

HAZELWOOD & WEBER LLC

Attorneys at Law

FILED³
SEP 24 2003
**Missouri Public
Service Commission**

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September 22, 2003

Mr Jim Merciel
Missouri Public Service Commission
200 Madison Street
Jefferson City, MO 65101

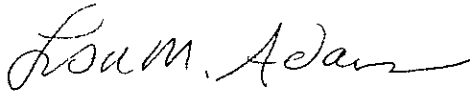
R E C E I V E D
SEP 24 2003
**UTILITY OPERATIONS
DIVISION**

Re Envirowater

Dear Mr Merciel

Enclosed please find the Application for a certificate of convenience and necessity for Envirowater Company, LLC.

Very truly yours,


Lisa M Adams

LMA/kw

Enclosures

FILED³

SEP 24 2003

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

Missouri Public
Service Commission

In the matter of the application)
of Envirowater Company, LLC)
for permission, approval, and)
a certificate of convenience)
and necessity)

Case No.

APPLICATION

Comes now Envirowater Company, LLC (hereinafter "Envirowater" or "Applicant") and pursuant to §393.170, RSMo 1994, states to the Missouri Public Service Commission ("Commission") as follows

1. Applicant is a Missouri limited liability company duly organized and existing under the laws of the State of Missouri with its principal office and place of business located at 712 Balcarra Drive, Dardenne Prairie, Missouri 63366. If this Application is granted, Envirowater will be a "public utility" as that term is defined in §286.020(32), RSMo 1994, and will be subject to the jurisdiction, control and regulation of the Missouri Public Service Commission ("Commission"). A copy of Envirowater's certificate of organization and articles of organization are marked as Exhibit 1 and attached to this Application.

2. Communications in regard to this Application should be addressed to:

Patrick A. Nasl, Manager
Envirowater Company, LLC
712 Balcarra Drive
Dardenne Prairie, Missouri 63366
(636) 561-8602

Lisa M Adams
Hazelwood & Weber LLC
200 North Third Street
St. Charles, Missouri 63301
(636) 947-4700

3 Applicant requests permission, approval and a certificate of public convenience and necessity to install, own, acquire, construct, operate, control, manage a sewer system for the public in an unincorporated area in Lincoln County, Missouri, as set forth on the map marked as Exhibit 2 and attached to this Application. The area is legally described by metes and bounds on the document marked as Exhibit 3 and attached to this application

4. In accordance with 4 CSR 240-2.060(2) (A) (9), Applicant has prepared a feasibility study which, among other things, contains plans and estimated costs of the utility plant and equipment, proposed rates and charges, and an estimate of the number of customers, revenues and expenses during the first three years of operation. Said feasibility study is marked Exhibit 4 and attached to this Application as if more fully incorporated herein.

5. There are no municipalities located within the proposed area, and the approval at Lincoln County is not required for Applicant to provide the sewer service proposed

6 Applicant's sewer system will meet all requirements of the Missouri Department of Natural Resources A copy of the permits issued by the Department of Natural Resources are included in Section 8 of the Riverbluff Sanitary Sewer Engineering Report of the feasibility study (Exhibit 4)

7. There are no other public utilities or governmental bodies

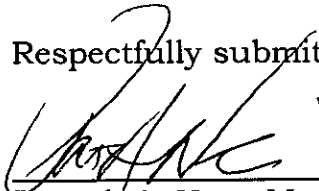
being operated or rendering sewer service within the area proposed to be served.

8. The area requested for the certificate of public convenience and necessity is being developed into a subdivision consisting primarily of single family residential homes. It is anticipated that the occupancy of the subdivision will begin in the first quarter of 2004. Therefore, a public need exists for adequate sewer service within the area proposed to be served, and the public convenience and necessity will be promoted by the granting of the authority herein requested.

9. At present there are no residents and/or owners of land in the proposed service area.

WHEREFORE, Applicant requests the Commission to: grant it permission, approval and a certificate of convenience and necessity authorizing it to install, acquire, build, construct, own, operate, control, manage and maintain a sewer system for the public within the area referred to in paragraph three (3) hereof, authorizing Applicant to implement rates and charges for the provision of sewer service consistent with those contained in the feasibility study attached hereto as Exhibit 4, and for such other orders as the Commission deems proper under the circumstances

Respectfully submitted,


Patrick A. Nas, Manager
Envirowater Company, LLC

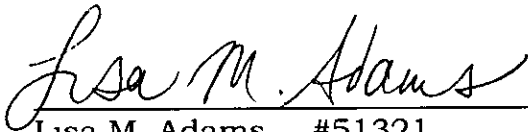

Lisa M Adams #51321
HAZELWOOD & WEBER LLC
200 North Third Street
St. Charles, Missouri 63301
(636) 947-4700

EXHIBIT 1

Jul-03-2003 10 58am From-HAZELWOOD & WEBER

636 947 1743

T-431 P 002/004 F-916

STATE OF MISSOURI



Matt Blunt
Secretary of State

CERTIFICATE OF ORGANIZATION

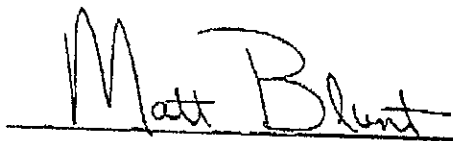
WHEREAS,

ENVIROWATER COMPANY, LLC
LC0529046

filed its Articles of Organization with this office on the 24th day of June, 2003, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, MATT BLUNT, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 24th day of June, 2003, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 24th day of June, 2003.


