

# U. S. WATER COMPANY

8901 State Line Road, #250  
Kansas City, MO 64114  
(816) 361-0082

July 30, 2010

Steven Reed, General Counsel  
Missouri Public Service Commission  
200 Madison Street  
P. O. Box 360  
Jefferson City, MO 65102-0360

FILED<sup>3</sup>

AUG 3 2010

Missouri Public  
Service Commission

*Re: Sale of Assets / Application*

Dear Mr. Reed:

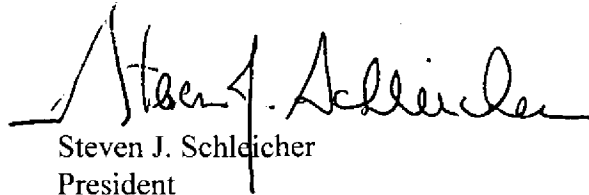
We own the water system located in Lexington, Missouri. Enclosed is our Application seeking the Commission's approval of the sale of the water system assets to the City of Lexington, Missouri. We have been working with the City for some time on this transaction. I sent you and e-mail last week advising that our Application would be forthcoming. I appreciate your input when we spoke earlier this week.

Attached to the Application is a copy of the Agreement for Transfer of Water Production and Distribution System Assets dated June 29, 2010. Exhibits to the Agreement include a Certificate of Good Standing and a certified copy of the election results of the election held on June 8, 2010 authorizing the issuance of revenue bonds to purchase the water company assets.

The City of Lexington is being represented by William McCaffree of Nevada, Missouri. He can be reached at (417) 667-2211. The Mayor of Lexington is Jerry Brown (660) 259-4633. Regarding any notification requirements, let us know so that we may coordinate with Mr. McCaffree and Mr. Brown may have some input as well.

Should you have any questions and/or you would like any additional information, give me a call. We look forward to working with you on this matter. Thanks for your assistance.

Sincerely,



Steven J. Schleicher  
President

Enclosures

cc: Wm McCaffree, Esq.

BEFORE THE PUBLIC SERVICE COMMISSION OF  
THE STATE OF MISSOURI

FILED<sup>3</sup>

AUG 3 2010

IN THE MATTER OF APPLICATION OF )  
U.S. WATER COMPANY TO SELL ITS )  
WATER SYSTEM LOCATED IN )  
LAFAYETTE COUNTY TO THE CITY )  
OF LEXINGTON, MISSOURI )

Missouri Public  
Service Commission

Case No. \_\_\_\_\_

APPLICATION

COMES NOW U.S. WATER COMPANY, a Missouri close corporation, and in support of its application pursuant to Section 393.190, RSMo, states as follows:

1. That U. S. Water Company ("Seller") is the owner of a certain privately owned water system located in Lexington, Lafayette County, Missouri.  
Its principal office is 1023 Franklin, Lexington, Missouri 64067.
2. City of Lexington ("Buyer") is a City of the third class operating pursuant to Missouri law. It's address is 919 Franklin, Lexington, Missouri 64067.
3. A certified copy of the results of the election held on April 8, 2010 in the City of Lexington whereby the citizens of the City of Lexington voted for and approved the issuance of revenue bonds in an amount sufficient to purchase and make improvements to the water system owned by Seller together with the ordinance authorizing the election are attached hereto **Exhibit "A"** and incorporated herein.
4. Correspondence, communications, orders, and decisions in this matter should

be addressed to:

with a copy to:

Steven J. Schleicher, President  
US Water Company  
8901 State Line Road, #250  
Kansas City, MO 64114-3291  
Tel: (816) 361-0082

Michael B. Hunter, Esq.  
Mulvihill & Hunter  
4035 Central Street  
Kansas City, MO 64111  
Tel: (816) 221-1111

Fax: (816) 363-5291  
e-mail: [schleicherlaw@yahoo.com](mailto:schleicherlaw@yahoo.com)

