

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

In the Matter of Missouri-American Water)
Company’s Application for a Certificate)
Of Convenience and Necessity Authorizing) **File No. SA-2021-0017**
it to Install, Own, Acquire, Construct,)
Operate, Control, Manage and Maintain a)
Sewer System in and around the City of)
Hallsville, Missouri.)

DISTRICT’S POSITION STATEMENT

COMES NOW Boone County Regional Sewer District (“District”), and pursuant to the Commission’s January 10, 2021 procedural order in this case, files this *Position Statement*:

A. *Is MAWC’s provision of wastewater service associated with its proposed purchase of the City of Hallsville wastewater system “necessary or convenient for the public service” within the meaning of the phrase in section 393.170, RSMo?*

No. Section 393.170.3, RSMo governing applications for a certificate of convenience and necessity (“CCN”) request the Commission to determine whether an application for a CCN “...is necessary or convenient for the public service.” In reviewing whether a utility’s application for a CNN should be granted, the Commission applies the five Tartan Criteria established in *In the Matter of Tartan Energy Co., et al.*, 3 Mo. PSC 3d 173, 177 (1994). Two of these criteria require that an applicant’s proposal be economically feasible and promote the public interest. *Id.* MAWC’s application should be denied because MAWC has not demonstrated that its provision of wastewater service associated with its proposed purchase of Hallsville’s wastewater system is economically feasible. The feasibility study submitted by MAWC indicates that the purchase of Hallsville’s wastewater system will not generate positive income. MAWC’s feasibility study also lacks a plan for addressing known capacity and compliance issues with the wastewater system, a

time frame for addressing these issues, the associated costs, and the impact of the associated costs on future service rates for customers and other general ratepayers.

MAWC's application also should be denied because it is detrimental to the public interest for several reasons. The Missouri Department of Natural Resources has a stated goal of 'regionalization' of wastewater treatment, and incentivizes elimination of smaller treatment facilities through grants and loans.¹ In furtherance of this goal, the Missouri Clean Water Commission ("CWC") approved the District as a Level 2 continuing authority for the entirety of Boone County save municipalities that choose to own and operate their own municipal wastewater systems.² The City of Hallsville's choice to cease owning and operating the Hallsville wastewater system results in the system no longer being a municipal wastewater system. MAWC's purchase and subsequent ownership and operation of this system would usurp the District's long-term planning authority and right to decide how best to achieve regionalization of non-municipal wastewater systems within Boone County, and thereby protect the public and environment.³

In addition, MAWC admits it has not performed nor caused to be performed any study, evaluation or analysis of Hallsville's wastewater system's long-term needs or viability.⁴ Nor does MAWC's *Application for Motion and Waiver* provide a plan for addressing known capacity and compliance issues and MAWC acknowledges it has not decided on a plan.⁵ Finally, MAWC has indicated no intent to coordinate its plan—whatever that plan may ultimately be—with the

¹ Rebuttal Testimony of Tom Ratermann, p. 8.

² Rebuttal Testimony of Tom Ratermann, p. 6.

³ Rebuttal Testimony of Tom Ratermann, pp. 5-16.

⁴ **Schedule TR-6** to Rebuttal Testimony of Tom Ratermann.

⁵ See MAWC's *Application and Motion for Waiver*. See also Surrebuttal Testimony of Daronn A. Williams, p.2, lines 17-18.

District to prevent interference with the District's long-term plan for regionalization in Boone County.⁶

B. *If the Commission grants MAWC's application for the CCN, what conditions, if any, should the Commission impose?*

If the Commission grants MAWC's application for a CCN, the District generally agrees that the Commission should impose all conditions recommended by Staff in its *Staff's Position Statement* dated March 24, 2021, including condition #5 which reads as follows:

5. Within thirty (30) days of receiving an Operating Permit from DNR, MAWC will submit to Staff documentation confirming the initiation of negotiations between MAWC and the District involving both the continuation of service for all existing District customers outside the City's service area, and the associated Cooperative Agreements between the City and the District. Once an agreement has been reached to ensure continued service, that agreement will also be submitted to Staff;

In addition, the Commission should impose the following reasonable and necessary conditions due to the CWC's approval of the District as a Level 2 continuing authority and the fact that MAWC is a lower level continuing authority:

(1) Limit MAWC's service area to the Hallsville city limits, specifically excluding any areas outside of the city limits, other than those where the current storage basins and land applications are located, absent a valid contract between MAWC and the District,⁷

(2) Require MAWC to obtain an operating permit from DNR within two years of the effective date of the CCN,⁸

⁶ **Schedule TR-6** to Rebuttal Testimony of Tom Ratermann.

⁷ *Staff Recommendation to Grant Certificate of Convenience and Necessity and Official Case File Memorandum* dated November 18, 2020.

⁸ Sections 393.170.3, 640.710, and 644.026 RSMo and 10 CSR 20-6.010.

(3) Require MAWC to obtain the District's consent for any plan to address the sewer system's capacity and compliance issues prior to submitting applications for construction or operating permits to DNR,

(4) Prohibit MAWC from submitting applications for construction or operating permits to DNR seeking approval to convert the wastewater system from a no discharge facility to a discharge facility, and

(5) Require MAWC, in any plan involving an irrigation system, to own any land used for land application of wastewater flow collected by the sewer system.⁹

WHEREFORE, the District respectfully submits its *Position Statement*.

Respectfully Submitted,

LATHROP GPM LLP

/s/ Jennifer S. Griffin _____

Jennifer S. Griffin, Mo. #44406

314 E. High Street

Jefferson City, MO 65101

T: (573) 893-4336

F: (573) 893-5398

jennifer.griffin@lathropgpm.com

Attorney for Boone County

Regional Sewer District

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all parties and/or all counsels of record this 24th day of March 2021.

/s/ Jennifer S. Griffin _____

⁹ 10 CSR 20-6.010. Rebuttal Testimony of Tom Ratermann, pp.5-16.