

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

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| In the matter of the Application of Central    | ) |                       |
| Jefferson County Utilities, Inc. for an order  | ) |                       |
| authorizing the transfer and assignment        | ) | Case No. SO-2007-0071 |
| of certain water and sewer assets to Jefferson | ) |                       |
| County Public Sewer District and in connection | ) |                       |
| therewith, certain other related transactions. | ) |                       |

**SUPPLEMENT AND AMENDMENT TO APPLICATION**

COMES NOW Central Jefferson County Utilities, Inc. (Central Jefferson), pursuant to Commission Rules 4 CSR 240-3.310(3), 4 CSR 240-3.605(3) and 4 CSR 240-2.080(20), and as its supplement to, and amendment of, the Application in this case, states as follows to the Missouri Public Service Commission (Commission):

1. On August 15, 2006, Central Jefferson County Utilities, Inc. (Central Jefferson) filed an application with the Missouri Public Service Commission (Commission), seeking the Commission's authorization to transfer and assign certain assets of its water and sewer operations to the Jefferson County Public Sewer District (Sewer District).

2. Commission Rules 4 CSR 240-3.310(3) and 4 CSR 240-3.605(3) state that "if any of the items required under this rule are unavailable at the time the application is filed, they shall be furnished prior to the granting of the authority sought."

3. Central Jefferson indicated in its Application that a certified copy of the resolution of its Board of Directors authorizing the proposed transaction was not available at that time, but would be late-filed. Attached hereto and marked **Appendix 1**

is the Unanimous Written Consent of Board of Directors and Shareholders of Central Jefferson County Utilities, Inc. authorizing the proposed transaction.

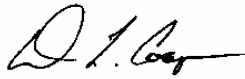
4. Commission Rule 4 CSR 240-2.080(20) states that “Any pleading may be amended within ten (10) days of filing, unless a responsive pleading has already been filed . . . .”

5. Commission Rule 4 CSR 240-2.060(1)(K) provides that an applicant must state “whether the applicant has any pending action or final unsatisfied judgments or decisions against it from any state of federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of the application.”

6. Central Jefferson did not make note of any such case in its Application. Central Jefferson hereby amends that Application to reflect that the Office of the Public Counsel (Public Counsel) recently filed with the Commission complaints concerning Central Jefferson’s water and sewer rates. These complaints have been designated as Cases Nos. WC-2007-0038 and SC-2007-0039.

WHEREFORE, Central Jefferson respectfully requests that the Commission consider Central Jefferson’s Application to be supplemented and amended as indicated herein.

Respectfully submitted,



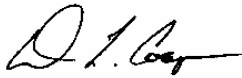
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Attorneys for Central Jefferson County Utilities, Inc.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first electronic transmission, on this 23<sup>rd</sup> day of August, 2006, to the Office of the Public Counsel and to the General Counsel, Missouri Public Service Commission.



**UNANIMOUS WRITTEN CONSENT OF BOARD OF DIRECTORS AND  
SHAREHOLDERS OF CENTRAL JEFFERSON COUNTY UTILITIES, INC.**

The undersigned, constituting, as designated, all of the Directors and Shareholders of Central Jefferson County Utilities, Inc., hereby find, resolve and unanimously consent to the following action to be taken by Central Jefferson County Utilities, Inc. (the "Corporation").

Over the last five years, the Corporation and its Shareholders have attempted to find a buyer for the corporate assets or the stock of the Corporation. These efforts have been unsuccessful. The waste water treatment plant operated by the Corporation and the water system are in need of expansion. The Corporation has on two occasions applied to the Missouri Public Service Commission for rate increases and/or tap on fees to permit financing of construction of the needed expansions. The staff of the Missouri Public Service Commission has not been willing to recommend increases in rates or the charging of a tap on fee sufficient to permit the Corporation to finance or obtain financing for construction of the needed improvements.

The Corporation has negotiated an agreement with the Jefferson County Public Sewer District and Environmental Management Corporation for the transfers of the assets of the Corporation, constituting the waste water collection and treatment facilities and the water distribution system, to the Jefferson County Public Sewer District. Environmental Management Corporation is negotiating an agreement with the Jefferson County Public Sewer District to manage the operations of the waste water treatment system and the water distribution system for Jefferson County Public Sewer District. As part of this arrangement, Environmental Management Corporation has agreed to make improvements

in the approximate total amount of \$1,800,000.00 for the waste water treatment system and the water distribution system. The transfer of the assets by the Corporation to Jefferson County Public Sewer District and the management by Environmental Management Corporation will provide professional management of the systems and needed funds for the capital improvements.

The transfer by the Corporation of the waste water treatment system and the water distribution system will be without any consideration to the Corporation, except that Jefferson County Public Sewer District will pay the outstanding indebtedness of the Corporation on the water tower. While the Corporation will not receive direct compensation for the assets to be transferred, the Directors and Shareholders of the Corporation believe that this transaction is in the best interest of the residents of Raintree Plantation Subdivision being served by the waste water treatment system and the water distribution system, because it will result in an upgrade of both systems to provide for the current and future need of the residents.

Therefore, the undersigned Directors and Shareholders of the Corporation do hereby authorize and direct the Officers of the Corporation to take the following actions:

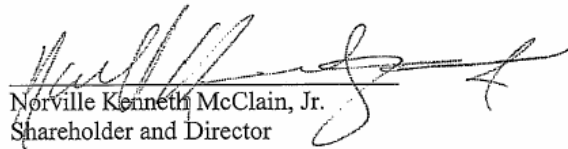
1. To execute on behalf of the Corporation the Tri-Party Purchase and Sale Agreement between the Corporation, Jefferson County Public Sewer District and Environmental Management Corporation in the form attached hereto and incorporated herein.
2. To execute a Loan Personnel Agreement in the form attached hereto and incorporated herein.

3. To file with the Missouri Public Service Commission an Application for the transfer and assignment of the assets of the Corporation used in the operation of the waste water treatment system and the water distribution system at Raintree Plantation Subdivision to the Jefferson County Sewer District.

4. To enter into an interim management agreement between the Corporation and Environmental Management Corporation for Environmental Management Corporation to assume the daily operation of the waste water treatment system and the water distribution system owned by the Corporation in operation at Raintree Plantation Subdivision. Such Agreement shall be upon such terms and conditions as the Officers of the Corporation shall deem in the best interest of the Corporation and to promote a smooth and orderly transfer of the assets of the Corporation as provided in the Tri-Party Purchase and Sale Agreement.

5. To enter into such other Agreements upon such terms and conditions as shall be deemed in the best interest of the Corporation as determined by the Officers of the Corporation and to take such other actions as shall be necessary to complete the transfer and assignment of the assets as provided in the Tri-Party Purchase and Sale Agreement and to implement all of the terms and conditions of such agreement, and the Loaned Personnel Agreement and the interim management agreement, and to take all other actions as shall be deemed necessary and in the best interest of the Corporation to accomplish the purposes stated herein.

Dated this 13<sup>th</sup> day of July, 2006.




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Norville Kenneth McClain, Jr.  
Shareholder and Director



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Jeremiah Nixon  
Shareholder and Director



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Linda Els  
Trustee of the Indenture of Trust  
of Norville K. McClain  
Shareholder