

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

In the Matter of the Joint Application of )  
Missouri-American Water Company and )  
Spokane Highlands Water Company for )  
MAWC to Acquire Certain Water Assets ) **Case No. WM-2018-0104**  
Of Spokane Highlands and, in )  
Connection Therewith, )  
Certain Other Related Transactions )

**STAFF AMENDED RECOMMENDATION**

**COMES NOW** the Public Service Commission Staff (Staff), by and through counsel, and for its *Amended Recommendation* states that Staff seeks to reply to Applicants' Response to Staff's Recommendation, and the Commission's February 15, 2018, *Order Directing Filing*. In support of this *Amended Recommendation*, Staff states as follows:

1. On October 24, 2017, Spokane Highlands Water Company (SHWC or Spokane) to Missouri-American Water Company (MAWC) (jointly referred to hereafter as the Applicants) filed a *Joint Application and Motion for Waiver* in which SHWC and MAWC seek approval of the Missouri Public Service Commission (Commission) for Spokane to sell, and for MAWC to purchase, substantially all of the water assets of Spokane, including the transfer to MAWC of the Certificate of Convenience and Necessity currently held by Spokane.

2. On January 22, 2018, Staff filed its *Staff Recommendation* pursuant to the *Order Directing Filing of Staff Recommendation* entered on December 4, 2017.

3. On January 30, 2018, Applicants filed their *Response to Staff Recommendation and Memorandum*.

4. In their *Response*, Applicants objected to Staff Recommendation conditions 6.m. and 6.n., which state:

m. Order MAWC to develop and implement, or continue to maintain its existing allocation process already implemented, with the review and assistance of Staff if necessary, a comprehensive allocation procedure to allocate costs and investments between regulated and non-regulated operations and between the various regulated entities of MAWC, consistent with accounting for and incorporating the newly acquired Spokane Highlands system into MAWC's existing water and sewer operations;

n. Direct that MAWC continue to develop and/or maintain a comprehensive time reporting system specifically to identify time spent and cost incurred by Company personnel for Spokane Highlands and other MAWC-owned systems. This time reporting should be developed and maintained for use in MAWC future rate cases;

5. Applicants' objection to conditions 6.m. and 6.n. states in part "[i]t is not a good use of resources to implement special accounting and time keeping practices for these 49 customers (approximately .01% of MAWC's customer base) and approximately \$17,000 in annual revenues."

6. Staff seeks to clarify its recommendation and states it was not Staff's intention to recommend that MAWC implement special accounting and time keeping practices for 49 customers, but rather that MAWC maintain and continue its existing allocation procedures.

7. More specifically, Staff seeks to amend conditions 6.m. and 6.n. to state:

m. Order MAWC to continue to maintain its existing allocation process already implemented with respect to procedures to allocate costs and investments between regulated entities of MAWC and between regulated and non-regulated MAWC operations, and to incorporate the newly acquired Spokane Highlands system into this allocation process;

n. Direct that MAWC continue to maintain its current time reporting and allocation system and to incorporate the newly acquired Spokane Highlands system into that time reporting and allocation system;

8. Staff submits its Amended Recommendation in its entirety, attached hereto as Appendix A, with the items identified in paragraph 7 above as substantive amendments;

9. Applicants' counsel has been informed of this clarification, of these amendments, and of this *Amended Recommendation*, and has not objected to the filing of this *Amended Recommendation*.

**WHEREFORE**, Staff respectfully submits this *Amended Recommendation* for the Commission's information and consideration, and requests the Commission approve the transfer of assets with Staff's amended proposed conditions listed in *Staff's Amended Recommendation*.

Respectfully submitted,

**/s/ Alexandra L. Klaus**

Alexandra L. Klaus  
Legal Counsel  
Missouri Bar No. 67196  
Attorney for the Staff of the  
Missouri Public Service Commission  
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Jefferson City, MO 65102  
573-751-1854 (Voice)  
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### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all parties and or their counsel of record on this 26th day of February, 2018.

