

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Confluence Rivers Utility)
Operating Company, Inc., for Certificates)
of Convenience and Necessity to Provide) File No. WA-2023-0026
Water and Sewer Service in an Area of)
Lincoln County, Missouri)

ORDER DIRECTING NOTICE, SETTING DEADLINES FOR INTERVENTION, AND DIRECTING STAFF RECOMMENDATION

Issue Date: July 28, 2022

Effective Date: July 28, 2022

On July 26, 2022, Confluence Rivers Utility Operating Company, Inc. (Confluence Rivers) filed two applications that sought permission and approval for a certificate of convenience and necessity (CCN) to construct, install, own, operate, maintain, control, and manage a water system and a sewer system, respectively, in an area of Lincoln County, Missouri. Confluence Rivers also requested waiver of the Commission's rule requiring sixty days' notice prior to filing an application.

Also on July 26, 2022, Confluence Rivers filed a *Motion to Consolidate* the two files – WA-2023-0026 and SA-2023-0027 – with WA-2023-0026 being designated the lead case. The Commission granted that motion on July 28, 2022.

Confluence Rivers proposes to purchase all the water and sewer utility assets of the currently unregulated systems of Glenmeadows Water and Sewer, LLC (Glenmeadows), which currently provides water and sewer services to approximately 230 customers in Lincoln County, Missouri.

Confluence Rivers proposes to adopt the existing rates of Glenmeadows and utilize the rules governing the rendering of service currently found in Confluence Rivers'

existing P.S.C. MO No. 12 tariff for water and its existing P.S.C. MO No. 13 tariff for sewer.

The Commission will direct that notice of the application be given to the county commission of Lincoln County, local newspapers, and members of the General Assembly representing residents of Lincoln County. The Commission will set a deadline for interested parties to intervene. The Commission will also direct the Staff of the Commission (Staff) to file a recommendation with regard to the application.

THE COMMISSION ORDERS THAT:

1. The Commission's Data Center shall provide a copy of this order and the application to the county commission of Lincoln County.
2. The Commission's Public Policy and Outreach Division shall make notice of this order available to the members of the General Assembly representing residents of Lincoln County and to the media serving those areas.
3. Any application to intervene shall be filed no later than August 29, 2022.
4. Staff shall file a recommendation regarding the application, or a request for additional time, on or before September 12, 2022.
5. This order shall be effective when issued.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Kenneth J. Seyer, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri,
on this 28th day of July, 2022.

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

In the Matter of the Application of Confluence Rivers)
 Utility Operating Company, Inc., for Certificates of) File Nos. WA-2023-_____
 Convenience and Necessity to Provide Water and) SA-2023-_____
 Sewer Service in an Area of Lincoln County, Missouri.)

APPLICATION AND MOTION FOR WAIVER

COMES NOW Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”) pursuant to Sections 393.170, RSMo, 20 CSR 4240-2.060, 20 CSR 4240-3.305, 20 CSR 4240-3.600, and 20 CSR 4240-4.017, and for its *Application and Motion for Waiver*, states as follows to the Missouri Public Service Commission (“Commission”):

I. Introduction

1. Confluence Rivers is a Missouri corporation with its principal office and place of business at 1630 Des Peres Rd., Suite 140, St. Louis, MO 63131. Confluence Rivers is a Missouri corporation in good standing. A certified copy of Confluence Rivers’ certificate of good standing was filed in File No. WM-2018-0116 and is incorporated herein by reference.

2. Confluence Rivers provides water service to approximately 4,443 customers and sewer service to approximately 4,602 customers in the State of Missouri, pursuant to certificates of convenience and necessity previously granted by the Commission. Confluence Rivers is a “water corporation,” a “sewer corporation,” and a “public utility,” as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law.

3. Confluence Rivers has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Confluence Rivers

from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Application.

4. Communications regarding this application should be addressed to the undersigned counsel and to:

Josiah Cox
Confluence Rivers Utility Operating Company, Inc.
1630 Des Peres Rd., Suite 140
St. Louis, MO 63131
Phone: (314) 380-8544
E-mail: jcox@cswrgroup.com

II. The Proposed Sale Transaction

5. Confluence Rivers proposes to acquire all or substantially all of the water and sewer system assets of the currently unregulated systems of Glenmeadows Water and Sewer LLC. Confluence Rivers seeks Certificates of Convenience and Necessity (“CCN”) to operate the systems and provide service to the public.

6. The Glenmeadows Water and Sewer, LLC (“Glenmeadows”) is a limited liability company formed in 2020 that is active with the Missouri Secretary of State. Glenmeadows provides water and sewer services to approximately 230 customers in Lincoln County, Missouri. There is no other same or similar water or sewer service available in the area served by Glenmeadows.

