

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

In the Matter of the Application of Missouri-)
American Water Company for a Certificate)
Convenience and Necessity Authorizing)
it to Install, Own, Acquire, Construct,) **File No. WA-2022-0293**
Operate, Control, Manage, and Maintain a)
Water System and Sewer System in and)
around the City of Purcell, Missouri.)

STAFF RECOMMENDATION

COMES NOW the Missouri Public Service Commission Staff (“Staff”), by and through counsel, and recommends that the Commission grant to Missouri-American Water Company (“MAWC” or the “Company”) a Certificate of Convenience and Necessity (“CCN”) to provide regulated water services in an area of Jasper County, Missouri. The requested CCN would allow MAWC to acquire the water and sewer assets of the City of Purcell. The application also requests a variance of the 60-day notice requirement contained in Commission Rule 20 CSR 4240-4.017(1), and a request for expedited treatment of its applications. In support of this *Recommendation*, Staff states as follows:

1. On April 21, 2022, Missouri-American Water Company (“MAWC”) filed applications requesting the Commission grant MAWC a CCN to acquire, own, install, construct, operate, control, manage and maintain water and sewer systems in Jasper County, Missouri.
2. Also on April 21, 2022, MAWC filed a motion to consolidate the water and sewer CCN applications.
3. Further, on April 22, 2022, the Commission issued its order giving notice, setting an intervention deadline, and directing its Staff (“Staff”) to file a pleading indicating

when it could file a recommendation. On April 27, 2022, Staff informed the Commission it could file a recommendation by June 28, 2022.

4. On June 28, 2022, Staff filed a *Motion for Extension of Time to File Staff Recommendation*. The request was granted, and the Commission ordered Staff to file its recommendation no later than July 28, 2022.

5. Pursuant to § 393.170.2, RSMo, no water or sewer corporation shall provide service to consumers without first having obtained approval from the Commission. In determining whether or not to grant such approval, the Commission has traditionally applied the five “Tartan Criteria” established in *In the Matter of Tartan Energy Company, et al.*, 3 Mo. PSC 3d 173, 177 (1994): (1) there must be a need for the service; (2) the applicant must be qualified to provide the service; (3) the applicant must have the financial ability to provide service; (4) the applicant’s proposal must be economically feasible; and (5) the service must promote the public interest.

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

7. Accordingly, Staff finds that approving the utilities’ sale to MAWC is not detrimental to the public interest and that issuance of a CCN to MAWC is necessary or convenient for the public service. Staff recommends that the Commission authorize MAWC to enter into, execute, and perform in accordance with the *Agreement for Purchase of Water and Wastewater System*, attached as Appendix D to MAWC’s Application. Staff further recommends the MAWC be granted a CCN, with conditions

described in the Staff *Memorandum*, to provide water and sewer service in the territory currently served by the City of Purcell.

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

9. Staff is not opposed to the Commission granting MAWC the requested waiver from the requirements of Commission Rule 20 CSR 4240-4.017(1).

WHEREFORE, Staff respectfully submits this Staff Recommendation for the Commission's information and consideration, and requests the Commission authorize MAWC to enter into the purchase agreement and grant MAWC a CCN, with conditions, to provide water and sewer service to the requested service area.

Respectfully submitted,

/s/ Eric Vandergriff

Eric Vandergriff

Legal Counsel

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Counsel for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 28th day of July, 2022.

/s/ Eric Vandergriff

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, File No. WA-2022-0293
Missouri-American Water Company

FROM: Jarrod J. Robertson – Water, Sewer and Steam Department
Andrew Harris – Water, Sewer and Steam Department
Angela Niemeier– Auditing Department
Amanda C. McMellen – Auditing Department
Charles Thomason – Customer Experience Department
Amanda Coffey – Engineering Analysis Department

/s/ Jarrod J. Robertson 7/28/2022 /s/ Eric Vandergriff 7/28/2022
Case Manager / Date Staff Counsel’s Office / Date

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

DATE: July 28, 2022

EXECUTIVE SUMMARY

In early February 2021, the office of Senator Bill White of the 32nd District, the Department of Natural Resources (“DNR”) and Staff of the Missouri Public Service Commission (“Staff”) contacted Missouri American Water Company (“MAWC”) requesting MAWC’s assistance with the City of Purcell (“Purcell” or “City”) water and sewer utilities. Prior to this, Purcell’s mayor pro tem and citizens of Purcell contacted Senator White’s office, because the City was unable to provide safe and adequate water and sewer service. The drinking water disinfection system was not functioning, and the sewer system was discharging wastewater from the plant that was not safe and compliant. Additionally, the City lacked a certified water and sewer operator.

On March 16, 2021, Purcell and MAWC entered into an *Operation and Management Agreement for Water and Sewer Operations* (“OM Agreement”), regarding the City’s utilities. The Agreement provides that Purcell will pay MAWC \$500 monthly to operate the systems for one year, renewable for additional one year terms. The Agreement includes an Option to Purchase System clause (“Purchase Clause”).

On November 4, 2021, MAWC entered into an *Agreement for Purchase of Water and Wastewater System* (“Purchase Agreement”). On April 21, 2022, MAWC filed its *Application, Motion for Waiver and Motion for Expedited Treatment* (“Application”) proposing to purchase the assets for \$400,000. Based upon information provided by MAWC and further information obtained by Staff, Staff has determined that the systems’ combined rate base is \$619,885. Staff recommends approval of the Application.

CASE BACKGROUND

On April 21, 2022, MAWC filed an Application with the Missouri Public Service Commission (“Commission”) for a Certificate of Convenience and Necessity (“CCN”) authorizing it to install, own, acquire, construct, operate, control, manage, and maintain the water and sewer systems in and around Purcell, Missouri. In its Application, MAWC states that it intends to acquire substantially all the water and sewer utility assets that are presently owned by the City, but currently being operated by MAWC. The City water and sewer systems, as municipal utilities, are not subject to the jurisdiction of the Commission.

On April 21, 2022, MAWC filed a Motion to Consolidate, and on April 22, 2022, the Commission issued its Order Directing Notice, Setting an Intervention Deadline, Directing Staff to File a Pleading, and Setting Time for Responses to Motion to Consolidate (“Order”). The Commission established an initial date of April 29, 2022, by which Staff would suggest a date by which it could file a recommendation. Staff filed a status report on April 29, 2022. The Commission established a final date for the Staff Recommendation of June 29, 2022.

The Application was docketed in two separate cases, Case Nos. WA-2022-0293 and SA-2022-0294, which were consolidated by the Commission, with Case No. WA-2022-0293 being designated the lead case. No parties sought to intervene in the case. No public comments have been submitted.

