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DIRECT TESTIMONY OF DERALD MORGAN

I. INTRODUCTION AND WITNESS QUALIFICATIONS

Q. Please state your name.

My name is Dr. John Derald Morgan.

Q. Please summarize your professional experience and educational background.

I hold the following degrees from Arizona State University PhD, Missouri Science and Technology MS and Louisiana Tech University BS all in the field of Electrical Engineering. I am a Licensed Professional Engineer in 4 states including Missouri I have testified on several occasions before Public Service Commissions including Missouri. I was a professor and administrator in Universities for 46 years including 19 at MS&T where I was head of Electrical and Computer Engineering and held 2 chaired Professorships. I currently practice engineering as a forensic engineer with engagements throughout the United States. I was Dean of Engineering at New Mexico State University, Vice President at University of Alabama in Huntsville and Special Assistant to the Chancellor of the University of Alabama.

Q. Where do you currently live?

I live at 108 Carriage Oaks Drive, Reeds Springs, Missouri.

Q. Do you know the other Complainants in this case?

Yes.

Q. How do you know them?

They are my neighbors in the Carriage Oaks Estates subdivision.

Q. What are their names?

Rick and Cindy Graver, William and Gloria Phipps, and David and Melody Lott.

Q. Where do those Complainants live?

They live in the Carriage Oaks Estates subdivision.

Q. How long have you lived there?

1 I've lived there 9 years.

2 **Q. Are you and the other complainants in this case lot owners within the**
3 **Carriage Oaks Estates Subdivision?**

4 **II. CARRIAGE OAKS ISSUES**

5 **Q. Is Carriage Oaks Subdivision subject to certain restrictions and covenants?**

6 Yes.

7 **Q. Are you familiar with the Respondents in this case?**

8 Yes.

9 **Q. Can you describe the relationship between the Respondents in this case?**

10 Carriage Oaks, LLC is the developer of the Carriage Oaks Estate subdivision. Carl Mills
11 is a member of Carriage Oaks, LLC. From 2000 to April 2, 2016, Carriage Oaks, LLC owned,
12 operated and maintained the water and sewer systems located at Carriage Oaks Estates subdivision.
13 In April 2016, Carriage Oaks, LLC transferred the water and sewer system to Caring Americans
14 Trust Foundation, Inc. Caring Americans Trust Foundation, Inc. is a non-profit corporation created
15 by Carl Mills. Carl Mills is also on the board of directors for that organization. In January 2017,
16 Caring Americans transferred ownership of the water and sewer system to Carriage Oaks Not for
17 Profit Water and Sewer Corporation. At this point in time we are unaware if this is still the
18 situation.

19 **Q. What entity currently provides water and sewer services to the lot owners in the**
20 **Carriage Oaks Estates subdivision?**

21 Currently, water and sewer services are provided by Carriage Oaks Not for Profit Water
22 and Sewer Corporation to the best of our knowledge. Mr. Miles has personally filed a petition for
23 a Certificate of Convenience for the operation of the Water System following the order of the
24 commission that voided all the prior transfers of the Water system but did not address the issue of
25 the Sewer system. Based on filings in the county of Stone the deed of trust of the Water system

1 still resides with the Not for Profit Water and Sewer System established by Mr. Mills without
2 concurrence of any the petitioners to be a party to or a member of the Not for Profit as we believe
3 Missouri Law requires. According to Mr. Mill's petition to the PSC he states that the Water System
4 is owned by Mills Trust then amends the application to state it is owned by him or one of his
5 entities.

6 *"2. Mr. Mills, through one of his wholly owned entities, is the developer of Carriage Oaks*
7 *Estates.*

8 *Pursuant to the Commission's order in Morgan, Mills is the current owner of the water*
9 *system which*

10 *services Carriage Oaks Estates. Additionally, pursuant to the order in Morgan, the*
11 *Commission*

12 *determined that Mills operates a water company through its ownership of the water system*
13 *servicing*

14 *Carriage Oaks Estates"*

15 The commission should deny his petition solely on the fact alone that he cannot
16 definitively state ownership or show a legal document that defines the ownership.

17 **Q. Do the lot owners have control over the operation and maintenance of the water**
18 **and sewer system?**

19 None of the complainants in this case are members of Carriage Oak Not for Profits, nor
20 do they have any control or authority over Carriage Oaks Not for Profit, or who it is determined is
21 the owner, or influence over the operation and maintenance of the water and sewer system.

22 **Q. Are the lot owners members of the Carriage Oaks Estates Homeowners'**
23 **Association?**

24 Yes.

25 **Q. What is Carriage Oaks Estates Homeowners' Association?**

1 Carriage Oaks Estates Homeowners Association is the homeowners' association for
2 Carriage Oaks Estates, in which all owners in Carriage Oaks Estates subdivision are members.

3 **Q. Is Carriage Oaks Estates Homeowners' Association controlled by the lot owners?**

4 No. Respondent Carl Mills controls the majority voting interest in the Association by way
5 of his position as developer and runs the Association as he sees fit.

6 **Q. Are you familiar with how decisions are made about the operation and**
7 **maintenance of the water and sewer system that serves the lot owners in Carriage Oaks**
8 **Estates Subdivision?**

9 All decisions as to what maintenance and repair work are done to the water and sewer
10 systems are made by Carl Mills, and all decisions as to payments to Carriage Oaks are made by
11 Carl Mills, via the Association. Members of the HOA have repeatedly asked for tests of the water
12 in the system and as of this date have never received any testing information as it relates to the
13 safety of the water. The recent budget indicated that there are budgeted funds for testing of water,
14 but the actual expenditure sheets show no expenditures for drinking water testing. The
15 expenditures are to a company for testing the sewer treatment affluent.

16 **Q. How are water and sewer rates determined for the subdivision?**

17 Each year, the owners in Carriage Oaks Estates subdivision pay an assessment to the
18 Carriage Oaks Estates Homeowners' Association, which, in the past Mills has used to reimburse
19 his entities for all costs and expenses related to the water and sewer system. In addition, in the
20 past, Carriage Oaks, LLC has paid itself a fee every year for the so-called "services" it provides to
21 the Association in maintaining and operating the water and sewer system. Thus, the homeowners'
22 association bears all the expenses and costs associated with the water and sewer system, and then
23 is forced to pay Respondents a fee for its services.

24 **Q. Can you explain why you and the other Complainants in this case decided to file**
25 **this action?**

1 In or around mid-2016, Carriage Oaks purportedly transferred ownership of the water and
2 sewer systems to Caring Americans Trust Foundation, Inc. (hereinafter "Caring Americans"), a
3 Missouri non-profit corporation also under the control of Carl Mills. Like Carriage Oaks, none of
4 the owners at Carriage Oaks Estates subdivision are members of this non-profit corporation, nor
5 do they have any control or authority over the non-profit corporation. The not for profit had no
6 expertise or charter to own and operate a water and sewer system. Complainants, through their
7 counsel, sent multiple requests to Carl Mills asking that he transfer ownership of the water and
8 sewer systems to either the Association or a new non-profit corporation in which all the owners
9 were members. Complainants repeated requests were ignored, and they were left with no choice
10 but to file their Complaint with PSC. We're concerned because we have no influence over the way
11 the water and sewer system are run, and Respondents claim they are not subject to the jurisdiction
12 of the Public Service Commission. We are essentially at the mercy of Respondents. The specific
13 issues of safety, public good and failure to provide good service will be addressed in a later section
14 of this testimony.

15 **Q. Are the members of the Carriage Oaks Estates Homeowners' Association**
16 **members of the Carriage Oaks Not-for-Profit Water and Sewer Corporation?**

17 No.

18 **Q. Do the lot owners like yourself and the other complainants have control or**
19 **influence over the operation and maintenance of the water and sewer system?**

20 No.

21 **Q To your knowledge, did Respondents obtain a certificate of necessity from the**
22 **Public Service Commission prior to the transfer of ownership of the water and sewer system?**

23 Not to our knowledge. We do know that he has recently asked for a Certificate of Convenience
24 and Necessity and that the PSC staff has recommended it be granted. It is our opinion that based

1 on the commissions order, the failure to transfer the water system to himself by deed of trust places
2 him in violation of the order and is currently illegally operating the water system.

3 **Q. Do you know if the Not-for-profit has bylaws?**

4 Yes.

5 **Q. Have you reviewed those bylaws?**

6 Yes.

7 **Q. Is Exhibit A a true and accurate copy of those bylaws?**

8 Yes.

9 **Q. Under these bylaws, would Carl Mills or an entity associated with him be able to**
10 **control the operation of the Not-for-Profit?**

11 Yes. Article II, Section 2 of the Bylaws violate the “one member, one vote” requirement
12 by allowing members to hold “more than one Membership Interest.” Because Respondents
13 would hold more than one Membership Interest, they would be entitled to multiple votes on any
14 matter. Likewise, the Bylaws allow prospective utility consumers to be members.

15 **Q. Why do you have concerns about Carl Mills or an entity under his control**
16 **controlling the operation of the Not-for-Profit and thus the water and sewer system?**

17 If neither the lot owners nor the Public Service Commission has a means for influencing
18 or regulating the rates and operation of the water and sewer system, Carl Mills will be able to set
19 whatever rates he wishes. The lot owners who pay for and receive the water and sewer services
20 will have no way of ensuring that they receive safe and reliable services at a reasonable rate.

21 **Q. What relief are you and the other Complainants requesting in this case?**

22 We would like Respondents to be ordered to transfer the ownership of water and sewer
23 system to a proper entity in which all owners are members of said entity and each member receives
24 one vote. Missouri Law has very clear and specific laws that relate to this matter. Mr. Mills under
25 advice of his attorney has chosen to violate and attempt to circumvent this very clear and specific

1 law. Since Mills is operating the water system illegally, we would recommend that the commission
2 place the water system in receivership with a qualified water operator until such time as the issues
3 of ownership, safe operation, quality service and price can be determined.

4 **III. OPPOSITION TO THE PROPOSED CERTIFICATE OF CONVENIENCE**
5

6 **Q. Is Mr. Mills Qualified to Operate the Water System Efficiently, Effective and**
7 **Safely**

8 It is our opinion that he is not qualified by training nor experience to operate the water
9 system based on our knowledge and experience. We know of no training or certification of
10 knowledge of water testing or system operation that he has received or courses that he has
11 attended and passed.

12 The water pressure is so poor in parts of the system that 2 owners have had to install and
13 operate additional pressure tanks to assure that they have adequate pressure and flow for daily
14 use. Both have had their pumps burn out because he has turned off the water without their
15 knowledge or notification and the pumps continued to try to pump and burned up. Note the DNR
16 permit does not allow for this but it was essential as the system is inadequate.

17 After turning off the water Mr. Mills does not chlorinate the lines and flush them to the
18 knowledge of the users. If he did, he would have to notify users that a high level of chlorine will
19 be in the lines for a time while he flushes out the lines and purifies the lines. When asked about
20 the matter of flushing and chlorinating the lines he responds in a manner of what do we think he
21 doesn't know what he is doing. The answer to that question is yea.

22 The issue just mentioned is one that is a problem with the users. Mills removes service
23 without notice of his removing service. It has cost 2 homeowners about \$500 to \$1,000 to replace
24 the pressure pumps and system when he turned off the water without notification. Others have
25 been soaped up in the shower and been left without water.

