

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

In the Matter of Missouri-American Water)
Company for Certificates of Convenience and)
Necessity Authorizing it to Install, Own, Acquire,)
Construct, Operate, Control, Manage and)
Maintain a Sewer System in an area of St. Louis)
County, Missouri (Homestead Estates))

File No. SA-2018-0019

STAFF RECOMMENDATION

COMES NOW the Public Service Commission Staff (“Staff”), by and through counsel, and recommends that the Commission grant to Missouri-American Water Company (“MAWC”) a Certificate of Convenience and Necessity (“CCN”) to provide regulated sewer services in an area of St. Louis County, Missouri. In support of this *Recommendation*, Staff states as follows:

1. On July 19, 2017 MAWC filed its *Application and, if Necessary, Motion for Waiver* (“Application”) seeking a Certificate of Convenience and Necessity (“CCN”) for authority to install, own, acquire, construct, operate, control, manage, and maintain a sewer system in an area of St. Louis County, Missouri known as Homestead Estates.

2. On July 20, 2017, the Commission issued its *Order Directing Notice and Setting Intervention Deadline*, setting an intervention deadline of August 3, 2017 and requesting a Staff recommendation or status report by September 5, 2017. No intervention requests were received.

3. Pursuant to Section 393.170, RSMo, no water or sewer corporation shall provide service to consumers without first having obtained approval from the Commission. In determining whether or not to grant such approval, the Commission has traditionally applied the five “Tartan Criteria” established in *In the Matter of Tartan*

Energy Company, et al., 3 Mo. PSC 3d 173, 177 (1994): (1) there must be a need for the service; (2) the applicant must be qualified to provide the service; (3) the applicant must have the financial ability to provide service; (4) the applicant's proposal must be economically feasible; and (5) the service must promote the public interest.

4. As explained in the *Staff Memorandum*, attached hereto as Appendix A, Staff conducted an investigation into MAWC's request. Based upon its review, Staff concludes that MAWC fulfills the requirements of the Tartan Criteria.

5. Moreover, and further explained in the *Staff Memorandum*, a homeowners' association presently owns the sewer system. According to the association president, all members of the association were informed of the proposed transfer including monthly sewer rates to be charged, and members unanimously voted in favor of the proposal.

6. MAWC proposes to provide sewer service pursuant to the existing rates, rules, and regulations currently applicable to MAWC's Cedar Hill service area found in MO PSC No. 26. However, Staff recommends that the "Connection Charges" and "Capacity Charges" that are specified on the Schedule of Service Charges for Cedar Hill and applicable to customers making new sewer connections in the Cedar Hill service area, should not apply to the new service area of Homestead Estates.

7. Accordingly, Staff recommends approval granting the CCN, with conditions described in the *Staff Memorandum*, as the requested CCN would be necessary and convenient for the public service, and is not detrimental to the public interest.

8. The Commission need not hold a hearing if, after proper notice and opportunity to intervene, no party requests such a hearing. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494 (Mo. App. W.D. 1989). No party or individual has requested a hearing, so the Commission need not hold a hearing to grant a CCN to the Company.

WHEREFORE, Staff respectfully submits this Staff Recommendation for the Commission's information and consideration, and requests the Commission grant Missouri-American Water Company a Certificate of Convenience and Necessity, with conditions, to provide sewer service to the requested service area.

Respectfully submitted,

/s/ Casi Aslin

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and or counsel of record on this 5th day of September, 2017.

/s/ Casi Aslin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. SA-2018-0019
Missouri-American Water Company (Homestead Estates)

FROM: James A. Merciel, Jr - Water and Sewer Department
Amanda McMellen - Auditing Department
Stephen Moilanen – Engineering Analysis Unit
Scott Glasgow - Consumer and Management Analysis Unit

/s/ James A. Merciel, Jr. September 5, 2017
Case Coordinator Date

/s/ Jacob T. Westen September 5, 2017
Staff Counsel Date

SUBJECT: Staff’s Recommendation to Approve Certificate of Convenience and Necessity

DATE: September 5, 2017

CASE BACKGROUND

On July 19, 2017, Missouri-American Water Company (MAWC) filed an *Application and, if Necessary, Motion for Waiver* (Application) with the Public Service Commission (Commission). MAWC seeks a Certificate of Convenience and Necessity (CCN) to provide sewer service to an area in St. Louis County, Missouri in a development known as Homestead Estates. In the Application, MAWC states that it intends to acquire sewer utility assets that are at present owned and operated by Homestead Estates Association¹ (the Association) which is an entity that is not subject to the jurisdiction of the Commission.