5. The water system consists of a single deep water well at the northwest corner of the subdivision, just off East State Highway U. The site is equipped with three 11,500-gallon hydropneumatic pressure tanks, which operate at a pressure range between 40 and 60 psi, with an approximate elevation of 610.00 feet. The central tank is equipped with a pressure switch, and the system is pressurized by a 2 HP compressor. Water is drawn from the well using a 60 HP, 380-

gpm capacity Grundfos submersible well pump set approximately 440 feet deep, running on three phase power at 230 Volts with a Franklin motor. The system is currently not equipped with a disinfection process. The well site operates under permit number MO-6031360.

5. The sewer system operates under NPDES Permit number MO-0128171. The existing facility has a design capacity of 80,000 gpd and an annual average daily flow of 37,000 gpd according to the NPDES permit. The subdivision serviced by the plant is fully built out. There is no flow data available for the system, but based on the total number of residential connections, the average daily flow for the Glen Meadows wastewater facility is estimated to be approximately 64,000-81,000 gpd on average.

6. On February 25, 2022, Central States Water Resources, Inc. (“CSWR”) entered into a *Purchase and Sale Agreement* with Glenmeadows. A copy of the *Purchase and Sale Agreement* is attached as **Appendix A-C** and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. CSWR proposes to purchase substantially all the water and sewer system assets of Glenmeadows, as specifically described in, and under the terms and provisions of, the *Purchase and Sale Agreement*.

III. Certificates of Convenience and Necessity

7. Pursuant to Section 7.04 of the *Purchase and Sale Agreement*, CSWR plans to assign its rights under the agreement to Confluence Rivers at closing.

8. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control and manage water and sewer systems for the public in an area of Lincoln County, Missouri, as an addition to its existing service territories. A legal description of

the area sought to be certificated is attached hereto as **Appendix B**. A map of the area sought to be certificated is attached as **Appendix C**.

9. Attached hereto and marked as **Appendix D-C** is a list of ten residents or landowners within the proposed service area. **Appendix D-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(1), as it contains customer-specific information.

IV. Additional Information

11. Attached hereto and marked as **Appendix E-C** are feasibility studies for the Glenmeadows water and sewer systems for which Confluence Rivers seeks CCNs, including estimates of the number of customers, expenses and revenues during the first three years of operation by Confluence Rivers. **Appendix E-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. To provide service to the proposed areas, Confluence Rivers will purchase existing water and sewer systems and will not construct systems. Thus, Confluence Rivers asks for a waiver of any requirement to provide plans and specifications related to the construction of the distribution and collection systems.

12. Confluence Rivers is not aware of any franchises or permits from municipalities, counties, or other authorities that would be required in order to provide service in the requested areas.

13. The sale and purchase of the referenced assets should have no impact on the tax revenues of relevant political subdivisions, as Confluence Rivers and the seller are private entities

and their status as taxpaying entities will not change as a result of these transactions.

V. Tariff/Rates

14. Confluence Rivers proposes to adopt the existing rates of Glenmeadows and utilize the rules governing the rendering of service that are currently found in Confluence Rivers' existing PSC MO No. 12 tariff for water and its existing PSC MO No. 13 tariff for sewer, until such time as the rates and rules are modified according to law.

15. The current water rates for Glenmeadows are approximately: \$27.50. The current sewer rates for Glenmeadows are: \$27.50.¹

16. The current rates for these systems do not reflect the current cost of providing service. Additionally, these systems will require investment after the purchase by Confluence Rivers that will necessarily result in a request for a rate increase of some amount.

VI. Public Interest

17. The grant of the requested CCNs (and approval of the underlying transactions) is in the public interest and will result in regulated water and sewer services provided to the current and future residents of these service areas. The systems would be acquired by Confluence Rivers, a Missouri public utility, and be subject to the jurisdiction of the Commission. As it has demonstrated to the Commission in past cases, Confluence Rivers, with the support and assistance of its affiliates, is fully qualified, in all respects, to own and operate the water and sewer systems for which the certificates are sought. Confluence Rivers' successful operation of other water and sewer systems in Missouri demonstrates its ability to provide safe and reliable service to customers and to comply with the Commission's rules, regulations, and decisions governing the ownership

¹ Confluence Rivers understands that the Glenmeadows customers pay a monthly bill of \$55, for water and sewer combined.

and operation of such systems. Confluence Rivers also has the financial strength and resources necessary to make expenditures and investments required to maintain the systems.

VII. Motion for Waiver

18. Commission Rule 20 CSR 4240-4.017(1) requires “[a]ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case.” Because it did not file such a notice within the time period prescribed by that rule, Confluence Rivers seeks a waiver of the 60-day pre-filing notice requirement.

19. Under Rule 20 CSR 4240-4.017(1)(D), a waiver of the pre-filing notice requirement may be granted for good cause. In this regard, Confluence Rivers declares, as verified below, that it has had no communication with the Office of the Commission (as defined in 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case. Good cause for the requested waiver exists in accordance with Commission Rule 20 CSR 4240-4.017(1)(D) (“Good cause for waiver may include, among other things, a verified declaration from the filing party that it has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case....”)