BACKGROUND OF MAWC

MAWC is an existing water and sewer corporation and public utility subject to the jurisdiction of the Commission. MAWC is currently providing water service to approximately 474,000 customers and sewer service to more than 16,500 customers in several service areas throughout Missouri. In recent years, MAWC has acquired several existing small water and sewer systems.

MAWC is a subsidiary of American Water Works Company, Inc. (“American Water”), and is affiliated with other American Water companies that undertake some of the tasks associated with utility service, such as customer billing, and share technical resources.

BACKGROUND OF PURCELL

Purcell is a Fourth-Class City with a population of approximately 425, located in Jasper County approximately 14 miles northeast of Joplin. The City serves approximately 160 water accounts and 150 sewer accounts.

STAFF’S INVESTIGATION

Water and Sewer Systems

As stated in the Application, MAWC was contacted in February 2021 by the office of Senator Bill White, DNR, and Commission Staff requesting assistance with the City water and sewer systems. Since the City had no certified water or sewer system operator at that time, the City was unable to operate its systems in a safe and compliant manner. The City sewer system requires an operator with certification level D, and the water distribution system requires an operator certified at the

DS-1 level. Certified operators are required by the permit and are necessary for ensuring these systems are operable, providing safe and reliable service, and compliant with the terms of the permit. At the time MAWC began operating the systems for the City, the drinking water disinfection system was not functioning, and the sewer system was discharging wastewater from the plant that was not safe and compliant. MAWC and the City entered into an OM Agreement on March 16, 2021. Staff's investigation of the City water and sewer systems included review of DNR records and two field inspections.

As the current contract operator for the drinking water system, MAWC staff is identified in DNR records as the Administrative Contact and Designated Operator for the system.

Service Area

Staff reviewed the service area map and legal description submitted with the Application and found both to be adequate, with the only revision being the addition of a title for the service area map.

Water System

Per the Application and DNR records, the City water system is comprised of two deep wells (called Well number 2 and Well number 3, respectively), with storage provided by a 50,000 gallon elevated storage tank, approximately seven miles of water mains, and 28 fire hydrants. Well number 2 is shared with the City of Alba with a 50/50 split of all maintenance and capital costs.¹ According to information provided by MAWC employee Roger Sparks, Well number 2 is on City property that will become MAWC property, and the City will transfer it to MAWC if the Commission issues a CCN. The current well agreement for Well number 2 is attached to this memorandum as Attachment D, and names the City and the City of Alba as responsible parties. A new maintenance agreement for Well number 2 between MAWC and the City of Alba should be executed as appropriate. Well number 3 is available as a backup source but does not currently have a functional disinfection system and will require additional investigation prior to becoming available for use.

While operating under the OM Agreement, according to information received from MAWC employee Matt Barnhart, 165 meters have been replaced, the elevated storage tank has received cleaning, and the distribution system has received flushing.

Sewer System

According to the City permit, DNR Operating Permit number MO-0129755 issued June 1, 2018 with an expiration of December 31, 2022, the system design flow is 43,500 gpd and the actual flow is 14,000 gpd. The sewer collection system is comprised of approximately six miles of both gravity and force sewer mains, three lift stations, and grinder pumps where gravity flow is unavailable, with treatment design by recirculating sand filtration ("RSF") plant and UV disinfection.

While operating under the OM Agreement, MAWC has completed removal of sludge, removal of dense vegetation from the RSF, RSF distribution piping repair, and 2 lift station pumps and 6 sewer grinder pumps have been replaced. Alarm systems and new UV installation upgrades remain to be completed.

¹ Response to Staff Data Request No. 0024.

Staff Inspections

Staff reviewed DNR records and conducted a physical inspection of the City's water and sewer systems on October 28, 2021. Staff inspected the water system wellhouses, elevated storage tank and the sewer system lift stations, grinder pump replacement locations, and the RSF plant. Staff returned for an additional inspection of the systems on June 15, 2022.

Proposed Improvements

While Inflow and Infiltration ("I&I") of the sewer system is likely to exist due to system age, studies have not been completed that would provide a scope of repair need. According to MAWC's response to Data Request No. 0001, if the Commission issues a CCN, MAWC proposes the following improvements with their approximate costs in the first three years:

Water

1. Water main replacements - \$155K
2. Hydrant replacement - \$16K
3. SCADA improvements - \$30K
4. New Chlorination system at well 3 - \$40K

Wastewater

1. Sewer main lining and point repair to reduce I&I - \$175K
2. Lift Station Repair/retrofit - \$75K
3. SCADA install at lift stations - \$75K
4. Ammonia treatment system - \$500K

The lift station retrofit, item 2, is related to safety improvements primarily involving electrical components. Though the current City permit only requires monitoring for ammonia, MAWC anticipates ammonia treatment will become a requirement when a new permit is issued. While Staff agrees with the need for continuing investment in the City water and sewer systems, Staff understands that MAWC's planning and cost estimates are preliminary and further evaluation will be conducted if its Application is approved.

Rate Base

Plant-In-Service Balances

The Auditing Department reviewed information provided by MAWC in response to Staff's data requests, MAWC's Application with included sale agreement documents, and MAWC's work papers, and Staff made on-site visits. Normally, the Auditing Department would review plant-in-service records maintained by the City for its water and sewer system to determine the current net book value of its assets. However, in this case, the Auditing Department was unable to do this due to lack of records kept by the City. Staff had to supplement estimates for plant when no records were available to determine the current net book value of the City assets. Staff has determined depreciation rates for each Uniform System of Accounts ("USOA") category of plant-in-service, separately for both the water and sewer operations. Based upon the supported and

estimated levels of plant in service and depreciation rates, Staff determined the balances of accumulated depreciation separately for both the water and sewer systems.

On August 21, 2021, Missouri DNR sent a letter to the City, included with the Purcell Application, submitted April 21, 2022 in Appendix C, stating that DNR provided funding for construction of Purcell's wastewater treatment facility in 2003 with a State Hardship grant of \$2,008,576.13 and State Hardship loan of \$405,000 in 2003. Repayment of the loan began in 2006 and as of December 15, 2021 the loan has a balance of \$46,045. Per the grant regulations, if at any time during the 20-year design life of the plant funded by the grant the plant was sold to a private entity the amount of grant funds would be reimbursed based on a 20-year straight-line depreciation. The grant balance as of December 15, 2021 was \$296,544. Staff reviewed the documentation and agrees with remaining balances. The grant money that has not been reimbursed is treated as a contribution in aid of construction ("CIAC").

