

Exhibit No.
Issues: Whether Carl Mills' Trust should be granted a certificate of convenience to operate the water system.
Witness: Derald Morgan
Sponsoring Party: Intervenors
Type of Exhibit: Surrebuttal Testimony
Case No.: WA-2018-0370
Date Prepared: March 8, 2019

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

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In the Matter of Carl R. Mills Trust for a)	
Certificate of Convenience and Necessity)	File No. WA-2018-0370
Authorizing it to Install, Own, Acquire,)	
Construct, Operate, Control, Manage and)	
Maintain Water Systems in Carriage Oaks)	
Estates)	
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SURREBUTTAL OF JAMES MERCIEL JR.'S TESTIMONY BY DERALD MORGAN
ON BEHALF OF INTERVENORS

Branson, Missouri
March 8, 2019

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REBUTTAL TESTIMONY OF DERALD MORGAN

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I. INTRODUCTION

Q. Please state your name.

My name is Dr. John Derald Morgan.

Q. Did you have an opportunity to read the Rebuttal Testimony of James Merciel, Jr.?

Yes.

II. FACTUAL DISPUTES

Q. Are there any facts in the Rebuttal Testimony of Mr. Merciel that you and the other Intervenor dispute?

Yes. Merciel supports testing at least twice per year at approximately six-month intervals, with test results reported to the customers twice a year. This testing interval and testing method is inadequate to protect Intervenor.

Merciel has neglected to state where the samples are to be taken. For bacterial analysis, they must be taken at the point served that is farthest from the point of treatment. Merciel fails to address the monitoring of free chlorine in the tank and in the system. These tests take a couple of minutes and with 1 to 100 users most manuals require a free chlorine tests at least once a week.

Q. Do you agree with Mr. Merciel's assessment that that the staff has not had an opportunity to fully investigate the statements from the customers but that those issues can be addressed after a Certificate is issued?

I do not. We had a settlement conference and these issues were discussed and were to be a part of a contract that the complainants reviewed and approved. Mr. Mills produced a contract that we do not accept and one that does not address any issue except high charges for water. The staff is aware of the poor quality of water and service. It is also aware that the water may not have the proper treatment. The staff is aware that

1 people in the subdivision are so afraid of the water they drink bottled water only. This is
2 unacceptable. The staff needs to protect the health and safety of those served as well as
3 holding costs at a reasonable level. We do not feel that this is being accomplished.

4 **Q. Do you agree with Mr. Merciel's recommendation that Mr. Mills should be**
5 **granted a Certificate of Convenience and Necessity?**

6 I do not. Merciel has suggested addressing issues after a Certificate is issued. This
7 is unacceptable. Mills is uncooperative and will cut corners. Unless he must do the things
8 suggested before a certificate is issued the commission staff will be inundated by
9 complaints about the water quality and the service. In order to prevent this, the following
10 items need to be addressed:

11 (1) Proper testing for bacteria and chloroforms as well as free chlorine at the
12 proper locations and intervals in the system as well as at the tank and well
13 head;

14 (2) Proper and regular flushing of the system lines and tank to clear the
15 sedimentation;

16 (3) Proper definition of ownership of the well the property and the access;

17 (4) Proper business and equipment insurance to protect the homeowners from
18 charges that Mills will try to undertake to make against the HOA

19 (5) Proper succession plan for assuring the members of the HOA that their
20 interests in the system are protected;

21 (6) Proper allocation of cost of the system. The people who bought lots bought
22 them with some of the cost of the system incorporated into the cost of each
23 lot. Mills is getting full credit for these costs even though each lot owner paid
24 a part of them when they purchased a lot.

1 (7) Mills is claiming the cost of a tank and pumps as part of the system costs
2 when it was paid for by another entity. This should be subtracted from his
3 system investment.

4 The Intervenors request these items be addressed before a Certificate is granted.

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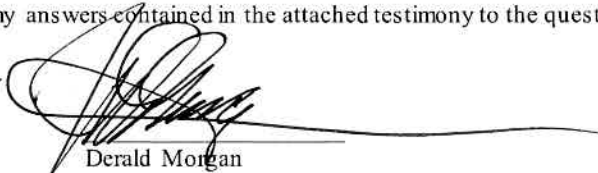
File No. WA-2018-0370

AFFIDAVIT OF DERALD MORGAN

STATE OF MISSOURI)
) ss
COUNTY OF TANEY)

Derald Morgan, being first duly sworn on his oath, states as follows:

1. My name is Derald Morgan. I am an Intervenor in the above-referenced matter. I am over 18 years of age and competent to give testimony.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal of James Merciel, Jr.'s Testimony on behalf of Intervenors consisting of 5 pages , all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.


Derald Morgan

Subscribed and sworn to me this 23 day of March 2019.


Notary Public

My commission expires:
Feb. 12, 2022