Secretary of State



STATE OF MISSOURI



Matt Blunt
Secretary of State

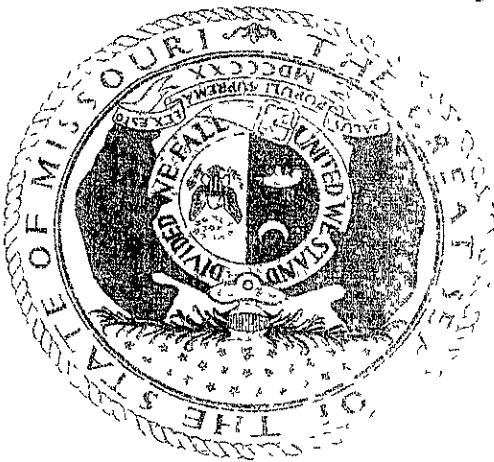
CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING

I, MATT BLUNT, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

ENVIRONMENTAL WATER COMPANY, LLC
LC0529046

was created under the laws of this State on the 24th day of June, 2003, and is in good standing, having fully complied with all requirements of this office

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 15th day of July, 2003



Secretary of State

Matt Blunt

Certification Number 5949768-1 Page 1 of 1 Reference
Verify this certificate online at <http://www.sos.state.mo.us/businessentity/verification>

**ARTICLES OF ORGANIZATION
FOR ENVIROWATER COMPANY, LLC**

File Number: 200318123212
Date Filed: 06/24/2003 02:53 PM
Matt Blunt
Secretary of State
Matt Blunt
Secretary of State

ARTICLE ONE

The name of the limited liability company is ENVIROWATER COMPANY, LLC

ARTICLE TWO

The purpose(s) for which the limited liability company is organized:

- (a) to conduct or transact any lawful business or purposes within this state or any other jurisdiction for which a limited liability company may be organized under the Missouri Limited Liability Company Act, and
- (b) without limiting the generality of the foregoing, to perform development and construction work and accompanying business or activities.

ARTICLE THREE

The name and address of the limited liability company's registered agent in Missouri is Mr. Patrick A. Nasi, 712 Balcarra Drive, Dardenne Prairie, Missouri 63366.

ARTICLE FOUR

The management of the limited liability company is vested in one or more managers.

ARTICLE FIVE

The limited liability company shall dissolve upon the events of dissolution set forth in the Operating Agreement, as amended from time to time, and the Missouri Revised Statutes, to the extent that the statutes do not conflict with the Operating Agreement, and the limited liability company shall have perpetual existence.

State of Missouri
Creation - LLC/LP 2 Page(s)



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ARTICLE SIX

The organizers of Envirowater Company, LLC is:

Mr. Keith W. Hazelwood, 200 North Third Street, St. Charles, Missouri 63301

ARTICLE SEVEN

For tax purposes, the limited liability company shall NOT be considered a corporation and shall be treated as a partnership.

ARTICLE EIGHT

The formation date of the limited liability company is the date these Articles of Organization are filed with the Secretary of State.

In Affirmation thereof, the facts stated above are true

Keith W. Hazelwood
(Organizer Signature)

Keith W. Hazelwood
(Printed Name)

6/23/03
(Date)

[Signature]
(Organizer Signature)

(Printed Name)

(Date)