**/s/ Alexandra L. Klaus**

## AMENDED MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. WM-2018-0104 - In the Matter of the Joint Application of  
Missouri-American Water Company and Spoke Highlands Water Company  
For MAWC to Acquire Certain Water Assets of Spokane Highlands and, in  
Connection Therewith, Certain Other Related Transactions

FROM: James A. Merciel, Jr - Water and Sewer Department  
Cary Featherstone - Auditing Department  
Stephen Moilanen – Engineering Analysis Unit  
Scott Glasgow - Customer Experience Department

<u>/s/ James A. Merciel, Jr. 02/xx/18</u>	<u>/s/ Alexandra Klaus 02/xx/18</u>
Case Coordinator	Staff Counsel
Date	Date

SUBJECT: Amended Staff Memorandum to Recommend Approval of Transfer of Assets and  
Transfer of Certificate of Convenience and Necessity

DATE: February 26, 2018

### CASE BACKGROUND

On October 24, 2017, Missouri-American Water Company (MAWC or Mo-American) and Spokane Highlands Water Company (SHWC or Spokane) filed a *Joint Application and Motion for Waiver* (Application)(EFIS #1) with the Public Service Commission (Commission). In the Application, SHWC, a regulated water utility, seeks to sell and transfer its water utility assets along with its Certificate of Convenience and Necessity (CCN) to MAWC. MAWC would then continue the provision of regulated water service to the customers.

On December 20, 2017, MAWC filed its *Motion for Leave to Amend Application* (Motion) (EFIS # 6), addressing applicability of tariff rules and rates. After a response from Staff stating no objection to the Motion, on January 5, 2018 (EFIS #7) the Commission issued its *Order Granting Motion to Amend Application*.

The purpose of this Amended Memorandum is to modify bullet points 13 and 14 in Staff's Recommendations section at the end of this document.

### BACKGROUND OF SHWC AND MAWC

SHWC obtained a CCN from the Commission in Case No. WA-96-246. The Spokane Highlands water system dates to approximately 1994. SHWC provides water service to 49 single-family residential customers, according to SHWC's most recent annual report, in a subdivision located to the east of the town of Spokane in Christian County. The source of water is a single well with an 80 gallon per minute submersible pump, along with chlorine disinfection. Water is stored in a 15,000 gallon ground storage tank. Water is pumped from the storage tank to the distribution system and the customers by two (2) electric high-service pumps, with small bladder tanks to normalize water pressure as the high service pumps cycle on and off. There are water meters for each customer. The water system is of adequate capacity for the existing service area. Based upon

previous system inspections and contact with SHWC, and recent communication with the Missouri Department of Natural Resources, Staff is not aware of any operational or compliance issues.

MAWC is an existing regulated water and sewer utility currently providing water service to more than 450,000 customers and sewer service to more than 11,000 customers in several service areas throughout Missouri. In recent years, MAWC has acquired several small existing water and sewer systems. MAWC is a subsidiary of American Water Works Company, Inc., and is affiliated with other companies that undertake some of the tasks associated with utility service, such as customer billing, and technical resources.

**STAFF’S INVESTIGATION**

**Technical, Managerial, and Financial Capacity**

DNR reviews new proposed water system operations using, among other criteria, determination of technical, managerial and financial capacities of the operation, or “TMF.” Staff utilizes the concepts of TMF in studying some situations involving existing water and sewer systems. Based on Staff’s experience working with MAWC, Staff concludes that MAWC has the appropriate TMF capabilities.

**Tariff and Rate Impact**

In the Application, MAWC stated that it proposes to provide water service in what Staff refers to herein as the Spokane Highlands service area, identical to SHWC’s existing approved service area,<sup>1</sup> pursuant to the existing rates, rules, and regulations currently applicable to SHWC. However, in its Motion filed on December 20, 2018, MAWC stated it will instead apply its existing “consolidated water tariff”, MO PSC No. 13, and its existing “District #3” rates currently applying to its service districts in southwest Missouri including the city of Joplin and areas near Branson. The Application of MAWC’s District #3 rates would result in decreased water bills for customers in the Spokane Highlands service area, as follows:

water bill for:		2000	3000	4000	5000
MAWC					
\$ 15.33	customer charge	\$ 22.81	\$ 26.56	\$ 30.30	\$ 34.04
\$ 3.7424	per 1000 gallons				
Spokane					
\$ 14.67	customer charge	\$ 23.11	\$ 27.33	\$ 31.55	\$ 35.77
\$ 4.22	per 1000 gallons				
percent decrease		-1.3%	-2.8%	-4.0%	-4.8%

