

MEMORANDUM

TO: Missouri Public Service Commission
Official Case File, File No. WA-2023-0026
Confluence Rivers Operating Company, Inc.

FROM: Jarrod J. Robertson – Water, Sewer and Steam Department
Daronn A. Williams – Water, Sewer and Steam Department
Ashley Sarver – Auditing Department
Scott J. Glasgow – Customer Experience Department
Sarah Fontaine – Customer Experience Department
Brodrick Niemeier – Engineering Analysis Department
Randall T. Jennings – Financial Analysis

/s/ Jarrod J. Robertson 11/10/2022
Case Manager / Date

/s/ Don Cospers 11/10/2022
Staff Counsel's Office / Date

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

DATE: November 10, 2022

CASE BACKGROUND

On July 25, 2022, Confluence Rivers Utility Operating, Inc. ("Confluence") filed an Application and Motion for Waiver ("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 of Glenmeadows Water and Sewer LLC ("Glenmeadows"). In its Application, Confluence states that it intends to acquire substantially all the water and sewer utility assets that are presently owned by Glenmeadows. The Commission does not currently regulate the Glenmeadows water and sewer systems.

On July 26, 2022, Confluence filed a Motion to Consolidate, and on July 28, 2022, the Commission issued its Order Directing Notice, Setting Deadlines for Intervention, and Directing Staff Recommendation. The Commission established an initial date of September 12, 2022, by which Staff would file a recommendation or request additional time. Staff filed a Request for Extension on September 6, 2022. On September 13, 2022, the Commission established a final date for the Staff Recommendation of November 10, 2022 ("Order").

The Application was docketed in two separate cases, Case Nos. WA-2023-0026 and SA-2023-0027, which the Commission consolidated, with Case No. WA-2023-0026 being designated the lead case. No parties sought to intervene in the case. No public comments have been submitted.

Appendix A

** Denotes Confidential Information **

BACKGROUND OF CONFLUENCE

Confluence is a Missouri corporation with its principle office and place of business at 1630 Des Peres Rd., Suite 140, St. Louis, MO 63131, and it is a public utility subject to the jurisdiction of the Commission. Confluence is currently providing water service to approximately 4,443 customers and sewer service to approximately 4,602 customers in the State of Missouri. In recent years, Confluence has acquired several existing small water and sewer systems.

Confluence is a subsidiary of Central States Water Resources, Inc. (CSWR”), which entered into a Purchase and Sale Agreement (“Agreement”) with Glenmeadows on February 25, 2022.

BACKGROUND OF GLENMEADOWS

Glenmeadows is a limited liability company formed in 2020 that is in good standing with the Missouri Secretary of State. Glenmeadows provides water and sewer services to approximately 230 customers in the Glenmeadows subdivision, located in Lincoln County, near Moscow Mills, MO.

STAFF’S INVESTIGATION

Water System Background

The water system consists of a single well and three 11,500 gallon hydropneumatic pressure tanks, located at the northwest corner of the subdivision. The tanks are located inside an enclosed structure and the well head is located directly outside of this structure. Water is pumped using a 60 horsepower, 380 gallons per minute well pump. The well is 440 feet deep. The water distribution system consists of 1,880 feet of two-inch water mains and 9,420 feet of six-inch water mains. The material of the water mains is unknown. The water system components were installed between 2004 and 2005. The system is not disinfected. The well site operates under the Missouri Department of Natural Resources (“DNR”) permit number MO-6031360.

DNR Inspection of Water System

DNR last inspected this water system on November 15, 2019. DNR evaluated the system for compliance with the Missouri Safe Drinking Water Law, and the system was found to be in compliance based upon the observations made at the time of the evaluation. In its inspection report, dated December 9, 2019, DNR notes that the well appeared to be in good condition and the system does not have a back-up well or emergency connection. This inspection report also notes that the well was not equipped with a pressure gauge, a drawdown gauge, nor lightning protection. Finally, peeling of the paint on the three tanks were also noted.

