value.

The preferences, qualifications, limitations, restrictions, and the special or relative rights, including convertible rights, if any, in respect to the shares of each class are as follows:

None

Article Four

The extent, if any, to which the preemptive right of a shareholder to acquire additional shares is limited or denied.

None

Article Five

The name and place of residence of each incorporator is as follows:

Name	Street	City
Donald R. Stewart	1160 Spokane Road	Spokane, Missouri 65

Article Six

(Designate which and complete the applicable paragraph.)

The number of directors to constitute the first board of directors is _____. Thereafter the number of directors shall be fixed by, or in the manner provided by the bylaws. Any changes in the number will be reported to the Secretary of State within thirty calendar days of such change.

OR

The number of directors to constitute the board of directors is one. (The number of directors to constitute the board of directors must be stated herein if there are to be less than three directors. The person to constitute the first board of directors may, but need not, be named.)

Article Seven

The duration of the corporation is perpetual

EXHIBIT B
PAGE 2 OF 5

Article Eight

The corporation is formed for the following purposes:

1. To construct, install and maintain well and water distribution systems for sale of water to the public.

2. To purchase and sell real property and develop and construct improvements thereon for residential, commercial, agricultural and industrial purposes.

3. To do everything necessary, proper, advisable or convenient for the accomplishment of the purposes hereinabove set forth, and to do all things incidental to them or in connection with them that are not forbidden by the General and Business Corporation Law of Missouri, by other law, or by these Articles of Incorporation.

4. To exercise all of the powers conferred upon it as a corporation as set forth in Section 351.385 of the Revised Statutes of Missouri, each of which powers is hereby incorporated by reference and is stated to be one of the purposes for which this corporation is formed.

ARTICLE NINE

See attachment hereto.

IN WITNESS WHEREOF, these Articles of Incorporation have been signed this 26th day of August, 19 94

Donald R. Stewart
Donald R. Stewart

EXHIBIT B
PAGE 3 OF 5

State of MISSOURI
County of CHRISTIAN } ss.

I, Patty McDaniel, a Notary Public, do hereby certify that
on this 26th day of August, 19 94, personally appeared before me
Donald R. Stewart ~~(XXXX)~~

who being by me first duly sworn, ~~(severally)~~ declared that he is ~~(they are)~~ the person(s) who signed the foregoing
document as incorporator(s), and that the statements therein contained are true.

(Notarial Seal)

Patty McDaniel
Notary Public

My commission expires August 22, 1998

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

AUG 29 1994

John K. Spierdy

The Secretary of State's Office makes every effort to provide program accessibility to all citizens without regard to disability. If you desire this publication in alternate form because of a disability, please contact the Director of Publications, P.O. Box 778, Jefferson City, Mo. 65102; phone (314) 751-1814. Hearing-impaired citizens may contact the Director by phone through Missouri Relay (800-735-2966). The Corporations Division also maintains a Telecommunications Device for the Deaf (TDD) at (314) 526-5599.

EXHIBIT B
PAGE 4 OF 5

ARTICLE NINE

Article Nine shall be added to read as follows: No stockholder of the corporation shall transfer, alienate or in any way dispose of any share of stock of the corporation unless such stock shall first have been offered for sale to the corporation. The corporation reserves and shall have the exclusive right and privilege to purchase such stock at a price equal to the book value thereof as shown on the last annual audit of the corporation, within 90 days after receipt of written notice of such proposed transfer. Notice of the proposed transfer shall be given to the corporation, and the notice shall include the number of shares proposed to be transferred, the consideration to be paid, and the name of the prospective transferee. If the corporation has not exercised this option prior to the expiration of such time, the stockholder shall be free to transfer, alienate, or otherwise dispose of such stock without any restriction.

