

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

In the Matter of the Application of Confluence        )  
Rivers Utility Operating Company, Inc., for        )        **File No. WF-2023-0023**  
Authority to Issue up to \$7,200,000 in Long-Term    )  
Debt and to Secure Same with a Lien on its Property)        **SF-2023-0024**

**APPLICATION  
AND MOTION FOR WAIVER**

**COMES NOW** Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”) pursuant to Sections 393.190 and 393.200 RSMo., and 20 CSR 4240-2.060, 20 CSR 4240-4.017 and 20 CSR 4240-10.125, and for its *Application and Motion for Waiver*, states as follows to the Missouri Public Service Commission ("Commission"):

**AUTHORITY REQUESTED**

1. Confluence Rivers seeks authority from the Commission to issue long-term debt to CoBank, ACB (CoBank), in an amount not to exceed \$7,200,000. Confluence Rivers also seeks authority from the Commission to secure the long-term indebtedness to CoBank by a statutory lien on all equity Confluence Rivers may own now or hereafter acquire, and a perfected priority lien on and security interest in all real and personal, tangible and intangible, present and future assets of Confluence Rivers.

**Applicant**

2. Confluence Rivers is a Missouri corporation in good standing with its principal office and place of business at 1630 Des Peres Rd., Suite 140, St. Louis, MO 63131. A certified copy of Confluence Rivers’ certificate of good standing was filed in File No. WM-2018-0116 and is incorporated herein by reference.

3. Confluence Rivers currently provides water service to approximately 4,400 customers and sewer service to approximately 4,600 customers in the State of Missouri, pursuant to certificates of convenience and necessity previously granted by the Commission. Confluence Rivers is a “water corporation,” a “sewer corporation,” and a “public utility,” as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law.

4. There is no pending action or final unsatisfied judgment or decision against Confluence Rivers from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Application.

5. Confluence Rivers has no overdue Commission annual reports or assessment fees.

6. Communications regarding this Application should be addressed to the undersigned counsel and to:

Josiah Cox  
Confluence Rivers Utility Operating Company, Inc.  
1630 Des Peres Rd., Suite 140  
St. Louis, MO 63131  
Phone: (314) 380-8544  
E-mail: [jcox@cswrgroup.com](mailto:jcox@cswrgroup.com)

**Description of the Loan, Security for the Loan and Use of the Proceeds**

7. Confluence Rivers seeks authority to enter into evidence of indebtedness with CoBank in the maximum principal amount of \$7,200,000 pursuant to a Credit Agreement, as described by the attached Summary of terms and Conditions attached hereto as **Appendix A-C**, and related documents. **Appendix A-C** is marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information and information representing strategies employed in contract negotiations.

8. In order to secure the loan from CoBank, Confluence Rivers will be required to place a mortgage, lien or encumbrance on its equity and certain properties in accordance with the Credit Agreement, and related documents.

9. Confluence Rivers is entering into the Credit Agreement, and related documents, for the purpose of refinancing existing debt.

**Other Filing Requirements**

10. Attached hereto, as **Appendix B**, is a certified copy of the Resolutions of the Board of Directors of Confluence Rivers authorizing the loan and security that are the subject of this Application and authorizing the filing of this Application. [See 20 CSR 4240-10.125(1)(D)].

11. Attached as **Appendix C-C** is a balance sheet and income statement with adjustments showing the effects of the issuance of the proposed \$7,200,000 million of new long-term debt on bonded and other indebtedness, and stock authorized and outstanding. [See 20 CSR 4240-10.125(1)(E)]. **Appendix C-C** is marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information.

12. Attached as **Appendix D-C** is Confluence Rivers' five (5) year capitalization expenditure schedule as required by Section 393.200, RSMo. [See 20 CSR 4240-10.125(1)(G)]. **Appendix D-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information and information representing strategies employed in contract negotiations

13. The money, property or labor to be procured or paid by the issuance of the indebtedness described herein is reasonably required for the purposes specified in this Application and such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

### **Regulatory Considerations**

14. Confluence Rivers has no objection to the Commission's order approving this Application containing express language to the effect that its authorization is not a finding by the Commission of the appropriateness of the choice of financing options for ratemaking purposes and, further, that the Commission reserves the right to consider the ratemaking treatment afforded the activities undertaken by Confluence Rivers pursuant to its order in this case and their impact on the cost of capital in pending or subsequent rate proceedings.

### **Supplemental Reports of Financing Activity**

15. Promptly after the issuance and sale of the instant indebtedness, a report setting forth the amount, price information and other terms and provisions concerning long-term indebtedness incurred by Confluence Rivers and setting forth information concerning the use of the proceeds from any such issuance will be filed.

16. Because this financing is for the purpose of refinancing existing debt, Confluence Rivers believes that this issuance of long-term indebtedness is not subject to the fee schedule set forth in Section 386.300, RSMo. [See 20 CSR 4240-10.125(1)(F)].

### **MOTION FOR WAIVER**

17. Rule 20 CSR 4240-4.017(1) provides that “(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case.” Confluence Rivers previously filed a *Notice of Intended Filing* in the referenced cases on July 19, 2022. However, because a notice was not filed 60 days prior to the filing of this Application, Confluence Rivers seeks a waiver of the 60-day notice requirement.

18. Rule 20 CSR 4240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause exists in this case. Confluence Rivers declares (as verified below) that it has

had no communication with the Office of the Commission (as defined by Commission Rule 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed for record. Accordingly, for good cause shown, Confluence Rivers moves for a waiver of the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) and acceptance of this Application at this time.