The DNR inspection report listed the following recommendations:

1. Have a second well or an emergency connection for water system because the population is estimated to be greater than 500;
2. Have a map of the distribution system for the operator or kept on site in the building housing the tanks;
3. Remove rust from tanks and repaint them;
4. Have a written flushing procedure;
5. Install a pressure gauge on the well to monitor the pressure output from the well, which can indicate the well pump condition;
6. Install a drawdown gauge because regular drawdown readings can help to track the pump's condition; and
7. Install lightning protection to protect the well from surges.

Sewer System Background

The sewer system consists of a mechanical plant that has the following components: flow equalization, extended aeration, aerated sludge holding tank, chlorination, dechlorination and sludge. The design flow for this sewer system is 80,000 gallons per day (“gpd”) and the actual flow is 37,000 gpd. The collection system consists of 12,342 feet of eight-inch PVC gravity pipe and 58 manholes. The sewer system components were installed between 2004 and 2005, and operates under the DNR permit number MO-0128171.

DNR Inspection of Sewer System

DNR last inspected this sewer system on March 6 and 7, 2019. This inspection resulted in an inspection report and Notice of Violation (“NOV”) SL190005. This NOV was issued for the following reasons:

1. The sewer system caused pollution to waters of the state;
2. The sewer system discharged sludge into waters of the state; and
3. The sewer system was operating without a valid Missouri State Operating Permit (“MSOP”).

This inspection report recommended that the chlorine contact chamber is routinely inspected to determine the presence of sludge, and have solids pumped out of the chamber on a routine basis.

After receiving the inspection report, the chief operator replied to DNR and informed them that the sludge in the stream had been removed and disposed of properly and that their legal counsel was working on getting the facility back into compliance with a valid MSOP. Their permit was renewed with an effective date of November 1, 2019 and expires on December 31, 2023.

Staff's Observations of Water and Sewer Systems

Water System

Staff inspected the water system on October 20, 2022. Staff observed the three water tanks inside an enclosure. As mentioned in the DNR inspection, the tanks had chipped, peeling paint with rust on the underside. A lot of piping inside the building was severely rusted. The tanks and piping would benefit from power washing and new paint. The well was observed directly outside of the enclosure. The well head was not locked and could be tampered with.

Sewer System

Staff inspected the sewer system on October 20, 2022 as well. Overall, the sewer system was poorly maintained and was in extremely poor condition. The grates that are over the flow equalization, extended aeration and aerated sludge holding tank were severely rusted and literally falling apart. They need to be replaced immediately for safety reasons. Leaves and debris were clogging the skimmers in the clarifiers. The clarifiers were full of sludge and plants were growing in the clarifiers from the sludge build-up. Large amounts of sludge was found in the chlorine contact chamber. The bar screen, which is in a hard to reach location, was completely clogged and covered with rags, debris, and disposable wipes. The bar screen should be relocated so it is more accessible. Blower motors were located in a small enclosed building next to the mechanical plant.

The wastewater treatment plant was discharging during the site visit and sludge was visible in the stream. A sign identifying the outfall was missing, which is a violation to their DNR permit.

Staff informed DNR of the observation of sludge in the creek and the possible outfall not being identified.

Proposed Capital Investments

Water System

According to Missouri Drinking Water Standards Section 7.4.2 "Sizing hydropneumatic tanks," Part a: "Hydropneumatic storage (conventional tanks or bladder tanks) shall not be used as the only storage facilities for community public water systems serving more than 50 connections or living units." The continued running of this system relying solely on hydropneumatic storage is not acceptable and as a result, Confluence plans to convert these tanks to ground storage.

A summary of proposed investments for the water system is as follows:

- Install remote monitoring,
- Well house repairs and maintenance,
- Install backup generator,
- Electrical improvements,

- Building expansion for booster skid addition,
- Pressure transducer installation,
- Magnetic flow meter installation,
- Booster pump and control panel installation,
- Miscellaneous piping and valve replacement,
- Convert hydropneumatic tanks to ground storage,
- Paint tanks, and
- Installation of sodium hypochlorite dosing system.