Staff agrees with MAWC and SHWC that applying MAWC’s existing tariff rules and rates to customers in the Spokane Highlands service area is reasonable, because it would result in slightly lower rates for Spokane Highland customers, and it would be less cumbersome to include the customers on existing rates for purposes of billing and for handling customer inquiries at call centers on billing issues. Staff notes that MAWC has a pending rate case before the Commission,

<sup>1</sup> The Spokane Highlands service area was approved by the Commission in SHWC’s CCN case and is shown in SHWC’s tariff.

WR-2017-0285, which would impact customers in the Spokane Highlands service area in the same manner as the rate impact upon existing MAWC water customers, if this proposal is approved.

To include the Spokane Highlands service area customers into MAWC's existing tariff and rate structure, Staff recommends that, assuming this proposed transaction is approved, MAWC file in its existing water tariff the following, to become effective prior to closing on the assets:

- New original tariff sheets, specifically Sheet Nos. CA 17.1 and 17.2, showing the Spokane Highlands service area map and description, along with a revised Certificated Area Table of Contents Sheet C, to reflect the additional original sheets;
- A revised Rate A sheet, specifically Sheet No. RT 1.3 applying to metered residential water service,<sup>2</sup> with all rates and charges identical to those on the sheet to be revised, but showing Spokane Highlands service area applicability; and
- A revised Miscellaneous Charges sheet, specifically Sheet No. RT 9.2, with all rates and charges identical to those on the sheet to be revised, but showing the Spokane Highlands service area applicability.

Staff recommends the Commission require that either MAWC or SHWC provide notification to the Commission if the parties determine after Commission approval that closing will not occur. Also, if such determination occurs after MAWC files new or revised tariff sheets as described herein, then MAWC should withdraw any such pending tariff filing(s), or file additional replacement tariff sheets for any such tariff sheets that may have become effective.

### **Rate Base**

Staff's audit review of this Application was conducted based on the following:

- Review of MAWC's Application
- Review of all of the Appendices that were included with the Application
- Review of relevant prior Commission Orders applying to SHWC
- Review of relevant previous Stipulation and Agreements applying to SHWC
- MAWC's responses to data requests
- Examination of past SHWC rate case work-papers and the final Exhibit Modeling System (EMS) Accounting Schedules

Additionally, the Commission's Audit Staff requested information relating to plant additions and retirements from the point of SHWC's last rate case, WR-2015-0104, to the most current information available. The plant additions and retirements to the extent any existed, were included in an analysis developed by the Audit Staff known as "Build-Out Schedule." A Build-Out Schedule was developed for SHWC assets. This Build-Out Schedule served as the

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<sup>2</sup> Other rates specified on Sheet Nos. RT 2.3, RT 3.3, RT 4.3, RT 5.5, RT 5.6 will not apply to residential customers in the Spokane Highlands service area.

basis for each of the rate base investments for the rate case and was used to include the additions and retirements along with the related depreciation expense in this transfer of assets review. The depreciation rates were approved and authorized for SHWC by the Commission in Case No. WR-2015-0104. Thus, the final Build-Out Schedule for the last rate case was used as the basis for the starting point rate base investment valuations for this transfer of assets case.

The Auditing Department updated rate base for SHWC from the level determined in its last rate case. Staff has determined that total plant in service is \$82,453, and includes a CIAC amount of \$29,466, amortization of CIAC in the amount of \$24,662, a depreciation reserve of \$41,407, and currently there are no customer deposits. The result is a rate base of \$36,242 as of December 31, 2017. The annual net depreciation expense, based on Staff’s recommendation for depreciation rates to apply to MAWC, as stated in this memorandum below, would be \$2,131.