1 Other owners have high water pressure but low flow falling well below the acceptable
2 standard of 2 gallons per minute at each and all faucets. While we realize the PSC only has a
3 standard for pressure, water flow is an also important measure of a properly operated water
4 system. There must be a blockage or reducer in the system that limits flow.

5 One member is so concerned with the quality of water that he has installed and operated a
6 filtration system, a carbon filter and an ultraviolet illumination system at great additional cost.

7 Mr. Mills attempted to dig up a homeowner's lot and remove vegetation important to
8 erosion control because he erroneously believed that the homeowner had improperly installed the
9 meter loop and valving. This homeowner had to hire legal counsel to stop the contract he let for
10 this activity. This is a showing of his inability to recognize a simple piping issue and acting on
11 his own creating conflict and potential property damage.

12 Mr. Mills has not followed the design built that he proposed to the DNR and the one that
13 they approved. For example, he installed a large tank, one much larger than approved by DNR in
14 his application, that he tried to get the homeowners to pay for. The tank is so large that with only
15 7 users, 3 of which are occasional occupants, the water in the tank will not be depleted during
16 certain times of usage before the chlorine levels will fall below those required for proper safe
17 water treatment. He will claim that he only uses a portion of the tank and that because of that he
18 can meet this safety requirement. He cannot show that this is the case, since he has never shared
19 any test data, showing that he monitors this aspect of the safety on a regular basis. This although
20 he charges a large fee for the management of the water system.

21 When the system was first put into service with the large tank and new pumps installed.
22 Members observed that the chlorination mechanism did not have a source of chlorine for
23 chlorinating the water properly. When this was called to his attention the result was that he put a
24 lock on the box that contains the chlorination system. To this day no one knows if the
25 chlorination system is operational and providing appropriate and tested amounts of chlorination.

1 Mr. Mills has inflated and provided erroneous information to the PSC staff as regards to
2 cost of operation. For example, he indicated a major item of cost for bush hogging around the
3 water system, there has never been any bush hogging around the well tank and well house and
4 never will be based on the terrain.

5 Mr. Mills is unable to produce valid documented spread sheets of costs and expenditures.
6 He never provides at HOA meetings invoices and documentation for the amounts in his spread
7 sheets that are prepared by others who also do not check the documentation.

8 Mr. Mills in his filing before the PSC has taken credit for the cost of the water tank
9 installed in 2015. At the previous hearing he told the commission and provided evidence that the
10 not for profit paid for the tank. This is spite of his attempts to get the homeowners to pay for the
11 tank and pumps and showing a previous invoice to him personally. The commission should deny
12 these costs of the system installation since they were a donation to the system by a not for profit.

13 There is excessive iron in the water and Mills fails to regularly blow out the system to
14 clear the sedimentation. He has said he doesn't like to do it because one time he tried something
15 failed. We believe this is a showing of his inability to know and operate a system properly.

16 There are large pieces of gravel captured in almost everyone's home filters. They are
17 large enough such that if they got by the filters that the gravel would plug up the internal home
18 systems. He is aware of this and has made no attempt to install a screen for the water system.

19 **IV. FAILURE TO PROTECT THE INTERESTS OF THE HOMEOWNERS AND**
20 **THE PUBLIC GOOD.**

21
22 Mr. Mills does not own a home in the subdivision as was the case when the homeowners
23 purchased lots. He has sold the house to the not for profit that he established supposedly as
24 part of his estate planning. The homeowners have no knowledge or information as to what
25 would happen if Mr. Mills, an unqualified operator of the water system was to die. It would
26 be in our opinion a dereliction of duty for the commission to give a Certificate of
27 Convenience and Necessity to an unqualified individual whose succession plan consists,

1 according to his attorney, of a personal estate plan. This could not be in the public good for
2 the homeowners to be left without a water and a sewer system to serve their homes.

3 Mills is currently and has been for many years operating illegally and outside the
4 boundaries of his legal and ethical business practices. It would be appropriate for the commission
5 to place the water system into receivership given this condition.

6 To the knowledge of the petitioners Mills has never had insurance on the water system to
7 protect the interests of the owner and the users. To the knowledge of the petitioners Mills may not
8 have the financial ability to sustain the project. We learn in his fillings that he is transferring assets
9 to various entities including the not for profit as a part of an unknown estate plan. This should give
10 pause to the commission as to the financial stability of the project. Mills' proposal for a certificate
11 of convenience and necessity is not economically feasible in the opinion of the petitioners. Due to
12 the small number of users and the excessive management costs the price of the service far exceeds
13 what other small water systems in the area charge for water and sewer where the systems are
14 operated in a properly established not for profit or HOA ownership. Because Mills decided to make
15 a profit on the system, he made the project financially unfeasible. We ask the commission to
16 provide a solution for the protection of the public good.

17 Mills failed to provide to the commission his application for a water permit to the DNR
18 and the approved construction plan. He has failed to follow what he submitted and had approved
19 by the DNR, y not following the engineering design and approved plan he has created operational
20 problems that might affect the health and safety of the users.

21 It is the opinion of the petitioners that the only factor that is proven of the 5 required to
22 receive a certificate of convenience and necessity is the need for the service.

23
24
25

Exhibit No. 301

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: Appendix to Direct Testimony with Annotations by Derald Morgan

Case No. : WA-2018-0370

Date Prepared: December 26, 2018

Appendix 1

Annotated Application for Certificate of Convenience and Necessity

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

In the Matter of Carl R. Mills Trust for a) Certificate of
Convenience and Necessity)
Authorizing it to Install, Own, Acquire,) **File No. WA-2018-0370**
Construct, Operate, Control, Manage and)
Maintain Water Systems in Carriage Oaks)
Estates)

**ORDER DIRECTING NOTICE AND SETTING INTERVENTION
DEADLINE**

Issue Date: June 8, 2018

Effective Date: June 8, 2018

On June 7, 2018, Carl R. Mills Trust (“Applicant”) filed an application with the Missouri Public Service Commission requesting a Certificate of Convenience and Necessity (“CCN”). The CCN would authorize Applicant to construct, install, own, operate, control, manage and maintain a water system for the public in the Branson West area in Stone County, Missouri.

The Commission will direct notice be given and set a deadline for intervention requests.

THE COMMISSION ORDERS THAT:

1. The Commission’s Data Center shall provide a copy of this order and Carl R. Mills Trust’s application to the County Commission of Stone County, Missouri and the Missouri Department of Natural Resources.

2. The Commission’s Information Officer shall make notice of this order

available to the members of the General Assembly representing Stone County, Missouri and to the media serving Stone County, Missouri.

3. Any motion for intervention is due no later than June 29, 2018. Any such filing shall be delivered to:

Secretary
Missouri Public Service Commission
Post Office Box 360
Jefferson City, Missouri 65102

or transmitted through the Commission's electronic filing and information service.

4. No later than August 6, 2018, the Commission's staff shall file its recommendation on the application, or a statement of when it reasonably expects to file its recommendation.

5. This order shall be effective when issued.

BY THE COMMISSION



Morris L. Woodruff

Morris L. Woodruff

Secretary

John T. Clark, Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri, on this 8th day of June, 2018.

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

In the Matter of the Carl R. Mills Trust)
Certificate of Convenience and Necessity)
Authorizing it to Install, Own, Acquire,) File No. _____
Construct, Operate, Control, Manage)
And Maintain Water Systems in Carriage)
Oaks Estates

APPLICATION FOR CONVENIENCE AND NECESSITY

COMES NOW the Carl R. Mills Trust (“Mills Trust”) pursuant to Sections 393.140 and 393.170, RSMo and 4 CSR 240-2.060, 4 CSR 240-3.305, 4 CSR 240.3-600 and 4 CSR 240-4.020(2)(B), and for its Application For Convenience and Necessity states as follows to the Missouri Public Service Commission (“Commission”).

BACKGROUND

1. Pursuant to the order issued in the case of *Derald Morgan et al. v. Carl Richard Mills et al.*, WC2017-0037, Mills Trust desires to obtain a certificate of convenience and necessary to install, own, acquire, construct, operate, control, manage and maintain the water system in Carriage Oaks Estates (as defined herein).
2. Mills Trust is the personal trust of Carl Richard Mills. The trustee of Mills Trust is Carl Richard Mills.
3. Mills Trust was created as an estate planning mechanism for its founder, Carl Richard Mills. Mr. Mills, through one of his wholly owned entities, is the developer of Carriage Oaks Estates. Pursuant to the Commission’s order in *Morgan*, Mills Trust is the current owner of the water system which services Carriage Oaks Estates. Additionally, pursuant to the order in *Morgan*, the Commission determined that Mills Trust operates a water company through its ownership of the water system servicing Carriage Oaks Estates.
4. Communications regarding this Application should be addressed to Mills Trust’s legal counsel.

5. Mills Trust has no pending actions, final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates.

6. Mills Trust has no annual report or assessment fees which are overdue.

CERTIFICATE

7. Mills Trust request permission, approval and Certificates of Convenience and Necessity to install, own, acquire, construct, operate, control, manage and maintain water services for the public in and around the subdivision located in Stone County, Missouri by the name of Carriage Oaks Estates, as more particularly described on Appendix A ("Carriage Oaks Estates").

8. Attached hereto and marked as Appendix B is a list of ten residents or land owners within Carriage Oaks Estates. It has been identified as Highly Confidential pursuant to the Commission's rules because it contains customer-specific information.

9. There are no other utility companies which provide water services to Carriage Oaks Estates. Additionally, pursuant to the Easements, Covenants and Restrictions governing Carriage Oaks Estates, homeowners must receive water services from the water system owned by Mills Trust.

10. Attached hereto as Appendix C is a plat drawing of Carriage Oaks Estates.

11. The water system owned by Mills Trust and servicing Carriage Oaks Estates was previously constructed in or around the year 2000. Attached hereto as Appendix D is the approximate cost of construction of the water system, including the upgrades to such system which were installed in 2016.

12. Because the water system is already constructed, there will be no financing required.

13. Attached hereto as Appendix E are the rates Mills Trust proposes to charge for the provision of water services.

14. Approximately seven (7) customers will receive water services from Mills Trust.

15. Attached hereto as Appendix F is an approximation of the cost associated with the operation of the water facility during the previous three (3) years.

16. No approval of the affected governmental bodies is necessary for purposes of this Application.

WHEREFORE, Mills Trust request the Commission grant it permission, approval, and a Certificate of Convenience and Necessity authorizing Mills Trust to install, acquire, build, construct, own, operate, control, manage and maintain water systems for the public within the area referred to above.

Respectfully submitted,

HUSCH BLACKWELL LLP

By: /s/ Whitney S. Smith

Bryan O. Wade, #41939

Whitney S. Smith #68405

Husch Blackwell LLP

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Springfield, MO 65806

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whitney.smith@huschblackwell.com

Attorneys for Mills Trust

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 7th day of June, 2018 to:

General Counsel's Office staffcounselervices@psc.mo.gov

3

SPH-2181534

Office of the Public Counsel

opcservice@ded.gov

AFFIDAVIT

State of Missouri)
)
County of Greene) ss

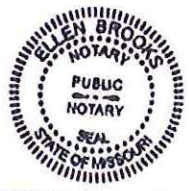
I, Carl Richard Mills, having been duly sworn upon my oath, state that I am the Trustee of the Carl R. Mills Trust, that I am duly authorized to make this affidavit on behalf of the Carl R. Mills Trust, that the matters and things stated in the foregoing application and appendices thereto are true and correct of the best of my information, knowledge and belief.

