

Exhibit No.: ~~308~~ 309

Issues: Public Interest

Witness: Richard DeWilde

Sponsoring Party: Lake Perry Lot Owners Association

Type of Exhibit: Rebuttal Testimony

Case Nos.: WA-2019-0299

Date Testimony Prepared: August 23, 2019

FILED  
October 17, 2019  
Data Center  
Missouri Public  
Service Commission

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

In the Matter of the Application of Confluence )  
Rivers Utility Operating Company, Inc. )  
For Authority to Acquire Certain Water and ) **Case No. WA-2019-0299**  
Sewer Assets and for a Certificate of Convenience ) **Case No. SA=2019-0300**  
And Necessity )

**REBUTTAL TESTIMONY OF  
RICHARD DEWILDE  
ON BEHALF OF THE  
LAKE PERRY LOT OWNERS ASSOCIATION  
AUGUST 23, 2019**

LPLO Exhibit No. 309 308  
Date 10-8-19 Reporter \_\_\_\_\_  
File No. WA-2019-0299

1 **Q. Please state your name and business address?**

2 A. My name is Richard DeWilde, and my business address is 1300 Brenda Avenue, Perryville,  
3 MO 64775.

4 **Q. On behalf of what party in this case are you testifying?**

5 A. Lake Perry Lot Owners' Association. I hold the office President of the Association.

6 **Q. What is your education and professional background?**

7 A. I am a Certified Public Accountant and run my business as a CPA in the city of Perryville.  
8 I received a Bachelor of Science degree in Accounting from Southeast Missouri State  
9 University. I was employed by a local CPA firm in Perryville from January, 1974 through  
10 October, 1983. I started my own accounting practice in November of 1983. I have  
11 practiced in the accounting field since that time. In my CPA practice, I provide tax advice,  
12 business accounting services, and auditing services. In my career, I have provided some  
13 minimal ratemaking advice and appeared before the Public Service Commission many  
14 years ago. In 1997, I was appointed to the Advisory Board of First State Community Bank,  
15 Perryville branch and am presently an active board member serving our Perryville market.  
16 In 2004, I was first elected to the Board of Citizens Electric Corporation. I served as  
17 treasurer from 2010 to 2013, vice president from 2013 to 2015, and president from 2015 to  
18 present.

19 In 2003, I was elected as President of the Board of Trustees of the Association. As  
20 President of the Association, I have taken a hands-on approach to the management of the  
21 subdivision. I am closely involved with the lot owners and am familiar with the water and

1 sewer operations. The Board of Trustees meets on a regular basis to discuss the utility  
2 services and other association issues.

3 I am a life-long resident of the state of Missouri and active in my community. I am a  
4 member of the Perryville Development Corporation, a member of the Perryville Chamber  
5 of Commerce, and a 4<sup>th</sup> Degree member of the Knights of Columbus Council #1263.

6 **Q. Please summarize and state the purpose of your testimony?**

7 A. The purpose of my testimony is to present facts showing why Confluence Rivers'  
8 Application is detrimental to the public interest. Confluence Rivers' direct testimony has  
9 failed to provide information adequate to show the transaction is not detrimental to the  
10 public interest. The Association has created a business plan and conducted an engineering  
11 report that is superior to Confluence Rivers' proposal. By this undertaking, we have shown  
12 a transaction that would be in the public interest. My testimony will utilize this information  
13 to show how the Application is detrimental to the public interest.

14 **Q. Please describe the Lake Perry subdivision.**

15 A. Lake Perry is a private gated community. Lake Perry is an approximate 1800 acre  
16 recreational lake development located in western Perry County, MO. The development  
17 has eight (8) plats, one (1) full-time camping area and a mini-farm plat and a total of 614  
18 lot owners. The development has approximately 11 miles of paved roads, an office  
19 building, four multi-unit boat slips, a recreation center with a restaurant and pool as well  
20 as other amenities such as two sandy beaches, sand volleyball court and children  
21 playgrounds. The development has a small fish hatchery, a small fishing lake and a larger  
22 (approximate 200 acre) lake for boating and water sports.

1 **Q. Please describe the Lake Perry Lot Owners Association.**

2 A. Lake Perry Lot Owners' Association was formed in 2003. The development was turned  
3 over to the lot owners' association after a public auction was held in September of 2003.  
4 Lake Perry bills all lot owners an annual assessment. The money is then transferred to  
5 Perry County Land Company, Inc to manage the day to day operations. Perry County Land  
6 Company, Inc. pays all the operating bills and employs one full time maintenance  
7 supervisor and three to four part-time employees to maintain all the facilities, mow grass,  
8 remove snow and many other maintenance functions including the pool. These employees  
9 help with water and sewer maintenance from time to time.

10 **Q. Please describe the response of the Lake Perry lot owners and the Lake Perry Lot**  
11 **Owners Association to the Applications in Case No. WM-2018-0116 and Case No. SM-**  
12 **2019-0299?**

13 A. I first became aware of Confluence Rivers' Application in early 2018. At the Lake Perry  
14 Board of Trustees meeting held April 18, 2018, I brought this to the attention of the board.  
15 It was then included for discussion at the Lake Perry Lot Owners' Association annual  
16 meeting held April 29, 2018. The lot owners that attended that meeting decided to oppose  
17 the Application and pursue, if possible, the purchase of Port Perry Service Company. One  
18 year later, on April 28, 2019, we again discussed the topic at the annual meeting. And the  
19 lot owners confirmed their opposition to the Application.

20 **Q. You stated that the Association authorized the Association to pursue, if possible, the**  
21 **purchase of Port Perry Service Company. Please explain what you did.**

1 A. As we reviewed the Application of Confluence Rivers in Case Nos. WM-2018-0116 and  
2 SM-2018-0117, we determined a number of things were detrimental to the interest of the  
3 public in the Application. These included among other things that the purchase price was  
4 excessive and the financing arrangements that Central States Water Resources had entered  
5 into in the past and what it was proposing in that case were excessive. Coupled with the  
6 extreme rate increases occurring in the communities that CSWR had already taken over, we  
7 were convinced that the Application was detrimental to the public interest. In order to  
8 quantify the extent of the harm to the public interest from the Confluence Rivers  
9 Application, we engaged a business planner and an engineer to assess these and other  
10 factors necessary to form our own water and sewer company. Association witnesses Glen  
11 Justis and Chad Sayre will address their assessments of these and other factors. The Lake  
12 Perry Service Company was formed in February, 2019 as a not for profit organization to  
13 own and operate the systems.

14 **Q. Please describe the additional steps the Association undertook to prepare to make an**  
15 **offer to purchase the assets of Port Perry Service Company.**

16 A. In preparation to make a formal offer to Port Perry Service Company, the Association first  
17 had to do its due diligence on whether it could undertake the acquisition. We took the  
18 following actions:

19 1. Develop an engineering review. As I previously indicated, we engaged Allstate  
20 Consultants, Inc. to do a Preliminary Engineering Report. I joined Mr. Chad Sayre of  
21 Allstate Consultants on a tour of the facilities and the subdivision on November 28, 2018.  
22 Association witness Chad Sayre discusses his report in his Rebuttal Testimony. Allstate's  
23 report concludes at section 6.0 thereof that, "Upon an initial cursory assessment we

1 conclude that the Lake Perry lot and homeowners and all those current and future  
2 customers would be greatly served to have a locally formed 'not for profit' owner/operator  
3 of the water and sewer systems."

4 2. Develop a business plan. As I previously indicated, we engaged Experience on  
5 Demand, Inc. to prepare a Business Plan for a new Lake Perry Service Company, a not for  
6 profit utility company formed under Chapter 393 of the Missouri Revised Statutes. Mr.  
7 Glen Justis reviewed the financial data for Port Perry Service Company and consulted with  
8 Mr. Sayre in developing the business plan. Association witness Glen Justis discusses his  
9 Business Plan in his Rebuttal Testimony. From the Association's perspective, likely the  
10 most significant findings of these two first efforts are:

11 a. that it is feasible for the Lake Perry Service Company to acquire and operate  
12 the Port Perry Service Company,

13 b. it is likely that the Lake Perry Service Company's cost of capital will be  
14 lower than that of Confluence Rivers, and

15 c. it is likely that the Lake Perry Service Company's rates will be significantly  
16 lower than those of Confluence Rivers.

17 3. Solicit and obtain bank financing commitment. With the Engineering Report and  
18 the Business Plan in my possession, I approached First State Community Bank for a loan  
19 commitment. I received a letter from First State Community Bank on May 3, 2019  
20 outlining two options for financing that they would be willing to undertake. I have attached  
21 a copy of that letter as Schedule RD-2C to my testimony. You will note that they commit

1 to a fixed interest rates of 3.65% and 4.45%. Obviously, these interest rates may need to  
2 be adjusted, but they were attractive rates at the time I received them.

3 4. Solicit and obtain commitments for initial seed money. As you can see from the  
4 bank's commitment letter, the \$300,000.00 loan would need to be secured by a  
5 \$300,000.00 3-year Certificate of Deposit to be purchased at the bank. In response to that  
6 requirement, I solicited members of the Association to determine their commitment to this  
7 effort and sought their commitment to invest in such a Certificate of Deposit. I have  
8 attached as Schedule RD-3C a list of individual members of the Association who have  
9 committed to invest in such a Certificate and the amount of the commitment. To date, we  
10 have a total commitment of \$252,000.00. I have several additional indications of interest  
11 that I have not followed up on yet. I am confident we will have sufficient commitments to  
12 reach the \$300,000.00 necessary for the collateral commitment.

13 5. Form the Lake Perry Service Company. Concurrently with the above referenced  
14 efforts, the Association initiated steps to form a new not for profit service company  
15 pursuant to sections 393.175, 393.825 to 393.861, and 393.900 to 393.951 of the Revised  
16 Statutes of Missouri. You will find the following schedules attached to my testimony.

- 17       ▪ Articles of Incorporation. Articles of Incorporation for Lake Perry Service  
18       Company, Schedule RD-4.
- 19       ▪ Bylaws. Bylaws for the Lake Perry Service Company, Schedule RD-5.
- 20       ▪ Approval of the Department of Natural Resources. An approval letter from  
21       the Missouri Department of Natural Resources, finding that the Articles of  
22       Incorporation and bylaws meet the requirements of the relevant sections of  
23       Chapter 393, Schedule RD-6.