Staff’s analysis determined the total entity’s rate base valuation compared to Spokane’s last rate case, Case No. WR-2015-0104 as follows:

	<b>Total Regulated Spokane Highlands Rate Base Valuation</b>	
	<b>Case No. WR-2015-0104 December 31, 2014</b>	<b>Case No. WM-2018-0104 December 31, 2017</b>
Plant in Service	\$80,364	\$82,453
Less: Depreciation Reserve	\$49,922	\$41,407
Net Plant	\$30,442	\$41,046
CIAC	\$29,466	\$29,466
Less: CIAC Reserve	\$22,246	\$24,662
Net CIAC	\$7,220	\$4,804
Net Plant less Net CIAC	\$23,222	\$36,242
Add: Materials & Supplies	\$104	\$0
Less: Customer Deposit	\$0	\$0
<b>Total Rate Base</b>	<b>\$23,326</b>	<b>\$36,264</b>

Source: Case No. WR-2015-0104-- Final Disposition Agreement-- EMS Run-- EFIS #5 and Staff’s Build-out Schedule as of December 31, 2017

These quantifications by Staff of plant in service, depreciation reserve, and CIAC are a result of studying current information made available by SHWC and/or MAWC. Plant in service balances and rate base information represent what Staff would recommend for inclusion in rate base at this time for the Spokane Highlands system, if rates were to be changed in this proceeding. However, these recommended levels are subject to further review and adjustments in future rate cases. Staff will take a position regarding the appropriate rate base valuation of the Spokane Highlands plant assets after conducting its audit in MAWC’s next rate case, including review of MAWC’s rate base

valuation. Staff also recommends specifically that prior to the time of transfer, MAWC request any and all plant and asset valuation records from SHWC that are not already in MAWC's possession, including all available documentation concerning transactions and transfers between SHWC, developers and vendors, and properly enter those amounts in its plant account property records in order to quantify original plant costs, subsequent plant additions, depreciation, contributions, and capital recovery paid to developers or other parties.

The purchase price, based on the total asset value determined by Missouri-American and Spokane Highlands, is greater than the total asset values determined by Staff in this case. As noted in the table above, the total plant less CIAC asset value at December 31, 2017, is \$36,242 which, when compared to the purchase price identified in the Asset Purchase Agreement, is less than the purchase price, which will result in an asset premium being paid by Missouri-American. To the extent any acquisition adjustment results from this purchase, it is recommended that no recovery be included in future rates. The purchase price does not include the impact of customer deposits or other liabilities that will be assumed by Missouri-American so none of the liabilities were included for the above comparison.

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

### **Depreciation**

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

### **Customer Notice/Customer Service**

SHWC sent notice to its customers on December 29, 2017, with information about the proposed transfer of assets, the rate impact, and contact information for Staff and the Office of the Public Counsel, which was prepared with the assistance of MAWC and Staff. Staff has received no customer comments in response to the notice.

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

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



## **OTHER ISSUES**

According to documentation on the Missouri Secretary of State website, SHWC is, as of October 21, 2009, a Missouri corporation that was administratively dissolved for failure to maintain a registered agent.

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

SHWC is current on its annual assessments through fiscal year 2018.

SHWC has no other pending matters before the Commission.

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

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

MAWC is current on its annual assessment quarterly payments through the second quarter of fiscal year 2018.

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

WC-2018-0124	Formal Complaint (Harter)
WC-2018-0110	Formal Complaint (Jones)
WC-2018-0099	Formal Complaint (Lander)
SA-2018-0068	CCN (Radcliffe Place)
SA-2018-0019	CCN (Homestead Estates)
WU-2017-0351	AAO - Property Taxes
WR-2017-0285	Rate Case
WA-2017-0278	CCN (Pevely Farms)

These above-noted pending cases for MAWC will have no direct impact upon this proposed case involving a transfer of assets from another regulated water system, nor will approval of the transfer of assets impact the above-noted pending cases.

## **STAFF'S RECOMMENDATION SUMMARY AND CONCLUSIONS**

Staff's position, based on its review as described herein, is that SHWC's and MAWC's proposal for a transfer of water utility assets is not detrimental to the public interest. MAWC's proposal to apply its existing water tariff and existing District #3 rates to customers in the Spokane Highlands area is reasonable. MAWC should be authorized and ordered to file new or replacement tariff sheets, as described herein, showing the service area, and rate applicability. MAWC should provide notice of closing on the assets, and status reports as necessary describing the status of closing on the assets. Staff therefore recommends approval of the transfer of assets with the conditions and actions as outlined herein.

