

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

In the Matter of the Application of Confluence Rivers )  
Utility Operating Company, Inc., for Certificates of ) File Nos. WA-2023-\_\_\_\_\_  
Convenience and Necessity to Provide Water and ) SA-2023-\_\_\_\_\_  
Sewer Service in an Area of Warren County, )  
Missouri (Lake Sherwood Estates). )

**APPLICATION AND MOTION FOR WAIVER**

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

**I. Introduction**

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

2. Confluence Rivers provides water service to approximately 5,200 customers and sewer service to approximately 5,100 customers in the State of Missouri, pursuant to certificates of convenience and necessity previously granted by the Commission. Confluence Rivers is a “water corporation,” a “sewer corporation,” and a “public utility,” as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law.

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

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

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

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

## **II. The Proposed Sale Transaction**

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

6. Lake Sherwood is a Missouri nonprofit corporation in good standing with the Missouri Secretary of State. Lake Sherwood provides water and sewer services to approximately 500 residential connections (single family homes) in Warren County, Missouri. There is no other same or similar water or sewer service available in the area served by Lake Sherwood.

7. The drinking water system consists of three wells with associated treatment, a 4,000- gallon hydropneumatic tank, a 54,000-gallon standpipe tank, and 180,000-gallon ground storage tank, a 220-gallon bladder tank, two booster pumps, and associated distribution system. The site operates under the public water system ID MO6036039.

8. The wastewater system consists of a collection system, lift station, flow equalization basin, extended aeration treatment basin, secondary clarifiers, and ultraviolet disinfection with sludge hauled by contract hauler. The facility is regulated under the NPDES

permit MO0091529.

9. On February 15, 2023, Central States Water Resources, Inc. (“Central States”) entered into a *Purchase and Sale Agreement* (“*Agreement*”) with Lake Sherwood. A copy of the *Agreement* is attached as **Appendix A-C** and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6), as it contains market specific information and information representing strategies employed in contract negotiations. Central States proposes to purchase substantially all the water and sewer system assets of Lake Sherwood, as specifically described in, and under the terms and provisions of, the *Agreement*.

10. On July 10, 2023, Lake Sherwood’s membership voted to approve the sale of the utilities. Out of 379 ballots counted, 354 (93.4%) votes were in favor of the utility sale.

### **III. Certificates of Convenience and Necessity**

11. Pursuant to Section 7.04 of the *Agreement*, Central States plans to assign its rights under the agreement to Confluence Rivers at closing. **Appendix B** verifies the authority of Josiah Cox, the President of Confluence Rivers, to enter into the *Agreement* and seek Commission approval of the transaction.

12. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control and manage water and sewer systems for the public in an area of Warren County, Missouri, as an addition to its existing service territories. A legal description of the area sought to be certificated is attached hereto as **Appendix C**. A map of the area sought to be certificated is attached as **Appendix D**.

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

specific information.

#### **IV. Additional Information**

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

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

16. The sale and purchase of the referenced assets should have no impact on the tax revenues of relevant political subdivisions, as Confluence Rivers and Lake Sherwood are both taxpaying entities. .

#### **V. Tariff/Rates**

17. Confluence Rivers proposes to utilize the rules governing the rendering of service that are currently found in Confluence Rivers’ existing PSC MO No. 12 tariff for water and its existing PSC MO No. 13 tariff for sewer, until such time as the rates and rules are modified according to law. Confluence Rivers would anticipate later adding the Lake Sherwood service

area to the tariff books at issue in its pending rate case (WR-2023-0006/SR-2023-0007).

18. Lake Sherwood currently charges \$13.65 per month for water with an additional \$4.10 per additional 1,000 gallons used. Lake Sherwood currently charges a fixed fee of \$31.52 per month for wastewater. Confluence rivers proposes to adopt the existing rates for Lake Sherwood, until such time as the rates are modified according to law.

19. These systems will require investment after the purchase by Confluence Rivers that will necessarily result in a future request for a rate increase of some amount.

#### **VI. Public Interest**

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

#### **VII. Motion for Waiver**

21. Commission Rule 20 CSR 4240-4.017(1) requires "[a]ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." Because it did not file such a notice within the time period prescribed by that

rule, Confluence Rivers seeks a waiver of the 60-day pre-filing notice requirement.

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

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

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

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

(B) Granting Confluence Rivers a CCN authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain water and sewer systems for the public within the specified areas currently served by Lake Sherwood Estates Association;

(C) Authorizing Confluence Rivers to acquire the water and sewer system assets of Lake Sherwood Estates Association, as described in this Application; and,

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

transactions in accordance with the agreements.

