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DEPARTMENT OF NATURAL RESOURCES

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DEC 01 2005

December 1, 2005

Vicky Ruth
Senior Regulatory Law Judge
200 Madison Street
Jefferson City, Missouri 65102

Adjudication Division
in Service Commission

RE: Statement of Compliance in regard to Middle Fork Water Company

Dear Judge Ruth,

Per your order, please find attached the Missouri Department of Natural Resources Statement of Compliance for Middle Fork Water Company and a copy of the bilateral compliance agreement entered into between the Department and Middle Fork Water Company.

Sincerely,

Richard W. Moore
Legal Counsel

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Missouri Public
Service Commission

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

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DEC 05 2005

In the Matter of the Small Company Rate Increase)
Request of Middle Fork Water Company, Inc.)

Case No. WR-2006-0212 Adjudication Division
Tariff No. YW-2006-0383 Service Commission

**MISSOURI DEPARTMENT OF NATURAL RESOURCES'
STATEMENT OF COMPLIANCE FOR MIDDLE FORK WATER COMPANY**

The Department of Natural Resources (the Department) has documented unlawful trihalomethanes and haloacetic acids levels for Middle Fork Water Supply (water supply) several time in the past. Specifically, the exceedances were documented in September 2005, January 2005, and March 2004. Further, the Department has documented unlawful chlorine dioxide levels and failure to report chlorine dioxide levels for the water supply in March 2004. Because of these violations and other Department recommendations, on November 18, 2004, the Department and the water supply entered into a Bilateral Compliance Agreement to correct violations of the Missouri Safe Drinking Water Act and the Missouri Public Drinking Water Regulations. A copy of that agreement is attached. The agreement contains a statement of facts and compliance schedule.

To date, it is the Departments belief that the water supply has taken the following steps to return to compliance:

1. The water supply has begun operational monitoring, and record maintenance;
2. The water supply has provided the department with a written plan of action addressing water treatment improvements;
3. The water supply has calibrated all plant analytical matters, including chlorine and turbidity continuous monitoring equipment and the laboratory pH and turbidity meters;

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Service Commission

4. The water supply has secured the clearwell hatches and cover with a locking device to prevent accessibility by unauthorized individuals;
5. The water supply has begun cleaning the treatment basins out on a semi-annual basis;
6. The water supply has developed a preventive maintenance program for treatment plant equipment, pumps, and motors; and
7. The water supply has implemented written administrative planning, administrative policies, and operational guidelines and procedures for the water treatment plant.

Although the water supply has not returned to full compliance, it is proceeding in an acceptable manner to implement the necessary remedial actions as directed by the Department. The Department does not consider the water supply to be in significant non-compliance or a threat to public health or the environment at this time. If the Department finds additional exceedances of any parameter that may warrant further action to protect public health or the environment, it will take such action as appropriate to bring the water supply into compliance.

Respectfully submitted,



Richard W. Moore, Missouri Bar #52835
Legal Counsel
Missouri Department of Natural Resources
(573) 522-9911
(573) 751-9277 fax

CERTIFICATE OF SERVICE


The undersigned certifies that a copy of this pleading was sent via facsimile and mailed on December 1, 2005 by U.S. Mail to the following:

Vicky Ruth, Senior Regulatory Law Judge
200 Madison Street
Jefferson City, Missouri 65102
Fax: (573) 526-6010

Dana K. Joyce
P.O. Box 360
200 Madison Street, Suite 800
Jefferson City, Missouri 65102
Fax: (573) 526-6969

Lewis R. Mills, Jr.
P.O. Box 2230
200 Madison Street, Suite 650
Jefferson City, Missouri 65102
Fax: (573) 751-5562

Mr. Brock Pfost
Middle Fork Water Company
P.O. Box 468
Maryville, MO 64468

A handwritten signature in black ink, appearing to read "Richard W. Moore", is written over a horizontal line.

Richard W. Moore

MISSOURI DEPARTMENT OF NATURAL RESOURCES
PUBLIC DRINKING WATER BRANCH
STATEMENT OF FACTS AND COMPLIANCE SCHEDULE

Middle Fork Water Company
Gentry County, Missouri
Public Water Supply Identification Number 1070639
October 26, 2004

The Missouri Department of Natural Resources (hereinafter referred to as the Department) and the Middle Fork Water Company (hereinafter referred to as PWS) agree to the following statement of facts and compliance schedule to correct violations of the Missouri Safe Drinking Water Act and the Missouri Public Drinking Water Regulations.