## **STAFF'S RECOMMENDATIONS**

Based upon the foregoing, Staff recommends that the Commission:

1. Authorize SHWC to sell and transfer water utility assets, including its CCN, to MAWC, and for MAWC to provide water service in the Spokane Highlands service area, as requested;
2. Authorize MAWC to apply its existing rules and District #3 rates to the Spokane Highlands service area;
3. Require MAWC to submit new tariff sheets showing the Spokane Highlands service area, and a revised District #3 rate sheet and revised service charge sheet showing applicability to the Spokane Highlands service area in its PSC MO No.13 tariff prior to closing on the assets;
4. Approve MAWC's existing depreciation rates for water utility plant accounts to apply to the Spokane Highlands service area assets;
5. If closing on the water system assets does not take place within thirty (30) days following the effective date of the Commission's order approving such sale and transfer of the assets, require MAWC and/or SHWC 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 either MAWC or SHWC determines that the transfer of the assets will not occur;
6. If MAWC or SHWC determines that a transfer of the assets will not occur, require MAWC and/or SHWC 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 tariff sheets filed and effective, if any, applicable to the Spokane Highlands service area;
7. Require MAWC to keep its financial books and records for Spokane Highlands plant-in-service and operating expenses in accordance with the NARUC Uniform System of Accounts;
8. Require MAWC to provide an example of its actual communication with the Spokane Highlands service area customers regarding its acquisition and operations of the Spokane Highlands water system assets, and how customers may reach MAWC regarding water matters, within ten (10) days after closing on the assets;
9. Require SHWC to provide to MAWC and for MAWC, as best as possible prior to or at closing, to take physical possession of and maintain all records and documents with respect to regulated operations, and any and all books and financial records of SHWC, including but not limited to all plant-in-service original cost documentation, along with depreciation reserve balances and records, invoices and purchase orders and purchase agreements, documentation of contribution-in-aid-of construction transactions, and any capital recovery transactions, all customer billing records and customer deposit records to the extent the Company has customer deposits;

10. To the extent any acquisition premium that may result from the purchase of Spokane Highlands utility assets by MAWC exists, require that any related acquisition adjustment be excluded from rate recovery in any future rate case;
11. Order MAWC to, within ninety (90) days after closing on the assets, correct its books and records to reflect the adjusted plant, depreciation reserve and Contributions in Aid of Construction balances reflected in Staff Accounting Schedules;
12. Require MAWC to provide in a general rate case an analysis documenting its proposed rate base values for Spokane Highlands water system assets, including an appropriate offset for associated CIAC;
13. (*Amended*) Order MAWC to continue to maintain its existing allocation process already implemented with respect to procedures to allocate costs and investments between regulated entities of MAWC and between regulated and non-regulated MAWC operations, and to incorporate the newly acquired Spokane Highlands system into this allocation process;
14. (*Amended*) Direct that MAWC continue to maintain its current time reporting and allocation system and to incorporate the newly acquired Spokane Highlands system into that time reporting and allocation system;
15. Make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining MAWC, including expenditures related to the Spokane Highlands certificated service area and capacity adjustments, in any later proceeding;
16. Require MAWC to ensure adherence to Commission Rule 4 CSR 240-13 with respect to Spokane Highlands customers;
17. Require MAWC to include the Spokane Highlands customers in its established monthly reporting to the Customer Experience Department Staff on customer service and billing issues;
18. Require MAWC to distribute to the Spokane Highlands customers an informational brochure detailing the rights and responsibilities of the utility and its customers regarding its water service, consistent with the requirements of Commission Rule 4 CSR 240-13.040 (2) (A-L), within ten (10) days of closing on the assets;
19. Require MAWC to provide adequate training for the correct application of rates and rules to all customer service representatives prior to Spokane Highlands customers receiving their first bill from MAWC; and,
20. Require MAWC to provide to the Customer Experience Department Staff a sample of ten (10) billing statements from the first month's billing within thirty (30) days of such billing.