Sewer System

A summary of proposed investments for the sewer system is as follows:

- Install flow meter at inlet or outfall with remote monitoring system,
- Install a new electrical distribution panel and a manual transfer switch to allow for the use of a portable generator for use in emergency situations,
- Replace the grating on top of the equalization tanks,
- Install foam insulation and roof tin panels for walls and ceiling in blower building,
- Replace airlifts that feed the plant with duplex grinder pump systems with Variable Frequency Drive (“VFD”) motors in each equalization tank,
- Increase the size of the air headers for the extended aeration, digester aeration, and pre-equalization processes,
- Install new triplex blower system for extended aeration,
- Installation of new control panels with VFD motors for blowers,
- Addition of new density current baffles in the clarifiers,
- Replacement of existing chlorine disinfection system with the installation of a new UV disinfection system with necessary equipment,
- Create a GIS map of the sewer system collection system,
- For the sewer system collection system, install flow monitoring, perform smoke testing, perform video inspection at selected locations, evaluate systems and create GIS based maintenance priority list, and
- Address immediate non-compliance items like sludge being released in the discharging creek and no outfall identification.

At this time, Staff is not commenting on the proposed prudence of these proposed improvements. Staff will review any and all capital expenditures during a subsequent rate filing in which recovery of any expenditures is sought.

Rate Base

Confluence did not provide rate base due to a lack of historical documentation. Staff utilized the Flinn Engineering Report, provided in response to Staff’s Data Request No. 0030 to assist it in developing an estimated rate base. Staff reviewed all invoices and estimates from third party contractors Confluence provided to calculate the remaining values. Using these estimates, Staff calculated rate base to be approximately \$410,000 for the water system and \$377,000 for the sewer system, for a total of \$787,000. Additionally, there are no Contributions in Aid of Construction (“CIAC”) for either the water or sewer system.

The following is a breakdown of the rate base components:

	Water	Sewer
Plant in Service	\$844,559	\$881,666
Less: Depreciation Reserve	\$434,297	\$424,904
Net Rate Base	\$410,262	\$376,762

According to the Agreement the proposed purchase price of the system is ** [REDACTED] **, which is above Staff’s rate base calculation, as well as Confluence’s rate base calculation provided to Staff. As rate base does not need to be established in this CCN case, if Confluence uncovers additional information Staff will consider any additional information it receives as part of its rate base calculation to determine revenue requirement in Confluence’s subsequent rate case filing.

Depreciation

Staff recommends the use of the water and sewer depreciation rates utilized in Confluence’s last rate case, Case No. WR-2020-0053. These depreciation rates are included as Attachments D and E, respectively.

Publicity and Customer Notice

Confluence Rivers has sent notification informing customers that it intends to purchase Glenmeadows, and this Customer Notice is attached to this memo as Attachment C. The Customer Notice also notified Glenmeadows customers of a welcome meeting via Zoom or by phone so that Confluence Rivers could share additional information and address any concerns. According to Confluence Rivers, approximately 10 people attended the meeting with general questions about rates and service changes.

Customer Experience

Although Glenmeadows customers will not have a local business office, customers will be able to contact the customer service department by calling the toll-free phone number, 866-946-3920, or by sending an email to customer service at support@confluencleriversuoc.com. The same toll-free

phone number is available for emergency calls by selecting option two. The emergency number, website and email are available 24/7. According to Confluence Rivers, this information will be provided on the customer brochure, the website, and in all written materials that will be sent to customers. The main office is open from 7:00 am to 5:00 pm M-F to respond to customer concerns forwarded by operations or customer service personnel. The main office is located at 1630 Des Peres Road, Suite 140, St. Louis, MO 63131. Additionally, main office customer service personnel are available to be contacted after hours for emergency calls.