On July 20, 2017, the Commission issued its *Order Directing Notice and Setting Intervention Deadline*. In this Order, the Commission directed a copy of the Order be provided to the County Commission of St. Louis County, Missouri, and the Missouri Department of Natural Resources; that notice of the Order be available to members of the Missouri General Assembly representing the area and to the media serving the area; that any person or entity wishing to intervene shall file an application to intervene no later than August 3, 2017; and that Staff shall file either a status report or a recommendation regarding the Application no later than September 5, 2017. No person or party has sought to intervene in this case.

BACKGROUND OF MAWC AND THE HOMESTEAD ESTATES SEWER SYSTEM

MAWC is an existing regulated water and sewer utility currently providing water service to more than 450,000 customers and sewer service to more than 11,000 customers in several service areas throughout Missouri. In recent years, MAWC has acquired several small existing water and sewer systems. MAWC is a subsidiary of American Water Works Company, Inc., and is affiliated with

¹ Certain documents, including the Asset Purchase Agreement that was included as an HC document in the Application, reflect the name “Homestead Estates Homeowners Association,” which is not correct. On August 29, 2017, MAWC sent Staff a copy of an Amendment to the Asset Purchase Agreement to reflect the correct legal name of the Association.

other companies that undertake some of the tasks associated with utility service, such as customer billing, and technical resources.

The Homestead Estates sewer system consists of a 22,000 gallon per day recirculating sand filter (RSF) treatment facility, with design capacity for a population of 222 people, representing approximately 60 residential sewer customers. A septic tank for preliminary treatment is located at the treatment facility site, as is the recirculation tank with electric pumps, and sand filter units. The collection system is a gravity collection system, with one electric-powered lift station that pumps sewage from a few houses. There are 39 customers at present and potential for additional customers in the future.

STAFF'S INVESTIGATION

Service Area and Tariff

Staff reviewed the Application and its appendices including an Asset Purchase Agreement. Homestead Estates is located within MAWC's St. Louis Metro water service area; the sewer customers are presently water customers of MAWC. MAWC will need a new CCN to provide sewer service in the proposed service area and include the Homestead Estates service area in its sewer tariff, PSC MO NO. 26. Staff reviewed MAWC's map and metes and bounds description of the proposed Homestead Estates service area that was included in the Application. Based on a suggestion from Staff, MAWC sent a revised map and metes and bounds description with a minor modification. Staff agrees the service area with the modification is reasonable and should be included in MAWC's water tariff and sewer tariff assuming the Commission grants MAWC approval of this proposed sewer service area. Included with this memorandum and incorporated by reference herein is the revised map, Attachment A, and the revised metes and bounds description, Attachment B.

TECHNICAL, MANAGERIAL, AND FINANCIAL CAPACITY; TARTAN ENERGY CRITERIA

DNR reviews new proposed water system operations using, among other criteria, determination of technical, managerial and financial capacities of the operation, or "TMF." Staff utilizes these concepts of TMF in studying some situations involving existing water and/or sewer systems as well. Staff has reviewed and stated its position regarding MAWC's TMF capacities in previous CCN and transfer of assets cases, and Staff's position on this matter remains positive in this case involving Homestead Estates.

Additionally, it is customary with most cases involving a new CCN for Staff to use criteria similar to that which was studied by the Commission in a past CCN case that was filed by the Tartan Energy Company to justify granting a CCN. Staff's criteria contemplate 1) the 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. Another important consideration, as part of the need for the service, is whether or not other utility entities are available to provide similar service. Similar to TMF, Staff has studied these points as they relate to MAWC abilities in previous CCN and transfer cases. MAWC has demonstrated over many years that it has financial resources to operate utility systems that it owns, to acquire new systems, to undertake construction of new systems and expansions of existing systems, to plan and undertake scheduled capital improvements, and timely respond and resolve emergency issues when such situations arise. Further, as related to this specific proposed

Homestead Estates CCN request for a new sewer service area, Staff takes the position that it is feasible for MAWC to operate and manage the existing sewer operations, and it is in the public interest for it to do so.

