

1 THE PUBLIC SERVICE COMMISSION

2 STATE OF MISSOURI

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5 TRANSCRIPT OF PROCEEDINGS

6 Procedural Conference
7 April 5, 2017
8 Jefferson City, Missouri
9 Volume 1

10 In the Matter of the Petition)
11 for an Interim Receiver and)
12 For an Order Directing the)
13 General Counsel to Petition)
14 the Circuit Court for the) File No. WO-2017-0236
15 Appointment of a Receiver for)
16 Ridge Creek Water Company,)
17 LLC, and for Ridge Creek)
18 Development, LLC)

19 MORRIS L. WOODRUFF, Presiding
20 CHIEF REGULATORY LAW JUDGE

21 REPORTED BY:
22 Angie D. Threlkeld, CCR
23 TIGER COURT REPORTING, LLC
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25

A P P E A R A N C E S

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1 JUDGE WOODRUFF: We're here on File Number
2 WO-2017-0236, which is Staff's Petition for an Interim
3 Receiver and for an Order Directing the General Counsel
4 to Petition the Circuit Court for the Appointment of a
5 Receiver for Ridge Creek Water Company, LLC, and for
6 Ridge Creek Development, LLC.

7 We'll start today by taking entries of
8 appearance, beginning with Staff.

9 MR. WESTEN: My name is Jake Westen. I am
10 deputy counsel for Staff Counsel's office. And I've
11 provided my contact information to the reporter.

12 JUDGE WOODRUFF: Public Counsel.

13 MR. SMITH: Good afternoon. Ryan Smith for
14 Office of Public Counsel. I'm senior counsel at the
15 Office of Public Counsel.

16 JUDGE WOODRUFF: Anyone here for Ridge Creek?
17 Looking around the room, I don't see anybody.
18 I'll ask the parties. Mr. Westen, have you
19 heard anything from Ridge Creek?

20 MR. WESTEN: I have not heard anything
21 specifically from Ridge Creek Water Company or Ridge
22 Creek Development Company. The registered agent for the
23 water company, Mr. Mark Comley, who is an attorney, has
24 identified that he understands that both entities are
25 aware that this is a proceeding that is taking place.

1 But we don't have any entries of appearance on behalf of
2 them, and he's not entered his appearance on behalf of
3 either of those entities.

4 JUDGE WOODRUFF: And in looking at the file,
5 I notice that the Commission had received a notice that
6 Mr. Comley had been served as the agent -- registered
7 agent for Ridge Creek Water Company. That's the only
8 thing I've seen, looking back in the file.

9 MR. WESTEN: That's my understanding as well,
10 Your Honor.

11 JUDGE WOODRUFF: Okay. Well, then we need to
12 decide where we want to go from here.

13 MR. WESTEN: Well, I have a couple of
14 thoughts on that, Judge. The first option is, if we are
15 still waiting for service on the development company, one
16 option is to go ahead and serve the Secretary of State's
17 Office. That's allowed under both Civil Rules of
18 Procedure and by statute.

19 I can either make a motion -- I have a
20 written motion with me available that I can pass out or I
21 can file that in EFIS or both options.

22 Another option is to go ahead and schedule a
23 hearing and hope that scheduling such a hearing would
24 encourage the parties to respond.

25 I, again, can't speak on behalf of the

1 parties and what I'm saying is hearsay, but the
2 registered agent for the water company has stated to me
3 via email that both of the entities are aware that this
4 proceeding is occurring.

5 JUDGE WOODRUFF: By that you mean Mr. Comley?

6 MR. WESTEN: Mr. Comley, yes.

7 JUDGE WOODRUFF: And he's not the registered
8 agent for the development company?

9 MR. WESTEN: He's not the registered agent
10 for the development company. It's the individual owner,
11 Mr. Mike Stoner.

12 JUDGE WOODRUFF: Inform me of Staff's
13 position here. Are you saying the development company
14 is, in fact, the water company?