**WHEREFORE**, Confluence Rivers requests the Commission to issue an Order authorizing Confluence Rivers to:

A. Enter into evidence of indebtedness with CoBank in the maximum principal amount of \$7,200,000, pursuant to a Credit Agreement and to secure the loan from CoBank, with a mortgage, lien or encumbrance on its equity and certain properties in accordance with the Credit Agreement, and related documents.

B. Enter into, execute, deliver and perform the necessary arrangements or other documents necessary to effectuate the transactions described herein;

C. Take such other actions as may be necessary to complete the subject transactions;

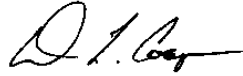
D. Further ordering that the proceeds from the issuance of the indebtedness will be used by Confluence Rivers for the refinance of existing debt;

E. Further ordering that the money, property or labor to be procured or paid for by the Confluence Rivers through the issuance of the indebtedness is reasonably required and necessary for the purposes set forth and will be used therefore and such purposes are not, in whole or in part, reasonably chargeable to operating expense or to income, as required by Section 393.200 RSMo.; and,

F. Waiving the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) for good

cause shown.

Respectfully submitted,



Dean L. Cooper, Mo. Bar #36592  
Jennifer L. Hernandez, Mo. Bar #59814  
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Central States Water Resources  
1630 Des Peres Rd., Suite 140  
Des Peres, MO 63131  
[dwoodsmall@cswrgroup.com](mailto:dwoodsmall@cswrgroup.com)

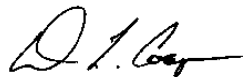
**ATTORNEYS FOR CONFLUENCE RIVERS  
UTILITY OPERATING COMPANY, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document was electronically transmitted on this 1<sup>st</sup> day of August, 2022 to:

Office of the General Counsel  
[staffcounsel@psc.mo.gov](mailto:staffcounsel@psc.mo.gov)

Office of the Public Counsel  
[opcservice@opc.mo.gov](mailto:opcservice@opc.mo.gov)



**AFFIDAVIT**

State of Missouri     )  
  )  
County of St. Louis    )     ss

I, Josiah Cox, having been duly sworn upon my oath, state that I am the President of Confluence Rivers Utility Operating Company, Inc. ("Confluence Rivers"), that I am duly authorized to make this affidavit on behalf of Confluence Rivers, that I have knowledge of the matters stated herein, and that said matters are true and correct to the best of my information, knowledge, and belief. Additionally, no representative of Confluence Rivers has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the one hundred fifty (150) days immediately preceding the filing of the Application regarding any substantive issue likely to be addressed in this case.



Subscribed and sworn before me this 29th day of July, 2022.



MERANDA K. KEUBLER  
My Commission Expires  
November 13, 2022  
St. Louis County  
Commission #14631487

  
Notary Public

**APPENDIX A-C**

HAS BEEN  
IDENTIFIED AS

**CONFIDENTIAL**

IN ITS ENTIRETY



CONSENT ACTION OF THE DIRECTOR  
OF CONFLUENCE RIVERS UTILITY OPERATING COMPANY, INC.

St. Louis, Missouri

July, 2022

The following actions were taken and unanimously consented to by the Director of Confluence Rivers Utility Operating Company, Inc. (the "Corporation"), in accordance with § 351.340 of the Missouri Revised Statutes, as is indicated by the signatures hereto:

WHEREAS, Josiah M. Cox is the sole Director the Corporation:

WHEREAS, the Director wishes to adopt certain resolutions of the Corporation;

NOW THEREFORE, the following resolutions were adopted and passed by the Director:

BE IT RESOLVED that the Director hereby authorizes the Corporation to borrow an amount not to exceed \$7,200,000 from CoBank, ACB ("CoBank"), for the purpose of retiring existing debt and replacing such debt with Indebtedness whose terms are more favorable to the Corporation; and

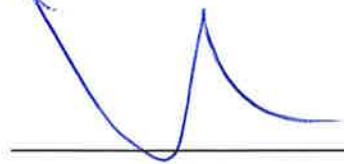
BE IT FURTHER RESOLVED that Josiah Cox, or other duly authorized officer or representative of the Corporation, is authorized to execute the Credit Agreement negotiated between CoBank and the Corporation, and such other related documents and instruments as are required to effectuate the loan transaction contemplated by these resolutions; and

BE IT FURTHER RESOLVED that the duly authorized officers of the Corporation are directed to take such further action as may be required, including but not limited to paying all fees and costs related to the loan transaction authorized by these resolutions; and

BE IT FURTHER RESOLVED that the Director of the Corporation ratifies and approves all lawful actions of the Director, officers, and the Corporation taken prior to these resolutions in furtherance of the loan transaction approved herein; and

BE IT FURTHER RESOLVED that all prior resolutions of the Director or any parts of such resolutions in conflict with any of the foregoing resolutions are hereby repealed to the extent of such conflict.

IN WITNESS WHEREOF, the undersigned Director of the Corporation has duly executed this Written Consent as of July 25, 2022.



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Josiah M. Cox, Director

**APPENDIX C-C**

HAS BEEN  
IDENTIFIED AS

**CONFIDENTIAL**

IN ITS ENTIRETY

**APPENDIX D-C**

HAS BEEN  
IDENTIFIED AS

**CONFIDENTIAL**

IN ITS ENTIRETY