Staff's conclusion is that the points regarding TMF capacities and the Tartan Energy criteria are all met, for this case.

Tariff and Rate Impact

MAWC proposes to provide sewer service pursuant to the existing rates, rules, and regulations currently applicable to MAWC's Cedar Hill service area found in MO PSC No. 26. However, Staff proposes that the "Connection Charges" and "Capacity Charges" that are specified on the Schedule of Service Charges and applicable to customers making new sewer connections in the Cedar Hill service area, not apply to Homestead Estates because Staff's position is they are not necessary nor justified for the Homestead Estates operation. Staff agrees that, with the exception of the above-mentioned sewer service charges, MAWC's proposal for rates is reasonable. MAWC will also need to file the map and description of the service area in the tariff.

Rate Base

It is Staff's understanding that MAWC is not seeking a determination of the rate base valuation of the Homestead Estates assets in this proceeding. Staff notes that the Association's records do not appear complete with respect to MAWC's need to keep plant records in accordance with the National Association of Regulatory Utility Commission (NARUC) Uniform System of Accounts. In MAWC's current general rate case, if rate treatment of the current Homestead Estates property is sought, MAWC should present an analysis documenting its proposed net rate base values for all of the Association's assets, which would include an appropriate offset for associated CIAC, depreciation and system capacity adjustment. Staff will take a position regarding the appropriate rate base valuation of the Homestead Estates plant assets after conducting its audit in MAWC's current rate case, including review of MAWC's rate base valuation. Staff also recommends specifically that prior to the time of transfer, MAWC request any and all plant and asset valuation records from the Association that are not already in MAWC's possession, including all available documentation concerning transactions and transfers between the Association and its developers and vendors, and properly enter those amounts in its plant account property records in order to quantify original plant costs, subsequent plant additions, depreciation, contributions, and capital recovery paid to developers or other parties.

Based on Staff's review of the Association's limited information in this proceeding, the purchase price being paid by MAWC may be below the net book value of the Association's assets. The determination of the value of any acquisition adjustment will be made in MAWC's current general rate filing if it seeks recovery of Homestead Estates capital and expense costs. It has been Staff's position in prior cases that utility rates for acquired properties should be based upon the net book value of such properties to the original utility owner, and not reflect the amount of any acquisition adjustment.

By Commission regulations, MAWC should keep its financial records for utility plant-in-service and operating expenses in accordance with the NARUC Uniform System of Accounts. Staff will recommend the Commission specifically require such recordkeeping requirements apply to MAWC's Homestead Estates operations.

Plant Capacity Adjustment

Since the Homestead Estates wastewater system appears to have been designed and constructed to serve approximately 60 residential customers, and at present there are only 39 residential customers, Staff intends to consider proposing, in future rate proceedings, a capacity adjustment to certain wastewater system components, which would reduce the plant balance level and depreciation expense that would be included in rate calculations.

Depreciation

In Case No. WR-2015-0301, the Commission ordered sewer depreciation rates applicable to all divisions of MAWC. Staff recommends the use of these rates for all sewer plant accounts in the Homestead Estates service area.

Customer Notice/Customer Service

Although MAWC has not provided specific notice to customers, MAWC states that the association has communicated extensively with its members. Through the Association, virtually all homeowners were involved with the decision to enter into the Asset Purchase Agreement between the Association and MAWC. Staff has also communicated by email with the president of the Association, who stated that homeowners voted 100% in favor of proceeding with the execution of the Asset Purchase Agreement in a meeting held on November 1, 2016. The president also said that in the meeting that they had discussed MAWC rates for sewer service, and that they would be receiving sewer bills. At present, these customers do not have separate sewer bills because expenses for sewer service are included in the Home Owner Association fees which address unrelated expenses. It appears to Staff that customers have been adequately informed of this proposal.

