

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

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

**APPLICATION AND  
MOTION FOR WAIVER**

COMES NOW Missouri-American Water Company ("MAWC") pursuant to Sections 393.140, and 393.170 RSMo, and 20 CSR 4240-2.060, 20 CSR 4240-3.305, 20 CSR 20 4240-3.600 and 20 CSR 4240-4.017(1)(D), and for its Application and Motion for Waiver, states as follows to the Missouri Public Service Commission:

**BACKGROUND INFORMATION**

1. This Application is being filed by MAWC to obtain a certificate of convenience and necessity to install, own, acquire, construct, operate, control, manage and maintain a water system and sewer system in and around the City of Eureka, Missouri ("Eureka").

2. MAWC is a Missouri corporation, active and in good standing with the Missouri Secretary of State, with its principal office and place of business at 727 Craig Road, St. Louis, Missouri 63141. Pursuant to Commission regulation 20 CSR 4240-2.060(1)(G), MAWC incorporates by reference the certified copies of its articles of incorporation and its certificate of good standing previously filed in File No. W0 -2020-0190.

3. MAWC currently provides water service to the public in and around the cities of St. Joseph, Joplin, Brunswick, Mexico, Warrensburg, Parkville, Riverside, Jefferson City, and parts of Cole, St. Charles, Warren, Jefferson, Morgan, Pettis, Benton, Barry, Stone, Greene,

Taney, Christian, Clay, Ray, Newton, and Platte Counties, and most all of St. Louis County, Missouri. MAWC currently provides water service to approximately 470,000 customers. MAWC provides sewer service to approximately 15,000 customers in Callaway, Jefferson, Pettis, Cole, Morgan, Platte, Taney, Stone, Christian, St. Louis, Clinton, Clay, Ray, and Warren Counties, Missouri. MAWC is a "water corporation," a "sewer corporation" and a "public utility" as those terms are defined in Section 386.020 and is subject to the jurisdiction and supervision of the Commission as provided by law. MAWC has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against MAWC from any state or federal agency or court which involves customer service or rates, which action, judgement or decision has occurred within three years of the date of this Application.

4. Communications respecting this Application should be addressed to the undersigned counsel and:

**Missouri-American Water Company:**

**Ms. Nikki Pacific**

Manager Business Development –  
Proposal and Integration Missouri-American Water Company  
727 Craig Road  
Creve Coeur, Missouri 63021  
Direct Dial 314-996-2215  
[Nikki.pacific@amwater.com](mailto:Nikki.pacific@amwater.com)

**CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)**

5. MAWC proposes to purchase substantially all of the water and sewer assets of the currently unregulated system of Eureka, and requests permission, approval and a CCN to own, acquire, construct, operate, control, manage and maintain the water<sup>1</sup> and sewer systems for the

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<sup>1</sup> MAWC's predecessor-in-interest obtained, in 1902 (prior to the creation of the Commission in 1913), a perpetual franchise from the then County Court of St. Louis County, Missouri, to provide public water service throughout the county. However, out of an abundance of caution, MAWC hereby seeks a CCN associated with the acquisition of the Eureka water system.

public in an area in and around the City of Eureka, Missouri.

6. To provide service to the proposed area, MAWC will purchase the water and sewer systems from Eureka. Eureka is a Fourth-Class City located in St. Louis County. Eureka serves about 3900 water accounts and 4000 sewer accounts. The City of Eureka has a population of approximately 10,000 people.

7. The City of Eureka water and wastewater systems consist of about 3900 water customers and 4000 wastewater customers, located in St Louis County. The water system includes six (6) wells, eight (8) booster pump stations, seven (7) storage tanks, and the water distribution system. The water distribution system includes approximately 58.8 miles of water main ranging in size from 2-inch to 12-inch, 642 fire hydrants, associated valves and fittings. The wastewater treatment plant is a three-cell aerated lagoon plant with a design flow of 2.8 million gallons per day, according to the MDNR Operating Permit. The wastewater collection system includes ten (10) sewer lift stations, approximately 62.5 miles of sewer main ranging in size from 4-inch to 48-inch, and 1,452 manholes.

8. An appraisal of the water and wastewater systems was completed and the Valuation Report dated March 23, 2020 was sent to Craig E. Sabo, City Administrator for the City of Eureka. The Valuation Report is attached hereto as **Appendix A.**

9. On May 19, 2020, the Eureka Board of Aldermen passed Bill No. 2657 and designated it to be Ordinance No. 2543, *An Ordinance Submitting To The Qualified Voters Of The City Of Eureka A Question Concerning The Sale Of City Water and Wastewater Utilities (" Ordinance")*. A copy of the *Ordinance* and the *Board of Alderman Minutes for May 19, 2020* are attached hereto as **Appendix B.** The *Ordinance* provided notice of an election to be held on August 4, 2020, to vote on (Proposition S), whether the water and wastewater utility

owned by the City of Eureka should be sold. The question on the ballot was as follows:

SHALL THE CITY OF EUREKA, MISSOURI BE AUTHORIZED TO SELL ITS WATER AND WASTE WATER (SEWER) UTILITIES TO MISSOURI AMERICAN WATER COMPANY FOR THE SUM OF \$28,000,000.00 (TWENTY-EIGHT MILLION DOLLARS)?

9. There were three virtual Town Hall Meetings to discuss the proposed sale. The Town Hall Meetings were held on July 16, 2020, July 23, 2020, and July 30, 2020. MAWC representatives attended the virtual Town Hall Meetings and were available to answer any questions. Notifications of the Town Hall Meetings which were provided to the residents are attached hereto as **Appendix C**.