Carl R. Mills Trustee

Subscribed and sworn before me this 10th day of May, 2018.

Ellen Brooks
Notary Public

My Commission Expires 12/18/19



ELLEN BROOKS Comm.#11383858
Greene County State of Missouri
My Commission Expires Dec. 18, 2019

Appendix A

See Attached.

This is not a deed for the well. Has Mills deeded the Well to the trust from the Carriage Oaks NFP where it last resided?

Exhibit A

Phase One

DESCRIPTION:

A PARCEL OF LAND SITUATED IN THE NORTHEAST QUARTER OF SECTION 12, TOWNSHIP 22 NORTH, RANGE 23 WEST, STONE COUNTY, MISSOURI, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NW4 OF THE NE4 OF SAID SECTION 12, THENCE S 87°31'18" E ALONG THE NORTH LINE OF SAID NW4 OF THE NE4, 986.78 FEET, THENCE LEAVE SAID NORTH LINE S 00°00'00" W, 1038.06 FEET TO A SET REBAR ON THE CENTERLINE OF A FIFTY (50.0) FOOT-WIDE ROADWAY AT THE POINT OF BEGINNING, THENCE CONTINUE ALONG SAID CENTERLINE S 45°02'48" E, 404.84 FEET TO A SET REBAR, THENCE ALONG A CURVE RIGHT, HAVING A RADIUS OF 188.78 FEET, A DISTANCE OF 69.21 FEET, THENCE S 24°02'25" E, 23.56 FEET TO A SET REBAR, THENCE ALONG A CURVE RIGHT, HAVING A RADIUS OF 123.25 FEET, A DISTANCE OF 58.94 FEET, THENCE S 02°25'57" W, 43.57 FEET TO A SET REBAR, THENCE ALONG A CURVE RIGHT, HAVING A RADIUS OF 292.77 FEET, A DISTANCE OF 99.04 FEET, THENCE 21°48'57" W, 86.74 FEET TO A SET REBAR, THENCE S 51°46'52" W, 401.30 FEET, THENCE ALONG A CURVE LEFT, HAVING A RADIUS OF 607.35 FEET, A DISTANCE OF 99.78 FEET, THENCE S 42°22'07" W, 190.78 FEET TO A SET REBAR, THENCE ALONG A CURVE LEFT, HAVING A RADIUS OF 318.00 FEET, A DISTANCE OF 101.14 FEET, THENCE S 24°08'45" W, 14.54 FEET TO A SET REBAR, THENCE N 75°31'04" W, 97.26 FEET TO A SET REBAR, THENCE ALONG A CURVE RIGHT, HAVING A RADIUS OF 149.58 FEET, A DISTANCE OF 59.21 FEET, THENCE N 52°50'11" W, 35.23 FEET, THENCE ALONG A CURVE RIGHT, HAVING A RADIUS OF 242.90 FEET, A DISTANCE OF 59.70 FEET, THENCE N 38°45'18" W, 81.80 FEET, THENCE ALONG A CURVE RIGHT, HAVING A RADIUS OF 68.61 FEET, A DISTANCE OF 109.15 FEET, THENCE N 52°23'40" E, 293.84 FEET, THENCE ALONG A CURVE LEFT, HAVING A RADIUS OF 294.69 FEET, A DISTANCE OF 59.79 FEET, THENCE N 40°48'08" E, 136.80 FEET TO A SET REBAR, THENCE LEAVE SAID CENTERLINE N 04°34'07" W, 272.32 FEET TO A SET REBAR, THENCE N 07°49'03" E, 198.48 FEET TO A SET REBAR, THENCE N 53°56'40" E, 168.34 FEET TO THE POINT OF BEGINNING, CONTAINING 10.36 ACRES, MORE OR LESS, TOGETHER WITH AND SUBJECT TO ALL EXISTING EASEMENTS AND RESTRICTIONS OF RECORD.

DESCRIPTION WELL LOT:

A WELL LOT SITUATED IN THE NE4 OF SECTION 12, TOWNSHIP 22 NORTH, RANGE 23 WEST, STONE COUNTY, MISSOURI, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NW4 OF THE NE4 OF SAID SECTION 12, THENCE N 87°31'18" W ALONG THE NORTH LINE OF SAID NW4 OF THE NE4, 971.71 FEET, THENCE LEAVE SAID NORTH LINE S 02°28'42" W, 955.75 FEET TO THE POINT OF BEGINNING AT A POINT ON THE EASTERLY R/W LINE OF MISSOURI STATE HIGHWAY "DD," THENCE S 14°19'35" E ALONG SAID R/W LINE 82.49 FEET, THENCE ALONG A SEGMENT OF A CURVE LEFT, HAVING A RADIUS OF 538.69 FEET, A DISTANCE OF 62.65 FEET, THENCE LEAVE SAID R/W LINE N 75°40'25" E, 121.36 FEET, THENCE N 14°19'35" W, 125.00 FEET, THENCE S 75°40'25" W, 125.00 FEET TO THE POINT OF BEGINNING, CONTAINING 0.36 ACRE, MORE OR LESS, TOGETHER WITH AN ACCESS EASEMENT, THE CENTERLINE BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Phase One Continued

COMMENCING AT THE NORTHEAST CORNER OF THE NW4 OF THE NE4 OF SAID SECTION 12, THENCE N 87°31'18" W ALONG THE NORTH LINE OF SAID NW4 OF THE NE4, 971.71 FEET, THENCE LEAVE SAID NORTH LINE S 02°28'42" W, 955.75 FEET TO A POINT ON THE EASTERLY R/W LINE OF MISSOURI STATE HIGHWAY "DD," THENCE S 14°19'35" E, 62.49 FEET, THENCE ALONG A CURVE LEFT, HAVING A RADIUS OF 538.69 FEET, A DISTANCE OF 348.65 FEET AN EXISTING REBAR ON THE WESTERLY R/W LINE OF A FIFTY (50.0) FOOT-WIDE STREET, THENCE N 38°45'18" W ALONG SAID R/W LINE 85.55 FEET, THENCE ALONG A CURVE RIGHT, HAVING A RADIUS OF 93.61 FEET, A DISTANCE OF 148.92 FEET, THENCE N 52°23'40" E, 10.00 FEET TO THE POINT OF BEGINNING AT A POINT ON THE CENTERLINE OF SAID ACCESS EASEMENT, THENCE N 37°36'20" W, 66.25 FEET TO THE END OF SAID EASEMENT ON THE SOUTH LINE OF THE ABOVE-DESCRIBED WELL LOT AT A POINT THAT IS N 75°40'25" E, 105.01 FEET OF SAID EAST R/W LINE OF M.S.H. "DD."

DESCRIPTION OPEN SPACE:

A PARCEL OF LAND SITUATED IN THE NE4 OF SECTION 12, TOWNSHIP 22 NORTH, RANGE 23 WEST, STONE COUNTY, MISSOURI, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT AN EXISTING STONE AT THE NORTHEAST CORNER OF THE NW4 OF THE NE4 OF SAID SECTION 12, THENCE N 87°31'18" W ALONG THE NORTH LINE OF NE4 OF SAID SECTION 12, 323.22 FEET, THENCE LEAVE SAID NORTH LINE S 00°00'00" W, 1038.06 FEET TO A SET REBAR, THENCE S 53°56'40" W, 166.34 FEET TO A SET REBAR, THENCE S 07°49'03" W, 198.48 FEET TO A SET REBAR, THENCE S 04°34'07" E, 272.32 FEET TO A SET REBAR ON THE CENTERLINE OF A FIFTY (50.0) FOOT-WIDE ROADWAY, THENCE S 40°46'08" W ALONG SAID CENTERLINE 100.00 FEET TO THE POINT OF BEGINNING, THENCE LEAVE SAID CENTERLINE N 49°13'52" W, 225.00 FEET, THENCE S 57°58'31" W, 193.18 FEET, THENCE S 14°19'35" E, 275.02 FEET TO A POINT ON THE CENTERLINE OF SAID ROADWAY, THENCE N 52°23'40" E, 250.86 FEET, THENCE ALONG A CURVE LEFT, HAVING A RADIUS OF 294.69 FEET, A DISTANCE OF 59.79 FEET, THENCE N 40°46'08" E, 36.80 FEET TO THE POINT OF BEGINNING, CONTAINING 1.5 ACRES, MORE OR LESS.

Phases Two and Three

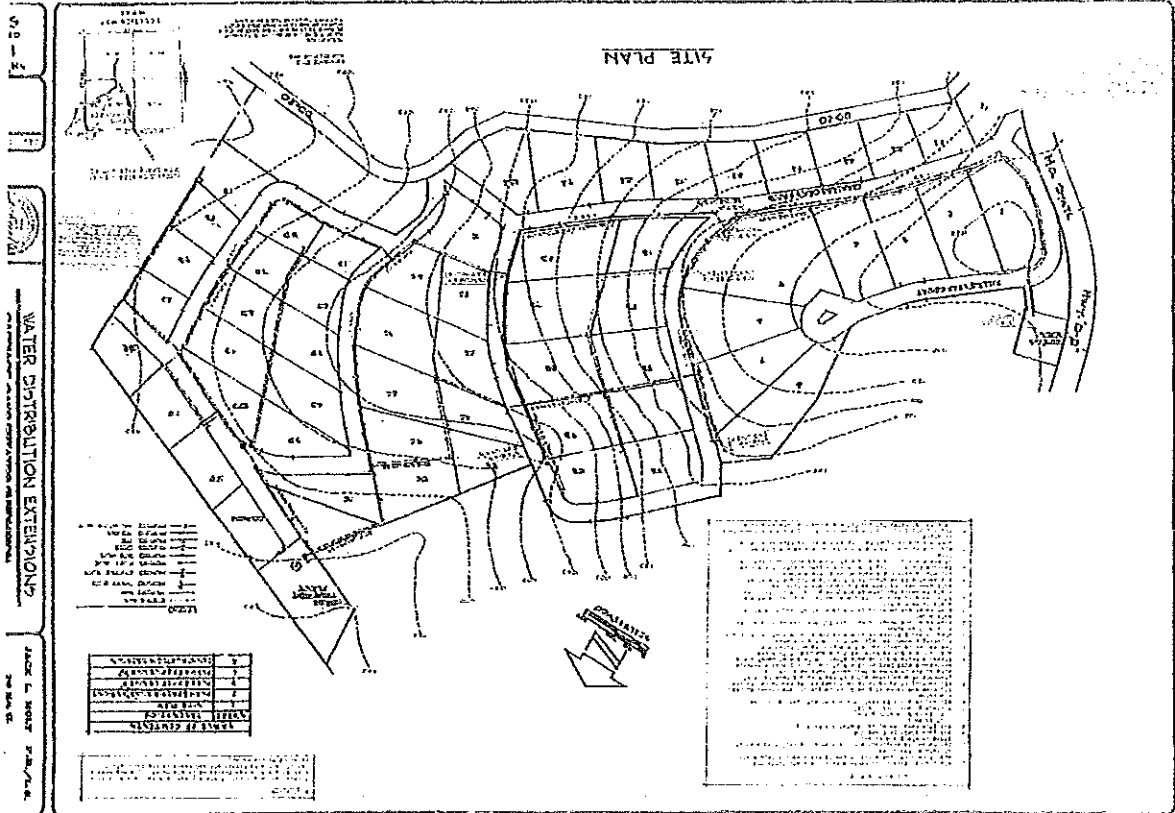
DESCRIPTION:

A PARCEL OF LAND SITUATED IN THE NE4 OF SECTION 12, TOWNSHIP 22 NORTH, RANGE 23 WEST, STONE COUNTY, MISSOURI BEING A PART OF CARRIAGE OAKS ESTATES, PHASE II, AS PER THE RECORDED PLAT THEREOF FOUND IN BOOK 51, PAGE 97 STONE COUNTY RECORDER OF DEEDS OFFICE, AND ADJACENT LAND, ALL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NW4 OF THE NE4 OF SAID SECTION 12, THENCE S 87°31'18" E ALONG THE NORTH LINE OF SAID NW4 OF THE NE4, 986.78 FEET, THENCE LEAVE SAID NORTH LINE S 00°00'00" E, 1038.08 FEET TO THE POINT OF BEGINNING AT THE NORTHERN MOST CORNER OF LOT 8, CARRIAGE OAKS ESTATES PHASE ONE, AS PER THE RECORDED PLAT THEREOF FOUND IN BOOK 45, PAGE 62, STONE COUNTY RECORDER OF DEEDS OFFICE, SAID POINT BEING ON THE CENTERLINE OF TURNING LEAF TRAIL AS NOW LOCATED, THENCE S 44°58'20" E ALONG SAID CENTERLINE 404.89 FEET, THENCE CONTINUE ALONG CENTERLINE ALONG A CURVE RIGHT HAVING A CHORD BEARING AND DISTANCE OF S 34°30'21" E, 68.82 FEET, A RADIUS OF 188.78 FEET, A DISTANCE OF 69.21 FEET, THENCE S 24°00'11" E, 23.56 FEET, THENCE ALONG A CURVE RIGHT HAVING A CHORD BEARING AND DISTANCE OF S 10°45'57" E, 56.44 FEET, A RADIUS OF 123.25 FEET, A DISTANCE OF 56.95 FEET, THENCE S 02°28'18" W, 43.57 FEET, THENCE ALONG A CURVE RIGHT HAVING A CHORD BEARING AND DISTANCE OF S 12°09'46" W, 98.57 FEET, A RADIUS OF 292.77 FEET, A DISTANCE OF 99.04 FEET, THENCE S 21°50'31" W, 86.74 FEET TO THE INTERSECTION WITH THE CENTERLINE OF CARRIAGE OAKS DRIVE AS NOW LOCATED, THENCE S 51°46'52" W ALONG CENTERLINE OF CARRIAGE OAKS DRIVE, 351.30 FEET, THENCE CONTINUE ALONG CENTERLINE ALONG A CURVE LEFT HAVING A CHORD BEARING AND DISTANCE OF S 47°04'29" W, 99.67 FEET, A RADIUS OF 607.35 FEET, A DISTANCE OF 99.78 FEET, THENCE S 42°22'05" W, 190.77 FEET, THENCE ALONG A CURVE LEFT HAVING A CHORD BEARING AND DISTANCE OF S 33°15'24" W, 100.71 FEET, A RADIUS OF 318.00 FEET, A DISTANCE OF 101.14 FEET, THENCE S 24°08'42" W, 14.54 FEET, THENCE S 01°36'39" E, 60.96 FEET, S 40°50'19" W, 38.67 FEET TO A POINT ON THE NORTHERLY R/W LINE OF MISSOURI STATE HIGHWAY "DD", THENCE LEAVE CENTERLINE ALONG SAID R/W LINE ALONG A CURVE RIGHT HAVING A CHORD BEARING AND DISTANCE OF S 31°13'35" E, 92.22 FEET, A RADIUS OF 416.96 FEET, A DISTANCE OF 92.41 FEET, THENCE CONTINUE ALONG R/W LINE S 24°52'38" E, 91.53 FEET TO THE INTERSECTION WITH THE WESTERLY R/W LINE OF COUNTY ROAD "DD-20", THENCE LEAVE NORTHERLY R/W LINE N 65°26'00" E ALONG SAID WESTERLY R/W LINE 59.49 FEET, THENCE CONTINUE ALONG R/W LINE N 14°10'03" E, 195.13 FEET, THENCE N 14°40'43" E, 20.82 FEET, THENCE N 48°49'20" E, 542.48 FEET, THENCE N 57°24'40" E, 267.83 FEET, THENCE N 65°27'51" E, 311.70 FEET TO THE SOUTHERNMOST CORNER OF THE LOT 10A OF SAID CARRIAGE OAKS ESTATES PHASE II, THENCE LEAVE R/W LINE N 30°02'08" W, ALONG THE SOUTH LINE OF SAID LOT 10A, 172.23 FEET, THENCE N 59°57'52" E, 153.08 FEET, THENCE S 80°55'07" E, 148.72 FEET RETURNING TO THE WESTERLY R/W LINE OF SAID COUNTY ROAD "DD-20", THENCE N 19°01'42" E, 50.75 FEET TO THE INTERSECTION WITH THE NORTHERLY R/W LINE OF AN INTERSECTING FIFTY (50) FOOT-WIDE ROADWAY EASEMENT, THENCE LEAVE WESTERLY R/W LINE N 80°55'07" W ALONG SAID NORTHERLY R/W LINE, 51.69 FEET, THENCE LEAVE NORTHERLY R/W LINE N 11°43'24" E, 177.53 FEET, THENCE S 83°55'03" W, 120.26 FEET, THENCE N 20°16'22" W, 159.63 FEET, THENCE N 20°27'48" W, 114.66 FEET, THENCE N 42°48'40" W, 41.03 FEET, THENCE N 43°04'10" W, 165.81 FEET, THENCE N 43°10'01" W, 142.17 FEET, THENCE N 43°06'23" W, 465.20 FEET, THENCE S 47°00'15" W, 422.63 FEET, THENCE S 42°59'45" E, 255.00 FEET, THENCE S 48°01'58" W, 288.55 FEET, THENCE S 44°58'20" E, 94.71 FEET, THENCE N 53°56'26" E, 25.16 FEET TO THE POINT OF BEGINNING, CONTAINING 22.26 ACRES. MORE OR LESS, TOGETHER WITH AND SUBJECT TO ALL EXISTING EASEMENTS AND RESTRICTIONS OF RECORD.

Appendix C

See Attached.



GATE PLAN

WATER DISTRIBUTION EXTENSION
 JACKSONVILLE, FLORIDA
 1958

TABLE OF CONTENTS	
1	GENERAL NOTES
2	LEGEND
3	EXPLANATIONS
4	APPENDICES
5	INDEX

LEGEND

1. GATE

2. DRAINAGE

3. WATER DISTRIBUTION

4. EXPLANATIONS

5. APPENDICES

6. INDEX

Appendix D

Well and Water Main Cost (reconstructed from installation in 1999 to 2000):

<u>Item</u>	<u>Cost</u>
Well Drilling System, 760 ft. deep, 6" diameter with 700ft casing, 15 HP 480 VAC at approx. 60 GPM delivery, with 5 119 Accumulator tanks storage, operating between 45 and 65 PSI	\$93,000
Well house with concrete floor, lighting, and electrical control panels for system	\$6,800
3500 feet 4" PVC Bell Hub pipe, 300 ft 1 1/2" PVC pipe, 30 ea. 1 1/2 saddle adapters, etc.	\$8,600
Open 2 ft. wide x 3 ft deep ditch with back hoe, including Rock Hammer equip., remove trees, full length for water lines with room for vaults and air release valves, and pressure reducing valve, clean out for bedding materials (approximately 70 hours of time for machines and operators)	\$17,500
Labor to install pipe connections including vaults, valuing, risers, bleed valves, pressure reducing valves, bedding material before and after pipe laid; two men, truck, trailer, bobcat or tractor (approximately 90 hours of time)	\$20,700
TOTAL:	\$146,600

Upgrades in 2015¹ to include well storage tank, valve manifold, dual pumps and accumulator

This upgrade did not solve the pressure or flow problems in the subdivision as the tank is excessively large and is not properly utilized to provide proper water pressure and flow. The change of pipe sizes from tanks to accumulators and then to the mains is problematic and is a part of the basic problem with the system. For some time, the chlorine system was not in use and it is not known if it is properly used and maintained in keeping a proper level of chlorine in the drinking water when the tank is in use. No testing is provided so the homeowners are in the dark as the quality and safety of their water. Since the upgrade of the system the size of the rocks found in the home filters has increased and is of a major concern as it can cause a major blockage in a home water system should they get by the filters. The amount of iron has been a problem and could be alleviated by a regular flushing out of the system. The foot note that the homeowners approved is not true. He had a not for profit pay for it. He agreed to the tank or tanks in DNR filing.

¹ Upgrade verbally approved by the homeowners at the 2014 HOA meeting, but never paid for by homeowners

Appendix E

Mills as the operator has been known to shut off the water system without notification to the homeowners. On occasion it has failed to no fault of his own but there are times when he shuts it off for supposed maintenance without notice. This is an unacceptable practice and the commission should make the operator aware of his responsibilities to his customers.

Item

Cost

Upgrade water system with 12 ft. x 36 ft. water storage tank delivered \$29, 408.75 and set in place

Mr. Mills in his filing with the PSC indicated that this amount had been paid by a Charity Caring Americans and it should not be included in the developer's costs as he did not incur these Charges.

Dual Pump/Motors, with piped valve manifold surface mounted in house 60 GMP \$9,946.61

There is in fact a major problem with this installation as it throttles the flow of water by having a smaller pipe feed the 4-inch main that runs throughout the subdivision. This is likely the problem with the pressure issues that everyone in the subdivision has as each user opens a valve the flow is throttled, and the pressure is lost. The commission should require the operator to address this pressure problem for existing and future homeowners.

TOTAL \$39,355.36

GRAND TOTAL **\$185,955.36**

7

Proposed Rates

Monthly base rate for water:

\$68.25 (include first 3,000 gallons of water)
There is no indication that the base costs of the operation of the water system is related in any way to the cost of the first 3000 gallons of water usage. Mills has not shown the annual or monthly water usage for any period in which he has been collecting data. He has been reading meters for some time now, so he has data on usage. His base costs are over stated and include costs of operation of the sewer as well as the water system and in at least one case the charges only relate to the sewer system. If he would like the commission to include the sewer system in this order, then it might be an appropriate set of numbers to consider.

Appendix F

Cost per 1,000 gallons of water:

\$5.36 per 1,000 gallons (up to 20,000 gallons per month)

How is this number derived at and how does it relate to the cost of delivery of water

\$7.16 per 1,000 gallons (above 20,001 gallons per month)

Why would this charge increase so significantly unless he can show that the burden on the system from such use causes maintenance and operational issues?