In previous CCN or transfer cases where MAWC acquired systems and additional customers, Staff recommended that MAWC undertake actions and submit reports to the Consumer & Management Analysis Unit (CMAU) Staff that address a variety of customer service and billing issues. These actions and reports were stipulated or recommended in Case Nos. WM-2001-0309, WR-2003-0500, WR-2007-0216, WA-2015-0019 and SA-2015-0150. The same information regarding the customers MAWC is acquiring from Homestead Estates should be included within these reports.

MAWC utilizes a nationwide billing system and nationwide call centers through its affiliates. In order to incorporate Homestead Estates customers as sewer customers into its billing and customer service systems, along with their existing inclusions as water customers, it will be necessary for MAWC to properly enter the Homestead Estates customer information and apply the appropriate Commission ordered rate. MAWC will also need to provide training to its call center personnel regarding rates and rules applicable to Homestead Estates customers so that customer service matters are handled accurately and in a timely manner.

OTHER ISSUES

MAWC is a corporation that is in “good standing” status with the Missouri Secretary of State.

MAWC is current with annual report filings with the Commission through calendar year 2016, as documented on the Commission’s Electronic Filing and Information System (EFIS).

MAWC is current on its annual assessment quarterly payments through fiscal year 2017.

MAWC has other pending cases before the Commission, as follows:

WO-2018-0059	ISRS Case
WU-2017-0351	AAO Property Taxes
WU-2017-0296	AAO Lead Service Line Replacement Program Case
WR-2017-0285	Rate Case
WC-2017-0251	Formal Complaint (Anderson)
WC-2017-0234	Formal Complaint (Spicer)
WO-2015-0211	ISRS Case (on appeal, the case remains open)

These above-noted pending cases will have no impact upon this proposed case requesting a new CCN for sewer service, nor will approval of the CCN impact the above-noted pending cases before the Commission.

STAFF'S RECOMMENDATIONS AND CONCLUSIONS

Staff's position, based on its review as described herein, is that MAWC's proposal for a new CCN to provide sewer service in the proposed Homestead Estates service area, modified as shown herein, is not detrimental to the public interest. MAWC's proposal to apply MAWC's existing sewer rates and service charges, except the Connection Charges and Capacity Charges that are currently in effect for its Cedar Hill service area, is also reasonable. MAWC's sewer tariff MO PSC No. 26 should apply to Pevely Farms with modifications to the Cedar Hill rate sheet and service charges sheets, as appropriate, and with the inclusion of the Homestead Estates map and metes and bounds description. Staff therefore recommends approval with the conditions and actions as outlined herein.

STAFF'S RECOMMENDATIONS

Based upon the above, Staff recommends that the Commission:

1. Grant MAWC a CCN to provide sewer service in the proposed Homestead Estates service area, as modified as shown herein;
2. Approve the application of MAWC's existing sewer rates and service charges that currently apply to its Cedar Hill service area, except that Connection Charges and Capacity Charges included on the Schedule of Service Charges applicable to MAWC's Cedar Hill service area not apply to the Homestead Estates service area;
3. Require MAWC to submit new tariff sheets, to become effective before closing on the assets, to include a service area map, service area metes and bounds description, and either new tariff sheets or revised tariff sheets with notations showing approved rates and service charges, to be included in its sewer tariff PSC MO No. 26;
4. Approve MAWC's existing approved depreciation rates for sewer assets to apply to the Homestead Estates service area assets;
5. If closing on the sewer system assets does not take place within thirty (30) days following the effective date of the Commission's order approving such, require MAWC to submit a status report within five (5) days after this thirty (30) day period regarding the status of closing, and additional status reports within five (5) days after each additional thirty (30) day period, until closing takes place, or until MAWC determines that the transfer of the assets will not occur;