1 **Q. Please describe the financing aspect of the acquisition in more detail.**

2 A. The following was the arrangement we agreed to:

3 Lake Perry Service Company will ask current Lake Perry lot owners to consider investing  
4 money into this utility purchase. The amounts of each lot owner's investment will vary  
5 according to the lot owner's discretion. The goal was to reach \$300,000 and utilize this  
6 money to purchase a Certificate of Deposit for the full \$300,000. At that time, the bank  
7 will issue a \$300,000 loan with the new CD as collateral. The investors will receive a return  
8 on their money at various levels depending on their investment amount. It will be paid to  
9 them each year for a three-year period. After three years of history the bank will then be  
10 in a better position to make a financial decision to provide a commercial loan.

11 During that three-year period of the CD, Lake Perry Service Company will be paying a  
12 monthly payment on the \$300,000 loan. This is all accounted for in the business plan for  
13 Lake Perry Service Company.

14 The interest from the \$300,000 CD will be paid to Lake Perry Service Company. That  
15 interest will help offset the interest paid on the loan. Our interest paid on the loan backed  
16 by the CD will be 1.5% larger than the interest we would receive from the CD. At the time  
17 of our discussion with the bank, that number was 3.65% interest.

18 Blending the net interest Lake Perry Service Company will pay for interest on the loan less  
19 the interest they will receive on the CD and including the interest anticipated to pay on the  
20 investors' money, the business plan reflects and approximate 6 to 7% overall interest cost  
21 for the first three years.

22 **Q. How does the Association propose to operate the systems.**



1 A. The Association proposes that the systems be operated much as they have been in the past,  
2 with the obvious improvements called for in the Engineering Report and Business Plan. I  
3 have made a preliminary inquiry to all of the individuals and entities that provide service  
4 to the Port Perry Service Company and others to determine their willingness to provide the  
5 operating services Lake Perry Service Company will need. I have received commitment  
6 letters from the following individuals and organizations:

- 7 o Earth First Contractors New service connections and repair to main lines
- 8 o Paycheck Payroll Services Accounting and back office services
- 9 o Charles Staffeldt Operations and maintenance
- 10 o Jeremy Meyer DS3 License water and Class A License wastewater
- 11 o Richard T. DeWilde
- 12 o Robert Welden General maintenance
- 13 o Brian Flentge Construction
- 14 o Diane Murray Chemical testing

15 I have attached these commitment letters as Schedule RD-7 to my testimony.

16 You will see on page 3 of the Business Plan that the following functions will be contracted  
17 out: Professional Engineering, Accounting & Billing Services, Operations Support  
18 Contractors. Regarding the Professional Engineering Services, the Association has  
19 developed a good working relationship with Mr. Sayre and anticipates we may utilize  
20 Allstate Consultants again in the future. Otherwise, we have made other useful contacts in  
21 this process that we may use to our advantage.

22 **Q: Have you made an offer to Port Perry Service Company?**

1 A: Yes. On or about April 4, 2019, the Lake Perry Service Company made an offer to Port  
2 Perry Service Company in the form of an Asset Purchase Agreement. I have attached a  
3 copy of that proposal to my testimony as Schedule RD-8.

4 **Q. Please describe the offer Lake Perry Service Company made to Port Perry Service**  
5 **Company.**

6 A. The Asset Purchase Agreement proposes to compensate Port Perry Service Company  
7 \$150,000.00 for the sale of the assets of the water and sewer systems. The offer is  
8 contingent on the failure of Port Perry and Confluence Rivers to consummate their  
9 agreement. While we desire to purchase the systems, we understand the position Port Perry  
10 is in and have structured the offer so as to avoid putting Port Perry in a difficult position.  
11 The offered price is significantly higher than the net book value of the Staff. It is fixed for  
12 now and remains an open offer. I have attached a copy of the meeting minutes authorizing  
13 the offer along with a resolution adopted by the Board of Trustees on August 21, 2019 as  
14 Schedule RD-9 to my testimony.

15 **Q. Has Port Perry responded to your offer?**

16 A. No. I have discussed the Association's interest in purchasing the utility company with  
17 Michael Yamnitz a few times in the past. Each of those discussions took place at my office  
18 at 1300 Brenda Avenue in Perryville, MO. He was clear that he and Brad Moll (the two  
19 principals of Port Perry Service Co) had entered into a contract for Confluence Rivers to  
20 purchase their business. Of course, Confluence had issued a letter to each of the utility  
21 customers in late March or early April, 2018 to let them know they were going to purchase  
22 the company. I do tax work for Mike and his wife, Beth, and on occasions when he would

1           come to the office to discuss their tax information the conversation would also include the  
2           sale of Port Perry Service Co. I mentioned that the Association was interested in submitting  
3           an Asset Purchase Agreement to tender an offer and asked him to sign it and send it back  
4           to us. We did send this offer to him by certified mail and received the confirmation from  
5           the postal service that he received it. See Schedule RD-8

6           But Mr. Yamnitz has always made it clear that he is not at liberty to discuss our desire to  
7           purchase the Port Perry assets. On one occasion when he was in my office he said he could  
8           not discuss the sale of the utility company with me. I asked why and he said, "Our attorneys  
9           said we cannot discuss it with you." I asked him if he could tell me who the attorney was  
10          and he said, "The Confluence attorneys."

11          About the same time as that last conversation with Mr. Yamnitz, I received a a letter dated  
12          March 19, 2019, entitled "Demand to Cease and Desist From Interfering with Central  
13          States Water Resources, Inc's Contract with the Port Perry Service Company." This letter  
14          was sent by James A Beckemeier, the attorney for Central States Water Resources, Inc. I  
15          have attached a copy of the letter as Schedule RD-10 to my testimony. While I believe I  
16          am justified in speaking to Port Perry on behalf of the Association about the Association's  
17          desire to purchase the assets of Port Perry, and especially about an offer that is contingent  
18          as I have described, it is apparent to me Confluence Rivers is advising them they should  
19          not talk to us.

20       **Q.    What have you learned during the course of your efforts in this case?**

21       A.    The Application of Confluence Rivers is clearly detrimental to the public interest. The  
22       Association has undertaken all appropriate efforts and due diligence to make a proposal to

1 Port Perry Service Company. During that process, we have confirmed our suspicions that  
2 the offer price and the financing cost is too high. Their Application proposes to take local  
3 control and local services away from the community.

4 They argue that they have economies of scale. Mr. Cox's testimony indicates that they  
5 serve 2,800 customers (page 5, line 5). However, Schedule JC-1 indicates numerous  
6 operating companies across five separate states. This arrangement indicates the opposite  
7 of economies of scale. The arrangement indicates duplication of effort and over-  
8 engineering and a system spread too thin.

9 The following are some ancillary concerns we have as a community which have not been  
10 addressed:

- 11 • Profits would benefit investors or owners outside the community; thus the income  
12 would possibly not be spent in the State of Missouri at all.
- 13 • Maintenance and repairs could potentially be expedited with local contacts and  
14 personnel on site and would be delayed by a large entity spanning 5 states.
- 15 • Property values would be impacted with the higher utility rates. Many of these  
16 homes and lots are second homes and used for vacation/recreation.
- 17 • Many improvements to the development would possibly be put on hold with the lot  
18 owners spending more money on higher rates. As one very clear example is the  
19 Board of Trustees has deferred paving new roads in the development pending the  
20 outcome of this case.
- 21 • We are thinking that local contractors and vendors will be more comfortable  
22 working with a local entity when it comes to payment for services performed.

- 1           • Some property owners have threatened to sell and move out before the rates get too  
2           high.

3 **Q. Has the Confluence Rivers' Direct Testimony persuaded you that the Application is**  
4 **not detrimental to the public interest?**

5 A. No. Clearly not. Their testimony is not persuasive that it is. Their testimony relates  
6 primarily or exclusively to their capability. Assuming they are capable, capability is not  
7 enough to determine whether this transaction is not detrimental to the public interest. If  
8 capability is all that mattered, any company from California or New York would be deemed  
9 an appropriate candidate to take over our services.

10 Confluence Rivers' testimony fails to provide any justification of the purchase price. Their  
11 testimony fails to provide any cost or rate information regarding future activities and  
12 improvements. Their testimony does discuss their disagreement with Staff regarding the  
13 net book value determination, but it makes no proposals. The customers, which this  
14 Commission is created to protect, need to know the impact of this transaction on the rates  
15 and services under consideration. The Confluence Rivers testimony has failed to provide  
16 that information.

17 **Q. Do you see any additional disadvantages from approving this Application?**

18 A. As this Commission is aware, and as I have already discussed, the state statute authorizes  
19 the formation of not for profit companies to undertake the provision of water and sewer  
20 services. It is my firm conviction that the Association has undertaken some excellent work  
21 in showing how the services authorized by the Missouri legislature can be utilized to a  
22 better advantage than a company with small services in multiple states. In addition, my

1 experience with this process has shown me that many people are upset with the rate shock  
2 Confluence Rivers has created. I believe it would also be an additional detriment to the  
3 public interest for this Commission to foreclose the option the Legislature has created when  
4 the citizens of Lake Perry have taken such efforts to pursue new and imaginative solutions  
5 to the high cost of services such as what Confluence Rivers will bring. The Commission  
6 will gain experience in these alternatives for making judgments in future cases and the  
7 citizens will be rewarded for their efforts by maintaining their water and sewer services  
8 within their control.

9 **Q. In your opinion, is the Lake Perry Service Company a stable and concerned nonprofit**  
10 **corporation?**

11 A. Yes, it is. It is in terms of management, as Mr. Justis and I have shown in putting together  
12 a business plan that shows the proposal to be viable. It is in terms of financing, as we have  
13 shown in the form of a bank commitment and other investors. And it is in terms of  
14 operations in that we have individuals and entities already familiar with the system and  
15 willing to continue those services.

16 **Q: Does this conclude your testimony?**

17 A: Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Application of Confluence )  
Rivers Utility Operating Company, Inc., for )  
Authority to Acquire Certain Water and Sewer ) File No. WA-2019-0299  
Assets and for a Certificate of Convenience ) File No. SA-2019-0300  
and Necessity )

AFFIDAVIT OF RICHARD DEWILDE

I, Richard DeWilde, state that I am President of the Lake Perry Lot Owners Association, that the Rebuttal Testimony of Richard DeWilde filed in the above referenced case and all schedules attached thereto were prepared by me or under my direct supervision, and that the answers to the questions posed therein are true and correct to the best of my information, knowledge and belief.