Confluence Rivers will offer payment options including, check, money order, cashier's check, credit and debit cards. Other payment options include Apple pay, Google Pay and PayPal Cash. The methods to pay are through the IVR ("interactive voice response"), online or mailing a check or money order to P.O. Box 676384, Dallas, TX 75267.

In order to incorporate Company records into its billing and customer service systems, it will be necessary for Confluence Rivers to properly enter the appropriate customer information into its systems and apply the Commission-approved rates. According to Confluence Rivers, billing information from the selling utility will be obtained through their records. That data will be entered into Confluence Rivers' billing system via data import or manual data entry.

Rate and Tariff Matters

Confluence is proposing to adopt the rules and regulations contained within its current Commission approved water and sewer tariffs, MO P.S.C. No. 12 and MO P.S.C. No. 13, respectively.

Confluence is also proposing to adopt the current Glenmeadows residential customer utility rate, but to separate the single flat rate into two specific utility rates, until such time as the rates and rules are modified according to law, as outlined below:

- Glenmeadows customers pay a single flat rate for both water and sewer services, which equals \$55. Confluence will separate the single rate into two flat rates:
 - Water = \$27.50
 - Sewer = \$27.50

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 Confluence's water and sewer tariff, MO P.S.C. No. 12, and MO PSC No. 13 respectively.

After reviewing the map of the proposed service area that was included in the Application, Staff worked with Confluence to secure a revised map that included the names of near-by highways and other streets. This allows for easier identification of the proposed service area within its general community. This revised map is included with this memorandum as Attachment A. Also, the table

of contents and any corresponding tariff sheets, in both Confluence'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 Confluence closes on the utility assets, Confluence submit the new or revised water and sewer tariff sheets such that they may become effective on or before the date Confluence closes on the Glenmeadows assets.

Financial Analysis

Confluence Rivers has the financial capacity to acquire this system through access to capital from its parent company. Responses to DR 0001 indicate this purchase is being made with a capital infusion and as a result, the purchase does not have a negative impact on the purchaser's capital structure or financial ratios.

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 Confluence's affiliates in previous CCN and transfer of assets cases before the Commission. Staff's position on Confluence's ability to meet TMF criteria remains positive regarding those affiliates, and similarly takes the position that Confluence has adequate TMF capacity in this case. It is Staff's position that Confluence has the ability to secure funding, to oversee construction of any necessary upgrades or repairs, and the ability to successfully manage operations of the Glenmeadow's 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, as the existing Glenmeadows customer base has both a desire and need for service.

(2) Applicant's Qualifications

Confluence Rivers is an existing water and sewer corporation and public utility subject to the jurisdiction of the Commission. Confluence Rivers is currently providing water service to

approximately 2,440 customers and sewer service to approximately 2,102 customers throughout Missouri. Confluence Rivers is a subsidiary of Central States Water Resources.

(3) Applicant's Financial Ability

Confluence Rivers has the financial capacity to acquire this system through access to capital from its parent company. This purchase is being made with a capital infusion and as a result, the purchase does not have a negative impact on the purchaser's capital structure or financial ratios.

(4) Feasibility of the Proposal

Confluence Rivers anticipates no need for additional external financing to complete this acquisition, and has demonstrated over numerous 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 schedules capital improvements, and timely respond and resolve emergency issues when such situations arise.

(5) Promotion of the Public Interest

Staff finds the proposed transaction promotes the public interest. The current owner has failed to properly operate and maintain the sewer system. This will be resolved by Confluence purchasing the system and making the appropriate improvements. The Customers will be better served by Confluence as the operator of the water and sewer systems, and will more likely be provided with safe and adequate service.

OTHER ISSUES

Glenmeadows is currently listed as an Active Limited Liability Company with the Missouri Secretary of State.

As an uncertificated water and sewer operation, Glenmeadows has no outstanding annual assessment obligations due to the Commission, and it has no pending actions before the Commission.

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

Confluence 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").