EXHIBIT 2

Location Map of Riverview Subdivision

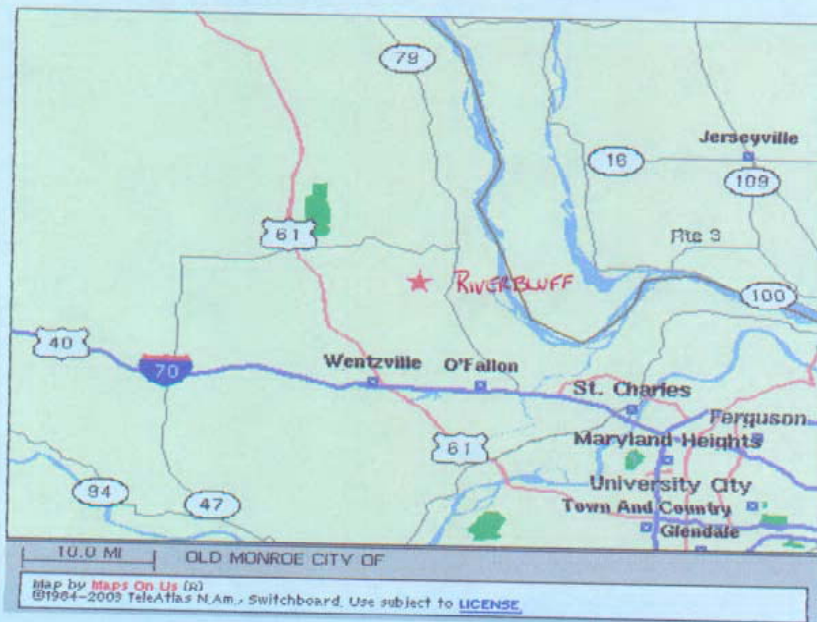


EXHIBIT 3

LEGAL DESCRIPTION RIVER BLUFF SUBDIVISION

A TRACT OF LAND BEING PART OF U.S. SURVEYS 1788 & 524, TOWNSHIP 48 NORTH RANGE 2 EAST LINCOLN COUNTY MISSOURI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH WEST CORNER OF LOT 9 OF BLACKHAWK ESTATES AS RECORDED IN PLAT BOOK 10, PAGE 7 AND THENCE: S18°50'30"W A DISTANCE OF 846.02' TO A POINT, THENCE S75°00'51"W A DISTANCE OF 2461.18' TO A POINT, THENCE N16°45'00"W A DISTANCE OF 1523.30' TO A POINT, THENCE N72°25'14"E A DISTANCE OF 860.50' TO A POINT, THENCE N16°26'00"W A DISTANCE OF 1337.51' TO A POINT, THENCE N76°05'00"E A DISTANCE OF 809.00' TO A POINT, THENCE N57°18'07"E A DISTANCE OF 968.41' TO A POINT, THENCE N81°20'00"E A DISTANCE OF 715.95' TO A POINT, THENCE N81°28'51"E A DISTANCE OF 694.29' TO A POINT, THENCE N81°08'28"E A DISTANCE OF 1407.53' TO A POINT, THENCE S07°53'28"W A DISTANCE OF 450.42' TO A POINT, THENCE S07°53'28"W A DISTANCE OF 1384.83' TO A POINT, THENCE N81°59'37"W A DISTANCE OF 238.11' TO A POINT, THENCE S08°00'23"W A DISTANCE OF 84.97' TO A POINT, THENCE S85°25'35"W A DISTANCE OF 457.84' TO A POINT, THENCE S04°39'58"W A DISTANCE OF 567.96' TO A POINT THENCE, S73°32'24"W A DISTANCE OF 847.68' TO THE POINT OF BEGINNING. CONTAINING 266.10 ACRES MORE OR LESS.

EXHIBIT 4

Envirowater Company, LLC Feasibility and Business Analysis



Riverbluff Sewer Operations

Evanston Financial

September 16, 2003

Envirowater Company, LLC

September 19, 2003

Mr. James A. Merciel, Jr. P.E. - Assistant Manager - Engineering
Public Service Commission
Water and Sewer Department
Governor Office Building
200 Madison Street
PO Box 360
Jefferson City, MO 65102-0360

(636) 561-8602

**RE: Envirowater Company, LLC
Riverbluff Subdivision**

Dear Jim:

Please find the draft Feasibility Analysis and Business Outline for Envirowater Company, LLC related to the proposed establishment of a sewer utility operation for a new subdivision (Riverbluff), located Lincoln County near the Village of Old Monroe, Missouri.

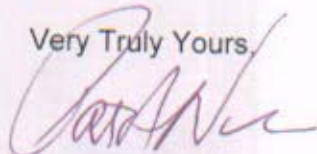
These documents are a revised submittal from the draft sent in early August due to LK Properties decision to access their water source through Lincoln County Public Water Supply District #1.

The plan for Riverbluff is to develop the subdivision in three phases and eventually encompass 800 homes. This submittal is related to the proposed private ownership of sewer utility services, including the collection and treatment of waste water by Envirowater Company.

I appreciate your assistance in placing this on the Missouri Public Service Commission agenda for their consideration.

If you have any questions or comments, please do not hesitate to contact me at (636) 561-8602.

Very Truly Yours,



Patrick A. Nasi,
President
Envirowater Company, LLC

Envirowater Company, LLC

Feasibility and Business Analysis



Riverbluff Sewer Operations

Evanston Financial

September 16, 2003

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Section I. Project Summary

LK Properties, a land development company based in St. Charles County, Missouri, is finalizing plans for the development of an 800-home subdivision to be built in three phases. LK Properties is an experienced land developer with a long history in the St. Louis area. Over the past 30 years, Leonard Kaplan has successfully developed over 20,000 lots for builders that offer a wide variety of home styles.

The new development, named Riverbluff, (also known as the Wehde Farm or Wehde Tract) is located near the northwest corner of the intersection of State Highway 79 and Missouri Route C, near the Village of Old Monroe in Lincoln County, Missouri. During its due diligence process for Riverbluff, LK Properties explored a number of options regarding the provision of water and sewer services for new residents and determined the most reliable, economical, and cost-feasible method to provide these services was to institute a combination of utility services. LK Properties has negotiated with Lincoln County Public Water Supply District #1 to be the water service provider for Riverbluff. For sewer services, LK Properties approached Envirowater Company, LLC about investing, owning, and operating the sewer utility system. There are no other reliable service providers in the surrounding area with capacity or reliability to provide sewer services.

Envirowater Company, LLC is a recently created Missouri corporation formed as a utility management company to oversee the provision and operation of the sewer function for the Riverbluff Subdivision near the Village of Old Monroe, Missouri.