Respectfully submitted,



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Dean L. Cooper MBE #36592  
**BRYDON, SWEARENGEN & ENGLAND P.C.**  
312 E. Capitol Avenue  
P.O. Box 456  
Jefferson City, MO 65012  
(573) 635-7166 telephone  
[dcooper@brydonlaw.com](mailto:dcooper@brydonlaw.com)

Russ Mitten MBE #27881  
David L. Woodsmall MBE #40747  
CSWR, LLC  
1630 Des Peres Rd., Suite 140  
Des Peres, MO 63131  
[rmitten@cswrgroup.com](mailto:rmitten@cswrgroup.com)  
[dwoodsmall@cswrgroup.com](mailto:dwoodsmall@cswrgroup.com)

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

### CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on August 25, 2023, to the following:

Office of the General Counsel  
[staffcounsel@psc.mo.gov](mailto:staffcounsel@psc.mo.gov)

Office of the Public Counsel  
[opcservice@opc.mo.gov](mailto:opcservice@opc.mo.gov)



**AFFIDAVIT**

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

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



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Subscribed and sworn before me this 21<sup>st</sup> day of August, 2023.

  
\_\_\_\_\_  
Notary Public

My Commission Expires  
OCT 16, 2026



**APPENDIX A**

HAS BEEN  
IDENTIFIED AS

**CONFIDENTIAL**

IN ITS ENTIRETY

**APPENDIX B**

VERIFICATION OF AUTHORITY

COMES NOW the undersigned, the President of Confluence Rivers Utility Operating Company, Inc. ("Confluence Rivers") and Central States Water Resources, Inc. ("CSWR"), and does hereby verify that CSWR had and has the requisite authority to enter into each *Agreement for Sale of Utility System* described in the Application and to carry out all the obligations contained in each *Agreement for Sale of Utility System*.

IN WITNESS WHEREOF, the undersigned has hereto set his hand the 18 day of August, 2023.



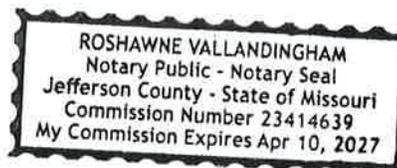
\_\_\_\_\_  
Josiah Cox, President  
CONFLUENCE RIVERS UTILITY OPERATING  
COMPANY, INC. and CENTRAL STATES  
WATER RESOURCES, INC.

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

Subscribed and sworn before me this 18 day of August, 2023.

  
\_\_\_\_\_  
Notary Public

My Commission Expires April 10, 2027



## Lake Sherwood Estates MO Service Area Description:

The area served is part of Warren County and St. Charles County, Missouri and is more particularly described as follows:

Beginning at the northwest corner of the Northeast Quarter of Section 11, Township 45 North, Range 1 West; thence along the north line of said Northeast Quarter of Section 11, Easterly 2639.89 feet more or less to the northwest corner of the Northwest Quarter of Section 12; thence along the north line of said Northwest Quarter of Section 12, Easterly 2664.00 feet more or less to the northeast corner of said Northwest Quarter of Section 12; thence along the east line of said Northwest Quarter of Section 12, Southerly 1322.17 feet more or less to the northwest corner of the South Half of the Northeast Quarter of Section 12; thence along the north line of said South Half of the Northeast Quarter of Section 12, Easterly 2627.12 feet more or less to the northeast corner of said South Half of the Northeast Quarter of Section 12; thence along the east line of the Northeast Quarter of Section 12, Northerly 190.65 feet more or less; thence leaving said east line of the Northeast Quarter of Section 12, Easterly 552.79 feet more or less; thence Southerly 677.63 feet more or less; thence Easterly 394.45 feet more or less; thence Southerly 676.43 feet more or less; thence Westerly 945.96 feet more or less to the east line of Section 12; thence along said east line of Section 12, Southerly 1561.54 feet more or less; thence leaving said east line of Section 12, Westerly 1370.71 feet more or less; thence Southerly 1305.73 feet more or less; thence Easterly 1354.07 feet more or less to the northeast corner of the Northeast Quarter of Section 13; thence along the east line of said Northeast Quarter of Section 13, Southerly 1390.50 feet more or less to the southeast corner of the North Half of the Northeast Quarter of Section 13; thence along the south line of said North Half of the Northeast Quarter of Section 13, Westerly 2615.47 feet more or less to the southwest corner of said North Half of the Northeast Quarter of Section 13; thence Southerly 1356.75 feet more or less to the southeast corner of the Northwest Quarter of Section 13; thence Southerly 1367.97 feet more or less; thence Westerly 1328.63 feet more or less; thence Northerly 1353.37 feet more or less; thence Westerly 1292.57 feet more or less to the southwest corner of the Northwest Quarter of Section 13; thence along the west line of said Northwest Quarter of Section 13, Northerly 1343.42 feet more or less; thence leaving the west line of said Northwest Quarter of Section 13, Westerly 1302.29 feet more or less; thence Northerly 1371.04 feet more or less; thence Westerly 1334.89 feet more or less to the southwest corner of the Southeast Quarter of Section 11; thence along the west line of said Southeast Quarter of Section 11, Northwesterly 2667.88 feet more or less to the northwest corner of said Southeast Quarter of Section 11; thence along the west line of the Northeast Quarter of Section 11, Northerly 2604.46 feet more or less to the point of beginning, containing 1212.25 acres more or less. Subject to survey.



**APPENDIX E**

HAS BEEN  
IDENTIFIED AS

**CONFIDENTIAL**

IN ITS ENTIRETY

**APPENDIX F**

HAS BEEN  
IDENTIFIED AS

**CONFIDENTIAL**

IN ITS ENTIRETY