Richard DeWilde

Subscribed and sworn to before me this 22<sup>nd</sup> of August, 2019

Elizabeth Rousseau  
Notary Public

My commission expires: 5-26-21

(Seal)

ELIZABETH A. ROUSSEAU  
NOTARY PUBLIC - NOTARY SEAL  
STATE OF MISSOURI  
COUNTY OF PERRY  
COMMISSION #13799524  
My Commission Expires: May 26, 2021



First State  
Community Bank

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May 3, 2019

Richard DeWilde, President  
Lake Perry Service Company  
1300 Brenda Avenue  
Perryville, MO 63755

Dear Rich,

First State Community Bank (FSCB) is pleased to provide the following two options for a \$300,000 financing to purchase the water and sewer utilities serving the Lake Perry community:

Option 1: A single \$300,000 note at a fixed interest rate of 3.65%. Loan to be secured by a \$300,000 3-year Certificate of Deposit to be purchased at FSCB. The loan will be structured with a balloon payment due three (3) years from the date of the note based on a 13-year amortization. Approximate monthly payments would be \$2,426.

Option 2: One \$200,000 note at a fixed interest rate of 3.65%. Loan to be secured by a \$200,000 3-year Certificate of Deposit to be purchased at FSCB. The loan will be structured with a balloon payment due three (3) years from the date of the note. Payments will be interest only. Approximate monthly payments would be \$617.

A second \$100,000 note secured by real estate, fixtures and equipment owned by the Lake Perry Service Company at a fixed rate of 4.45%. The loan will be structured with a balloon payment due three (3) years from the date of the note based on a 5-year amortization. Approximate payments would be \$1,865 per month.

The loan is subject to the final underwriting and approval procedures of FSCB and the interest rates quoted above are based on the loan closing within 60 days from the date of this letter.

We appreciate the opportunity to extend this relationship to you. Should you have any questions or we may be of further service, please do not hesitate to contact me.

Sincerely,

Terry A. Luetkemeyer  
Vice President

fscb.com

Success Starts Here.  
201 E. Columbia St. • Farmington, MO 63640  
(573) 756-4547

**SCHEDULE RD 2C**

Member FDIC  
**CONFIDENTIAL**



# LAKE PERRY

1300 Brenda Ave.  
Perryville, MO 63775  
573-547-6596

## COMMITMENTS TO FUND UTILITY COMPANY PURCHASE

CD Commitment of: Balance at 07/08/2019      \$252,500.00

\$1,000

Wayne Craft  
Robert Pelker  
Patrick Schommer  
Rick Francis  
Gary Schumer  
Ed Jantosik  
Rick Mattingly

\$1,500

Delvin Lukefahr

\$2,000

Michael Bullerdieck  
Bobby & Diane Murray  
Brian Flentge

\$3,000

Scott Layton

\$5,000

Robert Coalter  
Thomas Courtney  
Kim Flentge  
Glenn Mabie  
Jason Kiefer  
Rick Hayden  
Dan Dunn  
Larry Wagner  
Richard & Brenda DeWilde  
Kenneth Mattingly  
Brad Bryan

\$10,000

Steve Rozier  
Gary Beinke

\$20,000

Butch Hill

\$40,000

Jason Kinnison

\$50,000

Danny Hotop  
William Wachter

**SCHEDULE RD 3C**

**CONFIDENTIAL**

Articles of Incorporation

For

Lake Perry Service Company

(Pursuant to sections 393.175, 393.825 to 393.861, and 393.900 to 393.951, RSMo.)

The undersigned natural persons of the age of eighteen years or more, for the purpose of forming a nonprofit water company and a nonprofit sewer company under sections 393.175, 393.825 to 393.861, and 393.900 to 393.951, RSMo., hereby adopt the following Articles of Incorporation:

Article One: The name of the corporation is Lake Perry Service Company.

Article Two: The address of the principle office, including street number of the initial registered office in this state is: 1300 Brenda Avenue, Perryville, MO 63775 and the name of the registered agent is *Richard Thomas DeWilde*

Article Three: The names and addresses of the incorporators are:

Richard Thomas DeWilde	1300 Brenda Ave, Perryville, MO 63775
Diane Renee Murray	2080 Mariana Loop, Perryville, MO 73775
Ricky Burton	243 Pioneer Orchard Drive, Jackson, MO 73755
Larry Jennemann	2030 Oak Way, Perryville, MO 73775
Alan Frentzel	2046 Compass Drive, Perryville, MO 73775
Brian Flentge	1491 PCR 902, Perryville, MO 63775
Vince Reinacher	1670 Washington Road, Oakdale, IL 62268

Article Four: The number of years the company is to continue shall be perpetual.

Article Five: The legal description of the territory in which the company intends to operate is attached as Exhibit A.

Article Six: The names and addresses of the person who shall constitute its first board of directors are:

Richard Thomas DeWilde (President)	1300 Brenda Ave, Perryville, MO 63775
Diane Renee Murray (Secretary)	2080 Mariana Loop, Perryville, MO 73775
Ricky Burton	243 Pioneer Orchard Drive, Jackson, MO 73755
Larry Jennemann	2030 Oak Way, Perryville, MO 73775
Alan Frentzel	2046 Compass Drive, Perryville, MO 73775
Brian Flentge	1491 PCR 902, Perryville, MO 63775
Vince Reinacher	1670 Washington Road, Oakdale, IL 62268

ORI-02082019-0712 State of Missouri

No of Pages 3 Pages



Creation - Non-Profit

**SCHEDULE RD 4**

Article Seven: The company chooses to operate pursuant to chapter 355, RSMo., as a not for profit mutual benefit company for the purpose of supplying water for distribution and for providing sewer services. *The corporation will have members.*

Article Eight: The method chosen for distributing the assets of the company upon dissolution shall be in accordance with 393.945, RSMo., as amended and any other statutes applicable to a nonprofit water and a nonprofit sewer company.

Article Nine: There are no provisions that are not inconsistent with sections 393.175, 393.825 to 393.861, and 393.900 to 393.951, RSMo., that are deemed necessary or advisable for the conduct of the business and affairs of such corporation.

In Witness Whereof, these Articles of Incorporation of the Lake Perry Service Company have been signed and acknowledged this 3<sup>rd</sup> day of ~~December, 2018~~, January, 2019, by the following incorporators:

Incorporators

Richard Thomas DeWilde  
Richard Thomas DeWilde

Diane Renee Murray  
Diane Renee Murray

Ricky Burton  
Ricky Burton

Alan Frentzel  
Alan Frentzel

Brian Flentge  
Brian Flentge

Vince Reinacher  
Vince Reinacher

State of Missouri     )  
                                  )     ss  
County of Perry     )

I, Renae K Bohnert, a notary public, do hereby certify that on the 3<sup>rd</sup> day of January, 2019, personally appeared before me the above named incorporators, who being by me first duly sworn, declared themselves to be the persons who signed the foregoing document as Incorporators and that the statements therein contained are true.

Renae K Bohnert  
Notary Public

My commission expires:

RENAE K. BOHNERT  
NOTARY PUBLIC - NOTARY SEAL  
STATE OF MISSOURI  
COUNTY OF PERRY  
COMMISSION #13467667  
My Commission Expires: June 23, 2021

**Exhibit A**

**Lake Perry Service Company**

**Legal Description of Service Area**

Beginning at the point of intersection of the center line of Missouri Highway T with the east line of section 9, T34N, R9E, Perry County, Missouri; Thence north along said east line to the northeast corner of said section; Thence west along the north line of said section to the southeast corner of the southwest  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of section 4; Thence north along the east line of said  $\frac{1}{4}$   $\frac{1}{4}$  section and continuing to the northeast corner of the northwest  $\frac{1}{4}$ , of said southeast  $\frac{1}{4}$ ; Thence west along the east-west centerline of section 4 to the west line of said section; Thence south along said west line to the northeast corner of the southeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of section 5; Thence west along the north line of said  $\frac{1}{4}$   $\frac{1}{4}$  section and its prolongation to the centerline of Missouri Highway T; Thence along said centerline through sections 5, 6, and 7, T34N, R9E and section 1, T34N, R8E to the south line of said section 1; Thence southwestwardly to the southwest corner of the northwest  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$  of section 12; Thence southeastwardly to the northwest corner of the northeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of section 12, T34N, R8E; Thence south along the west line of said  $\frac{1}{4}$   $\frac{1}{4}$  section and continuing to the northwest corner of the northeast  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$  of section 13, T34N, R8E; Thence southeastwardly to the northwest corner of the northwest  $\frac{1}{4}$  of the southwest  $\frac{1}{4}$  of section 18, T34N, R9E; Thence southeastwardly to the intersection of county roads in the southeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of said section; Thence eastwardly along the county road to its intersection with a county road in the northeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of section 17; Thence northwardly along the county road to the north line of said  $\frac{1}{4}$   $\frac{1}{4}$  section; Thence east along said north line to the northeast corner of said  $\frac{1}{4}$   $\frac{1}{4}$  section; Thence northeastwardly to the southwest corner of the southwest  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of section 9; Thence east along the south line of said  $\frac{1}{4}$   $\frac{1}{4}$  section and continuing to the southeast corner of section 9, T34N, R9E; Thence north along the east line of said section to the point of beginning.

# STATE OF MISSOURI



**John R. Ashcroft**  
**Secretary of State**

## CERTIFICATE OF INCORPORATION

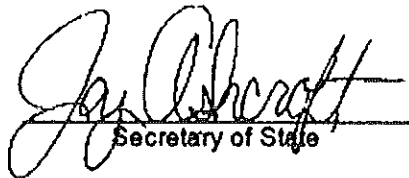
WHEREAS, Articles of Incorporation of

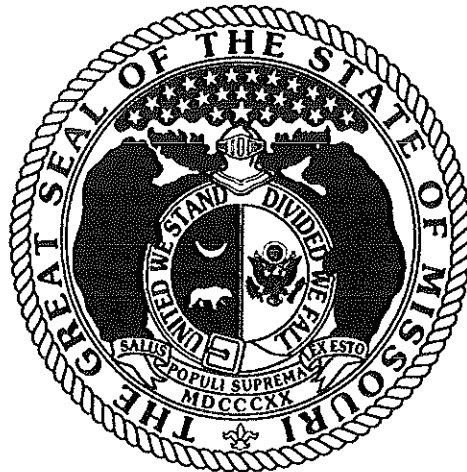
*Lake Perry Service Company*  
*N000710842*

have been received and filed in the Office of the Secretary of State, which Articles, in all respects, comply with the requirements of Sections 393.900 to 393.951 RSMo.

NOW, THEREFORE, I, JOHN R. ASHCROFT, 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 Sections 393.900 to 393.951 RSMo.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 8th day of February, 2019.

  
Secretary of State



BY-LAWS  
OF  
LAKE PERRY SERVICE COMPANY

These By-laws are adopted by Lake Perry Service Company, a Missouri corporation, in order to comply with sections 393.175, 393.825 to 393.86, 393.900 to 393.951, RSMo., in the governance of a nonprofit water company and a nonprofit sewer company.