5. That Buyer intends to purchase the assets of the water system including the water treatment plant, distribution system, inventory, personal property, permits, utility records and other assets and rights described in and upon the terms and conditions set forth in Agreement for Transfer of Water Production and Distribution System Assets which is attached hereto as **Exhibit "B"** and incorporated herein.
6. The proposed transaction is not detrimental to the public interest in that the transaction was authorized by a majority vote of the citizens of Lexington, Missouri on April 8, 2010. The water service as currently provided will not be changed. Buyer also plans to make certain improvements to the water treatment plant and distribution system and is securing surplus financing for that purpose.
7. Attached hereto as **Exhibit "C"** are several articles regarding the special election and voter approval of the revenue bonds to be issued to purchase the water system which appeared in the local newspaper over the past few months. If necessary, notice of the transaction will be given to customers in the form and at the direction of the commission.
8. At this time, Seller is unaware of the impact, if any, of the sale of assets on the tax revenues of the City of Lexington - the Buyer in this transaction - the political subdivision in which the assets are located. It is believed that the City considered and determined the impact, if any, as part of its decision to buy.
9. Seller does not, to the best of its knowledge, have any pending actions or unsatisfied judgments involving customer service or rates. In addition, no annual reports or assessment fees are, to Seller's knowledge, overdue.

10. Attached to this Application is a Certificate of Good Standing for U. S. Water Company issued by the Missouri Secretary of State.

Upon closing of the sale pursuant to the Agreement, Seller intends to discontinue and Buyer will immediately and without interruption begin the operation of the water system and the rendition of water service in the service area.

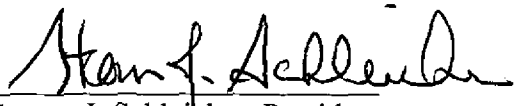
WHEREFORE, Seller respectfully requests an order and decision of this

Commission as follows:

- (i) approving the sale and transfer of all of said water works and related assets of said water system by Seller to Buyer;
- (ii) authorizing Seller to discontinue providing service in its service area as of the closing date of sale and the immediate continuance of service by the Buyer and the release of the supervision and control of the Commission;  
and
- (iii) for such other relief deemed proper to accomplish the purposes of this application.

Respectfully Submitted,

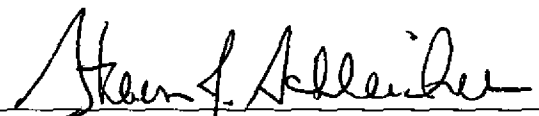
U.S. Water Company

By:   
Steven J. Schleicher, President

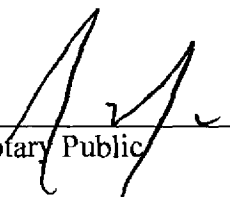
**VERIFICATION**

STATE OF MISSOURI       )  
                                      )  
COUNTY OF JACKSON     )

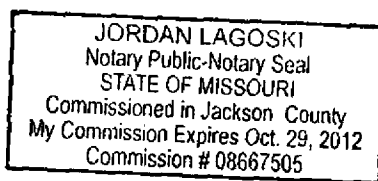
Steven J. Schleicher, being of age and duly sworn, states that he is President of U.S. Water Company and that he has the authority to make this Application to approve the sale of said water system, that the Agreement and this Application was duly authorized by the board of directors, and that he has read the Application and the statements contained therein are true and correct according to his best knowledge, information and belief.

  
\_\_\_\_\_  
Steven J. Schleicher

SUBSCRIBED AND SWORN to before me this 30 day of July, 2010.

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

My commission expires:



# STATE OF MISSOURI



Robin Carnahan  
Secretary of State

**CORPORATION DIVISION  
CERTIFICATE OF GOOD STANDING**

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

**U.S. WATER COMPANY  
CC0788122**

was created under the laws of this State on the 4th day of April, 1983, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 29th day of July, 2010

A handwritten signature in cursive script that reads "Robin Carnahan".

Secretary of State