10. The election was held on August 4, 2020, and a majority of votes cast were in favor of Proposition S.

11. On November 17, 2020 MAWC entered into a *Purchase Agreement* with Eureka. A copy of the *Purchase Agreement* is attached as **Appendix D**. The schedules and exhibits to the *Purchase Agreement* have not been created at this time. In most cases, they are prepared if and when approval is received by the Missouri Public Service Commission to proceed with the transaction since these items are part of the closing process.

12. MAWC proposes to purchase all the water and sewer utility assets of Eureka, as specifically described in, and under the terms and provisions of the *Purchase Agreement*. A description of the area sought to be certificated is the "City of Eureka, and the surrounding area". A legal description of the area sought to be certified is attached as **Appendix E**. A map of the area sought to be certificate is attached to this Application as **Appendix F**. MAWC proposes that the area to be certificated for water and sewer service be described as: "The City of Eureka and the surrounding area."

13. Attached hereto and marked as **Appendix G-C** is a list of ten residents or

landowners within the proposed service area. Appendix G-C has been identified as Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(1), as it contains customer specific information.

### ADDITIONAL INFORMATION

14. Attached hereto and marked as Appendix H-C is the feasibility study for the water system and Appendix I-C, the feasibility study for the wastewater system for which MAWC seeks a CCN, containing estimated costs of the utility systems during the first three (3) years of ownership; proposed rates and charges; and estimates of the number of customers and estimated expenses and revenues during the first three years of operation by MAWC. No external financing is anticipated. To provide service to the proposed area, MAWC will purchase existing water and sewer systems and will not construct systems. Thus, the Company asks for a waiver of any requirement to provide plans and specifications related to the construction of the distribution and collection systems. Appendix H-C and Appendix I-C have been identified as "Confidential" in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6) as it contains market specific information and information representing strategies employed in contract negotiations.

15. Attached hereto and marked as Appendix J is an Integration Appendix which includes information relevant to the integration process of this proposed acquisition.

16. MAWC will receive a franchise from Eureka as called for by the *Purchase Agreement*.

### TARIFFS/RATES

17. MAWC proposes to adopt the water rates charged by Eureka at closing and to utilize the rules governing rendering of water service currently found in MAWC's water tariff

P.S.C. MO No. 13 until such time as the rates and rules are modified according to law. MAWC proposes to provide sewer service pursuant to the rates charged by Eureka closing and to utilize the rules governing 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 according to law.

### **PUBLIC INTEREST**

18. The grant of the requested CCN (and approval of the underlying transaction) is in the public interest and will result in the provision of regulated water and sewer service to the current and future residents of the service area. The water and sewer assets of Eureka would be acquired by MAWC, a Missouri public utility, and be subject to the jurisdiction of the Commission. MAWC has considerable expertise and experience in providing water and sewer utility services to residents of the State of Missouri and is fully qualified, in all respects, to own and operate the water and sewer systems currently being operated in and around the City of Eureka.

19. The City of Eureka water and wastewater customers will benefit from this acquisition for various reasons which include the need for investment to replace aging infrastructure, the need for investment to maintain compliance with existing and new regulations, to relieve the responsibility of operating and maintaining systems in the face of ever-increasing complexity and liability and the desire to maintain affordability.

### **MOTION FOR WAIVER**

20. Commission Rule 20 CSR 4240-4.017(1) provides that "(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." A notice was not filed 60 days prior to the filing of this Application. As such, and to the extent required, MAWC seeks a waiver of the 60-day notice requirement.

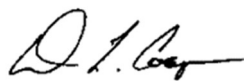
21. Rule 20 CSR 4240-4.017(1)(D) provides that a waiver may be granted for good

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

**WHEREFORE**, MAWC requests the Commission issue an order:

1. Granting MAWC permission, approval and a Certificate of Convenience and Necessity authorizing MAWC to install, acquire, build, construct, own, operate, control, manage and maintain water and sewer systems for the public within the area referred to above.
2. Granting MAWC permission to acquire the water and sewer assets identified herein of the City of Eureka, Missouri; and,
3. Authorizing MAWC to take such actions as may be deemed necessary and appropriate to accomplish the purposes of the *Purchase Agreement* and the Application and to consummate related transactions in accordance with the *Purchase Agreement*.

Respectfully submitted,



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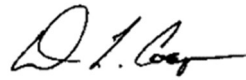
ATTORNEYS FOR MISSOURI-AMERICAN  
WATER COMPANY

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 26<sup>th</sup> day of April, 2021, to:

General Counsel's Office  
[staffcounsel@psc.mo.gov](mailto:staffcounsel@psc.mo.gov)

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



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**VERIFICATION**

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

I, Timothy W. Luft, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Vice-President - Legal of Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of MAWC, that I have knowledge of the matters stated herein, and that said matters are true and correct to be best of my knowledge and belief. Additionally, no representative of MAWC has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the immediately preceding 150 days regarding the subject matter of this Application.

  
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Timothy W. Luft

## **List of Appendices**

Appendix A	Valuation Report dated March 23, 2020
Appendix B	City of Eureka Ordinance 2543 and Board of Alderman Meeting Minutes for May 19, 2020
Appendix C	Notices of Town Hall Meetings
Appendix D	Purchase Agreement
Appendix E	Legal description
Appendix F	Map
Appendix G-C	List of Ten Residents
Appendix H-C	Feasibility Study - Water System
Appendix I-C	Feasibility Study - Wastewater System
Appendix J	Integration