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

AUG 29 1994

Janis K. Myriarty

EXHIBIT

B

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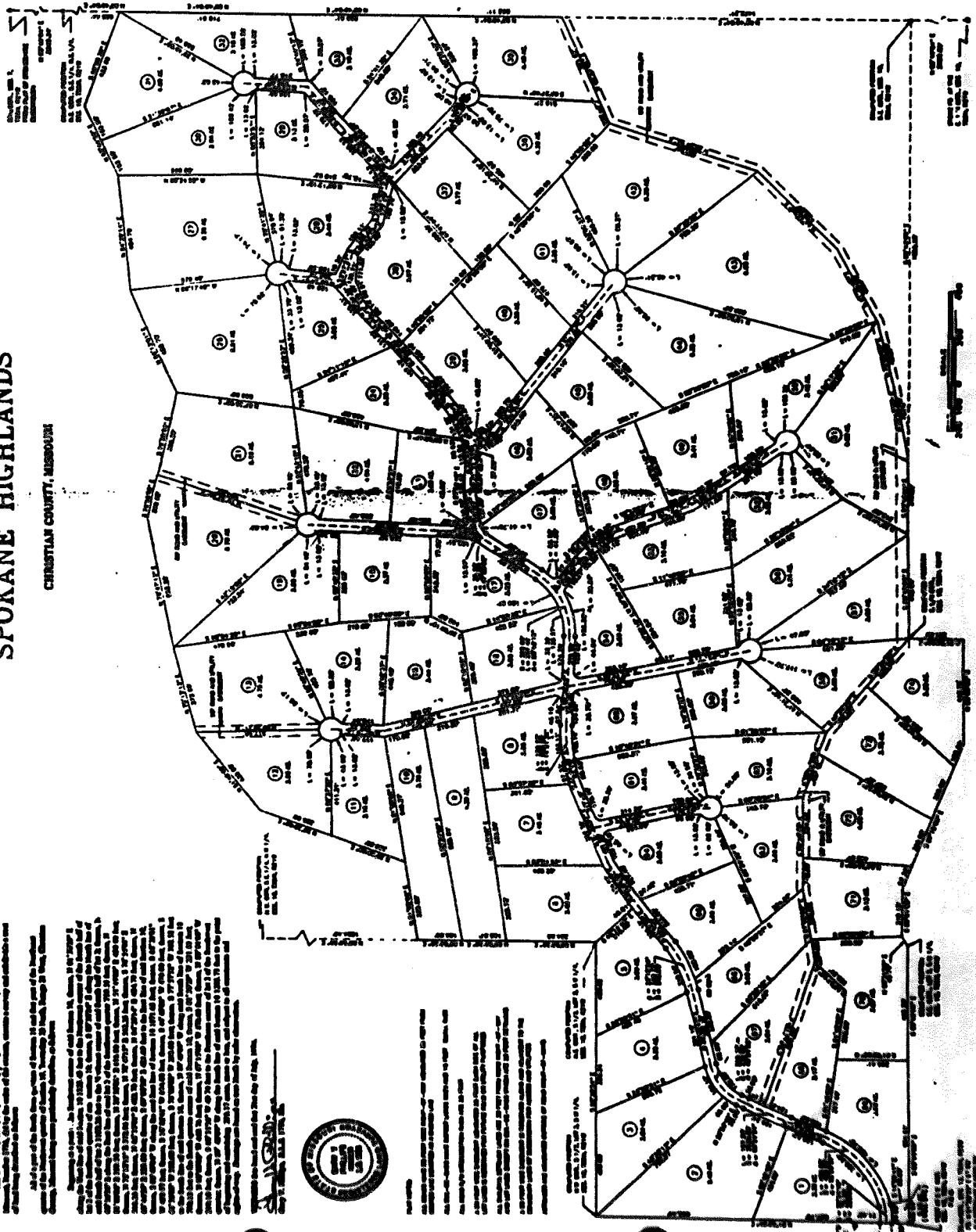
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OF

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AMENDED FLAT OF SPOKANE HIGHLANDS

CHRISTIAN COUNTY, MISSOURI



PHILLIP
CONTRACTOR

The undersigned, Phillip Contractor, do hereby certify that the above described plat is a true and correct copy of the original plat as the same appears of record in the office of the Recorder of Deeds for Christian County, Missouri, at St. Louis, Missouri, and that the same has been duly filed and recorded in the office of the Recorder of Deeds for Christian County, Missouri, at St. Louis, Missouri, on the _____ day of _____, 19____.



County of Christian)
State of Missouri)
I, _____ Recorder of Deeds)
do hereby certify that the above described plat is a true and correct copy of the original plat as the same appears of record in the office of the Recorder of Deeds for Christian County, Missouri, at St. Louis, Missouri, and that the same has been duly filed and recorded in the office of the Recorder of Deeds for Christian County, Missouri, at St. Louis, Missouri, on the _____ day of _____, 19____.



PHILLIP CONTRACTOR

The undersigned, Phillip Contractor, do hereby certify that the above described plat is a true and correct copy of the original plat as the same appears of record in the office of the Recorder of Deeds for Christian County, Missouri, at St. Louis, Missouri, and that the same has been duly filed and recorded in the office of the Recorder of Deeds for Christian County, Missouri, at St. Louis, Missouri, on the _____ day of _____, 19____.

Feasibility Letter

SPOKANE HIGHLANDS is a subdivision at Spokane, Christian County, Missouri now being developed. There are 74 lots being developed which comprise the service area. A copy of the plat indicating said lots is attached to the application as Exhibit C. Developer still owns approximately 64 lots in the service area (eight have sold and two are under contract for sale).

A deep water well and pressure tank, which will service all 74 lots, and distribution lines in the service area, are under construction. DNR approval awaits granting of the Certificate of Convenience and Necessity. Construction costs for the well and tank are estimated to be \$54,038.00. No additional financing is required; however all assets of the SPOKANE HIGHLANDS WATER COMPANY are subject to a lien at Ozark Bank, Ozark, Missouri.

Estimated Income

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
16 users x \$25 x 12 months \$4,800	30 users x \$25 x 12 months \$9,000	60 users x \$25 x 12 months \$18,000

Estimated Expenses

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Interest (10%) = \$5,400	\$5,400	\$5,400
Depreciation (4%) = 1,800	1,800	1,800
Electricity/Phone = 600	800	1,000
Materials/Supplies = 1,500	1,500	1,500
Insurance = 1,400	1,800	1,400
Labor = 1,200	1,400	1,400
Attorney's Fees = 2,000	500	500
Miscellaneous = 500	750	1,000
TOTALS \$14,400	\$13,950	\$15,000

Profit/Loss

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Income \$ 4,800	\$ 9,000	\$18,000
Expenses 14,400	13,950	15,000
(\$ 9,600)	(\$4,950)	\$ 3,000

EXHIBIT D

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