15 MR. WESTEN: Yes, the development company
16 meets the statutory definition of a water corporation.
17 They actually own plants in service. They are receiving
18 money for the plants in service. In hearing we would
19 show that they actually share a bank account with the
20 water company and receive funds from the operation of the
21 system, and we believe they meet the definition.

22 They do not currently have a CCN. Staff
23 previously has brought a CCN complaint against the
24 development company, exactly for operating a water
25 corporation regulated by the Commission. They never

1 transferred their assets to the water company that they
2 formed. So Staff is of the opinion that a receivership
3 action must include both the water company, which appears
4 to be doing the operational side of things, and at least
5 the assets of the development company, which are being
6 used to provide service.

7 JUDGE WOODRUFF: I assume the development
8 company is the company that built the subdivision you're
9 saying that's being served?

10 MR. WESTEN: That's correct. That's correct.

11 JUDGE WOODRUFF: Well, I do think you need to
12 serve your motion, file your motion, provide service to
13 the Secretary of State.

14 MR. WESTEN: Yes, Your Honor.

15 JUDGE WOODRUFF: Just go ahead and file that.
16 I don't know that we need to do anything with it today,
17 unless you believe otherwise.

18 MR. WESTEN: I -- not that I don't have an
19 opinion. I just can provide it, if you'd like to have
20 it.

21 JUDGE WOODRUFF: Well, if you file it in
22 EFIS, it will get to me upstairs as fast as -- almost as
23 fast as anything handed to me.

24 MR. WESTEN: Okay.

25 JUDGE WOODRUFF: So Public Counsel,

1 Mr. Smith, do you want to add anything on this?

2 MR. SMITH: No. We do not object to the
3 filing of this. We haven't officially taken a position
4 on the matter. But at this time we don't object and are
5 generally supportive of having safe, good management in
6 place.

7 JUDGE WOODRUFF: Back to you, Mr. Westen. I
8 would like to get this moving.

9 MR. WESTEN: Staff agrees.

10 JUDGE WOODRUFF: Why don't you propose a
11 procedural schedule and discuss that with Mr. Smith. And
12 then once we have the -- get service on the development
13 company, then we'll go ahead and set a date. So pick a
14 date when it would be -- when a hearing would be
15 appropriate, in your view.

16 MR. WESTEN: Okay.

17 JUDGE WOODRUFF: The Commission will consider
18 that.

19 MR. WESTEN: Can I ask or inquire, do you
20 happen to have the Commission docket that I could look at
21 dates with you at the moment?

22 JUDGE WOODRUFF: I do not have a calendar
23 with me, no. You'll have to check the calendar up on the
24 ninth floor.

25 MR. WESTEN: Okay.

1 JUDGE WOODRUFF: Just whatever works for you.
2 My calendar looks pretty clear at this -- at this moment.
3 But if it doesn't work for me, I'll assign another judge.

4 MR. WESTEN: Okay. Your Honor, I'll check
5 with Counsel on when a good date is. And hopefully we'll
6 have one in April.

7 JUDGE WOODRUFF: Okay.

8 MR. WESTEN: Staff would like to have this as
9 soon as possible.

10 JUDGE WOODRUFF: Okay. Anything else while
11 we're on the record?

12 MR. SMITH: Nothing from OPC.

13 MR. WESTEN: Nothing from Staff.

14 JUDGE WOODRUFF: All right. Then at least
15 the on-the-record portion is adjourned. And you can
16 discuss this further amongst yourselves.

17 MR. WESTEN: Thank you, Judge.

18 MR. SMITH: Thank you.

19 (Off the record.)
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CERTIFICATE OF REPORTER

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I, Angie D. Threlkeld, a Certified Court Reporter,
CCR No. 1382, the officer before whom the foregoing
hearing was taken, do hereby certify that the foregoing
hearing was taken by me to the best of my ability and
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that I am neither counsel for, related to, nor employed
by any of the parties to the action in which this hearing
was taken, and further, that I am not a relative or
employee of any attorney or counsel employed by the
parties thereto, nor financially or otherwise interested
in the outcome of the action.



Angie D. Threlkeld, CCR

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