**ARTICLE I - Offices**

The principle office of the corporation in the State of Missouri shall be located at 1300 Brenda Avenue, Missouri. The corporation may have such other office, either within or without the State of Missouri, as the business of the corporation may require from time to time. The registered office of the corporation required by The General and Business Corporation Law of Missouri to be maintained in the State of Missouri may be, but need not be, identical with principal office in the State of Missouri, and the address of the registered office may be changed from time to time by the Board of Directors.

**ARTICLE II - Members**

Section 1. Membership Qualification: Each person that agrees to use water distribution or wastewater disposal or treatment services furnished by the corporation (as evidenced by an open account for services in such person's name) with the corporation shall be a member of the corporation. Any person shall cease to be a member if such person shall fail or refuse to use such services. To the extent there are multiple names associated with a single account, such named persons shall be deemed a single member and shall designate one of such named persons with the authority to exercise the rights and obligations associated with such membership interest.

Section 2. Annual Meeting: The annual meeting of the members shall be held on any day in the month of April as may be fixed by the Board of Directors and as contained in the call of said meeting. The annual meeting shall be held for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day designated for any annual meeting or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Section 3. Special Meetings: Special meeting of the members may be called by the President, by the Board of Directors, by any three Directors or upon the request of not less than ten percent of all the members.

Section 4. Place of Meeting: The Board of Directors may designate any place, either within or without the State of Missouri, as the place of meeting for any annual meeting of the members or for any special meeting of the members called by the Board of Directors. The members may designate any place, either within or without the State of Missouri, as the place for the holding of such meeting, and may include the same in a waiver of notice of any meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be

the registered office of the corporation in the State of Missouri, except as otherwise provided in Section 6 of this article.

Section 5. Notice of Meetings: Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than twenty-five (25) days preceding the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or person calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

Section 6. Meeting of All Members: If all of the members shall meet at any time and place, either within or without the State of Missouri, and consent to the holding of a meeting, such meeting shall be valid, without call or notice, and at such meeting any corporate action may be taken.

Section 7. Closing of Transfer Books or Fixing of Record Date: The Board of Directors of the corporation may close its membership books for a period not exceeding fifty (50) days preceding the date of any meeting of members, or for the allotment of rights, or the date when any change or conversion or exchange of membership interests shall be effective; or, in lieu thereof, may fix in advance a date, not exceeding (50) days preceding the date of any meeting of members, or for the allotment of rights, or to the date when any change or reconversion or exchange of membership interests shall be effective, as the record date for the determination of members entitled to notice of, or to vote at, such meeting, or members entitled to receive any such allotment of rights, or to exercise rights in respect of any such change, conversion or exchange of membership interests; and the members of record on such date of closing the transfer books, or on the record date so fixed, shall be the members entitled to notice of and to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment of rights, as the case may be. If the Board of Directors shall not have closed the membership books or set a record date for the determination of its members entitled to vote as hereinabove provided, the date on which notice of the meeting is mailed or right announced, as the case may be, shall be the record date for such determination of members so entitled to vote.

Section 8. Voting Lists: At least ten days before each meeting of members, the officer or agent having charge of the membership book for membership interests of the corporation shall make a complete list of the members entitled to vote at such meeting, arranged in alphabetical order with the address of each member, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the corporation and shall be subject to inspection by any member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting. The original membership interest ledger or membership book, or a duplicate thereof kept in this state shall be prima facie evidence as to who are the members entitled to examine such list or membership interest ledger or transfer book or to vote at any meeting of members.

Section 9. Quorum: Ten percent (10%) of the members of the corporation, represented in person or by proxy, shall constitute a quorum at any meeting of the members; provided, that if less than ten percent of the members are represented at said meeting, a majority of the members so represented may adjourn the meeting, from time to time, without further notice, to a date not longer than ninety days from the date originally set for such meeting.

Section 10. Proxies: At all meetings of members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 11. Voting by Members: Each member shall have one membership interest and be entitled to one vote upon each matter submitted to a vote at a meeting of members. The act of the majority of the members present (or by proxy) at a meeting of the members at which a quorum is present shall be the act of the members.

Section 12. Informal Action by Members: Any action which may be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all members entitled to vote with respect to the subject matter thereof.

### **ARTICLE III - Directors**

Section 1. General Powers: The business and affairs of the corporation shall be managed by its Board of Directors.

Sectional 2. Number, Election and Term: The number of directors of the corporation shall be seven (7), each of whom shall be elected at the annual meeting of members, except as hereinafter provided for the initial term of said directors. The term of office of said directors, except as hereinafter provided with reference to the initial term of office shall be three (3) years. All such directors as are elected shall hold office until his successor has been elected and has qualified. Three of the seven aforesaid directors shall be at the first meeting of the members nominated and elected for a term of one (1) year, another two of the seven aforesaid directors shall be at the first meeting of the members nominated and elected for a term of two (2) years and the remaining two of the aforesaid seven directors shall be elected at the first meeting of the members for a term of three (3) years.

Section 3. Regular Meetings: A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of the members. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Missouri, for the holding of additional regular meetings with notice of such resolution to all directors.

Section 4. Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place in the United States, either within or without the State of Missouri, as the place for holding any special meeting of the Board of Directors called by them.



Section 5. Notice: Notice of any special meeting shall be given at least five days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram provided, however, that if the designated meeting place is without the State of Missouri, an additional five-days notice shall be given. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting: The act of the majority of the directors present at a meeting of the directors at which a quorum is present shall be the act of the Board of Directors.

Section 8. Vacancies: In case of the death or resignation or disqualification of one or more of the directors, a majority of the survivors or remaining directors may fill such vacancy or vacancies until the successor or successors are elected at the next annual meeting of the members. A director elected to fill a vacancy shall serve as such until the next meeting of the members.

Section 9. Compensation: Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; provided, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

#### **ARTICLE IV - Officers**

Section 1. Number: The officers of the corporation shall be a President, a Vice-President, a Treasurer, and a Secretary who shall be elected annually. The President and the Vice-President shall be chosen from the members of the Board of Directors. The offices of Treasurer and Secretary may be held by the same person and need not be chosen from the members of the Board, but they may be so chosen. The Board of Directors, by resolution, may elect or appoint such other officers, agents or employees as it shall deem necessary or advisable and shall prescribe the powers and duties thereof.

All officers and agents of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the property and affairs of the

corporation as may be provided in the by-laws, or, in the absence of such provision, as may be determined by resolution of the Board of Directors.

Section 2. Election and Term of Office: The officers of the corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members except as hereinafter set forth. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal: Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President: The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or Treasurer or any other proper officer thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. The Vice-President: In the absence of the President or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all restrictions upon the President. The Vice-President may sign with the Secretary, or with the Treasurer, certificates for membership interests of the corporation; and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. The Treasurer: If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these by-laws; (b) in general perform

all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8. The Secretary: The Secretary shall: (a) keep the minutes of the member's and of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all certificates for membership interests prior to the issue thereof and to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these by-laws; (d) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; (e) sign with the President, or the Vice-President, certificates for membership interests of the corporation, the issue of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 9. Assistant Treasurers and Assistant Secretaries: The Board of Directors may elect such Assistant Treasurers and Assistant Secretaries as it deems necessary or desirable. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant Treasurers and assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the President or the Board of Directors.

Section 10. Salaries: The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

#### **ARTICLE V - Contracts, Loans, Checks and Deposits**

Section 1. Contracts: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans: No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc.: All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits: All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

**ARTICLE VI - Membership Interests and Restriction on Transfer**

Section 1. Membership Interests are Uncertificated: The membership interests of the members shall be uncertificated.

Section 2. Restriction on Transfer: Membership interests of the corporation are not transferable.

**ARTICLE VII - Fiscal Year**

The fiscal year of the corporation shall begin on the first day of January in each year and end on the last day of December in each year.

**ARTICLE VIII - Excess Revenues**

Revenues of the corporation for any fiscal year in excess of the amount therefor necessary for the purposes provided for in sections 393.849, 393.851, 393.936, or 393.939 of the Missouri Revised Statutes shall, unless otherwise determined by a vote of the members, be distributed by the corporation to its members as patronage refunds prorated in accordance with the patronage of the corporation by the respective members paid for during such fiscal year.

**ARTICLE IX - Seal**

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words, "Corporate Seal, Missouri".

**ARTICLE X - Waiver of Notice**

Whenever any notice whatever is required to be given under the provisions of these bylaws or under the provisions of the articles of incorporation, waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE XI - INDEMNIFICATION OF OFFICERS AND DIRECTORS AGAINST LIABILITIES AND EXPENSES IN ACTIONS**

Each director or officer, or former director or officer of this corporation, and his legal representatives, shall be indemnified by this corporation against liabilities, expenses, counsel fees and costs reasonably incurred by him or his estate in connection with, or arising out of, any action, suit, proceeding or claim in which he is made a party by reason of his being, or having been, such director or officer; and any person who, at the request of this corporation, served as director or officer of another corporation in which such corporation owned corporate stock, and his legal representatives, shall in like manner be indemnified by the corporation so requesting him to serve; provided that in neither case shall the corporation indemnify such director or officer with respect to any matters as to which he shall be finally adjudged in any such action, suit or proceeding to have been liable for negligence or misconduct in the performance of his duties as such director or officer. The indemnification herein provided for, however, shall apply also in respect of any amount paid in compromise of any such action, suit, proceeding or claim

asserted against such director or officer (including expenses, counsel fees and costs reasonably incurred in connection therewith), provided the board of directors of the corporation shall have first approved such proposed compromise settlement and determined that the director or officer involved was not guilty of negligence of misconduct; but in taking such action any director involved shall not be qualified to vote thereon, and if for this reason a quorum of the board cannot be obtained to vote on such matter it shall be determined by a committee of three persons appointed by the members at a duly called special meeting or at a regular meeting. In determining whether or not a director or officer was guilty of negligence or misconduct in relation to any such matters, the board of directors or committee appointed by members, as the case shall be, may rely conclusively upon an opinion of independent legal counsel selected by such board or committee. Any compromise settlement authorized herein shall not be effective until submitted to and approved by a Court of competent jurisdiction. The right to indemnification herein provided shall not be exclusive of any other rights to which such director or officer may be lawfully entitled.

**ARTICLE XII - Amendments**

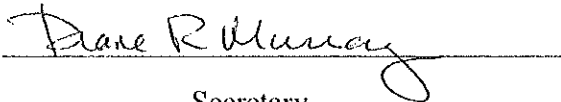
These by-laws may be altered, amended or repealed and new by-laws may be adopted at any annual meeting of the members or at any special meeting of the members called for that purpose. The Board of Directors may adopt emergency by-laws as provided by law.