Staff determined the value of net plant investment, or "rate base," by reviewing invoices and other documentation provided by MAWC along with annual depreciation expense, and considering whether plant facilities or money was contributed by customers or land developers. Based upon Staff's analysis, the net book value of the Purcell assets, as of June 30, 2022, is approximately \$342,755 for the sewer system, and \$277,130 for the water system, for \$619,885 combined. Several of the assets date back to 1911. Based on their age, they are presumed to be fully depreciated, resulting in a net zero rate base value for those assets.

The following is a breakdown of the rate base components:

	Water	Sewer
Plant in Service	\$380,753	\$1,862,244
Accumulated Depreciation	\$103,623	\$698,413
CIAC	0	1,511,055
Net Plant minus CIAC	\$277,130	(\$347,224)
CIAC Amortization	0	\$689,979
Net Rate Base	\$277,130	\$342,755

Depreciation

In Case No. WR-2020-0344, the Commission ordered the continued use of the depreciation rates currently ordered for all divisions of MAWC. Staff's Engineering Analysis Department recommends the use of these rates for all plant in the City service area. These depreciation rates are included as Attachment C.

Publicity and Customer Notice

According to information provided to Staff by MAWC, Purcell held a special meeting on April 29, 2021 during which the City Council approved an ordinance to put the sale of the City's

water and sewer systems on the August 3, 2021 ballot. MAWC informally discussed the proposed sale with residents on several occasions while operating the system under its OM Agreement with the City. An election was held on August 3, 2021, with 94% of voters in favor of granting the City authorization to sell its water and wastewater utility to MAWC. There were 63 total votes cast of which 59 voted “yes” and 4 voted “no.” MAWC held one formal meeting with Purcell residents on December 28, 2021, after the vote and after MAWC entered into the Purchase Agreement with the City.

Customer Experience

The same customer service team that takes care of all MAWC customers will be available for the City customers to contact toll-free at 1-866-430-0820 from 7:00 a.m. to 7:00 p.m., Monday through Friday, with 24/7 coverage for emergencies. Customers may also communicate with MAWC by email at welcomemoaw@amwater.com or social media via Facebook, LinkedIn, Instagram, Twitter, and YouTube. MAWC proposes to utilize its business office at 2323 Davis Boulevard, Joplin, MO 64804 to serve Purcell customers. Customers will be able to visit the office from 8:00 am-noon and 1:00-5:00 pm, Monday through Friday.

MAWC will offer payment options including cash, check, credit/debit card, and electronic funds transfer (“EFT”). Customers will have the option to make payments via mail, online, or at select third party locations. Customers can also make payments over the phone by calling 1-855-748-6066.

In order to incorporate the City customers into its billing and customer service systems, it will be necessary for MAWC to properly enter the appropriate customer information into its systems and apply the Commission-approved rates. MAWC will also need to provide training to its call center personnel regarding rates and rules applicable to the City customers so that customer service matters are handled accurately and in a timely manner.

Rate and Tariff Matters

Current City residential customer rates are as follows:

- Water
 - Inside the City Limits:
 - Customer Charge: \$15.00
 - Commodity Rate: \$3.50 per 1000 Gallons
 - Outside the City Limits:
 - Customer Charge: \$22.00
 - Commodity Rate: \$6.00 per 1000 Gallons
- Sewer (based on water usage)
 - Customer Charge, Includes First 0-999 Gallons, \$36.00
 - Commodity Rate: Each Additional 1000 Gallons, \$5.00 per 1000 Gallons

A residential customer, living within the City limits and using 5000 gallons a month currently has a monthly \$32.50 water bill and a \$56.00 sewer bill.

A residential customer, living outside the City limits and using 5000 gallons a month currently has a monthly \$57.00 water bill and \$56.00 sewer bill.

According to MAWC, there are no additional costs related to providing service to a customer, whether within or outside city limits. Therefore, MAWC proposes to combine all customers and consolidate rates, whether in or outside city limits, in order to provide water service pursuant to the existing rates currently applicable to MAWC's Joplin Service Area and to utilize the rules governing rendering of water service currently found in MAWC's water tariff P.S.C. MO No. 13. MAWC also proposes to provide sewer service pursuant to the existing rates currently applicable to MAWC's service area that includes Stonebridge, Branson Canyon, etc., and to utilize the rules governing the rendering of sewer service currently found in MAWC's sewer tariff P.S.C. MO No. 26, until such time as the rates and rules are modified.

The aforementioned tariff rates and charges for residential customers would be as follows:

- Water:
 - Customer Charge: \$9.00 per month
 - Commodity Rate: \$6.2469 per 1,000 gallons
- Sewer:
 - Customer Charge: \$61.64 (flat rate)

A residential customer (whether residing within or outside city limits) and using 5000 gallons a month, would have a monthly \$40.23 water bill and \$61.64 sewer bill.

For comparison:

- Based on monthly water usage of 5000 gallons, all sewer customers under the proposed adoption of MAWC rates, whether within City limits, or not, would see a slight increase of \$5.64 per month (\$61.64 - \$56.00);
- Based on monthly water usage of 5000 gallons, all customers, whether within City limits, or not, would be charged the same monthly water bill, which is \$40.23 per month;
 - Under the proposal, and based on monthly usage of 5000 gallons, residential customers within City limits would see an increase of \$7.73 (\$40.23 - \$32.50), while the residential customers living outside city limits would see a substantial decrease of \$16.36 (\$57.00 - \$40.23).

The resulting consolidation of the residential classes under the proposal would result in all like customers being treated alike. Consolidating rates under MAWC's current tariff would accomplish this while also preventing the City, MAWC and its customers from having to undergo the consolidation process on multiple occasions. Staff has had conversations with MAWC and the current mayor of Purcell confirming that both parties previously agreed that MAWC's existing rates would be adopted in this manner. According to the previous Purcell mayor and current Mayor Pro Tem and City Alderman, Shelly Sargent-Jolly, both the City and City customers were made aware that MAWC planned to adopt the current Commission-approved tariff rates.²

² Per telephone conversation with, Shelly Sargent-Jolly, July 15, 2022.

A map and a legal description of the proposed service area, similar to that as shown on the attachments to this memorandum (A and B), will need to be included in MAWC's water and sewer tariff, MO P.S.C. No. 13, and MO PSC No. 26, respectively. Also, the table of contents in both MAWC's water and sewer tariffs will need to be updated to reflect the addition of new and/or revised sheets containing the service area map, legal descriptions, system rates and system charges.