The decision by each party to invest and construct a privately-owned, sewer system is a reflection of a growing demand in land development of offering privatized utility system ownership, operation, and maintenance. With an increasing sensitivity to quality water treatment, economic value can be anticipated via private ownership of wastewater utility operations.

Phase One of the Riverbluff development involves 160 lots and has been pre-sold to The Jones Company prior to development. Since 1927, The Jones Company has been building homes in the greater St. Louis area. For 17 consecutive years, The Jones Company has been recognized as St. Louis' leading homebuilder in dollar volume and is known for financial stability, corporate integrity, service after the sale, and a strong base of satisfied homeowners. The company has a passion for seeing the dreams and aspirations of people materialize – they've demonstrated this while building over 17,000 homes!

As a Centex Company, The Jones Company is able to offer homebuyers 75 years of local home building experience, as well as the strength and buying power of a national homebuilder. Since 1950, Centex has built over 375,000 homes nationwide. At Centex Homes, our mission statement is to build quality homes and neighborhoods that exceed the expectations we have established with our customers.

The Jones Company offers a variety of home collections in all price ranges to meet diverse lifestyle needs starting with entry-level homes in the low \$100,000's to dream homes in excess of \$700,000. Known in the homebuilding industry as "the value leader", the company's in-house architectural department strives to find new ways to



Exhibit #2: Topographical map of project area

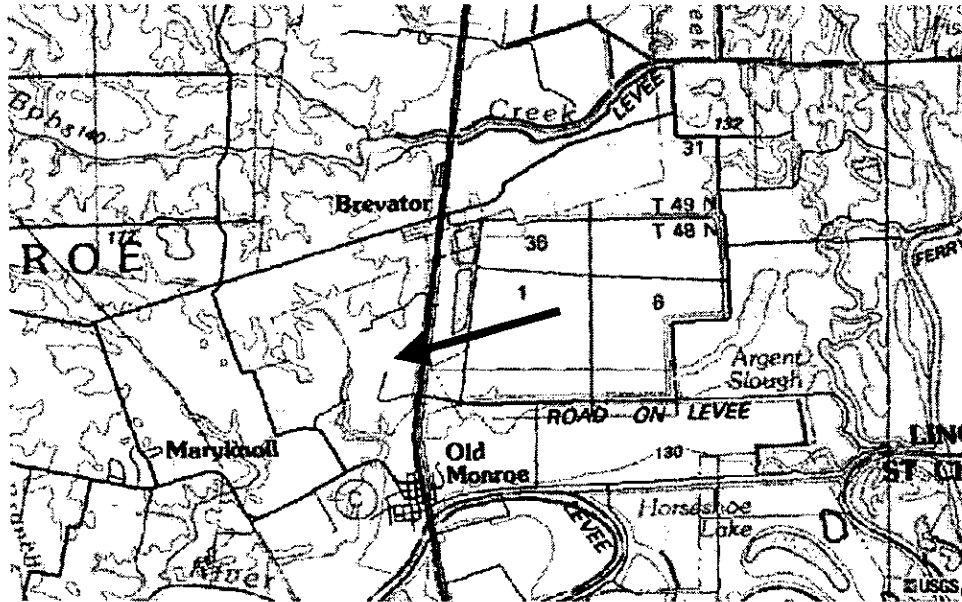


Exhibit #3: USGS Aerial Photo of project area



Section II. Sewer Utilities Overview

Across the United States, most sewer utility systems are publicly owned either by municipalities, county government authorities, or special government districts. Many others systems are operated under cooperatives or homeowner associations and function under nonprofit or not-for-profit status. State policies vary with regard to utility types and associated regulatory jurisdiction.

Throughout the 1990s interest in an increased role for private sector participation in wastewater services expanded as economic, fiscal, regulatory, and environmental factors had public officials across the country considering privatizing parts or all of their waste water systems. While no major U.S. city has sold its utility assets in recent years, some smaller utilities have done so. The provision of utility service remains complicated and dynamic, and varies greatly across communities and regions.

STRUCTURE OF THE WASTEWATER INDUSTRY

Investor-owned water utilities (i.e., "private utilities") accounted for about 14 percent of total water revenues and for about 11 percent of total water utility system assets in the United States through 1995. Investor ownership of wastewater utilities is more limited than investor ownership of water supply utilities, in part because of extensive federal funding of wastewater treatment plants that began after World War II. Investor-owned water supply and wastewater utilities are typically subject to state economic regulations that oversee numerous aspects of operations such as rates charged, infrastructure investments, and profits. In contrast, private contract arrangements under public ownership are usually not subject to as strict regulation. Thus, private sector interest has tended to lean towards public-private relationships that less regulated by state oversight. According to the National Association of Water Companies (NAWC), the proportion of water utilities in the United States provided by private water companies, whether measured by customers served or volume of water handled, has remained relatively constant at about 15 percent since World War II (NAWC, 1999).

RiverBluff Area Demographics

During the twenty years ending with the 2000 census, Missouri's demographic picture has changed. The greater Kansas City, greater St. Louis, and Springfield-Branson areas continued to show considerable strength, as does the central corridor through the Columbia – Sedalia area, while the rural areas of the state showed a population decline.