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

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

STAFF RECOMMENDATION

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

1. Grant Confluence a CCN to provide water and sewer service in the proposed Glenmeadows service areas, as modified as outlined herein;
2. Approve existing Glenmeadows water and sewer rates for the Glenmeadows system;
3. Require Confluence 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. 12 and 13, applicable to water and sewer service, respectively;
4. Require Confluence 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 Confluence 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 Confluence determines that the transfer of the assets will not occur;
6. If Confluence determines that a transfer of the assets will not occur, require Confluence 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 Confluence to submit tariff sheets as appropriate that would cancel service area maps and descriptions applicable to the Glenmeadows service area in its water and sewer tariffs, and rate and charges sheets applicable to customers in the Glenmeadows service area in both the water and sewer tariffs;
7. Require Confluence 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 Confluence to adopt the depreciation rates ordered in Case No. WA-2013-0117 and SA-2013-0354;
9. Require Confluence to provide training to its call center personnel regarding rates and rules applicable to the water customers in the acquired area;

10. Require Confluence to distribute to the customers in the acquired area an informational brochure detailing the rights and responsibilities of the utility and its customers consistent with the requirements of Commission Rule 20 CSR 4240-13, within thirty (30) days of closing on the assets;
11. Require Confluence to provide to the CXD Staff an example of its actual communication with the Glenmeadows customers regarding its acquisition and operations of the water, and how customers may reach Confluence, within ten (10) days after closing on the assets;
12. Require Confluence to provide to the CXD Staff a sample of five (5) billing statements for the acquired Company within ten (10) days of the billings; and,
13. Require Confluence to file notice in this case outlining completion of the above-recommended training, customer communications, notifications and billing for each acquired company within ten (10) days after such communications and notifications.

ATTACHMENTS:

- A. Service Area Map
- B. Legal Description
- C. Customer Notice
- D. Water Depreciation Schedule
- E. Sewer Depreciation Schedule

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

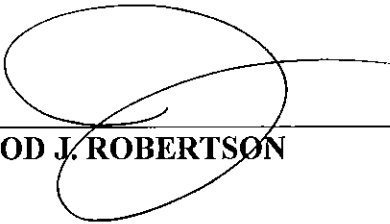
In the Matter of Confluence Rivers Utility)
Operating Company, Inc. for Certificates of)
Convenience and Necessity to Provide Water and) File No. WA-2023-0026
Sewer Service in the Area of Lincoln County,)
Missouri)

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.

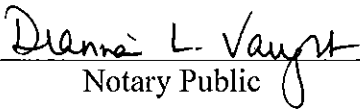


JARROD J. ROBERTSON

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 8th day of November, 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

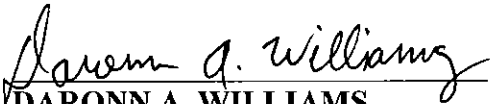
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AFFIDAVIT OF DARONN A. WILLIAMS

STATE OF MISSOURI)
)
COUNTY OF COLE)
) ss.

COMES NOW DARONN A. WILLIAMS 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.

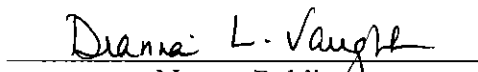
Further the Affiant sayeth not.


DARONN A. WILLIAMS

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 7th day of November, 2022.

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

BEFORE THE PUBLIC SERVICE COMMISSION
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File No. WA-2023-0026

AFFIDAVIT OF ASHLEY SARVER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW ASHLEY SARVER 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.

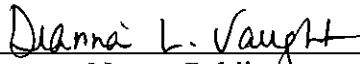


ASHLEY SARVER

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 9th day of November, 2022.

<p style="text-align:center">DIANNA L VAUGHT Notary Public - Notary Seal STATE OF MISSOURI Cole County My Commission Expires: July 18, 2023 Commission #: 15207377</p>
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Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

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Missouri)

AFFIDAVIT OF SCOTT J. GLASGOW

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW SCOTT J. GLASGOW 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.