Staff recommends that after approval but before MAWC closes on the utility assets, MAWC submit the new or revised water and sewer tariff sheets such that they may become effective on or before the date MAWC closes on the City assets.

Technical, Managerial, and Financial Capacity and Tartan Energy Criteria

Staff utilizes the concepts of Technical, Managerial, and Financial capacities ("TMF") in studying applications involving existing water and/or sewer systems. Staff has reviewed and stated its position on the TMF capacities regarding each of MAWC's affiliates in previous CCN and transfer of assets cases before the Commission. Staff's position on MAWC's ability to meet TMF criteria remains positive regarding those affiliates, and similarly takes the position that MAWC has adequate TMF capacity in this case. It is Staff's position that MAWC has the ability to secure funding, to oversee construction of any necessary upgrades or repairs, and the ability to successfully manage operations of the City utility systems.

When considering a request for a new CCN, the Commission applies criteria originally developed in a CCN case filed by the Tartan Energy Company and referred to now as the "Tartan criteria." The Tartan criteria contemplate 1) the need for service; 2) the utility's qualifications; 3) the utility's financial ability; 4) the economic feasibility of the proposal; and, 5) promotion of the public interest. Similar to the TMF capacities, in previous CCN cases Staff investigated these criteria and that investigation relates to this proposed acquisition. The results of Staff's investigation are outlined below:

(1) Need for Service

There is both a current and future need for water and sewer service. The existing customer base in the City has both a desire and need for service. In addition, there is a need for the necessary steps to be taken to update the City's water and sewer systems, and to ensure the provision of safe and adequate service.

(2) Applicant's Qualifications

MAWC is an existing water and sewer corporation and public utility subject to the jurisdiction of the Commission. MAWC is currently providing water service to approximately 470,000 customers and sewer service to more than 15,000 customers in several service areas throughout Missouri. MAWC is a subsidiary of American Water Works Company, Inc., and is affiliated with other American Water companies that undertake some of the tasks associated with utility service, such as customer billing, and technical resources.

(3) Applicant's Financial Ability

MAWC anticipates no need for external financing to complete this acquisition, and has demonstrated over many years that it has adequate resources to operate utility systems it owns, to acquire new systems, to undertake construction of new systems and expansions of existing systems, to plan and undertake scheduled capital improvements, and timely respond and resolve emergency issues when such situations arise.

(4) Feasibility of the Proposal

MAWC can draw upon the significant resources of its parent company, should any shortfall arise prior to the next rate case.

(5) Promotion of the Public Interest

Additionally, due to involvement by customers of the City in voting to approve the sale of the City's system, the involvement of the 32nd District's Senator, along with MAWC, PSC, DNR, regarding operations and subsequent Agreement, and for the reasons outlined previously in this memorandum, Staff asserts that MAWC's request for a CCN and related acquisition of the City water and sewer assets promotes the public interest.

Staff's conclusion is that MAWC satisfies the TMF capacities and the Tartan Energy criteria. Staff further finds that approving utilities' the sale to MAWC is not detrimental to the public interest and that issuance of a CCN to MAWC is necessary or convenient for the public service. Staff recommends that the Commission authorize MAWC to enter into, execute, and perform in accordance with the terms described in the Purchase Agreement, attached as Appendix D to MAWC's Application. Staff further recommends that MAWC be granted a CCN to provide water and sewer service in the territory currently served by Purcell.

OTHER ISSUES

The City, as an unregulated water and sewer operation, has no obligations due to the Commission, and has no pending actions before the Commission.

MAWC is a corporation that is in "good standing" with the Missouri Secretary of State.

MAWC is current with annual report filings with the Commission through calendar year 2021, as documented on the Commission's Electronic Filing and Information System ("EFIS").

MAWC is current on its annual assessment quarterly payments through the first quarter of fiscal year 2022.

MAWC has other pending cases before the Commission, but none that would impact this decision.

Impact on City Customers Outside Purcell City Limits

While many of the City customers reside outside the city limits of Purcell, these customers are within the proposed service area boundary, thus ensuring these customers would continue to receive utility service if the CCN is granted. Under MAWC's proposed rates, customers

outside the city limits would pay the same amount for water and sewer service as customers within city limits.

STAFF RECOMMENDATION

Staff recommends the Commission find that MAWC has complied with the requirements of Section 393.320, RSMo, and approve MAWC's request for CCN, subject to the following conditions and actions:

1. Grant MAWC a CCN to provide water and sewer service in the proposed City service areas, as modified as outlined herein;
2. Approve existing MAWC water and sewer rates for the City system;
3. Require MAWC to submit tariff sheets, to become effective before closing on the assets, to include a service area map, service area written description, rates and charges to be included in its EFIS tariffs P.S.C. MO No. 13 and 26, applicable to water and sewer service, respectively;
4. Require MAWC to notify the Commission of closing on the assets within five (5) days after such closing;
5. If closing on the water and sewer system assets does not take place within thirty (30) days following the effective date of the Commission's order approving such, require MAWC to submit a status report within five (5) days after this thirty (30) day period regarding the status of closing, and additional status reports within five (5) days after each additional thirty (30) day period, until closing takes place, or until MAWC determines that the transfer of the assets will not occur;
6. If MAWC determines that a transfer of the assets will not occur, require MAWC to notify the Commission of such no later than the date of the next status report, as addressed above, after such determination is made, and require MAWC to submit tariff sheets as appropriate that would cancel service area maps and descriptions applicable to the City service area in its water and sewer tariffs, and rate and charges sheets applicable to customers in the City service area in both the water and sewer tariffs;
7. Require MAWC to keep its financial books and records for plant-in-service and operating expenses in accordance with the NARUC Uniform System of Accounts;
8. Require MAWC to adopt the depreciation rates ordered in Case No. WR-2020-0344;
9. Require MAWC to provide to the CXD Staff an example of its actual communication with the Purcell water and sewer system customers regarding its acquisition and operations of the water system assets, and how customers may reach MAWC, within ten (10) days after closing on the assets;
10. Require MAWC to provide to the CXD Staff an example of its actual communication with the Purcell water and sewer system customers regarding its acquisition and operations of the water system assets, and how customers may reach MAWC, within ten (10) days after closing on the assets;

11. Require MAWC to provide to the CXD Staff a sample of ten (10) billing statements from the first month's billing within thirty (30) days after closing on the assets;
12. Require MAWC to provide training to its call center personnel regarding rates and rules applicable to the Purcell water and sewer system customers;
13. Require MAWC to include the Purcell water and sewer system customers in its established monthly reporting to the CXD Staff on customer service and billing issues, on an ongoing basis, after closing on the assets; and,
14. Require MAWC to file notice in this case outlining completion of the above recommended training, customer communications, and notifications within ten (10) days after such communications and notifications.