6. If MAWC determines that a transfer of the assets will not occur, require MAWC 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 MAWC to submit tariff sheets as appropriate that would cancel service area maps and descriptions, and rates and service charges applicable to the Homestead Estates service area in its sewer tariffs;
7. Require MAWC to keep its financial books and records for Homestead Estates plant-in-service and operating expenses in accordance with the NARUC Uniform System of Accounts;
8. Require MAWC to provide an example of its actual communication with the Homestead Estates service area sewer customers regarding its acquisition and operations of the Homestead Estates sewer system assets, and how customers may reach MAWC regarding sewer matters, within ten (10) days after closing on the assets;
9. Require MAWC to obtain from the Association, as best as possible prior to or at closing, all records and documents, including but not limited to all plant-in-service original cost documentation, along with depreciation reserve balances, documentation of contribution-in-aid-of construction transactions, and any capital recovery transactions;
10. Require MAWC to provide in a general rate case an analysis documenting its proposed rate base values for Homestead Estates sewer system assets, including an appropriate offset for associated CIAC;
11. Make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the CCN to MAWC, including expenditures related to the Homestead Estates certificated service area, in any later proceeding;
12. Require MAWC to ensure adherence to Commission Rule 4 CSR-13 with respect to Homestead Estates customers;
13. Require MAWC to include the Homestead Estates customers in its established monthly reporting to the CMAU staff on customer service and billing issues;
14. Require MAWC to distribute to the Homestead Estates customers 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 4 CSR 240-13.040 (2) (A-L), within ten (10) days of closing on the assets;
15. Require MAWC to provide adequate training for the correct application of rates and rules to all customer service representatives prior to Homestead Estates customers receiving their first bill from MAWC that include sewer charges; and,
16. Require MAWC to provide to the CMAU staff a sample of ten (10) billing statements from the first month's billing within thirty (30) days of such billing.

Staff will submit a further recommendation regarding tariff sheets to be filed by MAWC in this matter.

Attachments:

- A. Modified Map
- B. Modified Metes and Bounds Description



Legal Description

A tract of land being part of **U.S. Survey 385 and Part of Fractional Sections 28, 33 and 34, Township 45 North, Range 3 East** of the Fifth Principal Meridian, City of Wildwood, St. Louis County, Missouri and being more particularly described as follows:

(Tract I)

Beginning at a point being located at the intersection of the South right of way line of Rieger Road, (variable width), with the Northeast corner of Homestead Estates At Wildwood, according to the plat thereof recorded in Plat Book 355, Page 594 of the St. Louis County Records; thence **South 26°30'32" East, 774.94 feet** to a point on the North line of Three Sisters Farm Plat 1, according to the plat thereof recorded in Plat Book 347, Page 184 of the St. Louis County Records; thence **South 27°33'23" West, 674.71 feet** to the Southwest corner of said Three Sister Farm Plat 1, with said corner being also a point on the South line of U.S. Survey 385; thence along said U.S. Survey line, **South 61°34'25" East, 4,084.43 feet**; thence leaving said U.S. Survey line, **South 0°35'12" West, 1,471.98 feet** to the Southeast corner of said Homestead Estates At Wildwood and the Northeast corner of the Re-subdivision of Lot 4 of Wakefield Farm, according to the plat thereof recorded in Plat Book 187, Page 61 of the St. Louis County Records; thence **North 88°03'21" West, 1,320.91 feet** to the intersection of the South line of said Homestead Estates At Wildwood with the West line of the Northwest Quarter of the Southeast Quarter of Section 34; thence continuing West, **North 88°05'07" West, 1,312.79 feet** to the Southwest corner of said Homestead Estates At Wildwood and the Southwest corner of the Northeast Quarter of the Southwest Quarter of Section 34; thence **North 0°34'03" East, 1,346.01 feet**, along the West line of said Quarter Quarter Section to the Northwest corner thereof; thence **North 88°06'05" West, 1,314.97 feet** to the Southwest corner of the Southwest Quarter of the Northwest Quarter of Section 34. Said corner being on the East line of a property now or formerly owned by Marianne Bergamini, according to Deed Book 9632, Page 1394 of the St. Louis County Records; thence **North 0°37'33" East, 2,118.07 feet** to a point on the South line of said U.S. Survey 385; thence along said survey line, **North 61°32'32" West, 209.81 feet**; thence leaving said U.S. Survey line, **North 24°03'32" West, 575.35' feet**; thence **North 10°29'42" East, 66.00 feet**; thence **North 57°59'42" East, 43.16 feet**; thence **North 39°26'18" West, 68.28 feet** to Southwest corner of a 15 feet road dedication for Rieger Road, (variable width), Thence along the Southwest line of said 15 feet wide dedication, **North 57°55'20" East, 30.27 feet**; thence **North 63°14'45" East 588.68 feet**; thence **South 26°45'15" East, 15.00 feet** to the Northeast corner of said 15.00 feet wide dedication for Rieger Road; thence continuing along the Southern right of way line of Rieger, **North 63°14'45" East, 173.66 feet** to the **Point of Beginning. Containing 8,812,286 square feet or 202 Acres.**