Over the next twenty years, demographers project that Missouri will likely grow steadily by around five to six percent but unincorporated areas throughout the middle and mid-southern corridors may see growth exceeding 10 percent. These demographers expect Missouri to continue growth at 5.8 percent through 2010, slightly less than the national rate of population increase projected at 8.4 percent, but at higher rates than many other states. This increase will arise from both natural growth and migration from outside the state's borders. By 2020, life expectancy is projected at 82 years for females, 77 years for males. The birth rate has remained steady at approximately two children per female for some ten years, and will probably remain at or near present rates. Migration from Missouri to other areas bottomed out in 1985, and the current rate of people leaving the

state is more than offset by those coming in so the state expects net positive migration of 80,000 to 100,000 through the year 2010.

Classifications of households have also changed. The 2000 census reported 30 percent non-Family households, as opposed to 21 percent in 1970. This classification includes single adults, older adults whose families have grown and no longer live under the same roof, and survivors of deceased spouses. Family households with children living in the home comprise 33 percent of the population, down from 41 percent in 1970. The total 33 percent is comprised by 26 percent married couples with children, and seven percent single parent households. Again, secondary statistics support the increase in single parent homes. In 1990, 73.8 percent of Missouri children lived with two parents, down 8.5 percent from the 82.2 percent level in 1970. As expected, the number of single parent homes rose by 9.4 percent over the same period.

In the next ten to twelve years, state demographers believe the area encompassing parts of St. Charles County, Lincoln, and Warren (Riverbluff project area) will experience net population growth of 130,000 people. From all indications, the area's growth has continued at that rapid pace. From 1990 through 1998, regional demographic estimates indicate that 81 percent of the net growth in the Missouri portion of the St. Louis Metropolitan Statistical Area occurred in St. Charles and surrounding counties. The population in the St. Louis MSA rose 4.4 percent, while St. Charles County specifically grew by 32.2 percent. The areas population has doubled since 1978. Over 33 percent of all MSA building permits are issued in the Riverbluff area which ranks second statewide in the rate of natural population increase and has a positive net migration rate of 16 percent.

The Riverbluff Project Area is located in a growingly affluent area, abutting the area ranking first in the state for Median Household Income; third statewide in Average Family Income; Median Family Income; Average Household Income; and Per Capita Income. Reported figures are:

Average Family Income	\$ 38,004
Median Family Income	\$ 44,644
Average Household Income	\$ 43,696
Median Household Income	\$ 40,307
Per Capita Income	\$ 15,366

A Riverbluff Project Area snapshot indicates a higher than average level of terminal educational attainment for those residents 25 years of age and older:

High School Diploma	32.7 %
Some college but no degree	23.0 %
Associates / Bachelor's Degree	21.8 %
Bachelor's Degree	21.2 %

Professional / Advanced Degree	5.5 %
--------------------------------	-------

Issues:

The outlook for the Riverbluff Project Area of northern St. Charles County and southern Lincoln County remains strong. While much of the area was previously considered rural in nature and character, Riverbluff's current status demands a much stronger urban thrust. Additional bridges, highway development, the potential for enhanced transportation, help the generalized area to raise its population to one greater than that of the City of St. Louis.

The continued influx of migrating population will add school age children to existing educational facilities, and increase the demand for services to young people, including learning experiences, activities, and the need for mobility. While the county's median age has increased to just more than 30 years, young families are and will be locating to the area.

New single-family home construction is being built and occupied rapidly. The housing and building market is strong and continues to rise at a comfortable rate. Tax rates are roughly equivalent to metropolitan collar counties, and while adequate, may need adjustment to support the increased population forecasted over the next twelve to twenty years.

Lincoln and Warren Counties are projected to grow by nearly 30 percent by 2010. These counties started with a smaller population base than St. Charles, but will absorb considerable growth in the relatively near future.