ATTACHMENTS:

- A. Service Area Map
- B. Legal Description
- C. Depreciation Schedule
- D. Well Number 2 Agreement

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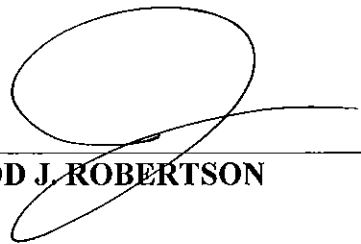
File No. WA-2022-0293

AFFIDAVIT OF JARROD J. ROBERTSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW JARROD J. ROBERTSON, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

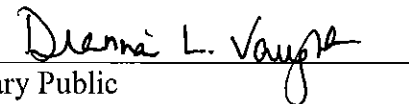
Further the Affiant sayeth not.



JARROD J. ROBERTSON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of July, 2022.



Notary Public

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377

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City of Purcell, Missouri)

AFFIDAVIT OF ANDREW HARRIS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW ANDREW HARRIS, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

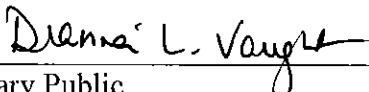


ANDREW HARRIS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 22nd day of July, 2022.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Missouri-)
American Water Company for a Certificate of) File No. WA-2022-0293
Convenience and Necessity Authorizing it to)
Install, Own, Acquire, Construct, Operate,)
Control, Manage, and Maintain a Water)
System and Sewer System in and around the)
City of Purcell, Missouri)

AFFIDAVIT OF ANGELA NIEMEIER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW ANGELA NIEMEIER, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

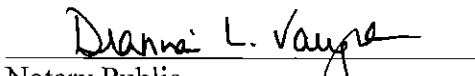
Further the Affiant sayeth not.


ANGELA NIEMEIER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of July, 2022.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377


Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Missouri-)
American Water Company for a Certificate of)
Convenience and Necessity Authorizing it to)
Install, Own, Acquire, Construct, Operate,)
Control, Manage, and Maintain a Water)
System and Sewer System in and around the)
City of Purcell, Missouri)

File No. WA-2022-0293

AFFIDAVIT OF AMANDA C. MCMELLEN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW AMANDA C. MCMELLEN, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

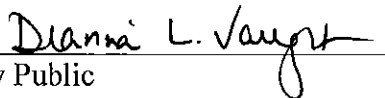
Further the Affiant sayeth not.


AMANDA C. MCMELLEN

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of July, 2022.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377


Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Missouri-)
American Water Company for a Certificate of) File No. WA-2022-0293
Convenience and Necessity Authorizing it to)
Install, Own, Acquire, Construct, Operate,)
Control, Manage, and Maintain a Water)
System and Sewer System in and around the)
City of Purcell, Missouri)

AFFIDAVIT OF CHARLES THOMASON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW CHARLES THOMASON, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Charles Thomason
CHARLES THOMASON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 25th day of July, 2022.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377

Dianna L. Vaughn
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Missouri-)
American Water Company for a Certificate of) File No. WA-2022-0293
Convenience and Necessity Authorizing it to)
Install, Own, Acquire, Construct, Operate,)
Control, Manage, and Maintain a Water)
System and Sewer System in and around the)
City of Purcell, Missouri)

AFFIDAVIT OF AMANDA COFFER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW AMANDA COFFER, and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

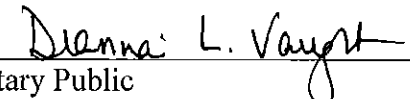
Further the Affiant sayeth not.