Adopted on ~~November~~ <sup>January</sup> 9, 2018 <sup>19</sup>.



President

Attest:



Secretary



Missouri Department of dnr.mo.gov

# NATURAL RESOURCES

Michael L. Parson, Governor

Carol S. Comer, Director

MAR 20 2019

Mr. David C. Linton, Attorney at Law  
314 Romaine Spring View  
Fenton, MO 63026

RE: Lake Perry Service Company

Dear Mr. Linton,

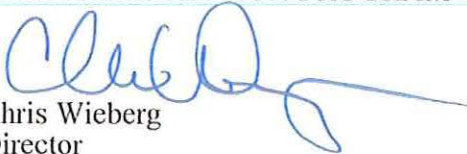
On February 14, 2019, the Missouri Department of Natural Resources received copies of "Articles of Incorporation and By-Laws of the Lake Perry Service Company" for review pursuant to sections 393.825.3 and 393.900.3, RSMo. Prior to obtaining permits to provide related services, the aforementioned statutes require articles of incorporation and by-laws be submitted to the Department for review to determine if all statutory requirements are met regarding the formation of nonprofit sewer and nonprofit water companies, respectively.

The Department has reviewed Lake Perry Service Company's articles of incorporation and by-laws and finds they meet the requirements set forth in sections 393.825 to 393.861 for nonprofit sewer companies and the requirements set forth in section 393.900 to 393.951 for nonprofit water companies. The Department hereby authorizes Lake Perry Service Company to provide sewer and water services within the service area defined in Exhibit A of the articles of incorporation.

If you have any questions or concerns regarding this authorization, please contact Mr. Michael Abbott by phone at 573-526-5781 or by email at [michael.abbott@dnr.mo.gov](mailto:michael.abbott@dnr.mo.gov) for questions regarding sewer permitting requirements or Mr. Maher Jaafari by phone at 573-751-1127 or by email at [maher.jaafari@dnr.mo.gov](mailto:maher.jaafari@dnr.mo.gov) for any questions regarding water permitting requirements.

Sincerely,

WATER PROTECTION PROGRAM

  
Chris Wieberg  
Director

CW:tbs

c: Mr. David Lamb, Chief, Public Drinking Water Branch  
Mr. Jim Merciel, Public Service Commission  
General Counsel's Office  
Southeast Regional Office



**SCHEDULE RD 6**



*December 4, 2018*

I Jeff Mattingly owner of Earth First Contractors LLC have received some information pertaining to a proposal by a local entity to purchase Port Perry Service Company in Perry County, Missouri. We currently do a substantial amount of work for Port Perry Service Company. The work we do includes making new service connections and repairs to existing main lines. We have been performing these services for 12 years. We would be interested in continuing that same work for an entity that was owned and operated by a community based organization. We believe the interest of the customers in question would be best served by an organization close to home and the revenues remain in the State of Missouri and the County of Perry where the utilities are located and the community can benefit.

Jeff Mattingly,

Earth First Contractors LLC.

CUSTOMER NAME | LAKE PERRY LOT OWNER'S ASSOCIATION

**SERVICES PROVIDED BY PAYCHECK PAYROLL SERVICES/PPS TAX SERVICE**

**ACCOUNTING SERVICES**

- Generate monthly invoices based on meter readings(water/sewer) usage
- Print, fold, stuff and mail invoices to customers
- Record and manage accounts receivable payments
- Take deposits to bank
- Monitor Accounts Receivable balances - Create and mail past-due and shut-off notices to customers
- Monitor Customer Accounts and collaborate with Meter Reader to ensure billings are accurate
- Record and allocate accounts payable expenses
- Prepare accounts payable checks for signatures
- Reconcile checking account with monthly bank statement
- Review, analyze and reconcile general ledger accounts for accuracy
- Prepare and record necessary journal entries to reflect correct accounting records
- Provide monthly profit and loss reports based on information currently available
- Prepare and process annual Forms 1099 and 1096
- Prepare annual tax return based on monthly compilation

**MANAGEMENT SERVICES**

- Manage work orders for service/repairs and communicate with proper authorities
- Manage contracts for new customer hook-ups and communicate with proper authorities
- Manage termination requests and communicate with proper authorities
- Prepare and file annual water & sewer report with MO Public Service Commission
- Pay and file annual Mo State Operating Permit
- Prepare and file DNR Audit & Inspections report
- Prepare and file annual Capacity Survey
- Prepare and file annual CCR Certification
- Prepare and file Business R&D and Innovation Survey with United States Commerce
- Manage MO One Call Annual Report
- Manage annual registration with the Secretary of State
- Collaborate with meter reader to ensure annual Primacy Fee reporting to DNR is accurate
- Accept supplies such as water test kits on behalf of Plant Operator at our location
- Accept walk-in traffic at our office for your customers to be able to pay their bills, request services, ask questions, and be a point of contact for them.
- Retrieve mail from Post Office
- Maintain all records in office



CLIENT NAME | LAKE PERRY LOT OWNER'S ASSOCIATION

PAYROLL SERVICES

- Process payroll per established pay frequency
- Administer Direct Deposits
- Provide Complete and Total Tax Management
- Prepare Quarterly Reports and Manage all Filings
- Prepare annual W-2's
- Manage New Hire Reporting
- Manage Vacation and Sick Time Tracking
- Manage Third Party Deductions
- Provide Online Payroll Services
- Provide Employee Online Portal and Training
- Provide Time and Attendance Solutions
- Provide HR Solutions
- Offer Background Checks

We may ask you to clarify certain items you furnish to us but we will not audit or otherwise independently verify that expenses are considered bona fide business expenses for you or your company.

You are responsible for providing us with all the information needed to properly maintain your records; items such as but not limited to:

- Accurate monthly meter readings for all meters
- Access to the PO Box where all bills, payments, bank statements, etc. are mailed
- Copies of purchase/lease contracts and agreements
- Detailed list of company assets (description, date of acquisition, original cost, etc.)

You agree to provide us with the above documents and information as this will enable us to provide you with superior service and accurate financial statements.

You are also responsible for stopping by our office on a weekly or bi-weekly basis to sign checks that have been prepared and discuss issues as they arise.

## Charles Staffeldt

6625 HWY J • Perryville, MO 63775 • 573-517-2239 • happycamper6265@gmail.com

### Objective:

I would like to continue to operate and maintain the water and sewer utilities at Lake Perry. I have been responsible for this since April 1, 2017. The only other person that knows more about the utilities other than myself is the gentleman that did the job for 12 years before he retired.

### Education:

Perryville High School  
326 College St.  
Perryville, MO 63775

Perryville Area Career/Technology Center  
326 College St.  
Perryville, MO 63775  
1,000 hour certificate – Auto Body Collision Course  
1979-1980

Nashville Auto-Diesel College  
1524 Gallatin Avenue  
Nashville, TN 37206  
Collision Repair and Refinishing  
1,200 Hours

Hazardous Materials Certification  
40 hour course  
April 9, 1993

NUCA Confined Space Entry Program  
February 15, 1996

### Skills:

- Certified TIG welder – stainless pipe
- Certified arc welder – all position plate and carbon steel pipe
- MIG welder
- Acetylene torch welder
- Silver solder
- Experience with water and sewer plant expansions and renovations
- Repairing and replacing water meters
- Experience with all forms of piping and laying miles of gravity and force main sewer pipes
- Ability to operate: skid steer, wheel loader, backhoe, trackhoe, boring machine, boom truck, forklift, tractor, and dump truck.
- Knowledgeable with electric wiring
- Operating computers

### Experience:

Murray Enterprises  
2626 PCR 730  
Perryville, MO 63775  
January 1, 1980 – August 1, 1980  
-High school job; left to go to college  
May 1983 – September 1984  
Duties: Fabricated steel stairs, spiral stairs, pipe rails, wrought iron rails, fencing, gates. Ran installation truck in St. Louis.  
-left due to lack of appropriate help

Buff Motors  
601 N Main St.  
Perryville, MO 63775  
June 1, 1980 – January 25, 1982  
Duties: Repaired cars purchased from auctions, spot/complete paint jobs  
-left to move to Oklahoma

**B and D Auto Body**

Weatherford, OK 73096

February 1982 – May 1983

Duties: Wrote insurance estimates, repaired dents, replaced body panels, frame straightening, spot/complete paint jobs  
-left to move back to Perryville

**Missouri Ornamental Iron**

6733 Olive Blvd.

St. Louis, MO 63130

April 1985 – March 1990

Duties: Fabricated and overseen installation of: steel stairs, spiral stairs, pipe rails, tubing rails, wrought iron rails, fencing, gates, burglar bars/doors, and structural steel. Worked on installation truck.  
-left to start job at Robinson Construction

**Robinson Construction**

2411 Walters Ln.

Perryville, MO 63775

March 1990 – May 1997

Duties: Pipe welding, laying gravity sewer mains, built a cofferdam in the Missouri River to

install 2-24 inch intake pipes. Various mechanical jobs doing thread, flang, PVC, ductile piping. Welding carbon steel pipe, stainless pipe and exhaust hoods, and high pressure gas and steam pipe. Soldered and silver soldered copper pipe and tubing. Set up machines and lines at TG and Procter & Gamble. Tied rebar and worked with Symons concrete forms. Pressure tested piping and manholes. Finished graded yards after running sewer lines through them. Installed heating and cooling duct work.

Fabricated structural steel.

-left due to injury from falling 25 feet on a micro tunnel boring job causing me to shatter my talus bone and break my back in two places, was never able to return.

**Maintaining Family Farm**

1987 – Present

**Port Perry Service Co.**

Perryville, MO 63775

April 1, 2017 – Present

Jeremy Meyer  
30 Dreamz Ln.  
Perryville, MO 63775

May 1, 2019


I have had conversation with a representative of the newly formed Lake Perry Service Company in regards to a role I might be able to play in water and sewer compliance. I understand this entity is interested in purchasing the Port Perry Service Company.

I would be interested and available to work for the new entity. I am currently working in that capacity with Port Perry Service Co. in Perryville, Missouri. This additional job would be something I could perform.

I have certifications as follows:

DS3 License for water  
Class A for wastewater

Yours very truly,



Jeremy Meyer

Richard T. DeWilde  
1300 Brenda Ave.  
Perryville, MO 63775

"Bio"

Certified Public Accountant since 1988

Owned and managed Certified Public Accounting firm since October 1993

President and manager of Lake Perry Lot Owners' Association since  
September, 2003

Will be interested in being CEO and manage the newly formed Lake Perry Service  
Company which will operate the water and sewer services at Lake Perry.