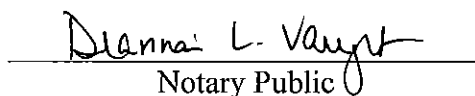
Further the Affiant sayeth not.


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 8th day of November, 2022.

DIANNA L VAUGHT
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
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AFFIDAVIT OF SARAH FONTAINE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW SARAH FONTAINE 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.

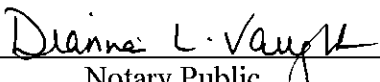


SARAH FONTAINE

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 7th day of November, 2022.

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

STATE OF MISSOURI)
)
COUNTY OF COLE)
) ss.

COMES NOW BRODRICK NIEMEIER 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.

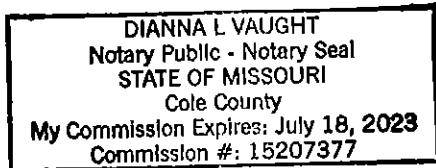
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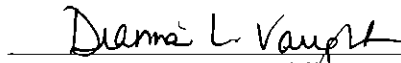


BRODRICK NIEMEIER

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 8th day of November, 2022.





Notary Public

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AFFIDAVIT OF RANDALL T. JENNINGS

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW RANDALL T. JENNINGS 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.

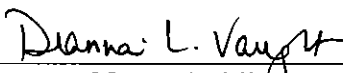


RANDALL T. JENNINGS

JURAT

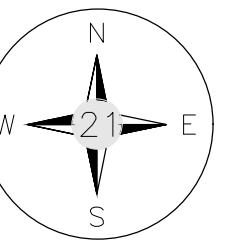
Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 8th day of November, 2022.

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



Notary Public

ROUGH SERVICE AREA MAP GLEN MEADOWS (WATER & WASTEWATER) LINCOLN, MO



Utility Note Disclaimer:

The service area shown hereon are depicted based on a service area map provided by the system manager. 21 Design Group, Inc performed no field verification of the layout and are unable to determine the exact location at this time. The location represents approximate location only and should not be construed as being 100% accurate. It is shown to provide general service area of the system to assist with ordering title work and preparation of scope for a License Land Surveyor. This sketch should not be used to interpret encroachments.

DATE:	8/3/2022
PROJECT NO:	0596-22
DRAWN BY:	KAR
SCALE:	
SHEET NAME:	SERVICE AREA MAP



1351 Jefferson, Suite 301
Washington, MO 63090
mail@21designgroup.net
P: 636-432-5029

Glenmeadows MO Service Area Description

The area served is part of Lincoln County, Missouri and is more particularly described as follows:

Commencing from the southeast corner of the Southwest Quarter of the Southeast Quarter of Section 13, Township 48 North, Range 1 West; thence along said sixteenth section line, Northerly 1,714.92 feet, more or less to the point of beginning; thence leaving said sixteenth section line, Westerly 1550.12 feet, more or less to the east right-of-way line Missouri State Highway "U"; thence along said east right-of-way line, Northerly 1884.12 feet, more or less; thence leaving said east right-of-way line, Easterly 1799.39 feet, more or less; thence Southerly 1704.65 feet, more or less to the point of beginning, containing 73.84 acres more or less.



September 28, 2022

Dear Glenmeadows Resident:

Confluence Rivers Utility Operating Company, a Central States Water Resources (“CSWR”) company, is pleased to share with you that we have applied to the Missouri Public Service Commission (“MOPSC”) to acquire your current water and wastewater system. At this time, Confluence Rivers has proposed adopting the current rates charged for water and sewer services.

Any future changes to your rates will have to be submitted to, and approved by, the MOPSC and are subject to an extensive audit and review process. At the time of the proposal, Confluence Rivers will mail a notification of the proposed rates and information about how and when to communicate any concerns to the MOPSC that you may have. Regardless of the outcome of the MOPSC’s review, we want to take this opportunity to assure you that the capital investments we will be making to upgrade your existing system and bring it into compliance, are a necessary and very crucial part of our commitment to deliver safe, reliable and environmentally responsible water and wastewater services to the Glenmeadows community.