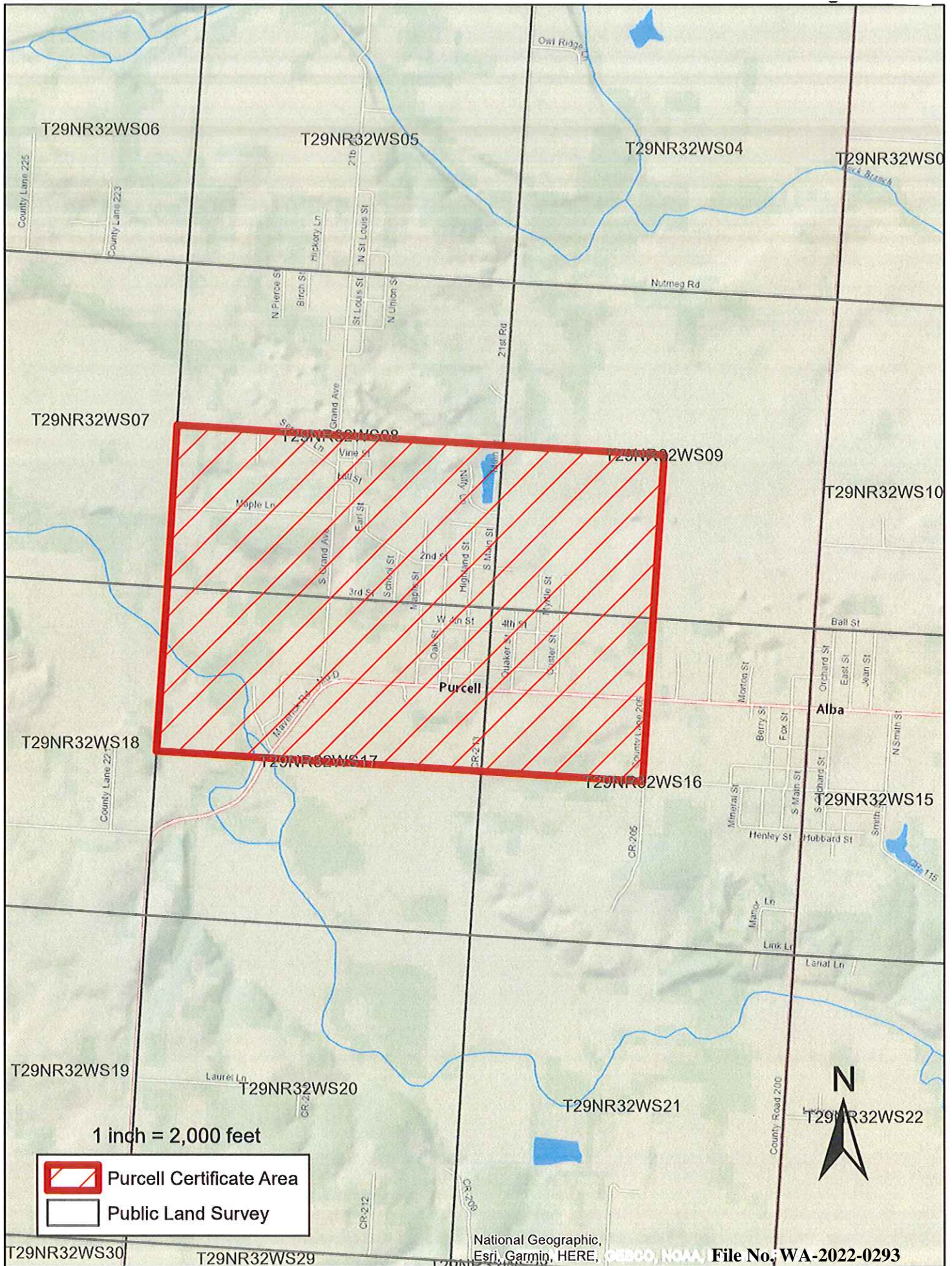

AMANDA COFFER

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 21st day of July, 2022.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires: July 18, 2023
Commission #: 15207377


Notary Public



T29NR32WS30

T29NR32WS29

T29NR32WS28

Legal Description

A tract of land in Part of **Sections 8, 9, 16 and 17, Township 29 North, Range 32 West**, which includes the City of Purcell, Jasper County, Missouri and being more particularly described as follows:

Beginning at the Northeast corner of the Southeast Quarter of **Section 8 Township 29 North, Range 32 West**, being also the Northwest corner of the Southwest Quarter of **Section 9**; thence East, along the north line of said Quarter Section to the Northeast corner thereof, being also the North South Center line of **Section 9**; thence South, along said North-South Centerline and the East line of said Quarter Section to the Southeast corner thereof, being also the Northeast corner of the Northwest Quarter of **Section 16**; thence continuing South, along the East line of said Quarter Section to the Southeast corner thereof, being also the Northeast corner of the Southwest Quarter of **Section 16**; thence West, along the South line of said Quarter Section to the Southwest corner thereof, being also the Southeast corner of the Northeast Quarter of **Section 17**; thence continuing West, along the South line of said Quarter Section and its West prolongation to the Southwest corner of the Northwest Quarter of said **Section 17**, being also on the West line of said **Section 17**; thence North, along the West line of said Quarter Section to the Northwest corner thereof, being also the Southwest corner of Southwest Quarter of **Section 8**; thence continuing North, along the West line of said Quarter Section to the Northwest corner thereof, being also the Southwest corner of the Northwest Quarter of said **Section 8**; thence East, along the North line of said Quarter Section and its East prolongation to the Northeast corner of the Southeast Quarter of **Section 8** and THE POINT OF BEGINNING Containing 41,817,600 Square Feet or 960 Acres more or less.

MISSOURI AMERICAN WATER COMPANY – Water
Schedule of Depreciation Rates
WR-2020-0344

USOA Account Number	Account Description	Remaining Life Depreciation Rate %	Average Service Life (Years)	Iowa Curves	% Net Salvage
<u>Source of Supply</u>					
311.0	Structures & Improvements	1.97%	60	R4	-25%
312.0	Collecting & Impoundment Reservoirs	0.35%	85	R3	0%
313.0	Lake, River & Other Intakes	3.57%	70	S0.5	-10%
314.0	Wells & Springs	2.52%	55	R1.5	-5%
315.0	Infiltration Galleries and Tunnels	1.77%	60	R2.5	0%
316.0	Supply Mains	1.45%	80	R3	-25%
317.0	Miscellaneous Source of Supply – Other	4.97%	25	SQ	0%
<u>Pumping Plant</u>					
321.0	Structures & Improvements	3.95%	75	R2.5	-15%
322.0	Boiler Plant Equipment	3.05%	37	R3	-5%
323.0	Power Generation Equipment	3.05%	37	R3	-5%
324.0	Steam Pumping Equipment	1.89%	47	R1	-10%
325.0	Electric Pumping Equipment	1.89%	47	R1	-10%
326.0	Diesel Pumping Equipment	1.89%	47	R1	-10%
327.0	Hydraulic Pumping Equipment	1.89%	47	R1	-10%
328.0	Other Pumping Equipment	1.89%	47	R1	-10%
<u>Water Treatment Plant</u>					
331.0	Structures & Improvements	2.34%	80	R2.5	-15%
332.0	Water Treatment Equipment	2.18%	48	R1.5	-20%
333.0	Miscellaneous Water Treat, Other	3.33%	30	SQ	0%
<u>Transmission and Distribution</u>					
341.0	Structures & Improvements	1.49%	55	R2.5	-20%
341.1	Structures & Improve - Special Crossing	1.49%	55	R2.5	-20%
342.0	Distribution Reservoirs & Standpipes	1.70%	65	R2.5	-25%
343.0,1,2,3	Transmission & Distribution Mains	1.39%	90	R2.0	-30%
344.0	Fire Mains	1.56%	85	S1	-30%
345.0	Customer Services	2.92%	65	R2.0	-100%
346.0	Customer Meters	2.40%	42	R1.5	-10%
347.0	Customer Meter Pits & Installation	2.40%	42	R1.5	-10%
348.0	Fire Hydrants	1.85%	65	R1.5	-30%
349.0	Misc Trans & Dist – Other	2.96%	50	R3	0%
<u>General Plant</u>					
390.0	Structures & Improve - Shop & Garage	3.02%	55	R2.5	-20%
390.1	Structures & Improve - Office Buildings	2.09%	47	S0	-20%
390.3	Structures & Improve – Miscellaneous	3.72%	55	R2.0	-20%
390.9	Structures & Improve – Leasehold	2.75%	25	R4	0%
391.0	Office Furniture	3.49%	20	SQ	0%
391.1	Computer & Peripheral Equipment	19.06%	5	SQ	0%
391.2	Computer Hardware & Software	19.06%	5	SQ	0%
391.25	Computer Software	5.00%	20	SQ	0%
391.26	Personal Computer Software	10.00%	10	SQ	0%
391.3	Other Office Equipment	10.46%	15	SQ	0%
391.4	BTS Initial Investment	5.00%	20		0%
392.1	Transportation Equipment - Light trucks	5.57%	9	L1.5	15%
392.2	Transportation Equipment - Heavy trucks	0.00%	10	L1.5	15%
392.3	Transportation Equipment – Autos	0.00%	6	L1.5	15%
392.4	Transportation Equipment – Other	6.15%	15	S3	5%
393.0	Stores Equipment	3.88%	25	SQ	0%
394.0	Tools, Shop, Garage Equipment	3.73%	20	SQ	0%
395.0	Laboratory Equipment	3.90%	15	SQ	0%
396.0	Power Operated Equipment	3.79%	12	L1	20%
397.1	Communication Equip - Non Telephone	5.76%	15	SQ	0%
397.2	Communication Equip – Telephone	8.94%	10	SQ	0%
398.0	Miscellaneous Equip	6.48%	15	SQ	0%
399.0	Other Tangible Equipment	2.43%	20	SQ	0%