STATEMENT OF FACTS

1. The person in responsible charge of the public water system is Mr. Brock Pfost, Owner, Middle Fork Water Company, P.O. Box 463, Maryville, Missouri 64463.
2. The public water system (PWS) regularly serves piped water for human consumption to an average of at least twenty-five (25) individuals daily at least sixty (60) days out of the year or has at least fifteen (15) or more service connections and is therefore a community public water system as defined in Public Drinking Water Regulation 10 CSR 60-2.015. As such, the PWS is required to comply with the provisions of the Missouri Safe Drinking Water Law as contained in 640.100 through 640.140 RSMo (1994) and Department of Natural Resources Regulations as contained in 10 CSR 60.
3. Treatment plant operational analysis for process control is not being performed as required in Regulation 10 CSR 60-4.080(3).
4. The PWS has not taken action to meet the new disinfection by-product regulations.
5. The PWS does not have an adequate coliform sampling plan. Coliform samples are collected at the water treatment plant.
6. Plant analytical meters are not calibrated on a routine basis.
7. The PWS is a surface water system and as such requires an operational jar tester. The existing manual jar tester needs replacement with a modern unit.
8. The PWS does not have adequate provisions for operator safety.
9. The PWS has not taken protective and preventive measures at the reservoir to monitor water quantity and assure source water protection.
10. The PWS does not have adequate standby power capabilities.
11. The PWS does not have a meter replacement program in place at the treatment plant.
12. The PWS cannot produce water if the Grant City water line is removed from service.
13. The PWS does not have adequate security measures in place.
14. The PWS treatment basins require cleaning on a semi-annual basis.

Middle Fork Water Company
Bilateral Compliance Agreement
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15. The PWS does not have an adequate preventive maintenance program in place.
16. The PWS does not utilize a written administrative plan, administrative policies, or operational guidelines and procedures for the water treatment facility.

COMPLIANCE SCHEDULE

1. General Provisions:

- A. This compliance schedule shall begin on the date of signature by the person(s) responsible for the PWS indicating acceptance of this agreement and shall expire on the last day of the month in which the twelve (12) month anniversary of that signature shall occur. This period shall be referred to as the Compliance Period of this agreement.
- B. Failure to comply with the terms of this agreement shall result in heightened enforcement action by the Department including, but not limited to, extension of the terms of the compliance period, as appropriate, referral to the Office of the Attorney General of Missouri for litigation seeking orders for immediate relief and imposition of fines and/or penalties, or referral to the United States Environmental Protection Agency for formal federal litigation.
- C. The PWS shall make public notification for any and all past violations of the Public Drinking Water Regulations using the required language for the particular violation(s) as prescribed in 10 CSR 60-8, et sequence, and shall provide the regional office with certificates of publication and photostatic copies of such published notifications within fourteen (14) days of publication.
- D. The person in responsible charge of the PWS shall provide written notice to the Kansas City Regional Office of the Department within one (1) week of completion of each of the terms of this agreement as stipulated below.
- E. The person in responsible charge of the PWS shall adequately maintain and operate the PWS to prevent future violations of the Missouri Safe Drinking Water Law and the Public Drinking Water Regulations.
- F. In the event that the terms of this agreement are not met according to the specified time frames and fourteen (14) days prior to the referral of this matter for additional enforcement, the Kansas City Regional Office will provide the PWS with the opportunity to meet and discuss the failure to satisfy terms. If appropriate, the Kansas City Regional Office may modify or extend the time frame necessary to meet the term(s).
- G. At the expiration of the compliance period, if the terms of this agreement have been successfully completed, the Kansas City Regional Office shall issue a letter to the PWS indicating that the system has satisfied said terms, that the system has been returned to compliance, and that the compliance period is at an end. Until receipt of such letter, the PWS should not assume that the compliance period has ended.

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- H. During the period of this agreement, it is agreed that the Department will not commence any formal litigation for past violations of the Public Drinking Water Regulations or the Missouri Safe Drinking Water Law as stipulated in the Statement of Fact section of this agreement with the exception that continued violation of those stated regulations would indicate a lack of "good faith effort" in returning to compliance and would jeopardize the validity of this agreement.
- I. At the end of the compliance period covered by this agreement, the PWS will continue to monitor for contaminants as designated in the Missouri Safe Drinking Water Law and the Public Drinking Water Regulations at the frequency specified in those regulations. The PWS further agrees to perform any and all operational and control monitoring as prescribed in those regulations. Failure to fulfill this term may result in immediate legal prosecution.
- J. In the event of transfer of ownership of this PWS, the terms of this agreement shall be binding on the heirs, successors, assigns, and agents of the current ownership until such time as said terms have been fulfilled and satisfactory to the Department.