Robert Welden

5034 South Port Perry Drive

Perryville, MO 63775

573-513-0271

To: Lake Perry Lot Owner's Association Board of Trustees

The following is a short biography of my work experience. From the early to the mid 1980s I worked at the Greens Golf and Racquet Club as a general laborer, Irrigation Specialist and second assistant.

From 1989-1990 I worked for John Slinkard as a carpenter in residential construction.

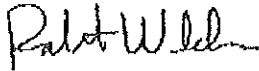
From 1990-1991 I began working at Crystal Highlands Golf Club as an assistant professional where I worked in the shop, cleaned carts and displayed and set up merchandise. Then I moved up to a superintendent position until 1998. I was responsible for maintaining golf course from day to day, hiring help, maintaining irrigation system which includes fixing leaks, replacing and repairing sprinklers, schedule watering and fixing controllers.

From 1999-2005 I worked at Al Ford Environmental Services. The duties I had there included installing septic tanks, septic systems and inspection of septic tanks and fields.

In 2005 I began working for Perry County Land Company. I began as a general laborer which evolved into a supervisory position. My duties include maintaining the grounds, maintaining the pool, including maintaining proper chemical levels, upkeep of restrooms, authorize inspections and permits, insure gates, proxcards, key fobs are current and working.

I would be interested in becoming certified as a utility operator.

Sincerely,



Robert Welden

Brian Flentge  
1491 PCR 902  
Perryville, MO 63775  
314-913-1190

To: Lake Perry Boards of Trustees

To Whom It May Concern,

I am writing to express my interest in the Water and Sewer Operator Position at Lake Perry and to explain why I feel that I am a good candidate for this position. I have many years of experience and believe that you will be very interested in me after you take a closer look.

I have been doing construction work for the last 20 years. I have been working construction with local companies as well as out of state companies. This is where I have been employed and then adapted into starting my own company. I have served as owner, worker and much more.

In addition to my experience in construction, I have spent the last 15 years owning my own company that I started in 2005. I have done numerous jobs at Lake Perry including the culvert bridge replacement, boulder walls, excavator work, concrete walls as well as planning and designing projects for multiple lot owners. I make sure I am available for all the jobs that I am hired for and am there when needed.

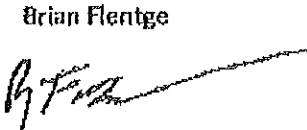
I have also donated my time working on the Wall for our home town. This experience I believe will be extremely useful for working for you.

I hope that you are intrigued by my experience in the construction field and what I am able to do for this job. I can be reached by phone at 314-913-1190 or via email at [outdoordeco@yahoo.com](mailto:outdoordeco@yahoo.com).

I hope to speak with you soon regarding this exciting opportunity.

Sincerely,

Brian Flentge

 12/17/18

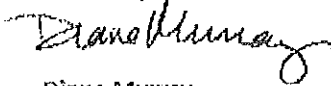
Diane Murray  
2060 Marina Loop  
Perryville, MO 63775  
573-768-5196

To: Lake Perry Lot Owners' Association Board of Trustees

I live at Lake Perry and have been doing daily testing for the chlorine levels over the last eight years. Each day I let the cold water run several minutes, place the correct amount of water in the tubes and add the packet of DPO Free Chlorine Reagent to get the chlorine reading. I record those readings and turn in the monthly reports to Payroll Paycheck Services.

Also, yearly, when I am asked I am given containers to gather water samples from five other residents for testing of lead and copper.

Sincerely,



Diane Murray



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 MICHAEL YAMNITZ  
 728 PCR 724  
 PERRYVILLE MO 63775



2. Article Number (transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
*X. Julie Yamnitz*  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery  
 [Signature] 4-4-19

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type
- Adult Signature  Priority Mail Express®
  - Adult Signature Restricted Delivery  Registered Mail™
  - Certified Mail®  Registered Mail Restricted Delivery
  - Certified Mail Restricted Delivery  Return Receipt for Merchandise
  - Collect on Delivery  Signature Confirmation™
  - Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery
  - Insured Mail
  - Insured Mail Restricted Delivery (over \$500)

Michael Yamnitz  
728 PCR 724  
Perryville, MO 63775



1300 Brenda Ave.  
Perryville, MO 63775  
573-547-6596

Brad Moll  
2101 Moll Avenue  
Perryville, MO 63775

Re: Asset Purchase Agreement

Dear Mike and Brad:

I am writing on behalf of the Lake Perry Lot Owners Association and the newly formed Lake Perry Service Company. The Lake Perry Lot Owners, through the new Service Company, have authorized me to extend an offer to you for the purchase of the assets of Port Perry Service Company. You will find enclosed two originals of an Asset Purchase Agreement, signed by me on behalf of the newly formed Service Company.

The Lot Owners have engaged an independent engineer and an independent business planner. We have investors who are willing to commit financing adequate to purchase the facilities as they are, and we have an expression of interest from a bank for long-term, low-cost financing. The Lot Owners, as your customers, are most certainly attentive to your desire to sell your water and sewer operations in their community and want to be considerate of your desires. It is with that in mind that we are offering you \$150,000 in a contingency contract in the event the Confluence Rivers transaction does come to fruition. We believe this will provide you a reasonable, even attractive, fall back, in the event the Confluence Rivers transaction is not approved by the Missouri Public Service Commission. It is consistent with the findings of our engineer, our business planner, our investors, and the bank.

To reiterate, this Asset Purchase Agreement is contingent on the Confluence Rivers transaction not being consummated, which would include the Missouri Public Service Commission not approving the agreement with Confluence Rivers. So, it respects your prior commitment.

We remain of the firm conviction that your agreement with Confluence Rivers is detrimental to the public interest in general and harmful to our community in particular. We will continue to oppose the transaction before the Public Service Commission, but we wanted you to know that we stand behind you should we be successful in our opposition.

We are also raising a concern with you regarding your relationship with Confluence Rivers. We were disturbed when you advised us that you refused to talk to us based on the advice of the Confluence Rivers law firm. You must be aware that in this situation Confluence Rivers has a legal interest in conflict with the best interests of Port Perry. A lawyer who represents a buyer and a seller in a contract transaction that is under dispute has an inherent conflict of interest. Put simply, it is in your best interest to talk to us. It is in Confluence Rivers' interest for you to reject our offer to meet.

We encourage you to seek your own legal counsel and not the counsel of Confluence Rivers. As you know, the lawyer cannot serve two masters. He cannot have the best interest of both of you at heart.

This is a matter of significant concern implicating the laws and regulations of the Missouri Public Service Commission. While we do not take this action lightly, we are preparing to file a complaint before the Commission. We hope this action will be unnecessary, but it may become necessary considering the situation before us.

Please respond to this letter and allow us to meet with you.

Thank you for your attention, and we look forward to further discussions.

Sincerely,

A handwritten signature in cursive script that reads "Richard DeWilde".

Richard DeWilde

President

Lake Perry Lot Owners Association

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into this 25<sup>th</sup> day of March, 2019, by and between Lake Perry Service Company ("Lake Perry"), and Port Perry Service Company, ("Port Perry") (in the aggregate, "Parties").

### Recitals

A. Port Perry owns, operates, and manages a sanitary sewage collection and treatment system and a water well distribution system (in the aggregate, "Systems") for all the Lake Perry Subdivision;

B. Port Perry desires to sell the Systems and has entered into an agreement with Confluence Rivers Utility Operating Company ("Confluence Rivers") to sell the System, *Agreement for Sale of Utility Systems with Central States Water Resources, Inc* ("Confluence Rivers Agreement"), which was the subject in part of a recent Missouri Public Service Commission case, File No. WM-2018-0116; and

C. Lake Perry desires to purchase the Systems from Port Perry and agrees to purchase the Systems from Port Perry in the event Port Perry and Confluence Rivers fail for any reason to consummate the Confluence Rivers Agreement.

NOW THEREFORE, for and in consideration of the premises and the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### Article I DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "Assets" means the properties and assets of Port Perry used in the operation of the Systems, including but not limited to the assets listed on Exhibit A, attached hereto and incorporated herein by reference.

(b) "Closing Date" means a date mutually agreeable to the parties.

### Article II TERMS OF SALE

2.01 Sale of Assets. On the Closing Date, Port Perry shall sell, assign, transfer and convey to Lake Perry, and Lake Perry shall purchase and acquire from Port Perry, subject to the terms and conditions hereinafter set forth, all of Port Perry's right, title and interest in and to the Assets.

2.02 No Assumption of Liabilities. Lake Perry is not assuming any liabilities of Port Perry unless expressly agreed to herein. On the Closing Date, Lake Perry shall assume and agree to pay, perform or otherwise discharge the liabilities of the Systems arising on and after the Closing Date. Port Perry shall perform or timely otherwise discharge the liabilities of the Systems arising before the Closing Date. Lake Perry and Port Perry shall prorate utility expenses and similar charges relating to the Systems, and Port Perry shall be liable to the extent such expenses and charges relate to any time before the Closing Date, and Lake Perry shall be liable to the extent such expenses and charges relate to any time on and after the Closing Date.

2.03 Accounts Receivable. Lake Perry shall bill and collect any and all amounts due from the customers of the Systems for service provided by Port Perry prior to the Closing Date and shall remit any and all such payments to Port Perry. To the extent service is provided during a billing cycle during which the Closing Date occurs, Lake Perry shall pro rate payment for the bill and remit payment in proportion to the time each entity owned the Systems during the billing cycle.

2.04 Future Payables. Lake Perry will be responsible for all normal anticipated monthly payables resulting from the operation of the Systems that are due and owing for services rendered following the Closing Date.

2.05 Purchase Price. The purchase price for the sale of the Assets shall be **One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00)**, which sum shall be payable by Lake Perry to Port Perry on the Closing Date, the adequacy and sufficiency of which is acknowledged.

2.06 MPSC Contingency. This Agreement is contingent upon the failure of Port Perry and Confluence Rivers to consummate the Confluence Rivers Agreement, whether due to the failure of either party thereto to perform its commitments under said Agreement or refusal of the Missouri Public Service Commission ("MPSC" or "Commission") to approve the Confluence Rivers Agreement, as required by law, or for any other reason. If the Commission approves the Confluence Rivers Agreement and authorizes Confluence Rivers to acquire the assets of Port Perry and the parties thereto close on the Confluence Rivers Agreement, this Agreement shall be null and void. However, if at any time, Port Perry determines, at its sole discretion, that either party or the parties to the Confluence Rivers Agreement are unwilling or will be unable to close, Port Perry shall so notify Lake Perry, and the parties shall proceed to set a Closing Date to fulfill the terms of this Agreement.