MISSOURI AMERICAN WATER COMPANY – Sewer
Schedule of Depreciation Rates
WR-2020-0344

USOA Account Number	Account Description	Remaining Life Depreciation Rate %	Average Service Life (Years)	Iowa Curves	% Net Salvage
<u>Collection Plant</u>					
351	Structures & Improvements	2.03%	50	R3	-5%
352.1	Collection Sewers (Force)	1.64%	60	R2.5	-10%
352.2	Collection Sewers (Gravity)	1.58%	70	R3	-20%
353	Services To Customers	2.87%	55	R2.0	-40%
354	Flow Measuring Devices	3.38%	25	S2.5	0%
356	Other Collection Equipment	3.15%	50		0%
357	Communication Equipment	6.67%	15	SQ	0%
<u>Pumping Plant</u>					
361	Structures & Improvements	2.17%	45	R3	0%
362	Receiving Wells	2.87%	30	L2.5	0%
363	Electric Pumping Equip, (Includes Generators)	4.31%	15	L1.5	-5%
364	Diesel Pumping Equipment	4.31%	15	L1.5	-5%
365	Other Pumping Equipment	4.31%	15	L1.5	-5%
<u>Treatment and Disposal Plant</u>					
371	Structures & Improvements	1.43%	60	R2.5	-5%
372	Treatment & Disposal Equipment (Includes pumps, blowers, generators)	3.97%	30	S0.5	-20%
373	Plant Sewers	1.60%	50	R2.5	0%
374	Outfall Sewer Lines	3.04%	35	L2.0	0%
<u>General Plant</u>					
390.0	Structures & Improve – General	3.11%	35	R2.5	-5%
390.9	Structures & Improve – Leasehold	5.00%	20	R4	0%
391.0	Office Furniture	5.00%	20	SQ	0%
391.1	Computer & Peripheral Equipment	20.00%	5	SQ	0%
391.2	Computer Hardware & Software	20.00%	5	SQ	0%
391.25	Computer Software	5.00%	20	SQ	0%
391.26	Personal Computer Software	10.00%	10	SQ	0%
391.3	Other Office Equipment	6.67%	15		0%
391.4	BTS Initial Investment	5.00%	20		0%
392.0	WW Transportation Equipment	3.45%	10	L2.5	5%
392.1	Transportation Equipment - Light trucks	3.45%	10	L2.5	5%
392.2	Transportation Equipment - Heavy trucks	3.45%	10	L2.5	5%
392.3	Transportation Equipment – Autos	3.45%	10	L2.5	5%
392.4	Transportation Equipment – Other	3.45%	10	L2.5	5%
393.0	Stores Equipment	4.00%	25	SQ	0%
394.0	Tools, Shop, Garage Equipment	5.00%	20	SQ	0%
395.0	Laboratory Equipment	6.67%	15	SQ	0%
396.0	Power Operated Equipment	7.71%	15	L2.5	0%
397.1	Communication Equip - Non Telephone	6.67%	15	SQ	0%
397.2	Communication Equip – Telephone	6.67%	15	SQ	0%
398.0	Miscellaneous Equip	6.43%	15	SQ	0%
399.0	Other Tangible Equipment	0.00%	30	R2.0	0%

AGREEMENT FOR OWNERSHIP, OPERATION & MAINTENANCE
OF WATER SUPPLY FACILITIES

WHEREAS, the Cities of Alba and Purcell deem it to be in the best interest of both cities to own, maintain and operate jointly, water supply facilities to serve the two cities; and

WHEREAS, the City of Alba has agreed, with the consent of the City of Purcell, to act as lead City in requesting and/or securing financial assistance to acquire and construct water supply facilities; and

WHEREAS, Section 250.220 of the Revised Statutes of the State of Missouri allows two or more municipalities to cooperate in furnishing services; it is therefore agreed that the Cities of Alba and Purcell shall enter into an agreement for the construction, operation, maintenance and financing of water supply facilities as designated and in accordance with the provisions contained herein.

Article One

Water supply facilities shall be defined as the site, including improvements thereto; the proposed groundwater supply well; pumphouse; deep well pump and appurtenant piping and controls within said pumphouse; external piping, valves, meters and valve pits within fifty (50) feet of the proposed supply well, and all electrical equipment and material required to operate the deep well pump. All facilities presently owned separately by the Cities of Alba and Purcell constructed prior to and after the date of this agreement and not designated as joint facilities by future agreement will remain the responsibility of the individual cities and under the Ownership of the individual cities.

The facilities included in this agreement are to be located on a site approximately one hundred fifty (150) feet by one hundred fifty (150) feet in the Southeast Quarter, Southeast Quarter, Northeast Quarter, Northwest Quarter, of Section 16, Township 29 North, Range 32 West in Jasper County, Missouri.

Article Two

The ownership of all facilities, collectively, shall be vested jointly and equally in the two cities. Thus, regardless of area size, population or usage, the City of Alba shall own fifty (50) percent of all water supply facilities and the City of Purcell shall own fifty (50) percent of all water supply facilities, as designated herein.

Article Three

The responsibility for operation and maintenance of the designated water supply facilities shall rest with the Water Supply Board. The Water Supply Board shall consist of the Mayors of Alba and Purcell and the four (4) members of each Board of Aldermen of the two cities.

Each member before entering upon his official duties as a member of the Water Supply Board shall take and subscribe to an oath before some officer authorized by law to administer both, that he will honestly, faithfully and impartially perform the duties devolving upon him as a member of the Water Supply Board and will not neglect any of the duties or responsibilities imposed on him.

Within thirty (30) days after establishment, the Water Supply Board shall meet and organize by choosing one (1) of its members as Chairman and one (1) of its members as Secretary. The Chairman and Secretary shall serve for a period of one (1) year and until their successors are selected at a required meeting to be held not more than one (1) year after the date of the original organizational meeting and each year thereafter. A majority of the Water Supply Board shall constitute a quorum.

Duties of the Board:

The Board shall employ a Treasurer and necessary professional, clerical and other personnel as needed and determine their compensation. All employees shall serve at the will of the Board.