(Tract II)

Commencing at a point being located at the intersection of the South right of way line of Rieger Road, (variable width), with the Northeast corner of Homestead Estates At Wildwood, according to the plat thereof recorded in Plat Book 355, Page 594 of the St. Louis County Records; thence **South 26°30'32" East, 774.94 feet** to a point on the North line of Three Sisters Farm Plat 1, according to the plat thereof recorded in Plat Book 347, Page 184 of the St. Louis County Records; thence **South 27°33'23" West, 674.71 feet** to the Southwest corner of said Three Sister Farm Plat 1, with said corner being also a point on the South line of U.S. Survey 385; thence along said U.S. Survey line, **South 61°34'25" East, 1,193.16 feet** to the **True Point of Beginning** of a tract of land known as Pillow Lane; thence along the outer boundary line of said Pillow lane, **North 30°02'51" East, 272.13 feet**; thence **North 10°29'51" East, 36.75 feet**; thence **North 32°45'51" East, 150.54 feet**; thence **North 46°09'51" East, 154.97 feet**, thence **North 65°05'51" East, 75.77 feet**; thence **North 87°44'51" East, 82.01 feet**; thence **North 73°02'51" East, 104.69 feet**; thence **North 52°24'51" East, 179.52 feet**; thence **North 02°06'51" East, 153.80 feet**; thence **North 25°27'09" West, 307.02 feet** to a point of curvature; thence along a curve to the right, having a chord that bears **North 10°41'55" East, 129.78 feet** and a **Radius of 110.00 feet** an arc distance of **138.81 feet**; thence **North 46°50'51" East, 228.79 feet**; thence **North 55°34'51" East, 691.68 feet** to a point of curvature in Pond Road, (width varies); thence along said curve in Pond Road to the right, whose radius point bears **North 45°51'31" East, 717.83 feet**; having a chord bearing of **North 36°33'56" West, 189.28 feet**, an arc distance of **189.83 feet**; thence **North 61°00'38" East, 40.00 feet** to the center line of said Pond Road; thence along said center line, along an arc to the left, having a radius of **677.83 feet** and having a chord bearing of **South 41°48'17" East, 300.70 feet**, an arc distance of **303.22 feet**; thence **South 54°37'12" West, 79.00 feet**; thence **South 35°22'48" West, 40.00 feet**; thence **North 54°37'12" West, 79.00 feet** to a point of curvature; thence along said curve to the right, having a radius of **717.82 feet**, and a chord bearing of **North 50°11'33" West, 110.83 feet**, an arc distance of **110.94 feet**; thence leaving said Pond Road, **South 55°34'51" West, 693.87 feet**; thence **South 46°50'51" West, 227.23 feet**; thence along a curve to the left, having a chord that bears **South 10°41'53" West, 106.18 feet** and a **Radius of 90.00 feet**, an arc distance of **113.57 feet**; thence **South 25°27'09" East, 311.93 feet**, thence **South 02°06'51" West, 168.10 feet**; thence **South 52°24'51" West, 192.56 feet**; thence **South 73°02'51" West, 110.91 feet**; thence **South 87°44'51" West, 80.59 feet**; thence **South 65°05'51" West, 68.43 feet**; thence **South 46°09'51" West, 149.29 feet**; thence **South 32°45'51" West, 144.26 feet**; thence **South 10°29'51" West, 121.75 feet**; thence **South 28°41'51" West, 193.57 feet** to a point on the South line of U.S. Survey 385 and the South line of Madison's Place, according to the plat thereof recorded in Plat Book 352, Page 226 and 227 of the St. Louis County records; thence northwest, along said U.S Survey 385 line and South line of Madison Place, **North 61°34'25" West, 53.19 feet** to the **Point of Beginning**. Containing of 74,376 square feet or 1.71 Acres.