Exhibit #4: New Housing Unit Construction in 1990's

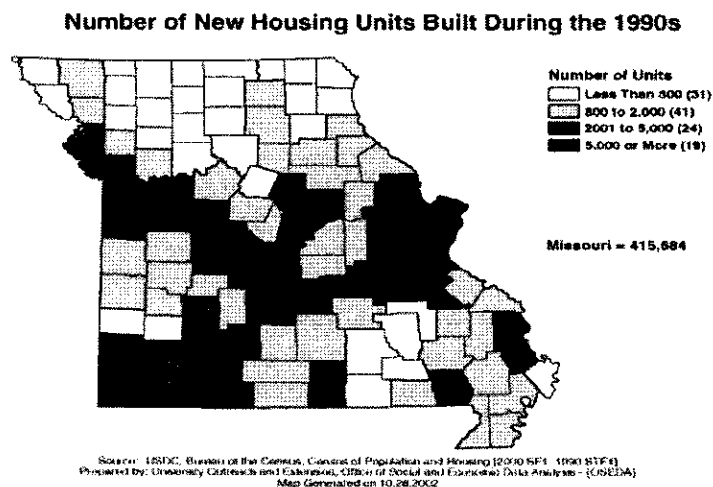


Exhibit #5: Demographic Trend Report for Lincoln County, Missouri

Subject	2000		1990		Change	
	Number	Pct.	Number	Pct.	Number	Pct.
1. Population Basics						
Total Persons (Sample Est)	38,944		28,892		10,052	34.8
Unweighted Sample Count of Persons	7,553		5,618		1,935	34.4
Total Persons (100% Count)	38,944		28,892		10,052	34.8
Pct Persons Sampled	19.4		19.4		0.0	
Urban Population	8,184	21.0	3,813	13.2	4,371	7.8
In Urbanized Areas	0	0.0	0	0.0	0	0.0
Rural Population	30,760	79.0	25,079	86.8	5,681	-7.8
Persons on Farms	1,712	4.4	2,741	9.5	-1,029	-5.1
Persons Per Sq Mile	61.8		45.8		15.9	34.8
Over 18	27,250	70.0	20,210	70.0	7,040	0.0
18 to 64	23,062	59.2	16,919	58.6	6,143	0.7
Over 21	25,778	66.2	19,218	66.5	6,560	-0.3
Over 62	4,799	12.3	3,919	13.6	880	-1.2
Over 65	4,188	10.8	3,291	11.4	897	-0.6
2. Relationship of Persons in Households Universe: Persons in Households						
Persons in Households	38,365	98.5	28,892	100.0	9,473	-1.5
Householder	10,596	27.6	7,895	27.3	2,701	0.3
Spouse	8,589	22.4	6,777	23.5	1,812	-1.1
Child of Householder	13,219	34.5	10,044	34.8	3,175	-0.3
Other Relative	1,141	3.0	673	2.3	468	0.6
NonRelative	797	2.1	385	1.3	412	0.7
3. Households by Type Universe: Households						
Total Households	13,882		10,287		3,595	34.9
Families	10,596	76.3	7,895	76.7	2,701	-0.4
Married Couples	8,661	62.4	6,858	66.7	1,803	-4.3
Married Couples w Own Children < 18	4,296	30.9	3,611	35.1	685	-4.2

Single Parent Families	1,363	9.8				
Single Mothers	960	6.9	469	4.6	491	2.4
Other Families	572	4.1	447	4.3	125	-0.2
Non-Family HHs	3,286	23.7	2,392	23.3	894	0.4
Persons Living Alone	2,733	19.7	2,138	20.8	595	-1.1
4. Residence in 1995 Universe: Persons Over 5						
Lived in Same House 5 Yrs Ago	19,491	54.0	14,743	55.8	4,748	-1.8
Lived in Same County 5 Yrs Ago	26,783	74.2	19,789	74.9	6,994	-0.6
Lived in Same State 5 Yrs Ago	33,788	93.6	24,743	93.6	9,045	0.0
5. Place of Work Universe: Workers over 16						
Workers 16 and Over	18,386		12,881		5,505	42.7
Work in County of Residence	8,314	45.2	5,937	46.1	2,377	-0.9
Workers Living in a Place	5,375	29.2	2,373	18.4	3,002	10.8
Work in Place of Residence	1,698	31.6	1,225	51.6	473	20.0
6. Commuting Universe: Workers over 16						
Drive Alone to Work	15,086	82.1	9,344	72.5	5,742	9.5
Carpool	2,329	12.7	2,544	19.8	-215	-7.1
Public Transportation or Taxi to Work	25	0.1	9	0.1	16	0.1
Cycle or Walk to Work	202	1.1	348	2.7	-146	-1.6
Work at Home	672	3.7	555	4.3	117	-0.7
Mean Travel Time to Work	31.3		31.0		0.3	1.0
7. School Enrollment Universe: Persons Over						
Over 3 Yrs of Age	37,380	96.0	27,560	95.4	9,820	0.6
Enrolled in grades K-12	8,749	23.4	5,528	20.1	3,221	3.3
Enrolled in Private Schools K-12	940	10.7	665	2.4	275	8.3
Enrolled in College	1,230	3.3	962	3.5	268	-0.2
8. Work Force by Occupation Universe: Employed Persons in						
Management, professional & related occupations	3,918	21.1	1,980	15.1	1,938	5.9
Service occupations	2,550	13.7	1,623	12.4	927	1.3
Sales and Office occupations	4,387	23.6	2,857	21.9	1,530	1.7

Farming, Fishing & Forestry occupations	130	0.7	821	6.3	-691	-5.6
Production, Transportation + material moving occupations	4,314	23.2	813	6.2	3,501	17.0
9. Household Income in 1999 Universe: Households						
Total Households	13,882		10,287		3,595	34.9
Median HH Income	\$42,592		\$36,601		\$5,991	16.4
Average Household Income	\$47,744		\$40,785		\$6,959	17.1
10. Other Income Measures Universe: Families or Persons						
Median Family Income	\$47,747		\$42,038		\$5,709	13.6
Average Family Income	\$52,875		\$44,878		\$7,997	17.8
Per Capita Income	\$17,149		\$14,512		\$2,637	18.2
Renter occupied units	2,663	19.2	2,059	20.0	604	-0.7
Vacant Housing Units	1,660	10.7	1,968	16.0	-308	-5.3
11. Units in Structure Universe: Housing Units						
Single Family Units	10,783	69.5	8,624	70.2	2,159	-0.7
2 to 4 Units	569	3.7	419	3.4	150	0.3
5 to 19 Units	302	1.9	240	2.0	62	-0.0
In Buildings with 20+ Units	48	0.3	0	0.0	48	0.3
Mobile Homes	3,753	24.2	2,909	23.7	844	0.5
Boat, RV, Van, etc.	56	0.4	92	0.7	-36	-0.4
12. Age of Structure Universe: Housing Units						
Units < 5 Yrs Old	3,442	22.2	2,258	18.4	1,184	3.8
Units > 50 Yrs Old	2,300	14.8	1,756	14.3	544	0.5
Units Built Before 1940	1,770	11.4	1,756	14.3	14	-2.9
Average Age of Units	26.0		25.1		0.8	3.4