2.07 The Parties also agree that this Agreement is contingent upon the Missouri Public Service Commission approving the Agreement and shall cooperate to pursue its approval before the Missouri Public Service Commission upon the failure to the Confluence Rivers Agreement. However, nothing in this Agreement shall prohibit either party from presenting this Agreement to the Missouri Public Service Commission in any proceeding thereof.

**Article III**  
**REPRESENTATIONS AND WARRANTIES OF PORT PERRY**

Port Perry hereby represents and warrants to Lake Perry as follows:

3.01 Corporate Organization. Port Perry is a corporation in good standing in the state of Missouri and is qualified to conduct business in Missouri.

3.02 Authorization. Port Perry has the necessary power and authority to enter into this Agreement, and this Agreement has been duly authorized by the Board of Directors of Port Perry.

3.03 No Violation. Neither the execution and delivery of this Agreement by Port Perry, the performance by Port Perry of its obligations hereunder, nor the consummation by it of the transactions contemplated hereby will (1) violate any provision of the Articles of Incorporation or Bylaws of Port Perry, or (2) to the best knowledge of Port Perry, violate any statute or law or any judgment, decree, order, regulation or rule of any court or governmental authority to which Port Perry is subject, which would have a material adverse effect on the Systems taken as a whole.

3.04 Litigation. There is no action, proceeding or investigation pending or threatened against or involving Port Perry or any of the Assets which, if determined adversely, could materially and adversely affect the Systems taken as a whole, and Port Perry is not in violation of any order, judgment, injunction or decree outstanding against it the effect of which would be materially adverse to the Systems taken as a whole.

3.05 Title to Properties. As of the Closing Date, Port Perry will have good and marketable title to all the Assets, and the Assets will be subject to no liens or encumbrances, whether by mortgage, pledge, lien, security agreement, conditional sale agreement or otherwise.

3.06 No Warranties. The Assets sold hereunder are being sold "AS IS, WHERE IS" and no warranties of any kind or character, express or implied, including any warranty of quality or any warranty of merchantability of fitness for a particular purpose, are being given by or on behalf of Port Perry; provided, however, that Port Perry does warrant its title to the Assets and its right and authority to sell and transfer the same to Lake Perry. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

3.07 Brokers and Agents. No broker, agent or representative of Port Perry has any agreement or contract with Port Perry entitling such broker, agent or representative to any commission or payment by reason of the transfer of the assets which are the subject of this agreement.

3.08 Regulatory Compliance. Port Perry is in compliance with all federal, state, and local regulations, including but not limited to the regulations of the Missouri Public Service Commission and the Missouri Department of Natural Resources. If Lake Perry discovers, is notified, or otherwise becomes aware that Port Perry is out of compliance with any federal, state, or local regulation or requirement prior to the Closing Date, Lake Perry may at its sole option, suspend the Closing Date and negotiate and/or enter into a settlement agreement or other voluntary administrative action to resolve the non-compliance. Should Lake Perry, in its sole discretion, fail to negotiate a resolution or otherwise resolve the non-compliance, it may declare this Asset Purchase Agreement null and void. Lake Perry shall not be deemed to admit liability or fault related to the non-compliance for any action taken pursuant to this section 3.08.

#### **Article IV REPRESENTATIONS AND WARRANTIES OF LAKE PERRY**

Lake Perry hereby represents and warrants to Port Perry as follows:

4.01 Corporate Organization. Lake Perry is a corporation in good standing in the state of Missouri and is qualified to conduct business in Missouri.

4.02 Authorization. Lake Perry has the necessary power and authority to enter into this Agreement, and this Agreement has been duly authorized by its Board of Directors. This Agreement is a legal, valid and binding obligation of Lake Perry.

4.03 No Violation. Neither the execution and delivery of this Agreement by Lake Perry, the performance by Lake Perry of its obligations hereunder nor the consummation by it of the transactions contemplated hereby will (i) violate any provision of the Articles of Incorporation or Bylaws of Lake Perry, or (ii) to the best knowledge of Lake Perry, violate any statute or law or any judgment, decree, order, regulation or rule of any court or governmental authority to which Lake Perry is subject.

4.04 Title to Asscets. Title to and risk of loss, destruction or damage to the Assets shall pass to Lake Perry immediately after the Closing Date.

#### **Article V ADDITIONAL COVENANTS**

5.01 Closing Documents.

(a) On the Closing Date, Port Perry shall deliver the following to Lake Perry:

(i) A duly executed Bill of Sale, Assignment of Easements, General Assignment and Corporation Warranty Deed conveying the Assets to Lake Perry;

(ii) Copies of all books and records of Port Perry with respect to the Systems; and

(iii) A certified resolution of the Board of Directors of Port Perry authorizing this Agreement and the transactions contemplated hereby;

(b) On the Closing Date, Lake Perry shall deliver the following to Port Perry:

(i) A certified resolution of the Board of Directors of Lake Perry authorizing this Agreement and the transactions contemplated hereby.

5.02 The Closing. The consummation of the transactions contemplated by this Agreement shall occur on the Closing Date at such place as Port Perry and Lake Perry may mutually agree.

5.03 Indemnity. Port Perry agrees to indemnify, defend and hold harmless Lake Perry from and against any and all claims, damages, actions, judgments, costs and expenses (including without limitation, reasonable attorneys' fees and court costs) of whatsoever nature arising out of or in connection with events or occurrences or based on the condition of the Systems existing before the Closing Date. Lake Perry agrees to indemnify, defend and hold harmless Port Perry from and against any and all claims, damages, actions, judgments, costs and expenses (including without limitation, reasonable attorneys' fees and court costs) of whatsoever nature arising out of or in connection with events or occurrences or based upon the condition of the Systems arising after the Closing Date.

## Article VI CONDITIONS PRECEDENT

6.01 Conditions Precedent. The Parties shall comply with all applicable requirements of the Missouri Public Service Commission and the Missouri Department of Natural Resources. The obligations of the Parties hereunder are subject to the satisfaction of such applicable requirements. The Parties shall cooperate and diligently pursue compliance with all such applicable requirements. If the Parties are unable to obtain all required regulatory approvals, Lake Perry may terminate this Agreement after consultation with Port Perry.

6.02 Conditions of Port Perry. The obligations of Port Perry hereunder are subject to satisfaction of each of the following conditions (all or any of which may be waived in whole or in part by Port Perry in writing) on or prior to the Closing Date:

(a) The representations and warranties of Lake Perry shall be true and correct;

(b) Lake Perry shall have delivered to Port Perry a certified copy of a resolution of the Board of Directors of Lake Perry duly authorizing the execution, delivery and performance of this Agreement; and

(c) Payment of the Purchase Price by Lake Perry to Port Perry.



6.03 Conditions of Lake Perry. The obligations of Lake Perry hereunder are subject to satisfaction of each of the following conditions (all or any of which may be waived in whole or in part by Lake Perry in writing) on or prior to the Closing Date:

(a) The representations and warranties of Port Perry shall be true and correct;

(b) Port Perry shall have delivered to Lake Perry a certified copy of a resolution of the Board of Directors of Port Perry duly authorizing the execution, delivery and performance of this Agreement; and

(c) Port Perry shall have delivered to Lake Perry a Bill of Sale, Assignment of Easements, General Assignment and Corporation Warranty Deed conveying the Assets to Lake Perry.

## Article VII MISCELLANEOUS

7.01 Bulk Sales. The Parties hereto waive compliance with the provisions of any bulk sales law applicable to the transactions contemplated hereby; provided, however, that any loss suffered by Lake Perry as a result of failure to comply therewith shall be borne by Port Perry.

7.02 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties hereto.

7.03 Fees and Expenses. Except as otherwise provided herein, the parties hereto shall bear their own costs and expenses incurred in connection herewith and with the transactions contemplated hereby. Port Perry and Lake Perry agree to indemnify and hold the other harmless from any claim (together with costs and expenses, including attorneys' fees, incurred in connection with such claims) for compensation by any person, firm or corporation claiming to have been requested, authorized or employed to act as lender, broker or agent in connection with the subject matter of this Agreement or negotiations leading thereto.

7.04 Assignment. No party shall assign this Agreement or any of its rights and obligations hereunder.

7.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, legal representatives, successors and permitted assigns.

7.06 Notices. Any notice, demand or request required or permitted to be given under any provision of this Agreement shall be in writing and delivered personally or by registered or certified mail (return receipt requested, with postage prepaid) to the

following address, or to such other address as either party may request by notice in writing to the other party:

(a) If to Port Perry:

Michael Yamnitz & Brad Moll  
Port Perry Service Company  
1303 West St. Joseph St.  
Perryville, MO 63775

(b) If to Lake Perry:

Richard DeWilde  
Lake Perry Service Company  
1300 Brenda Avenue  
Perryville, MO 63775

7.07 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, superseding any and all prior agreements, understandings, negotiations and discussions. No amendment, alteration, modification or waiver of this Agreement shall be binding unless evidenced by an instrument in writing signed by the parties hereto.

7.08 Construction. The captions and headings of this Agreement are for convenience and reference only and shall not control or affect the meaning or construction of this Agreement. Use of the masculine gender shall also be deemed to refer to the feminine gender and neuter gender and the singular to the plural unless the context clearly requires otherwise.

7.09 Choice of Law. This Agreement shall be construed, governed, and enforced in accordance with the laws of the State of Missouri.

7.10 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted. The invalidity or unenforceability of any provision of this Agreement to any person or circumstance shall not affect the validity or enforceability of such provision as it may apply to any other persons or circumstances.

7.11 Waiver. The failure in one or more instances of a party to insist upon performance of any of the terms, conditions and covenants set forth in this Agreement, or the failure of a party to exercise any right or privilege conferred by this Agreement, shall not be construed thereafter as waiving their right to insist upon the performance of such terms, conditions and covenants or the right to exercise such rights and privileges, which rights shall continue and remain in full force and effect as if no forbearance had occurred.

7.12 Attorney Fees. In the event it becomes necessary for either party to file a suit to enforce this Agreement or any provision contained herein, and either party prevails in such action, then such party shall be entitled to recover, in addition to all other remedies or damages, reasonable attorney fees and court costs incurred in such suit.

7.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original instrument, but all of which together will constitute for all purposes one and the same instrument.