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

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

In the Matter of the Joint Application of  
Missouri-American Water Company and  
Spokane Highlands Water Company for  
MAWC to Acquire Certain Water Assets  
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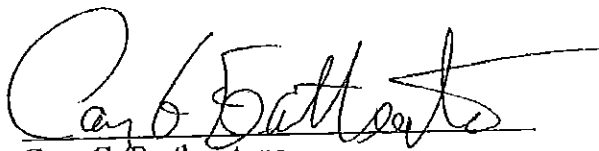
**File No. WM-2018-0104**

**AFFIDAVIT OF CARY G. FEATHERSTONE**

STATE OF MISSOURI     )  
                                  ) ss  
COUNTY OF JACKSON    )

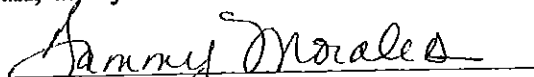
**COMES NOW** Cary G. Featherstone, and on his oath states that he is of sound mind and lawful age; that he contributed to the foregoing *Amended Memorandum*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
Cary G. Featherstone

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 23<sup>rd</sup> day of February, 2018.

  
Notary Public



TAMMY MORALES  
My Commission Expires  
January 7, 2022  
Clay County  
Commission #14451088

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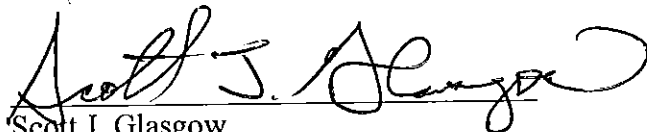
**File No. WM-2018-0104**

**AFFIDAVIT OF SCOTT J. GLASGOW**

STATE OF MISSOURI     )  
  ) ss  
COUNTY OF COLE     )

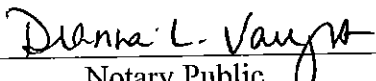
**COMES NOW** Scott J. Glasgow, and on his oath states that he is of sound mind and lawful age; that he contributed to the foregoing *Amended Memorandum*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Scott J. Glasgow

**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 26<sup>th</sup> day of February, 2018.

  
\_\_\_\_\_  
Notary Public

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: June 28, 2019  
Commission Number: 15207377

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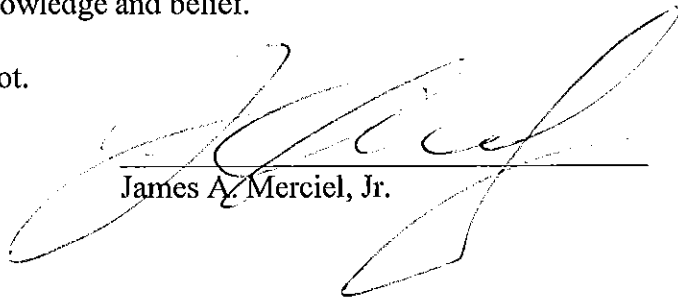
**File No. WM-2018-0104**

**AFFIDAVIT OF JAMES A. MERCIEL, JR.**

STATE OF MISSOURI     )  
  ) ss  
COUNTY OF COLE     )

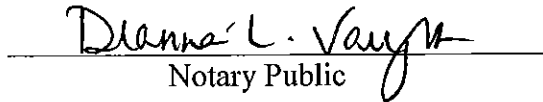
**COMES NOW** James A. Merciel, Jr., and on his oath states that he is of sound mind and lawful age; that he contributed to the foregoing *Amended Memorandum*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
James A. Merciel, Jr.

**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 26th day of February, 2018.

  
\_\_\_\_\_  
Notary Public

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: June 28, 2019  
Commission Number: 15207377

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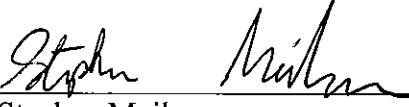
**File No. WM-2018-0104**

**AFFIDAVIT OF STEPHEN MOILANEN**

STATE OF MISSOURI     )  
  ) ss  
COUNTY OF COLE     )

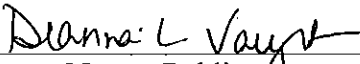
**COMES NOW** Stephen Moilanen and on his oath states that he is of sound mind and lawful age; that he contributed to the foregoing *Amended Memorandum*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Stephen Moilanen

**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 26<sup>th</sup> day of February, 2018.

  
\_\_\_\_\_  
Notary Public

DIANNA L. VAUGHT  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: June 28, 2019  
Commission Number: 15207377