Section III. Envirowater Company, LLC Overview

Envirowater Company, LLC (Envirowater) is a recently formed Missouri corporation organized as a sewer utility service company to invest, own, and oversee the operation of sewer functions for the proposed 800-home Riverbluff Subdivision near Old Monroe, Missouri.

Preliminary Business Outline and Implementation Plan

1. Statement of Purpose (Mission Statement)

Envirowater's business focus is to serve as an outstanding wastewater manager for the Riverbluff Subdivision. Envirowater's business objective is to provide unsurpassed wastewater resource management services to Riverbluff residents. Our primary business emphasis will be to protect public health and safety, enhance the quality of life, and promote the quality of life and safety through the provision of high quality wastewater utility services to Riverbluff residents.

2. Business Goals and Objectives

Goal: *Build ever-increasing **value** for our customers and owners in the business of water resource management.*

Objective: *Deliver **profitable** wastewater, and other water resource management services for the Riverbluff system.*

Goal: *Own and operate regulated a wastewater utility that demonstrates an **ability to consistently earn rates of return** that exceed the cost of the capital involved.*

Objective: *Deliver wastewater and water resource products and facilities needed or desired by customers in a manner that **enhances ownership value**.*

Goal: *Build ever-increasing **value** for our customers and owners in the business of Riverbluff's wastewater resource management.*

Objective: *So as to protect public health and safety, enhance the quality of life, and promote economic prosperity, quality and safety in the provision of services are the company's primary objective.*

B. Features of Proposed Services

Envirowater Company, LLC was founded in Dardenne Prairie, Missouri, in 2003 to focus exclusively on ownership, oversight, and management of wastewater contract operations in the Riverbluff Subdivision. Envirowater will oversee the operation of state-of-the-art wastewater treatment system that will specifically meet the needs of residential homeowners in the Riverbluff Subdivision near the Village of Old Monroe, Missouri.

C. Performance Challenges

In the past three decades, Missouri communities have had to contend with a cluster of performance challenges for their water resource infrastructures:

- ❑ Effective management of the business side of sewer resource systems has become increasingly challenging.
- ❑ Technical staffs have become much more difficult to recruit and retain.
- ❑ Increasing regulatory burdens.
- ❑ Cost pressures are greater today than they have ever been.
- ❑ Outside funding options continue to shrink.

D. Professional Resources

Envirowater's plan is to team with Masterson and Associates to provide contract operation of the Riverbluff's wastewater systems. Masterson and Associates employees will provide technical, administrative assistance, and certified wastewater operators.

E. Scope of Services

Envirowater will provide managerial oversight of Masterson and Associate employees who will perform required comprehensive wastewater operations and maintenance services for Riverbluff's sewer utility functions. Envirowater's operational structure is designed to meet the needs of Riverbluff. Overall service provision will include the following:

- Oversight of wastewater system operations and maintenance, including pipeline, pumping, and treatment systems.
- Oversight of wastewater treatment plant operations and maintenance.
- Utility billing office operations, including computerized billing, payment collections, and customer service.
- Comprehensive financial management, including cash management, financial reporting, and record keeping.
- Comprehensive management support for coordination with regulatory agencies, long-range planning, and management of capital improvement programs.
- Potential public works operations for maintenance of common areas, streets, storm water and other residential services.

F. Residential Operations

Riverbluff residents may also have additional needs such as street maintenance, common ground maintenance, and landscape maintenance. Envirowater will consider tailoring its neighborhood service oversight to provide the services the Riverbluff community requires while rigorously managing costs and ensuring regulatory compliance.

F. Water and Wastewater District Management and Operations

Envirowater will oversee Masterson and Associate's contract services to ensure it includes total approach to system-wide management and operations. This not only involves management of the treatment plant and system O&M, but comprehensive financial and business management and utility billing, collections, customer service, long

range planning, regulatory coordination, and management of capital improvement programs. Masterson and Associates's operations contract will include the performance of day-to-day operations, supply personnel, and address customer service duties.

Section IV. Management Structure and Organization

A. Legal Form and Ownership

Envirowater Company, LLC is a Missouri limited liability corporation.