7.14 Cooperation. Port Perry will cooperate with and on Lake Perry's request before, on and after the Closing Date in furnishing such information and other assistance regarding the acquisition by Lake Perry of the Assets. Port Perry further agrees that it will cooperate with Lake Perry in the orderly transfer of the Assets. After the Closing Date, Port Perry will at the request of Lake Perry, and without further consideration, sale, transfer and conveyance, take such other and further actions as Lake Perry may reasonably request in order to effectively vest title to the Assets in Lake Perry, put Lake Perry in possession of the Assets, and assure to Lake Perry the benefits thereof.

In Witness Whereof, the parties hereto have executed this Agreement as of the date first above written.

**LAKE PERRY SERVICE  
COMPANY, INC.**

**PORT PERRY SERVICE  
COMPANY, INC.**

By: *Richard J. Decker*

By: \_\_\_\_\_

SEAL

SEAL

ATTEST:

*Diane Klumpp*  
, Secretary

ATTEST:

\_\_\_\_\_  
, Secretary

## Exhibit A

The Following is a list of Assets that are to be transferred from Port Perry to Lake Perry pursuant to this Agreement:

- (a) The sanitary sewage collection and treatment system, including any and all sanitary sewage mains with all manholes and lamp holes, sanitary sewage treatment plants, plumbing and mechanical systems and equipment, all outfall sewage treatment and sewage pumping station sites, sewage lagoons, electrical controls, piping connection, owned by Port Perry, excluding all sewer laterals, that provides sewer services to customers of Port Perry; including but not limited to the sanitary sewage collection and treatment system facilities in the Lake Perry Subdivision (as described below);
- (b) The water system, including any and all existing deep wells with pumping facilities, electrical controls, piping connection, all housing structures for well and pressure facilities with appliances and accessories, etc., owned by Port Perry, excluding all water service lines and sewer laterals, that provides water services to customers in the Lake Perry Subdivision (as described below);
- (c) Any and all real property and easements owned by Port Perry within the Lake Perry Subdivision (as described below);
- (d) The Debt Service Account, Depreciation and Replacement Accounts, which are held or maintained by Port Perry for the construction, operation, maintenance or expansion of the Systems;
- (e) All vendor, customer and service records and lists, cell phone numbers, office phone numbers, e-mail addresses and fax numbers related to the Systems;
- (f) All operating permits and licenses associated with the operation or any improvements to the Systems.

The Lake Perry Subdivision shall be identified as the following:

Beginning at the point of intersection of the center line of Missouri Highway T with the east line of section 9, T34N, R9E, Perry County, Missouri; Thence north along said east line to the northeast corner of said section; Thence west along the north line of said section to the southeast corner of the southwest  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of section 4; Thence north along the east line of said  $\frac{1}{4}$   $\frac{1}{4}$  section and continuing to the northeast corner of the northwest  $\frac{1}{4}$ , of said southeast  $\frac{1}{4}$ ; Thence west along the east-west centerline of section 4 to the west line of said section; Thence south along said west line to the northeast corner of the southeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of section 5; Thence west along the north line of said  $\frac{1}{4}$   $\frac{1}{4}$  section and its prolongation to the centerline of Missouri Highway T; Thence along said centerline through sections 5, 6, and 7, T34N, R9E and section 1, T34N, R8E to the south line of said section 1; Thence southwestwardly to the southwest corner of the northwest  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$  of section 12; Thence

southeastwardly to the northwest corner of the northeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of section 12, T34N, R8E; Thence south along the west line of said  $\frac{1}{4}$   $\frac{1}{4}$  section and continuing to the northwest corner of the northeast  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$  of section 13, T34N, R8E; Thence southeastwardly to the northwest corner of the northwest  $\frac{1}{4}$  of the southwest  $\frac{1}{4}$  of section 18, T34N, R9E; Thence southeastwardly to the intersection of county roads in the southeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of said section; Thence eastwardly along the county road to its intersection with a county road in the northeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of section 17; Thence northwardly along the county road to the north line of said  $\frac{1}{4}$   $\frac{1}{4}$  section; Thence east along said north line to the northeast corner of said  $\frac{1}{4}$   $\frac{1}{4}$  section; Thence northeastwardly to the southwest corner of the southwest  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of section 9; Thence east along the south line of said  $\frac{1}{4}$   $\frac{1}{4}$  section and continuing to the southeast corner of section 9, T34N, R9E; Thence north along the east line of said section to the point of beginning.

**LAKE PERRY SERVICE COMPANY  
RESOLUTION AUTHORIZING THE CLOSING ON PURCHASE OF  
PORT PERRY SERVICE COMPANY**

At a meeting of the Board of the Lake Perry Service Company, a not-for-profit corporation of the state of Missouri, duly called and duly held on August 21, 2019, in accordance with the bylaws of said corporation, at which meeting a quorum was present and acted throughout, the following resolution was adopted:

WHEREAS, the Lake Perry Service Company is a not-for-profit water and sewer corporation established pursuant to sections 393.825.3 and 393.900.3 RSMo. (2016); and

WHEREAS, the Board of Directors has previously authorized the Lake Perry Service Company to tender an offer for the purchase of the assets of the Port Perry Service Company as described in a certain Asset Purchase Agreement, dated March 25, 2019, attached hereto Exhibit A and made a part hereof for all purposes, at its meeting dated August 21, 2019 ;

NOW THEREFORE BE IT RESOLVED, that the Board President Richard DeWilde is hereby authorized and directed to take such actions and execute and deliver any and all payments, documents, agreements and contracts and accept such conditions precedent or waive in whole or in part such conditions precedent as he deems necessary and proper to negotiate and effectuate the Asset Purchase Agreement, whereby acceptance of the closing documents from Port Perry Service Company, shall constitute acceptance and/or waiver of said conditions precedent and this resolution shall constitute written authority for any such waiver.

[Remainder of page intentionally left blank. Signature page to follow.]

Dated this 21<sup>st</sup> day of August, 2019.

Diane Murray  
Secretary

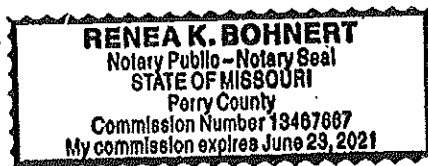
STATE OF MISSOURI            )  
  )    ss  
COUNTY OF PERRY            )

On this 21<sup>st</sup> day of Aug, 2019, before me, the undersigned, a Notary Public in and for said County and State, appeared Diane Murray, to me personally known, who being by me duly sworn did say that he is Secretary of the Board of Lake Perry Service Company, a Missouri not-for-profit corporation and that said instrument was signed and sealed on behalf of said corporation by authority of the Board and acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Renea K Bohnert  
NOTARY PUBLIC

My commission expires:



Lake Perry Service Company  
Meeting Minutes  
March 13, 2019

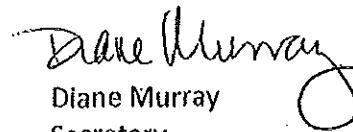
The initial meeting of Lake Perry Service Company, a not-for-profit corporation of the State of Missouri was called to order at 6:45p.m., on March 13, 2019.

The following board members were in attendance: Richard DeWilde, Diane Murray, Alan Frentzel, Brian Flentge and Ricky Burton.

On motion made and seconded the board approved the authorization of the board to purchase the Port Perry Service Company assets.

The board was authorized to present an Asset Purchase Agreement with Port Perry Service Company. On motion made by Alan Frentzel and seconded by Ricky Burton, the motion passed.

No further business was on the agenda. A motion was made, seconded and approved to adjourn. The meeting adjourned at 7:10p.m.

 8/21/19  
Diane Murray  
Secretary



# THE BECKEMEIER LAW FIRM, LC

ATTORNEYS AND COUNSELORS AT LAW

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ST. LOUIS, MISSOURI 63131

R. LYNN BECKEMEIER - MEMBER  
JAMES A. BECKEMEIER\* - MEMBER

AUGUST E. BECKEMEIER  
DECEASED - 1917-2004

F. SHABNAM NOURAIIE - SR. ASSOCIATE  
CAROLINE M. JOHNSON\*\* - ASSOCIATE  
LOGAN K. WAGONER - ASSOCIATE  
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\*Admitted in Illinois & Missouri  
\*\*Admitted in Nevada & Missouri

March 19, 2019

Richard T. Dewilde  
908 Sunset Dr.  
Perryville, MO 63775

Re: Demand to Cease and Desist From Interfering With Central States  
Water Resources, Inc.'s Contract With Port Perry Service Company

Dear Mr. Dewilde:

We represent Central States Water Resources, Inc. ("CSWR"). As you know, CSWR has entered into a binding purchase agreement to acquire substantially all of the rights and assets owned by Port Perry Service Company ("Port Perry") in and to the waste water and water utility systems located in Perry County, Missouri. Despite having clear knowledge of a binding contract between CSWR and Port Perry and the business expectancy related to the same, you have made numerous attempts to undermine and interfere with CSWR's contractual rights with Port Perry by wrongfully using information that you received under a non-disclosure agreement in a malicious and improper manner.

On August 24, 2018, you executed a Certificate acknowledging and agreeing to be bound by Missouri Public Service Commission Rule 4 CSR 240-2.135 (the "Confidentiality Rule"), which sets forth that any information that was designated within the Public Service Commission case proceeding as "confidential" is protected information that is not to be disclosed to any third parties. Subsequent to agreeing to be bound by the Confidentiality Rule, you received access to certain information that contained a confidentiality designation, and in an attempt to interfere with CSWR's contract with Port Perry, we have reason to believe you have disclosed certain confidential information to third parties in violation of the Confidentiality Rule.

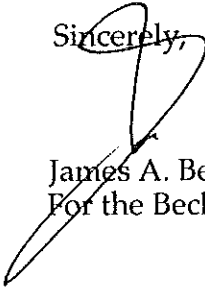
Therefore, at this time, CSWR hereby demands that you immediately cease and desist from taking any further actions to undermine and/or interfere with CSWR's contractual rights with Port Perry. Such actions would include, but are not limited to, making false or misleading statements to any party regarding CSWR, disclosing any confidential information that you received from the PSC case file that has been provided by CSWR, making any false claims that CSWR is unable to perform under its contract with Port Perry, etc. If you choose to violate this demand to cease and desist from interfering with CSWR's contract with Port Perry, CSWR will pursue legal action against you and any other parties who

**SCHEDULE RD 10**

Re: Cease and Desist From Interfering With Central States Water  
Resources, Inc. Contract With Port Perry Service Company  
Page 2

have aided and assisted you, and will seek the full recovery of any damages  
caused to CSWR by your and/or your co-conspirators' actions. This letter will  
be the last notice you receive related to this demand.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Beckemeier". The signature is written in a cursive style with a large, sweeping initial "J".

James A. Beckemeier  
For the Beckemeier Law Firm, LC

JAB:ps

cc: Central States Water Resources, Inc.