20. Therefore, as authorized by Rule 20 CSR 4240-4.017(1)(D), Confluence Rivers moves for a waiver of the 60-day notice requirement and acceptance of this application at this time.

WHEREFORE, for the reasons previously stated, Confluence Rivers respectfully requests the Commission issue an order:

(A) Waiving the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) for good cause shown;

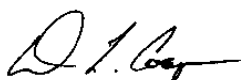
(B) Granting Confluence Rivers a CCN authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain water and sewer systems for the public

within the specified areas currently served by Glenmeadows Water and Sewer, LLC;

(C) Authorizing Confluence Rivers to acquire the water and sewer system assets of Glenmeadows Water and Sewer, LLC, as described in this Application; and,

(D) Granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the agreements and the Application and to consummate related transactions in accordance with the agreements.

Respectfully submitted,



Dean L. Cooper MBE #36592
BRYDON, SWEARENGEN & ENGLAND P.C.
312 E. Capitol Avenue
P.O. Box 456
Jefferson City, MO 65012
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dcooper@brydonlaw.com

David L. Woodsmall MBE #40747
Central States Water Resources
1630 Des Peres Rd., Suite 140
Des Peres, MO 63131
dwoodsmall@cswrgroup.com

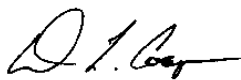
**ATTORNEYS FOR CONFLUENCE RIVERS
UTILITY OPERATING COMPANY, INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on July 25, 2022, to the following:

Office of the General Counsel
staffcounsel@psc.mo.gov

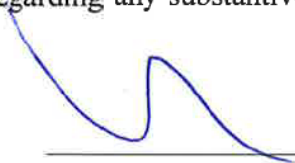
Office of the Public Counsel
opcservice@opc.mo.gov



VERIFICATION

State of Missouri)
)
County of St. Louis) ss

I, Josiah Cox, having been duly sworn upon my oath, state that I am the President of Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”), that I am duly authorized to make this affidavit on behalf of Confluence Rivers, that I have knowledge of the matters stated herein, and that said matters are true and correct to the best of my information, knowledge, and belief. Additionally, no representative of Confluence Rivers has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the one hundred fifty (150) days immediately preceding the filing of the Application regarding any substantive issue likely to be addressed in this case.



Subscribed and sworn before me this 25th day of July, 2022.



MERANDA K. KEUBLER
My Commission Expires
November 13, 2022
St. Louis County
Commission #14631487


Notary Public

APPENDIX A-C

HAS BEEN
IDENTIFIED AS

CONFIDENTIAL

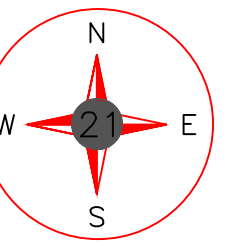
IN ITS ENTIRETY

Glenmeadows MO Service Area Description:

The area served is part of Lincoln County, Missouri and is more particularly described as follows:

Commencing from the southeast corner of the Southwest Quarter of the Southeast Quarter of Section 13, Township 48 North, Range 1 West; thence along said sixteenth section line, Northerly 1,714.92 feet, more or less to the point of beginning; thence leaving said sixteenth section line, Westerly 1550.12 feet, more or less to the east right-of-way line of Missouri State Highway "U"; thence along said east right-of-way line, Northerly 1884.12 feet, more or less; thence leaving said east right-of-way line, Easterly 1799.39 feet, more or less; thence Southerly 1704.65 feet, more or less to the point of beginning, containing 73.84 acres more or less.

ROUGH SERVICE AREA MAP (v1) GLEN MEADOWS (WATER & WASTEWATER) LINCOLN, MO



Utility Note Disclaimer:

The service area shown hereon are depicted based on a service area map provided by the system manager. 21 Design Group, Inc performed no field verification of the layout and are unable to determine the exact location at this time. The location represents approximate location only and should not be construed as being 100% accurate. It is shown to provide general service area of the system to assist with ordering title work and preparation of scope for a License Land Surveyor. This sketch should not be used to interpret encroachments.

DATE:	2/28/2022
PROJECT NO:	0596-22
DRAWN BY:	KAR
SCALE:	
SHEET NAME:	SERVICE AREA MAP



APPENDIX D-C

HAS BEEN
IDENTIFIED AS

CONFIDENTIAL

IN ITS ENTIRETY

APPENDIX E-C

HAS BEEN
IDENTIFIED AS

CONFIDENTIAL

IN ITS ENTIRETY


STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 28th day of July, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

July 28, 2022

File/Case No. WA-2023-0026

**Missouri Public Service
Commission**
Staff Counsel Department
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Jefferson City, MO 65102
staffcounsel@psc.mo.gov

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**Confluence Rivers Utility
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**Confluence Rivers Utility
Operating Company, Inc.**
David Woodsmall
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dwoodsmall@cswrgroup.com

County of Lincoln, Missouri
County Commission Clerk
201 Main St.
Lincoln County Courthouse
Troy, MO 63379
chall@lincolncountymoclerk.gov

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.