8

Approximation of Cost for Operation for Previous 3 Years

2015

<u>Item</u>	<u>Total Yearly Cost</u>
Utilities for Water System	\$1,235 There are mixed charges in electric that must be separated Mills has no idea if this is correct as the White River Billings for 2 meters also service the gate etc.
ThTesting	\$500 The only testing on the HOA accounts was to BBP and that was for sewer tests
Permits	\$300 The charge is likely for the DNR sewer permit as we are not aware of a water permit charge
Management Related Services o Includes: o Weekly check of operating equipment , equipment grounds and chemical levels (Approximately 1 hour per week @ \$75 per hour) o Collection and delivery of water samples (4 times per year @ \$100 for each collection)	\$4,200 At the PSC hearing Mr. Mills claimed that his fee was for the operation of the water and sewer system and he could not justify the costs, or the time spent. He has no records or time sheets. There have never been given to the members a water test result annually or quarterly. These costs are primarily for sewer activities.
Maintenance Related Services o Includes: o Bush hogging, weed eating and mowing in water facility area (Approximately 10 times per year @ \$200 per occurrence) o Removal of vegetation from filer beds (Approximately 2time per year @\$125 per occurrence)	\$2,250 There has never been any bush hogging near or around the water system nor is it possible to do any based on the terrain. There are no filer beds associated with the water system that need vegetation removal. See invoice as this is all sewer related.
TOTAL	\$8,485

Appendix G

2016

<u>Item</u>	<u>Total Yearly Cost</u>
Utilities for Water System	\$1,600 See comments for 2015
Testing	\$500 See comments for 2015
Permits	\$300 See comments for 2015
Service Calls/Repairs	\$710 As best as can be determined this is related to the sewer system and not the water system
Management Related Services	\$4,200 See comments for 2015

9

Appendix 8

<p>○ Includes: ○ Weekly check of operating equipment, equipment grounds and chemical levels (Approximately 1 hour per week @ \$75 per hour) ○ Collection and delivery of water samples (4 times per year @ \$100 for each collection)</p>	<p>See comments for 2015</p>
<p>Maintenance Related Services ○ Includes: ○ Bush hogging, weed eating and mowing in water facility area (Approximately 10 times per year @ \$200 per occurrence) ○ Removal of vegetation from filter beds (Approximately 2time per year @\$125 per occurrence)</p>	<p>\$2,250 See comments for 2015</p>
<p>Chemicals</p>	<p>\$350 If this is for chlorine for the water system and charges are made for maintaining chemical levels, then why in 2015 were charges made for maintaining chemical levels when no chemicals were purchased</p>
<p>TOTAL</p>	<p>\$9,910</p>

2017

<u>Item</u>	<u>Total Yearly Cost</u>
<p>Utilities for Water System</p>	<p>\$1860 See preceding comments</p>
<p>Testing</p>	<p>\$500 See preceding comments</p>
<p>Permits</p>	<p>\$300 See preceding comments</p>
<p>Management Related Services ○ Includes: ○ Weekly check of operating equipment , equipment grounds and chemical levels (Approximately 1 hour per week @ \$75 per hour) ○ Collection and delivery of water samples (4 times per year @ \$100 for each collection)</p>	<p>\$4,200 See preceding comments</p>

Appendix 9

SPH-2181534

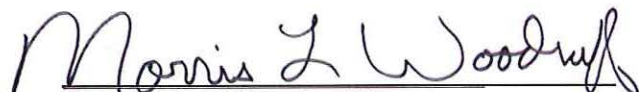
<p>Maintenance Related Services ○ Includes: ○ Bush hogging, weed eating and mowing in water facility area (Approximately 10 times per year @ \$200 per occurrence) ○ Removal of vegetation from filter beds (Approximately 2time per year @\$125 per occurrence)</p>	<p>\$2,250 See preceding comments</p>
<p>TOTAL</p>	<p>\$9,110</p>

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 th
8 day of June 2018.




Morris L. Woodruff
Secretary

MISSOURI
PUBLIC SERVICE COMMISSION June 8, 2018

Appendix 11

**Missouri Public Service
Commission**

Staff Counsel Department
200 Madison Street, Suite 800

P.O. Box 360 Jefferson City, MO 65102
opcservice@ded.mo.gov

Office of the Public Counsel

Hampton Williams

200 Madison Street, Suite 650

P.O. Box 2230

Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Carl Richard Mills

Whitney S Smith

901 St. Louis St., 1800 Springfield,
MO 65806

whitney.smith@huschblackwell.com

Carl Richard Mills

Bryan Wade

901 St. Louis St., Suite 1800

Springfield, MO 65806 Stone County Courthouse

bryan.wade@huschblackwell.com Galena, MO 65656

County of Stone, Missouri

County Commission Clerk

PO Box 45

Galena, MO 65656

**Missouri Department of Natural
Resources**

Legal Department

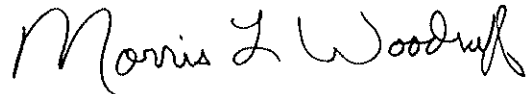
1101 Riverside Drive

P.O. Box 176

Jefferson City, MO 65102-0176

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

Sincerely,



**Morris L. Woodruff
Secretary**

Appendix 12

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

Appendix 2

**DNR Submission Showing Approval of Plans to Add Tanks as the
Number of Homes Increased**

Appendix 14

ENGINEERING REPORT
FOR
CARRIAGE OAKS ESTATES

1998 REPORT
AJ

OWNER:

DICK MILLS
6 WILDERNESS TRAIL SOUTH
KIMBERLING CITY, MO 65686

PREPARED BY:

JACK L. HOLT, P.E.
248 SEAL AVE.
BILOXI, MS. 39530

JACK L. HOLT E-10067

DATE

Appendix 15

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IV. PROPOSED WELL AND STORAGE DEMANDS	Page 3
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C. Hydroneumatic Storage	Page 4
D. Hydrostatic Storage - Phase I	Page 4
E. System Pressure	Page 4
F. High Service Pump	Page 4
G. Chlorine Detention Time	Page 4
V. CONCLUSION	Page 4

ADDENDUMS - A Letter by Division of Geology (MDNR)
B Location Map
C Proposed Pump Performance
D Hydroneumatic Storage

Appendix 16

ENGINEERING REPORT CARRIAGE OAKS ESTATES STONE COUNTY, MISSOURI

I. INTRODUCTION

This one volume report is for the purpose of obtaining the approval of the State of Missouri for a construction of a notable water well to eventually serve a water distribution system for Carriage Oaks Estates in Stone County, Missouri. The proprietor and developer of the subdivision is Mr. Dick Mills, 6 Wilderness Trail South, Kimberling City, Missouri 65686.

The subdivision lays in the NE 1/4 of Section 12, Township 22 West, Range 23 North. To access travel approximately three miles north of Kimberling City on MO. St. Hwy. 13 to Stone County Hwy. "D-D". Thence follow "D-D" southeasterly for approximately four miles to the subdivision entrance on the left. The proposed well site is adjacent to the east right-of-way line of "D-D" approximately 500 feet north of the subdivision entrance.

Mr. Mills is presently preparing a plat of five (5) as shown on the attached preliminary plat. Within the 96 acre tract Mr. Mills is also preparing a plat such that the maximum total single family lots would not exceed sixty (60). Mr. Mills is also preparing plans for a central recirculating rock filter waste water treatment plant and gravity sewer.

The well and storage is planned to be constructed in three phases:

1. Complete well and high service pump with hydro pneumatic storage to serve 5 lots.
2. Add booster pumps and atmospheric storage for 1/2 the total lots to be served.
3. Add additional atmospheric storage to adequately supply the balance of lots.

The detailed plans have been drawn to reflect the phases and total requirements to serve sixty (60) single family lots.

II. FIELD SURVEY

The proposed subdivision will occupy 96 acres of previously previously undeveloped land. The wellsite and surrounding property has been physically reviewed. No evidence of violations of the minimum MDNR "isolation standards" were found and no existing wells are on record with the MDNR within the nearby area.

Appendix 17

The proposed 100' by 100' wellsite is shown on the detailed construction plans.

The proposed lots are to be sold to individuals for the purpose of constructing and occupying single family residences. Mr. Mills will retain responsibility and ownership of the well until the utilities are turned over to a "property owners association" or operates the system as a public utility under the jurisdiction of the Missouri Public Service Commission. The P.O.A. or public utility will thereafter be responsible for continuing operation, maintenance and protection of the "isolation standards".

The initial five (5) lots will utilize individual "on site" wastewater treatment facilities as approved by the Stone County Health Department. Upon the completion of the central wastewater treatment facility sludge will be removed by a licensed tanker truck operator and disposed by one of the processes listed in 40 CFR 257 Appendix II or be stored for a minimum of 45 days.

Although only one source of water is being provided for the subdivision, sources of rental gasoline generators are available within one hour drive of the site, should an extended power outage be experienced.

Appendix 18

III. PROJECT DEMANDS

Mr. Mills has determined that the proposed subdivision will not exceed 60 residential lots. Therefore the estimated flow demands are as follows:

A. Average Daily Flow

Population = 60 lots x 2.5 people/lot = 150

BASIS: 1980 MD. Census 4,919,444 people/1,989,259 housing units

ADF = 150 people x 100 gpd = 15000 gallons/day

BASIS: MCWC Regulations 10CSR 20-8.020.11.B.3

B. Peak Demand

15000 gpd/1440 min = 10.42 gpm

C. Peak Flow

12 x (60 lot)^{0.515} = 9.9 gpm

BASIS: Public Drinking Water Program Policy

IV. PROPOSED WELL AND STORAGE DEMANDS

As shown on the detailed plans Phase I will include the required well, well house and hydronneumatic storage.

A. Pump capacity required:

6x peak demand = gal/min

6x 10.42 = 66 gal/min

Use: 70 G.P.M. pump

BASIS: Jan 1988 Design Guide for Community Public Water Supplies MDNR-PDWP (Design Guide) Part 7.2.2.c

B. Storage volume for ground storage system

= 1 day ADF

= 1500 gallons

BASIS; Design Guide Part 7.0.1.b

C. Required hydronneumatic storage required for ground storage system

= peak flow x 10

= 100 x 10

= 1000 gallons

BASIS: 1982 MDNR-PDWP Standards for Non Community Public Water Supplies (Standards) Part 5.3.1.a

Appendix 19

D. Required hydrostatic storage required for Phase I

$$\begin{aligned} &= 35 \text{ gal/person} \times 5 \text{ lots} \times 2.1 \text{ people/lot} \\ &= 368 \text{ gallons} \end{aligned}$$

BASIS: Design Guide, Part 7.2.2.a

E. System Pressure

$$60 \text{ p.s.i.} = 139 \text{ feet water}$$

BASIS: Design Guide, Part 7.3.1

F. High service pump for ground storage system

$$\begin{aligned} \text{peak flow} &= 100 \text{ g.p.m.} \\ \text{assume } &55\% \text{ pump efficiency} \end{aligned}$$

$$\text{H.P. } (0.55) = (100 \text{ gpm})(139 \text{ TDH})/3960$$

$$\text{H.P.} = 6.38 \text{ Use } 7.5 \text{ H.P. pump}$$

BASIS: Chemical Engineers Handbook 4th edition
pages 6-2 and 6-3

G. Chlorine detention time = 30 Min.

BASIS: Design Guide, Part 4.3.2.d

1. Phase 1 - 65 gpm pump with five (5) homes

$$\begin{aligned} \text{Peak Flow} &= 12(5 \text{ lots})^{0.515} \\ &= 27 \text{ gpm} \end{aligned}$$

$$\begin{aligned} \text{Required hydropneumatic storage} &= 27 \times 30 \\ &= 810 \text{ gallons} \end{aligned}$$

2. Phase 2 - 65 gpm pump with 8000 gal storage

$$\begin{aligned} &= 8000/65 \\ &= 115 \text{ min} \end{aligned}$$

3. Phase 3 - 65 gpm pump with 16000 gal storage

$$\begin{aligned} &= 16000/65 \\ &= 246 \text{ min.} \end{aligned}$$

V. CONCLUSION

A. Phase 1

1. Drill 10" hole and set 6" casing to a depth of 500 feet.
2. Continue a 6" hole to a depth to supply a minimum 65 gal/min. as determined by the well contractor.
3. The contractor shall determine the optimum depth to set the proposed pump considering draw down and water table fluctuation.
4. The pump shall be a 230v, single phase 4" submersible with adequate horsepower to provide a minimum 65 gal/min to the hydropneumatic storage as determined by the depth of the pump setting. Pump shall be similar to Goulds 70T05412 or acceptable equivalent.

