

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

In the Matter of Stockton Hills Water)	<u>Case No. WR-2006-0091</u>
Company Small Company Rate Increase)	Tariff I.D. No. YW-2006-0140

NOTICE OF SIGNED BILATERAL COMPLIANCE AGREEMENT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through Counsel, and for its Notice of Signed Bilateral Compliance Agreement states the following to the Missouri Public Service Commission ("Commission").

1. On September 21, 2005, the Staff filed its Recommendation Regarding Disposition of Small Company Rate Increase Request (Recommendation) in this case. As a part of its Recommendation the Staff noted that the Department of Natural Resources (DNR) had recently issued a notice of violation (NOV) to Stockton Hills Water Company (Company) and had also submitted a Bilateral Compliance Agreement related to the NOV to the Company. The Staff further noted that the Company's owner had stated to the Staff that she was going to enter into the DNR's Bilateral Compliance Agreement to resolve the subject NOV.

2. On September 23, 2005, the Staff received a copy of the DNR's Bilateral Compliance Agreement signed by the Company's owner. A copy of the signed agreement is included in the document that is attached hereto and identified as Appendix A.

3. Since the Company has entered into the DNR's Bilateral Compliance Agreement related to the subject NOV there are no remaining DNR issues that the Company needs to address.

WHEREFORE, the Staff submits the above-referenced signed Bilateral Compliance Agreement for the Commission's information and respectfully recommends that the Commission approve the Company's pending tariff revisions to be effective September 30, 2005.

Respectfully Submitted,

DANA K. JOYCE
General Counsel

/s/ Keith R. Krueger

Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

Attorney for the Staff of the
Missouri Public Service Commission

P.O. Box 360
Jefferson City, MO 65102
573-751-4140 (telephone)
573-751-9285 (facsimile)
keith.krueger@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 28th day of September 2005.

/s/ Keith R. Krueger

Appendix A

Notice of Signed Bilateral Compliance Agreement

Case No. WR-2006-0091

Signed Agreement

MISSOURI DEPARTMENT OF NATURAL RESOURCES
PUBLIC DRINKING WATER BRANCH
BILATERAL COMPLIANCE AGREEMENT
STOCKTON HILLS WATER COMPANY
CEDAR COUNTY, MISSOURI
PUBLIC WATER SYSTEM ID# MO5036164

RECEIVED

SEP 23 2005

UTILITY OPERATIONS
DIVISION

September 8, 2005

The Missouri Department of Natural Resources Southwest Regional Office (hereinafter referred to as "the department") and the Stockton Hills Water Company public water system (hereinafter referred to as "public water system") agree to the following statement of facts and agree on the following compliance schedule to correct violations of the Missouri Safe Drinking Water Law and Regulations.

STATEMENT OF FACTS

- 1 The person in responsible charge of the public water system is Ms. Wanda Cassell, President, Stockton Hills Water Company, P. O. Box 276, Stockton, Missouri, 65785 telephone 417-276-4433.
- 2 The public water system is located on East 1674 Road in Section 29, Township 34 North, Range 26 West, in Cedar County.

<u>PWS Feature</u>	<u>Location</u>
Well	Latitude 37.65384° North, Longitude 93.80871° West

- 3 The following is a list of Notice of Violations (NOV's) issued to the public water system during the past 24 months.

<u>NOV Number</u>	<u>Date Issued</u>	<u>Brief Summary of Violations</u>
11309SW	September 8, 2005	Microbiological maximum contaminant level

- 4 The public water system serves piped water for human consumption to at least 25 residents on a year-round basis and is therefore a community public water system as defined in Safe Drinking Water Regulation 10 CSR 60-2.015.
- 5 The public water system failed to meet microbiological maximum contaminant levels outlined in Safe Drinking Water Regulation 10 CSR 60-4.020 during September, October, November, and December 2004; January, February, July, and August 2005.

General Provisions -

- A The term of this compliance schedule shall begin on the date of signature by the person in responsible charge indicating acceptance of the agreement and shall expire on the last day of the month in which the 12-month anniversary of that signature shall occur. This period shall be referred to as the compliance period.

COMPLIANCE SCHEDULE

- B. During the compliance period, it is agreed that the department will not commence any formal litigation for past violations of the Missouri Safe Drinking Water Law or Regulations 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.
- C. Failure to comply with the terms of this agreement shall result in heightened enforcement action by the department to include extension of the term of the compliance period as appropriate, legal prosecution seeking orders for immediate repair/relief and imposition of fines and/or penalties as prescribed by 192.320 RSMo., or referral to the U. S. Environmental Protection Agency (U.S. EPA) for federal enforcement.
- D. In the event of transfer of ownership of this public water system, 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.
- E. The public water system shall make public notification for any and all past violations of the Safe Drinking Water Regulations using the required language for the particular violations as prescribed in 10 CSR 60-8.010, including return of the public notice certification to the Missouri Department of Natural Resources Public Drinking Water Branch, P.O. Box 176, Jefferson City, Missouri 65102. Forms for public notification and certification are provided by the Public Drinking Water Branch in Jefferson City. Public notification for any further violations will be made promptly as directed by the department.
- F. The responsible person in charge of the public water system shall adequately maintain and operate the public water system to prevent future violation of the Missouri Safe Drinking Water Law and Regulations.
- G. The responsible person in charge of the public water system shall provide written notice to the department within one week of completion of each of the terms in the Specific Provisions section of this agreement.
- H. In the event that the terms of this agreement are not met according to the specific time frames and 14 days prior to referral of this matter to higher enforcement, the department will provide the public water system with the opportunity to meet and discuss the failure to satisfy terms. If appropriate, the department may modify or extend the time frame necessary to meet the term(s).