2. Specific Provisions:

- A. The PWS shall, within thirty (30) days of the signing of this agreement, commence performing all required operational monitoring, and record maintenance. These records shall include the date and time of such tests and the signature of the employee performing these tests.
- B. The PWS shall, within sixty (60) days of the signing of this agreement, provide a written plan of action addressing water treatment improvements to meet Disinfection By-Product Maximum Contaminant Levels (MCLs) and Stage 1 Enhanced Surface Water Treatment requirements. The plan will include any changes to the plant treatment processes; chemical feed application points, and dates the changes will be performed.
- C. The PWS shall, within sixty (60) days of the signing of this agreement, develop a coliform sampling plan. The plan will contain routine sampling locations representative of the distribution system. All locations must have repeat sampling capabilities within five (5) service connections both upstream and downstream of the routine location. Coliform sampling will not be preformed at the water treatment plant to meet monthly coliform sampling compliance.
- D. The PWS shall, within thirty (30) days of the signing of this agreement, calibrate all plant analytical meters. This includes the chlorine and turbidity continuous monitoring equipment and the laboratory pH and turbidity meters. Records of calibration must be maintained on file for each analytical instrument. The records will include the piece of equipment calibrated, the date and time of the calibration and the signature of the person performing the calibration. The pH meter will be calibrated daily with the laboratory turbidity and online meters calibrated as specified by manufacturer's recommendations.
- E. The PWS shall, within ninety (90) days of the signing of this agreement, obtain an automated jar tester capable of duplicating the mixing, coagulation and flocculation processes at the treatment plant.

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- F. The PWS shall, within ninety (90) days of the signing of this agreement, provide the following provisions to assure operator safety while working with chlorine at the plant.
1. An exterior opening panic bar door for the chlorine room.
 2. Scales for chlorine cylinders.
 3. A safety shower and eyewash.
 4. An "A" chlorine cylinder repair kit.
 5. Modification to the fresh air inlet serving the chlorine room.
 6. Inspection and certification of the SCBA unit, initially and on an annual basis.
 7. Training for plant personnel on the SCBA unit to assure proficiency with the unit.
- G. The PWS shall, within ninety (90) days of the signing of this agreement, provide the following provisions for the source water reservoir and presedimentation basin.
1. Installation of a stadial marker and development of water storage curves.
 2. Development of an active watershed management program. Please contact Ms. Tracey Winter of the Kansas City Regional Office for assistance.
 3. Develop a written algae control program. Information shall include: date and time of treatment, pounds of chemical used, chemical dosage rate, source water alkalinity, weather conditions, structure treated and employee(s) performing the task.
 4. Development of a detailed recreational use plan.
 5. Removal of tree and brush growth on the dam, around the sedimentation basin, and the emergency spillway.
 6. Removal of the logs and tree limbs from the dam's shoreline and the overflow structure.
 7. Installation of gravel on roads serving the presedimentation basin and across the top of the dam to the intake structure.
- H. The PWS shall within one hundred twenty (120) days of the signing of this agreement, provide standby power capabilities for the treatment plant and intake structure to assure water may be processed in the event of an extended power outage.
- I. The PWS shall, within ninety (90) days of the signing of this agreement, replace the meters at the water plant. This includes the plant discharge, source water, and backwash meters. These meters should have calibration checked on a routine schedule as recommended by the meter manufacturer.
- J. The PWS shall, within ninety (90) days of the signing of this agreement, install the piping modification necessary to allow plant water usage from either the Grant City or the Stanberry high service discharge line.
- K. The PWS shall, within ninety (90) days of the signing of this agreement, install security fencing at the water treatment plant.

The PWS shall, within ninety (90) days of the signing of this agreement, secure the clearwell hatches and cover with a locking device(s) to prevent accessibility by unauthorized individuals.

- L. The PWS shall clean the treatment basins out on a semi-annual basis. This requirement will be performed each spring and fall of the year.

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- M. The PWS shall within one hundred twenty (120) days, develop a preventive maintenance program for treatment plant equipment, pumps, and motors.
- N. The PWS shall, within one hundred twenty (120) days, implement written administrative planning, administrative policies, and operational guidelines and procedures for the water treatment plant.

Administrative planning is preparing for and scheduling the anticipated upgrades or replacement of large expenditure items. This includes the budgeting process.

The administrative policies consist of system officials and plant operators adopting optimization goals for the operation of the water treatment plant. The goals must be clear and specific. System staff must set water quality and optimization goals for each segment of the plant.

Operational guidelines and procedures are commonly known as Standard Operating Procedures. The PWS shall develop a Standard Operating Procedures (SOP) manual in the one hundred twenty (120) day time frame.

Staff from this office is available to answer questions concerning this agreement and to provide technical assistance to the city officials and chief operator.

Sign and return to William E. Hills, Missouri Department of Natural Resources, 500 Northeast Colbern Road, Lee's Summit, Missouri 64086-4710. This Bilateral Compliance Agreement must be signed and returned prior to November 18, 2004.

James H. Helgason
James H. Helgason, Environmental Manager
Kansas City Regional Office
Missouri Department of Natural Resources

October 26, 2004
(Date)

[Signature]
(Signature of PWS Official)

Nov 18, 2004
(Beginning Date)

BRUCE POST
(Typed or Printed Name)

NOTE: SEE ENCLOSED E-MAIL
TO MR. MARK LEAVS FOR
ADDITIONAL INFORMATION.
[Signature]

President, Middle Fork Water Co.
(Title and Organization)

JHH/mkc

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