

FILED

JUL 8 2008

Missouri Public
Service Commission
Staff Followup Report on Suburban Water and Sewer Company, Inc. System
September 20, 2007

WC-2008-0030

By Martin Hummel and Jim Merciel
Water and Sewer Department

On July 20, 2007, the Public Service Commission Staff (Staff) reported on the conditions of the water system owned by Suburban Water and Sewer Company, Inc. (Suburban), providing service to water customers in Bon-Gor Lake Estates. Deficiencies were noted, and eight (8) Recommendations were made in that report. A copy of that report, which includes a description of the system, is attached.

The Staff has been involved with written correspondence, telephone calls, and a site visit that was held on September 12, 2007. Suburban, instructed by its attorneys, has refused to speak directly with the Staff about improvements or to answer direct questions about improvements to the system. Rather Suburban's attorneys have insisted that communication be done formally, through discovery, which was served on Suburban's attorneys on September 13, 2007. Suburban has not yet responded to all of the Staff's discovery requests. The following comments are in regard to the current status of Suburban's water system, in the same order as the recommendations of the July report.

1. **OPERATOR** - The Staff has been given the name of a certified operator that has apparently been contracted to operate the system, along with a copy of the operator's license issued by the Missouri Department of Natural Resources (DNR). The operator was not present for the Staff's September 12 inspection, the Staff has not met nor been in contact with the operator, and has not yet been given contact information for the operator. The Staff does not know the extent of the operator's commitment toward operating this system, the extent of the operator's knowledge of the system, or his availability toward responding to the operational needs of the system.
2. **Meters** - During its September 12 site visit, the Staff observed that 16 meters to some units of 4 fourplex buildings were not yet installed. The Staff believes that Suburban intends to install these meters within a matter of weeks. Staff expects to be able to verify their installation within a few days of notification and obtain an accurate count of meters installed. With these meters installed, to the best of the Staff's knowledge, all customers will have metered service, several by metering multi-unit buildings as one customer. As of the date of the site visit, most of the remainder of the meters beyond the aforementioned fourplex units had been installed or replaced. Some meter boxes are in poor condition, which could affect ease of meter reading, although the condition of the meter box does not affect accurate metering.
3. **Standpipe condition** - The Staff was told verbally that an inspection of the standpipe was made, but the Staff has not received a copy of the report.

~~STAFF~~ Exhibit No. 3
Case No(s) WC-2008-0030
Date 7-08-08 Rptr JS

4. **Standpipe plan** – The Staff has not received any plan from the Company as to the Standpipe rehabilitation or replacement.

5. **As-built plans of the distribution system** – On September 12, the Staff was given a paper plan sheet labeled "as-build layout". The Staff observed some inaccuracies and a need for some additional detail. The Staff has spoken to the consulting engineer contracted by Suburban, who is currently updating the plan. By the discussion, the Staff expects that he will have it completed within two weeks.

6. **Flush valves** - On September 12, when the Staff evaluated the installation of flush valves, two new flush valves were observed along with additional pipeline control valves. The functionality of the flush valves could not be ascertained, because the system operator was not present and the Staff had no desire to operate the valves without the operator present. Water pipelines approach each of the two valves from at least two directions, and control valves would need to be operated in order to effectively flush all pipelines. For this reason, accurate detail on the "as-built plan" is necessary in order to properly identify the control valves and flush the system effectively. The Staff believes that it needs to observe flushing, measure the flow, and be sure the operator understands the system layout. The Staff intends to contact the operator to set a date and time to observe the flushing capacity of the valves once Suburban has responded to the discovery request to provide contact information for the operator and all necessary valves have been installed. Suburban's response is due on or about October 13, 2007.

7. **Meter reading** – The Staff has not yet verified that all customer meters have been read, although it does not doubt the accuracy of Suburban's meter records that have been made available. The aforementioned 16 meters had yet to be installed. The master meter is being read, with those readings recorded on a log in the wellhouse. There was no evidence of the operator reading well water level drawdown, nor evidence that the operator is recording pressure anywhere in the distribution system during operator visits.

8. **Report of water sold vs. water produced** – This report is not expected to be received by the Water and Sewer Department until December 2007. All meters must be in place and read in order to compile this information.