To be clear – your current service rate will remain unchanged at this time.

We are excited to host a “Welcome Meeting” via Zoom from 6:30 pm – 8:00pm on Thursday, October 20th to introduce ourselves, share additional information, and address any concerns you may have at this time. You can join here: <https://tinyurl.com/ConfluenceMtg>. You may also phone in by calling 1-309-205-3325, (Meeting ID: 853 7685 0199).

We look forward to becoming your new service provider, and we hope to “see” you next month on our Zoom Meeting!

Thank you,

Confluence Rivers Utility Operating Company

Confluence Rivers Utility Operating Company
SCHEDULE of DEPRECIATION RATES
WATER Class C & D
WR-2020-0053

Evergreen, Gladlo, Roy-L, Willows, Smithview, Majestic Lakes,
 Calvey Brook, Auburn Lakes and Eugene

NARUC USOA ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE
SOURCE OF SUPPLY		
311	Structures & Improvements	2.5%*
314	Wells & Springs	2.0%*
PUMPING PLANT		
321	Structures & Improvements	2.5%*
325/325.1	Elec. Submersible Pumping Equipment	10.0%*
325.2	High Service or Booster Pumping Equip.	6.7%*
WATER TREATMENT EQUIPMENT		
331	Structures & Improvements	2.5%*
332	Water Treatment Equipment	2.9%*
TRANSMISSION & DISTRIBUTION MAINS		
341	Structures & Improvements	2.5%*
342	Distribution Reservoirs & Standpipes	2.5%*
343	Transmission & Distribution Mains	2.0%*
345	Customer Services	2.5%*
346	Customer Meters, Bronze (Calibrate)	3.3%*
346.1	Customer Meters, Plastic (Throw Aways)	10.0%*
347	Customer Meter Pits & Installation	2.5%*
348	Hydrants	2.0%*
GENERAL PLANT		
371	Structures & Improvements	2.5%*
372	Office Furniture & Equipment	5.0%*
372.1	Office Electronic & Computer Equip.	20.0%*
373	Transportation Equipment	13.0%*
379	Other General Equipment (tools, shop equip., backhoes, trenchers, etc.)	6.7%*

*Designates a rate proposed in this case, rather than a rate ordered by the Commission in a previous case.

Confluence Rivers Utility Operating Company

SCHEDULE OF DEPRECIATION RATES

SEWER Class B, C & D

WR-2020-0053

Villa Ridge, Mill Creek, Gladlo, Roy-L, Willows, Majestic Lakes,
Calvey Brook and Auburn Lakes

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATES
COLLECTION PLANT		
311/351	Structures & Improvements	4.0%*
352.1	Collection Sewers (Force)	2.0%*
352.2	Collection Sewers (Gravity)	2.0%*
354	Services	2.0%*
355	Flow Measurement Devices	3.3%*
PUMPING PLANT		
361	Structures and Improvements	4.0%*
362	Receiving Wells	4.0%*
363	Electric Pumping Equipment	10.0%*
TREATMENT & DISPOSAL PLANT		
371	Structures and Improvements	4.0%*
372	Oxidation Lagoons	4.0%*
373	Treatment & Disposal Facilities	5.0%*
374	Plant Sewers	2.5%*
375	Outfall Sewer Lines	2.0%*
GENERAL PLANT		
390	Structures and Improvements	4.0%*
391	Office Furniture & Equipment	5.0%*
391.1	Office Electronic & Computer Equip.	14.3%*
392	Transportation Equipment	13.0%*
393	Other General Equipment/Stores Equipment	10.0%*
394	Tools/Shop/Garage Equip.	5.0%*
395	Lab Equipment	5.0%*
396	Power Operated Equipment	6.7%*
397	Communication Equipment	6.7%*

*Designates a rate proposed in this case, rather than a rate ordered by the Commission in a previous case.