Appendix 20

5. Construct well house as described on detail plans.
 6. Install equipment and plumbing as described on the detail plans.
 7. Install hydropneumatic tanks with a minimum total storage of 810 gallons. Tanks shall be similar to (3) WX-456 as made by Well-X-TROL or other acceptable equivalent meeting ASME code.
- B. Phase 2
1. Install a minimum of 7500 gallon tank for ground storage.
 2. Install 2 - 7 1/2 horse power 230v single phase high service pumps.
 3. Add equipment and plumbing as shown on construction plans.
- C. Phase 3
1. Install ground storage tank as required to have a minimum of 15000 gallons
 2. Add hydroneumatic storage to have a total capacity of 1000 gallons.

APPENDIX 3

**3 CARRIAGE OAKS BUDGET SHEETS SHOWING
EXPENDITURES AND ESTIMATES AND INVOICES FROM
MILLS**

Appendix 22

**CARRIAGE OAKS ESTATES HOA, INC.
EXPENSES for 2014-2017 (to date) and
PROPOSED Budgets for 2017 & 2018**

	Costs 2014	Costs 2015	Costs 2016	Costs To Date 2017	Planned Budget 2017	Planned Budget 2018
INCOME Carry Over Bal:						
Assessments	13750	26060	13750	13750	13750	13750
Repay Special Assessment						(a) 5500
Loan				2000		
Total Income	13750	26060	13750	15750	13750	13750

EXPENSE

General & Admin						
Repay loan (a)	4000.00	2105.00				(a) 5500
Legal fees: TBD-(b)	225.00	10773.15	(b) 21017.00	(b) 12594.25		
Accounting fees	255.00	255.00	300.00	0.00	325	350
SubTotal: General & Admin	4480.00	13133.15	300.00	0.00	325	350

(a) Budget of \$5500 is for each year of a proposed 3 year loan for road repair (2018-2020 @ \$500 per lot per year). See Note 1 on page 2.

(b) Cost of lawyers to defend HOA initially funded by Dick Mills, the HOA President. Repayment to be discussed at HOA meeting.

Gate & Grounds						
Gate bulbs (LED)	*	*	*	*	200	50
Gate flwr beds	*	*	*	*	150	150
Gate phone	432.00	456.00	480.00	300.00	510	535
Gate elect	575.00	595.00	615.00	500.00	630	650
Repr 2 gate sensors (Note 3a on page 2.)					900	
Common Area Maint # (c)	1275.00	499.00	485.00	1935.00	150	75
SubTotal: Gate & Grounds	2282.00	1550.00	1580.00	2735.00	2540	1460

Grass cut, Weed eat, Gather leaves, Fertilize, Landscape (gates), Paint gates, etc.

(c) Need quote from lawn contractor at The Point to compare to Wendell.

Water & Sewer - Operated by Carriage Oaks Water & Sewer Co. (See Note 5 on page 2.)

Water & Sewer Management	4000.00	4200.00	4200.00	4200.00	4200	4200
Water & Sewer Maintenance	2250.00	2250.00	2250.00	2250.00	2250	2250
MDNR permit	200.00	300.00	300.00	0.00	300	300
Elc wtr/swr	2163.49	1874.11	3856.57	1724.39	4000	3200
Sewer Service Calls	0.00	2259.83	532.48	350.00	350	350
Sewer Testing DNR	500.00	500.00	500.00	250.00	500	500
Swr chem (C-100, Chlor, De-Chlor)	0.00	456.98	813.16	856.60	900	950
Bi-Annual Pump Flacuation	155.00	155.00	160.00	160.00	160	170
Water Service Calls			413.31			
Wtr testing	15.00	15.00	15.00	55.00	75	80
Wtr chemicals (Chloreen)					400	420
Insurance (d)?						
SubTotal: Water & Sewer	9283.49	12010.92	13040.52	9845.99	13135.00	12420.00

(d) Need quote from the Insurance Company used by The Point

08/23/2017

Appendix 23

29 Budgets do not include Special Assessments for 2017 Assmt at \$23101: \$ 2,100.09 per lot owner
30 Gate improvements or legal Fees 2018 Assmt at \$26505: \$ 2,409.55 per lot owner

OTHER ISSUES AND NOTES: 1. A Special Assessment was approved for urgent Street Repairs - Work must be done before cooler weather arrives. Best repaving bids (from Main to Svc gates) is \$18,021 from Springfield Striping & Sealing includes repair of failing base sections before top coat is applied but no guarantee of their work. Young/Hierans said they would match that price and guarantee the work. The proposed plan called for an initial cost of \$1521 to be included in the 2017 budget, and Dick Mills will advance the remaining funds (\$16,500) interest free with the agreement that the HOA will repay him via a Special Assessment from all lot owners over a 3 year period (2018-2020) of \$5500 per year or \$500 per lot owner per yr.

2. This subject was discussed at the 2017 HOA meeting. It has been subsequently determined that only 1 probe is bad, but the circuit board is not receiving the signal from the other probe. Work will be done only to restore proper operation of the exit gate. Final cost to be determined.

3. To ensure appropriate quality of sewage entering the sewer system from our homes, and to prevent damage to our own septic systems, Home Owners are required to have their own septic pump and filter cleaned every 3 years (due 2017/2020/2023 etc.). Cost is ~\$150 each for pumping with addl cost to clean the filter, is to be paid for privately either individually or as a group to get a better price.

4. Water/Sewer: Some homeowners previously requested that a 3rd party operate/manage them in order to provide continuity, consistency, and confidence. Carriage Oaks NFP Water & Sewer Co. is a not-for-profit company qualified (393.025 - 393.061) to operate and maintain both the water and sewer systems. These are the same credentials as the Ozarks Clean Water Company (who recently bought out White River Environmental).

5. We need to ask The Point which company insures their W/S equipment for \$250.

6. HOA members desire to have officers: President, Vice President, Secretary, Treasurer. (One person may occupy more than one position.)

7. To date, Dick Mills has loaned the HOA \$2000 in 2017 to cover essential bills.

8. The data and quotes presented herein have been compiled from information provided by Dick Mills and Gloria Phipps.

10/04/2017

Appendix 24

CARRIAGE OAKS ESTATES HOA, INC. EXPENSES for 2015-2017 and BUDGETS for 2018-2019

	Costs 2015	Costs 2016	Costs 2017	2018 Budget	2019 Budget
Assessments paid in arrears - See note (1)	13750.00	13750.00	13750.00	23100.00	
Budget paid up front - See note (1)				23100.00	26400.00
Loan			2000.00		
Total Income	13750.00	13750.00	15750.00	46200.00	26400.00
EXPENSES					
1 Repay loan (a)	2105.00	0.00	2000.00	0	0
(a) Dick Mills loaned the HOA \$2000 in 2017 to cover essential bills.					
2 Legal fees: TBD (b)					
(b) Cost of lawyers to defend HOA initially funded by Dick Mills, the HOA President. Repayment not in total costs.					
3 Accounting fees	255.00	300.00	325.00	350.00	350.00
4 Gate bulbs (LED)	0.00	0.00	200.00	200.00	200.00
5 Gate phone	456.00	480.00	510.00	535.00	535.00
6 COE Elect (gates/well/sewer)	2469.11	4471.57	4510.00	3850.00	4000.00
7 Common Area Maint #(c)	499.00	485.00	4000.00	4100.00	4100.00
8 Seal asphalt	0.00	7133.33	0.00	0.00	0.00
9 Repair gate sensors-see note (2)	0.00	0.00	900.00	0.00	0.00
10 Total: All Non-Water&Sewer Costs	5784.11	12869.90	12445.00	9035.00	9185.00
# Grass cut, Weed eat, Gather leaves, Fertilize, Landscape (gates), Paint gates, snow removal, tree & limb removal, etc.					
(c) Need quotes from other lawn contractors.					
Water & Sewer - Operated by a NFP Water & Sewer Co.					
11 Water & Sewer Management	4200.00	4200.00	4200.00	4200.00	4200.00
12 Water & Sewer Maintenance	2250.00	2250.00	2250.00	5000.00	5000.00
13 MDNR permit	300.00	300.00	300.00	300.00	300.00
14 Sewer Service Calls	2259.83	532.48	350.00	350.00	350.00
15 Sewer Testing DNR	500.00	500.00	500.00	500.00	500.00
16 Swr chem (C-100, Chlor, De-Chlor)	456.98	813.16	900.00	950.00	950.00
17 Bi-Annual Pump Flocculation	155.00	160.00	160.00	170.00	170.00
18 Water Service Calls	0.00	413.31	0.00	0.00	0.00
19 Wtr testing	15.00	15.00	95.00	80.00	80.00
20 Wtr chemicals (Chlorine)	0.00	0.00	400.00	420.00	420.00
21 Insurance (Need quote fm Ins. Co. at The Point)	0.00	0.00	0.00	0.00	0.00
22 Total: Water & Sewer Costs	10136.81	9183.95	9155.00	11970.00	11970.00
Streets - HOA responsibility.					
24 Repave btwn Gates (BOD appvd Special Assmt)-see note (3)			1521	5500	5500
25 Seal other asphalt	0	0	7133.33	0	0
26 SubTotal: Streets	0	0	8654.33	5500	5500
27 Total Expenses	15920.92	22053.85	30254.33	26505.00	26655.00
28 Net Excess/-Shortfall	-2170.92	-8303.85	-14504.33	19695.00	-255.00
29 Budgets do not include Special Assessments for Gate Improvements, Water Tower, or Legal Fees	\$ 1,250	\$ 1,250	\$ 1,250	\$ 2,100	\$ 2,400
30	per lot owner	per lot owner	per lot owner	per lot owner	per lot owner

09/23/2018

Appendix 25

If it is decided that water and sewer costs will be included in monthly/bi-monthly utility bills based on meter readings, those costs will be removed from the assessments. The above 2019 Budget would then be reduced by \$11,970 leaving an assessment of \$14,535 (including the Special Assessment of \$5500 for the street repairs) or \$1,321 per lot owner.

1. The HOA needs to transition from Assessments (paid for expenses incurred during the previous year) to Budgets to pay for expenses for the new year. To do so, we must pay both the 2017 assessment (which we did in Jan 2018) and the 2018 Budget which was technically also due in Jan 2018, but due now. Then in January the 2019 Budget will be due. To ease the financial burden of making 2 years of payments so quickly, we need to discuss a phasing plan. One plan for the 2018 Budget is to split the \$2100 into 3 payments of \$700 in Oct 15, Dec15, and Feb 15. The plan for the 2019 Budget depends on how much it is. If it is \$2400 it can be 3 payments of \$800 or 2 of \$1200. If it is \$1321 it can be either 1 or 2 payments.

OTHER
ISSUES
AND
NOTES

2. This subject was discussed at the 2017 HOA meeting. Work was done only to restore proper operation of the Main exit gate. Anchor also provided quotes for the Service Gate and Lower Gate for the membership to consider.