Staff Follow Up Report
Suburban Water and Sewer Company, Inc.
September 20, 2007
Page 3 of 3

In Summary:

The Staff has noted that Suburban has spent considerable time and money with regard to customer metering. There is progress on flush valve installation, although the effectiveness is not yet known, and additional valves may still be necessary. Staff is unsure of when Suburban will be in complete compliance with the Commission's June 16, 2005 Order directing that it make certain improvements to the system. Staff awaits Suburban's discovery responses, and hopes for an opportunity for full communication with Suburban's employees and agents when Suburban is willing to cooperate with Staff's less formal efforts to confirm that certain terms of the Order have been complied with.

The Staff has made limited observations regarding pressure, and has not observed pressures below the 20 pounds per square inch (psi) minimum pressure as required by DNR. The Staff believes that this system is capable of maintaining adequate pressure so long as it receives proper maintenance and operator attention.

The Staff believes that it should be able to observe flushing, with demonstration of effective flushing for all pipelines, and observe all remaining meters to be installed by end of October and that Suburban will be in a position to show unaccounted for water (loss) by December 31.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

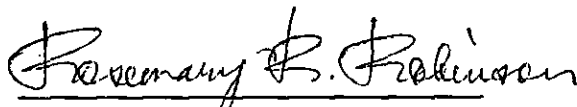
AFFIDAVIT OF MARTIN HUMMEL

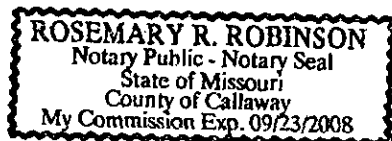
STATE OF MISSOURI)
) ss CASE NO. WC-2008-0030
COUNTY OF COLE)

COMES NOW Martin Hummel, being of lawful age, and on his oath states the following: (1) that he is a Utility Regulatory Engineer in the Missouri Public Service Commission's Water & Sewer Department ; (2) that he participated in the preparation of the foregoing *Staff Followup Report on Suburban Water and Sewer Company, Inc. System*; (3) that he has knowledge of the information presented in the foregoing *Staff Followup Report on Suburban Water and Sewer Company, Inc. System*; and (4) that the information presented in the foregoing *Staff Followup Report on Suburban Water and Sewer Company, Inc. System* is true and correct to the best of his knowledge, information and belief.


Martin Hummel

Subscribed and sworn to before me this 20th day of September 2007


Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

AFFIDAVIT OF JAMES A. MERCIEL, JR.

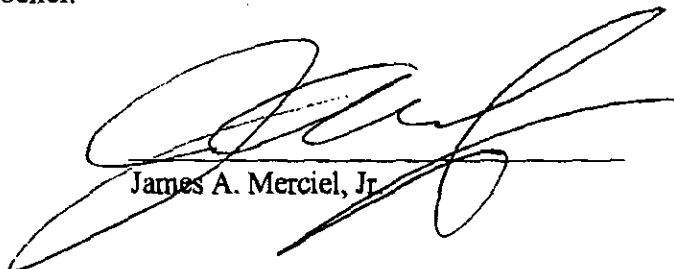
STATE OF MISSOURI)

COUNTY OF COLE)

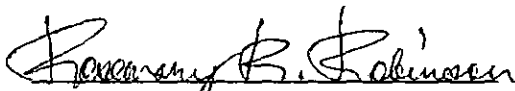
ss

CASE NO. WC-2008-0030

COMES NOW James A. Merciel, Jr., being of lawful age, and on his oath states the following: (1) that he is a Utility Regulatory Engineer in the Missouri Public Service Commission's Water & Sewer Department ; (2) that he participated in the preparation of the foregoing *Staff Followup Report on Suburban Water and Sewer Company, Inc. System*; (3) that he has knowledge of the information presented in the foregoing *Staff Followup Report on Suburban Water and Sewer Company, Inc. System*; and (4) that the information presented in the foregoing *Staff Followup Report on Suburban Water and Sewer Company, Inc. System* is true and correct to the best of his knowledge, information and belief.


James A. Merciel, Jr.

Subscribed and sworn to before me this 20th day of September 2007


Notary Public