The Board shall hold regular quarterly meetings and the Chairman may call special meetings when it is deemed necessary.

All persons charged with handling funds shall be required to give bond in an amount fixed by the Board but at the expense of the Board.

The Board shall employ a competent accountant to conduct an annual audit of the receipts, expenditures and fixed assets of the Board.

The Board shall have the general power to manage the affairs of the water supply system and all powers vested in the Board shall be exercised except insofar as approval of any action by popular vote may be expressly required, by law.

No express grant of power or enumeration of powers herein shall be deemed to limit the generality or scope of any grant of power.

The Board may sue and be sued and may enter into any contract necessary or proper for the exercise of its powers or the accomplishment of its purposes.

The Board may acquire by purchase, gift, or may lease or rent any real or personal property. All the powers may be exercised as may be necessary for the exercise of its powers or the accomplishment of its purposes. The Board may hold property for such purposes, and may lease or rent or sell or otherwise dispose of any property so far as not needed for such purposes.

The Board may accept and utilize grants, donations, gifts or contributions from the owners of property within the service area or from others.

The Board may, upon such terms as may be agreed upon with the respective governing bodies or authorities concerned, authorize the use by any other governmental subdivision or other public agency of any facilities of the system constructed for any purpose herein provided so far as the capacity thereof is sufficient beyond the needs of the Board. The Board may extend any such system, works or facilities and permit the use thereof by persons outside the system, so far as the capacity thereof is sufficient beyond the needs of the Board upon such terms as the Board may prescribe.

The Board may be a party to a joint cooperative project, undertaking or enterprise with any one or more other governmental subdivisions or other public agencies for any purpose herein provided upon use terms as may be agreed upon between the governing bodies or authorities concerned.

It shall be the mandatory duty of the Board to:

- (1) To segregate the revenues derived from the operation of such water supply facilities from all other revenues or funds of any member city, town or village: to hold all funds separate and distinct from all other funds thereof and if such funds shall be deposited in any bank, to maintain such deposits as an account separate and distinct from all other bank accounts thereof.
- (2) Such revenues shall be devoted, first, to the payment of the expenses of operating and maintaining the facilities; second, to the payment of any other obligations payable from such revenues; third, to the establishment of a proper depreciation reserve for the benefit of the facilities; fourth, for the payment of the cost of improvements to such facilities.

- (3) To install and maintain proper books or records and accounts (entirely separate from all other records and accounts of the cities, towns or villages) in which correct entries shall be made of all dealings or transactions of or in relation to the properties, business and affairs of the facilities. Such accounts shall show the amount of revenues received from the facilities, the application of such revenues and all financial transactions in connection therewith. At least once a year such accounts should be audited properly by a public accountant employed for that purpose to be paid from the revenues received from the system. Such audits shall at all times, during usual business hours, be open to the examination and inspection by the taxpayer, any user of the services of the facilities or by anyone acting for or on behalf of any such taxpayer or user.
- (4) To perform all duties with respect to the operation of the facilities or with respect to the revenues derived or to be derived from the operation thereof imposed by law or set out in any reasonable and valid covenant and agreement.

Duties of the Officers:

The Chairman of the Board shall preside at all meetings, and execute all contracts into which the Board may enter. In the absence of the Chairman the Secretary shall assume his duties.

The Secretary shall keep the official records of the meetings of the Board, attest all official documents, make reports pertaining to the business of the Board when requested to do so by the Board, and perform all other duties imposed upon him.

The Treasurer shall be the custodian of the funds of the Board and shall pay money out of the treasury only upon warrants drawn on the treasury. Warrants shall be signed by the Secretary and countersigned by the Chairman.

The Board from time to time may make additional rules and regulations concerning the duties of its officers and other employees.

The Chairman and/or the Secretary shall notify all members in writing not less than seventy-two (72) hours in advance of any meeting, special or regular.

Article Four

Each member of the Water Supply Board shall have one (1) vote except that the Chairman shall not be allowed to vote unless a tie vote exists. In this case, only, shall the Chairman cast a vote.

A simple majority of the membership shall constitute a quorum and a simple majority of those present at any vote shall constitute passage of the motion.

Article Five

The Water Supply Board shall establish rates based on the water used by the two Cities. The rate shall take into consideration the need for repairs, replacements and operating revenues as well as the need for an operating fund out of which incidental and emergency expenses may be paid.

Although the rate charged each City shall be the same, the actual charge shall be based on the volume of water used by each City during the metered period. The meters shall be monitored and the flows recorded on a regular basis to be established by the Board.

After the first year of operation, the Board shall prepare and publish on two occasions at least ten (10) days apart in a publication of wide circulation in the two Cities, a budget for the coming year and the auditor's report for the previous year.

All charges shall be due and payable upon receipt of invoice from the Treasurer.

Should either City fail to pay the full amount due within ninety (90) days after receiving an invoice, such City shall be considered delinquent and water supply shall be terminated until such time as said City becomes current in their payments.

NOW THEREFORE, BE IT RESOLVED BY THE BOARDS OF ALDERMEN OF THE CITY OF ALBA AND THE CITY OF PURCELL hereby authorize and direct that the Mayors and City Clerks of said Cities execute this joint agreement for the ownership, operation and maintenance of water supply facilities, and to take all steps necessary in connection with the execution of said agreement for and in behalf of said City, and that the act of said Mayor and City Clerk in the execution thereof should be and the same is hereby approved, ratified and confirmed.

This Agreement shall become operative and in full force and effect from and after its passage and approval by the Cities of Alba, Missouri and Purcell, Missouri.

RESOLUTION OF INTENT

BE IT HEREBY RESOLVED that the City of Alba, Missouri, having the necessary legal, institutional, and managerial resources, intends to enter into an agreement for joint ownership, operation, and maintenance with the City of Purcell, Missouri, of a new water supply facility to be constructed between the two Cities, if such improvements are approved by the appropriate agencies and funded by the Department of Housing and Urban Development. Fifty percent ownership will be vested in the City of Alba and fifty percent ownership will be vested in the City of Purcell. Water pumpage to each town will be metered at the facility and each City will share in the costs of operation and maintenance of the well, pump, pumphouse, immediate piping and controls in direct proportion to the water pumped within any calendar month to that City.

THE CITY OF ALBA, MISSOURI

Gerald E. Meredith
By Gerald E. Meredith

Title MAYOR

Date May 20 - 1978

ATTEST:

Mrs. Bea Jarmin
By Mrs. Bea Jarmin

Title City Clerk

C I T Y S E A L