3. A Special Assessment was approved by the BOD for urgent Street Repairs - Work had to be done before cooler weather arrived. Best repaving bids (from the Main to the Svc gates) was \$18,021 from Springfield Striping & Sealing included repair of failing base sections before the top coat was applied but they did not guarantee their work. Young/Herans said they would match that price and guarantee the work, so they were hired. The proposed repayment plan requires an initial cost of \$1521 to be included in the 2017 budget, and Dick Mills advance the remaining funds (\$16,500) interest free with the agreement that the HOA will repay him via a Special Assessment from all lot owners over a 3 year period (2018-2020) of \$5500 per year or \$500 per lot owner per year in 2018-2020.

4. To ensure appropriate quality of sewage entering the sewer system from our homes, and to prevent damage to our own septic systems, Home Owners are required to have their own septic pump and filter cleaned every 3 years (last done 2017-18). Cost was ~\$150 each for pumping with addl \$25 to clean the filter, paid by the homeowners directly to the vendor. It is important to note the critical need for this work. The sludge in the bottom of the tanks was between 8" and 14", and the filter basket is only at about the 12" level. Dangerous levels for your equipment and the infrastructure.

Appendix 26

**CARRIAGE OAKS ESTATES HOA, INC. (Rev 12)
EXPENSES for 2015-2016 and BUDGETS for 2017 & 2018**

	Costs 2015	Costs 2016	2017 Costs Jan-Jun	2017 Estimate Jul-Dec	2017 Final Budget	2018 Budget
INCOME						
Carry Over Bal:						
Assessments	26060.00	13750.00	13750.00	0.00	23100.99	21005.05
Repay Special Assessment Loan			2000.00			5500.00
Total Income	26060.00	13750.00	15750.00	0.00	23100.99	26505.05
EXPENSES						
1 Repay loan (a)	2105.00	0.00	0.00	2000.00	2000.00	0
(a) Dick Mills has loaned the HOA \$2000 in 2017 to cover essential bills.						
2 Legal fees: TBD (b)	10773.15	(b) 21017.0	(b) 12594.25			
(b) Cost of lawyers to defend HOA initially funded by Dick Mills, the HOA President. Repayment not in total costs.						
3 Accounting fees	255.00	300.00	0.00	325.00	325.00	350.00
4 Gate bulbs (LED)	0.00	0.00	0.00	200.00	200.00	200.00
5 Gate phone	456.00	480.00	255.00	255.00	510.00	535.00
6 COE Elect (gates/well/sewer)	2469.11	4471.57	2224.39	2285.61	4510.00	3850.00
7 Common Area Maint # (c)	499.00	485.00	1935.00	2065.00	4000.00	4100.00
8 Seal asphalt	0.00	7133.33	0.00	0.00	0.00	0.00
9 Repair gate sensors-see note 2	0.00	0.00	0.00	900.00	900.00	0.00
10 Total: All Non-Water&Sewer Costs	16557.26	12869.90	4414.39	8030.61	*12445.00	9035.00
# Grass cut, Weed eat, Gather leaves, Fertilize, Landscape (gates), Paint gates, snow removal, tree & limb removal, etc.						
(c) Need quotes from other lawn contractors to compare to Wendell.						
Water & Sewer - Operated by Carriage Oaks Water & Sewer Co. (Ozarks bid not accepted by all homeowners)						
11 Water & Sewer Management	4200.00	4200.00	4200.00	0.00	4200.00	4200.00
12 Water & Sewer Maintenance	2250.00	2250.00	2250.00	0.00	2250.00	5000.00
13 MDNR permit	300.00	300.00	0.00	300.00	300.00	300.00
14 Sewer Service Calls	2259.83	532.48	350.00	0.00	350.00	350.00
15 Sewer Testing DNR	500.00	500.00	250.00	250.00	500.00	500.00
16 Swr chem (C-100, Chlor, De-Chlor)	456.98	813.16	856.60	43.40	900.00	950.00
17 Bi-Annual Pump Flacuation	155.00	160.00	130.00	30.00	160.00	170.00
18 Water Service Calls	0.00	413.31	0.00	0.00	0.00	0.00
19 Wtr testing	15.00	15.00	55.00	20.00	75.00	80.00
20 Wtr chemicals (Chloreen)	0.00	0.00	0.00	400.00	400.00	420.00
21 Insurance (d)	0.00	0.00	0.00	0.00	0.00	0.00
(d) Need quotes from Insurance Companies						
22 Total: Water & Sewer Costs	10136.81	9183.95	8091.60	1043.40	* 9135.00	11970.00
Streets - HOA responsibility.						
24 Repave btwn Gates (Special Assmt approved by the BOD - see note 1)					* 1521	5500
25 Seal other asphalt	0	0	7133.33	0	0	0
26 SubTotal: Streets	0	0	7133.33	0	1521	5500
27 Total Expenses	26694.07	22053.85	19639.32	9074.01	* 23101.00	26505.00
28 Net Excess/-Shortfall	-634.07	-8303.85	-3889.32	-9074.01	-0.01	0.05

10/04/2017

Appendix 27

29	Budgets do not include Special Assessments	for	2017 Assmt at \$23101: \$ 2,100.09	per lot owner
30	Gate Improvements or Legal Fees		2018 Assmt at \$26505: \$ 2,409.55	per lot owner

- OTHER ISSUES AND NOTES:
1. A Special Assessment was approved for urgent Street Repairs - Work must be done before cooler weather arrives. Best repaving bids (from Main to Svc gates) is \$18,021 from Springfield Striping & Sealing includes repair of falling base sections before top coat is applied but no guarantee of their work. Young/Herans said they would match that price and guarantee the work. The proposed plan called for an initial cost of \$1521 to be included in the 2017 budget, and Dick Mills will advance the remaining funds (\$16,500) interest free with the agreement that the HOA will repay him via a Special Assessment from all lot owners over a 3 year period (2018-2020) of \$5500 per year or \$500 per lot owner per yr.
 2. This subject was discussed at the 2017 HOA meeting. It has been subsequently determined that only 1 probe is bad, but the circuit board is not receiving the signal from the other probe. Work will be done only to restore proper operation of the exit gate. Final cost to be determined.
 3. To ensure appropriate quality of sewage entering the sewer system from our homes, and to prevent damage to our own septic systems, Home Owners are required to have their own septic pump and filter cleaned every 3 years (due 2017/2020/2023 etc.). Cost is ~\$150 each for pumping with addl cost to clean the filter, is to be paid for privately either individually or as a group to get a better price.
 4. Water/Sewer: Some homeowners previously requested that a 3rd party operate/manage them in order to provide continuity, consistency, and confidence. Carriage Oaks NFP Water & Sewer Co. is a not-for-profit company qualified (393.025 - 393.061) to operate and maintain both the water and sewer systems. These are the same credentials as the Ozarks Clean Water Company (who recently bought out White River Environmental).
 5. We need to ask The Point which company insures their W/S equipment for \$250.
 6. HOA members desire to have officers: President, Vice President, Secretary, Treasurer. (One person may occupy more than one position.)
 7. To date, Dick Mills has loaned the HOA \$2000 in 2017 to cover essential bills.
 8. The data and quotes presented herein have been compiled from information provided by Dick Mills and Gloria Phipps.

Appendix 28

Distinctive Designs Ltd.

Div. Mills Properties Group Ltd.

209 Falling Leaf Court
Branson West, MO 65737
(417) 338-8870
Fax (417) 338-0521

January 30th 2016

Invoice for 2015 Services Carriage Oaks Estates

Management for calendar year 2015 of, Carriage Oaks Estates Subdivision, Sewer Treatment Plant & Water Well facilities. Operating and Maintaining these facilities includes: A weekly check of operating equipment, for functioning ability of motors monitors and signaling devices, inspection of grounds for fallen trees, overgrown vegetation, including filter bed, and checking chemical levels. Collecting water samples from the Water Well annually, until at least 10 homes or 25 persons reside in the subdivision. Collect samples of sewer treatment plant quarterly, and prepare a test report as required by the MDNR. The monthly cost is \$350.00, and does not include grounds maintenance work on or around the Well or Wastewater Treatment Facility, De-Chlorination Tablets, Prestofloc C-100, 55 gal. Drums. And are determined by the commercial suppliers, and subject to change, will be supplied at cost.

Cost for 2015 year above described services. \$4,200.00

Maintenance costs being separate from above, include: Sewer Treatment Plant facility, Brush Hogging as needed for large growth, regular mowing for small grass areas, weed eating for steep inclines and outside Filter Bed fenced area, removal of overgrown brush, cut up and/or remove fallen trees near filter bed. Remove vegetation from filter bed in Spring and Fall, or as required by MDNR. Accompany MDNR on any inspections requested. Clean Recirculation Pumps/Motors and Filter Basket in Recirculation Tank annually for fecal material. Check each year, and Pump out Flocculation Tank as needed. Renew Operating Permit with MDNR when required, and keep permit current annually. Schedule all Carriage Oaks property owners to pump out Septic tanks, and clean Pump/Motor and Filter baskets every three (3) years in August starting 2014 year.

Cost for 2015 year above described services \$2,250.00

All other outside services costs such as, vendors supplying repairs, or new equipment, electricians, repairmen, new requirements from the MDNR engineers or skilled labor for repairs for all parts, and pumping out services, are not included in the above invoice.

THIS IS
ALL SERVICE
NO WATER

*Paid by Check # 1507
Same price as 2014*

⑧

Appendix 29

Distinctive Designs Ltd.

Div. Mills Properties Group Ltd.

209 Falling Leaf Court
Branson West, MO 65737
(417) 338-8870
Fax (417) 338-0521

Jan. 30, 2015

Invoice for 2014 Services

Carriage Oaks Estates Subdivision
209 Falling Leaf Court
Branson West, MO. 75737

Management for calendar year 2014 of, Carriage Oaks Estates Subdivision, Sewer Treatment Plant & Water Well, Facilities. Operating and Maintaining these facilities includes: A weekly check of operating equipment, for functioning ability of motors, monitors and signaling devices, inspection of grounds for fallen trees, overgrown vegetations, including filter bed, and checking chemical levels. Collecting water samples from the Water Well annually, until at least ten homes, or twenty five persons reside in the subdivision. Collect samples of sewer treatment plant quarterly, and prepare a test report as required for the MDNR. The monthly cost is \$350.00, and does not include grounds maintenance work on or around the Well or Wastewater Treatment Facility. Chemicals used at the facilities, and testing are separate including Chlorine Tablets, De-Chlorination Tablets, Prestofloc C-100 55 gallon drums. And are determined by the commercial suppliers, and subject to change, will be supplied at cost.


Cost for 2014 year above described services. \$4,200.00 + \$1500⁰⁰ all Testing
Total 4700.00

Maintenance costs being separate from above, include: Sewer Treatment Plant facility, Brush-hogging, as needed for large growth, regular mowing for small grass areas, weed-eating for steep inclines and outside Filter Bed fenced area, removal of overgrown brush, cut up and/or remove fallen trees near filter bed. Remove vegetation from filter bed in Spring and Fall, or as required by MDNR. Accompany MDNR on any inspections requested. Clean Recirculation Pumps/Motors and Filter Baskets in Recirculation Tank annually for fecal material. Check each year, and Pump out Flocculation Tank as needed. Renew Operating Permit with MDNR when required, and keep permit current annually. Schedule all Carriage Oaks property owners to pump out Septic tanks, and clean Pump/motor and filter baskets every three (3) years in August starting 2014 year.

Cost for 2014 year above described services. \$2,250.00 or 187.50 month

All other outside service costs such as, vendors supplying repairs of/new equipment, electricians, repairmen, new requirements from the MDNR, engineers or skilled labor for repairs or all parts, and pumping out services, are not included in the above invoice.