Officers and Directors:

<u>Title</u>	<u>Name</u>	<u>Home Address</u>
President	<u>Patrick A. Nasi</u>	<u>712 Balcarra Drive</u> <u>Dardenne Prairie, Missouri 63366</u>
Vice President	<u>Natalie S. Nasi</u>	<u>712 Balcarra Drive</u> <u>Dardenne Prairie, Missouri 63366</u>
Secretary	<u>Natalie S. Nasi</u>	<u>712 Balcarra Drive</u> <u>Dardenne Prairie, Missouri 63366</u>
Treasurer	<u>undetermined</u>	

Principal Owners or Partners:

<u>Name</u>	<u>%</u>	<u>City/State</u>
<u>Patrick A. Nasi</u>	<u>49.00 %</u>	<u>Dardenne Prairie, Missouri</u>
<u>Natalie S. Nasi</u>	<u>51.00 %</u>	<u>Dardenne Prairie, Missouri</u>

B. Outside Services/Advisors

- 1. Legal Services:** Legal services are provided by *Hazelwood and Weber*. The firm is located in St. Charles, Missouri. The lead attorney for Green Co., LLC is Keith Hazelwood. Mr. Hazelwood specializes in corporate law, business litigation and real estate.
- 2. Accounting Services:** Accounting services are provided through *Wade Stables*, a certified public accounting firm offering accounting and tax. The lead accountant is Scott Straub.
- 3. Engineering Services:** Engineering services will be provided by Criswell Engineering. Criswell Engineering designed the collection and treatment systems for the water and wastewater treatment facilities in the Riverbluff Subdivision. The lead engineer is Todd Criswell.
- 4. Business Advisory Services:** Business Advisory Services are provided by *Development Dynamics*. Development Dynamics focuses on assisting clients to maximize benefits related to the development, expansion, consolidation, or relocation of facilities. The principal advisor is Laura A. Lashley.

C. Background Information/Key Personnel

Personal Profile of Skills and Experience

Envirowater Company is comprised of two owner-members that include Patrick A. Nasi and Natalie S. Nasi

Patrick Nasi serves as president of the company. Pat's background includes 15 years experience as a city manager for communities in Missouri and Minnesota. In that capacity, Pat had responsibility for overseeing the provision of water and wastewater services for each community he served. Pat has additional experience in the business community working for Arthur Andersen as a Manager in their state and local tax groups in Chicago and St. Louis. Pat also worked for Evanston Financial, managing its business advisory office in O'Fallon, Missouri.

Relevant Experience

- ☐ Practical experience as city manager overseeing management of water and sewer utility functions for the following communities: O'Fallon, Missouri; Macon, Missouri; Hibbing, Minnesota; Annandale, Minnesota.
- ☐ Received recognition by Governing Magazine for developing the strategy behind a creative infrastructure financing in 1995.
- ☐ Strong track record in the tax, business advisory, and management fields.

Background

Pat received his Bachelor of Arts in Political Science and his Masters in Regional Planning from North Dakota State University. Pat received a Certificate in Management from the International City Management Association. He also performed additional graduate work at Truman State University.

Pat has authored articles published in Government Finance Review; Nation's Cities Weekly; Public Management (PM); and the Missouri Municipal Review. He has addressed conventions and business meetings throughout the Midwest on a variety of development related projects.

Natalie Nasi serves as vice-president and secretary. Natalie's work experience is related to the educational and retail industries. Her primary focus will be on records management and customer service needs.

Relevant Experience

- ☐ Has worked in an educational setting serving as a substitute teacher in various school districts.
- ☐ Has fulfilled many customer service functions in the retail industry for companies like Daytons where she interacted and managed customer requests and needs.

Background

Natalie is a native of Macon, Missouri. She graduated from Macon High School in 1981. She attended Truman State University in Kirksville, Missouri and Tyler Community College in Tyler, Texas.

Section V. The Financial Plan

Envirowater Proposed Monthly Rate Schedule
Riverbluff Subdivision

Sewer Service Charges	Flat Rate of \$25.00
Sewer Connection Fees	\$400/per connection

	Neighboring Utility Systems	Rate Schedules	Typical Monthly Sewer Rates for 10,000 gallon Customer
1	City of Winfield	Sewer Base Fee - 4.32 for first 1,500 gallons, then additional .18/100 thereafter	\$21.42
2	Village of Old Monroe	Sewer Fee - flat \$17/month	\$17.00
3	City of O'Fallon	Sewer Base Fee - \$15.83/5,200 gallons, then 2.20/1000 thereafter	\$26.39
4	City of Troy	Sewer Base Fee - \$5.00/1,000 gallons, then <u>.65/1000 thereafter</u>	\$10.85

CRISWELL ENGINEERING

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Riverbluff Sewer System Cost Estimate

Preliminary Cost Estimate - Riverbluff Subdivision Sanitary Sewer System

<u>Item Description</u>	<u>Units</u>	<u>Units</u>	<u>Unit Cost</u>	<u>TOTAL</u>
1 8" PVC SAN. SEWER	LF	7350	\$ 12.00	\$ 88,200
2 Sanitary Manhole	Each	53	\$ 1,000	\$ 53,000
3 Granular Backfill	LS	1	\$ 10,000	\$ 10,000
4 Treatment Plant	LF	1	\$ 150,000	\$ 150,000
5 Land Acquisition			\$ 5,000	\$ 5,000
Subtotal				\$ 306,200
10% Materials Contingency				\$ 30,120
Total Cost				<u>\$ 336,320</u>