- I. At the expiration of the compliance period, if the terms of this agreement have been successfully completed, the department shall issue a letter of notification to the public water system indicating the system has satisfied said terms, that said system has been returned to compliance status, and that the compliance period is formally at an end.
- J. After the compliance period, the public water system shall continue to monitor for contaminants as required by the Missouri Safe Drinking Water Law and Regulations at the frequency specified in the regulations. The public water system further agrees to perform any and all operational and control monitoring as prescribed in the regulations.

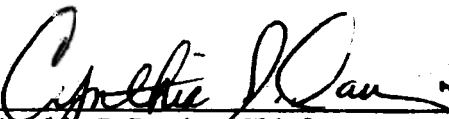
Specific Provisions –

- K. Beginning the date of execution of this compliance schedule, the public water system shall either hand chlorinate or install emergency chlorine disinfection to maintain a minimum free chlorine residual level as directed below. This emergency disinfection shall be maintained until permanent full-time disinfection is installed and operational.
- L. During the compliance period, the public water system shall maintain a minimum free chlorine residual of 0.5 milligrams per liter (mg/L) at the well and a minimum total chlorine residual of 0.2 mg/L in all parts of the distribution system.
- M. During the compliance period, the public water system shall notify the Southwest Regional Office by the end of the next business day of any free chlorine level at the entry point to the distribution that is below 0.5 mg/L and shall also advise the Southwest Regional Office if the time in which the free chlorine level was below 0.5 mg/L exceeded four hours.
- N. During the compliance period, the public water system shall test daily the free chlorine residual at the entrance to the distribution system and record these results in the water operational records. By the 15th day of the following month, the public water system shall submit a photocopy of the free chlorine residual, daily test results from each entry point to the distribution system for each month to the Southwest Regional Office.
- O. During the compliance period, the public water system shall test the total chlorine residual at the site of each routine bacteriological collection and record this information on the sample card and in the water operational records.
- P. After completion of the compliance period, the public water system shall continue to maintain and test for chlorine residuals, report low chlorine levels to the department, and make public notice for low chlorine residuals as required by Safe Drinking Water Regulation 10 CSR 60-4.055.

- Q.** Within 90 calendar days of the date of execution of this compliance schedule, the public water system shall submit two copies of an engineering report prepared by a professional engineer registered in Missouri to the Missouri Department of Natural Resources Public Drinking Water Branch, P.O. Box 176, Jefferson City, Missouri 65102, 573-751-5331, for providing public water system improvements designed in accordance with the August 2003 Public Drinking Water Branch *Design Guide for Community Water Systems*. This report shall examine the wells, treatment system, storage facilities, and distribution system for possible causes of the microbiological problem and shall propose corrections for any problems found and shall propose a new source or permanent chlorination facilities including detention that will provide 4_{LOG} (99.99%) virus inactivation for the well if the cause of the microbiological problem is not otherwise identified and corrected.
- R.** Within 30 calendar days of receipt of any request for additional information or changes in the engineering report from the Public Drinking Water Branch, the public water system shall submit engineering report modifications to the Public Drinking Water Branch.
- S.** Within 120 calendar days of department approval of the engineering report, the public water system shall submit a completed application for a construction permit plus two copies of engineering plans and specifications prepared by a professional engineer registered in Missouri for public water system improvements to the department's Public Drinking Water Branch.
- T.** Within 30 calendar days of receipt of any request for additional information or changes in the engineering plans and specifications from the Public Drinking Water Branch, the public water system shall submit engineering plans and specification modifications to the Public Drinking Water Branch.
- U.** Within 180 calendar days of Public Drinking Water Branch approval to construct, the public water system shall construct public drinking water system improvements.
- V.** Within 21 calendar days of completion of construction of public water system improvements, the public water system shall submit certification by the professional engineer stating that the project has been completed substantially in accordance with the approved plans and specifications to the Public Drinking Water Branch, P.O. Box 176, Jefferson City, Missouri 65102, 573-751-5331.
- W.** The public water system shall disinfect and flush the affected portion of the system after each pressure loss, main break repair, new main installation, well pump repair, or tank repair. To the extent practical, the disinfection and flushing shall be done in accordance with American Water Works Association (AWWA) standards. Chlorination guidelines are enclosed.

- X During the compliance period, the public water system shall submit one routine bacteriological sample each month to the Missouri Department of Health Laboratory (or another laboratory certified by the department for bacteriological examination of water) for analysis. Samples shall be taken at locations identified in the written coliform sampling site plan.
- Y. If any bacteriological samples analyzed during the compliance period are found to be invalid, the public water system shall submit replacement samples within 24 hours of being notified of the result or as directed by the department.
- Z. If any bacteriological samples analyzed during the compliance period are found to be unsafe (total coliform positive), the public water system shall submit four repeat samples for each unsafe sample within 24 hours of being notified of the unsafe sample, or as directed by the department. During the next month following an unsafe sample, the public water system shall submit five routine samples.

SIGNATURES


Cynthia S. Davies, Chief
Water Section
Southwest Regional Office
Missouri Department of Natural Resources

9/8/05
(Date)

Wanda Cassell
(Signature)

9/13/05
(Date)

Wanda Cassell
(Typed or Printed Name)

Owner
(Title)

Stockton Hills Water Co.
(Public Water System)