(6)

 **SESSION TIMEOUT WARNING:** Please be advised that when logged into EFIS, your EFIS session **will** time out (expire) after 20 minutes of inactivity. If your session times out, you will be returned to the logon screen (even if you were able to continue typing text or making entries on the screen). In addition, any data or attachments awaiting submission will be lost.

*** Required Fields**

*** Enter Case No.**

WA-2018-0370

Style of Case

In the Matter of Carl R. Mills Trust Certificate of Convenience and Necessity Authorizing it to Install, Own, Acquire, Construct, Operate, Control, Manage and Maintain Water Systems in Carriage Oaks Estates

*** Type of Filing/Submission**

Other

*** Testimony Issue**

Select

Testimony Sub Issue1

Select

*** Testimony Sub Issue2**

Select

*** Filing on behalf of**

David Lott-(All)
Derald Morgan-(All)
Rick and Cindy Graver-(All)

Enter related case number(s) and/or tracking number(s)

[Tab out to enter multiple case/tracking numbers.]

Selected Tracking Nos.

[Empty tracking number selection box]

*** Title of Filing/Submission**

Direct Testimony of Derald Morgan on Behalf of Intervenors

(Allows only 500 characters)

*** Clear and Concise Statement of Relief Requested**

Applicant's request for a certificate of convenience and necessity be denied.

(Allows only 250 characters)

*** Indicate Cite for Commission Authority**

4 CSR 240-2.130

Is this Filing/Submission to meet a scheduled deadline for today? Yes No

Is this a Response to Previous Filing in this case? Yes

SI.No.	Attachment(s)	Security Level
1	direct testimony of derald morgan on behalf of intervenors.pdf	Public
2	exhibit 301.pdf	Public



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I. INTRODUCTION.....3

II. FACTUAL DISPUTES.....5

III. AFFIDAVIT.....10

1 Mr. Mills in his recent filing with the PSC has included the storage tanks and pumps
2 in his costs for the system. In his testimony and filing in prior testimony, he
3 produced an invoice that shows that Caring Americans actually paid for the tank and
4 pumps.

5 **Q. Did you have any issue with his testimony regarding the proposed rates?**

6 Mr. Mills proposed rates that are well beyond what others are paying in
7 subdivisions in the general area that are operated by the owners of the subdivision. He
8 has attempted to profit from the water and sewer systems beyond a reasonable
9 operational cost. In my direct testimony, I pointed out that Mr. Mills claims costs that
10 are comingled with other costs. Mr. Mills cannot show the hours spent performing
11 duties or costs. He uses data cherry picked from other systems with professional
12 operators and significant overhead to justify his charges to the HOA and the possible
13 future water system.

14 Mr. Mills claims he turned over all data to the PSC staff. No one has seen this
15 information. The Intervenors would like the material to be disclosed as we may have
16 material from meetings that is pertinent and may conflict with the material disclosed.

17 **Q. Do you believe Mr. Mills is qualified to operate the water system?**

18 He is not qualified to operate the system either by training, experience or
19 temperament.

20 **Q. Does Mr. Mills' have the financing to operate the water system?**

21 No. He has not presented proof that he has the financial backing to maintain and
22 operate the system. Saying it is true is inadequate. We know he doesn't own his
23 home. He is working on a plan for estate management and giving much to the charity
24 he owns. Estate planning does not include the financial backing for the water and
25 sewer system. Moreover, Mr. Mills has not demonstrated a succession plan for the

1 operation of the water system. Mr. Mills is an elderly individual, and should he pass
2 away or become incapacitated, there is no mechanism in place to ensure that the
3 maintenance and control of the water system will pass to an entity qualified to
4 provide water services.

5 **Q. Are the rates proposed by Mr. Mills economically feasible?**

6 Mr. Mills proposed rates are way out of line. As an example, I pay for more water
7 than I use in my Carriage Oaks residence at a condo I own in Oklahoma City. I get
8 water, trash and sewer for less than his proposed water rate. There is only one retired
9 operator employee and yet the rates exceed a professionally-operated water trash and
10 sewer system.

11 **Q. Does Mr. Mills' operation of the water system serve the public interest?**

12 No. He is not customer oriented, is not truthful, is vindictive and manipulative and
13 will do anything to have his way in all matters. This is hardly a formula for meeting
14 public interest. For example, he claims that all homes were required to install a
15 meter. This is not written anywhere in the covenants nor can he demonstrate that this
16 statement is true. I never received any communication written or verbal related to the
17 installation of a meter. The fact is that the owners of water systems typically own and
18 install meters. There are reasons for such. The owner is normally required to have the
19 ability to test and certify the accuracy of a meter. Mr. Mills likes to palm off costs
20 that are normally and properly his on to others.

21 **Q. Do you have concerns about Mr. Mills' temperament?**

22 Mr. Mills states he is not vindictive in his testimony. It is certainly easy to prove that
23 he is nasty and vindictive with all the nasty written material that I have received over
24 the years. He has made light of my degrees and my employment as a professor with
25 the insinuation that I am not very wise and that I did not make millions upon millions

1 like he did in his life. I believe that I can demonstrate that he has vindictively driven
2 over my property with his tractor, sprayed my house and cars with rocks from his
3 brush hoppers, damaged my plantings that are 3 feet inside the property line, broken a
4 window with rocks thrown by his mower, knocked over my entry post and did not
5 concrete it back, etc. Except for his fixing the window, he has never apologized nor
6 taken steps to apologize or correct his actions.

7 **Q. Has Mr. Mills' ever addressed the issues you had with the quality of the**
8 **water?**

9 He claims that all homes are required to install a pleated filter. This is not written
10 anywhere in the covenants nor can he demonstrate that this statement is true. In
11 written response to questions not one homeowner knew or was told that a filter was
12 required. Owners have installed them because their plumbers or experience has
13 shown the need for a filter. He states in his direct testimony that the homeowners
14 never complained about iron in the system, rocks etc. All the intervenors involved in
15 this action with the PSC will tell you of the many times we have complained in
16 meetings. The unfortunate part is we never put it all in writing. He writes and edits
17 the minutes, so these complaints never are documented. We can tell you that he told
18 us in a meeting he was not going to flush out the system because the last time he tried
19 to do it something blew up and he had to call Lefty to fix it. We really don't
20 understand what he told us with the exception that he wasn't going to regularly flush
21 the system because he didn't know how to do it. That doesn't speak well for the claim
22 that he is a qualified operator.

23 Mr. Mills states that the home filter will sure all ills regarding iron deposits and
24 gravel in the water. This is not true since all sprinkler systems take off the supply
25 before the home water filters and gravel will clog the systems and in fact does.

1 He states that he has met all the water testing requirements for safe water with one or
2 two tests per year. This should be easy to prove as he can produce the test results. He
3 has never provided one test report to any owner of a home in the subdivision that I am
4 aware of. He has certainly never provided one to me. I have done my own testing on
5 occasion as have others. If he provided these tests to the staff, they should be made
6 public.

7 **Q. Do you have any other concerns about Mr. Mills' testimony?**

8 Mr. Mills goes to great lengths to explain how he is qualified to operate a water
9 system safely. He states that his company was involved in water and sewer projects as
10 well as nuclear power plants and other projects. His company made a valve and or
11 actuators, a very small part of a major project. Supplying a few components has
12 nothing to do with the actual final system operation. There is more to operating a safe
13 and effective water system than selling parts to companies or manufacturing a few
14 items that you sell.

15 Mr. Mills claims he is knowledgeable and able to operate the water system. Yet,
16 for months he failed to put chlorine into the system after the tank was installed. When
17 this was noted in a meeting, he locked the box on the chlorine supply system so that
18 none of us could see if it was in operation.

19 Just to make simple calculations on water usage he had to engage an engineer to
20 evaluate the water usage. He then used this engineering report as justification for
21 installing a storage tank. He then began to harass the homeowners for payment for the
22 tank. We then provided him with information that he was required by DNR to install
23 the tank and that he had installed a tank that was much too large for the current usage.
24 It was then pointed out to him that at long periods of time that we would be getting
25 water that was stagnant and that has likely been stored beyond the time of adequate

1 chlorination of the water. No tests have ever been provided of the chlorine levels or
2 adequacy of the chlorination of the water.

3 **Q. Did you or the other Intervenors ever receive copies of the water tests**
4 **purportedly done by Mr. Mills?**

5 No. He states that the PSC stated he was supplying safe water. Can we assume
6 that he provided chlorination test data to the PSC along with the other tests that he
7 claims are done once or twice a year? If so, would it not be expected that a good
8 system operator would provide the customer with these tests? Would he not include
9 this test data in his filing to show all interested parties that he has tested the water and
10 that it meets standards for safe and clean water?

11 His solution is to not fill the tank at certain times of the year. This of course will
12 change the water pressure as pressure is a function of head. Flow is related to pressure
13 but if there are restrictions like pipe size changes and sedimentation then flow will not
14 follow. Or if there is so much sedimentation that the filters clog then flow does not
15 follow. Pumps and pressure tanks help if operated properly but the results indicate
16 that such is not the case.

17

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1 REBUTTAL TESTIMONY OF DERALD MORGAN

2
3
4 I. INTRODUCTION

5 Q. Please state your name.

6
7 My name is Dr. John Derald Morgan.

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

10 Yes.

11 II. FACTUAL DISPUTES

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

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

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

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

25 I do not. We had a settlement conference and these issues were discussed and
26 were to be a part of a contract that the complainants reviewed and approved. Mr. Mills
27 produced a contract that we do not accept and one that does not address any issue except
28 high charges for water. The staff is aware of the poor quality of water and service. It is
29 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.
5
6
7
8

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*** Required Fields**

*** Enter Case No.**

WA-2018-0370

Style of Case

In the Matter of Carl R. Mills Trust Certificate of Convenience and Necessity Authorizing it to Install, Own, Acquire, Construct, Operate, Control, Manage and Maintain Water Systems in Carriage Oaks Estates

*** Type of Filing/Submission**

Other

*** Testimony Issue**

Select

Testimony Sub Issue1

Select

*** Testimony Sub Issue2**

Select

*** Filing on behalf of**

David Lott-(All)
Derald Morgan-(All)
Rick and Cindy Graver-(All)

Enter related case number(s) and/or tracking number(s)

[Tab out to enter multiple case/tracking numbers.]

Selected Tracking Nos.

[Empty tracking number input field]

*** Title of Filing/Submission**

Surrebuttal of Amanda McMellen's Testimony by Derald Morgan on Behalf of Intervenors and Surrebuttal of James Merciel Jr.'s Testimony by Derald Morgan on Behalf of Intervenors

(Allows only 500 characters)

*** Clear and Concise Statement of Relief Requested**

Request that Mills Certificate of Convenience and Necessity be denied.

(Allows only 250 characters)

*** Indicate Cite for Commission Authority**

4 CSR 240-2.130

Is this Filing/Submission to meet a scheduled deadline for today?

Yes No

Is this a Response to Previous Filing in this case?

Yes

SI.No.	Attachment(s)	Security Level
1	<u>surrebuttal of amanda mcmellen's testimony by derald morgan on behalf of intervenors.pdf</u>	Public
2	<u>surrebuttal of james merciel jr.'s testimony by derald morgan on behalf of intervenors.pdf</u>	Public



Your submission to WA-2018-0370 has been successfully submitted

