M E M O R A N D U M

TO: Missouri Public Service Commission
Official Case File, Case No. WA-2023-0450 & SA-2023-0451
Confluence Rivers Utility Operating Company, Inc.

FROM: Sydney Ferguson – Auditing Department
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/s/ Keri Roth *11/28/2023*
Senior Research/Data Analyst Date

SUBJECT: Staff's Recommendation to Approve Request for Certificate of Convenience and Necessity

DATE: November 28, 2023

CASE BACKGROUND

On June 30, 2023, Confluence Rivers Utility Operating Company, Inc. ("Confluence") filed an *Application and Motion for Waiver* ("Application") with the Missouri Public Service Commission ("Commission") requesting a Certificate of Convenience and Necessity ("CCN") authorizing it to construct, install, own, operate, maintain, control and manage the water and/or sewer system assets currently owned by Chevron/Sierra Land Company, LLC ("Johnson Bay"), Brussels Valley Estates, Inc. ("Brussels"), and Mapaville Meadows ("Mapaville"). The Commission does not currently regulate the water and/or sewer systems currently owned by Johnson Bay, Brussels, or Mapaville.

The *Application* was docketed in two separate cases, Case Nos. WA-2023-0450 and SA-2023-0451. On July 5, 2023, the Commission issued an *Order and Notice* setting the deadline to intervene for July 25, 2023. On July 17, 2023, Confluence Rivers filed a *Motion to Consolidate*, and on July 28, 2023, the Commission issued its *Order Granting Consolidation and Order Directing Filing*, with Case No. WA-2023-0450 being designated the lead case. The Commission ordered Staff to file its recommendation, or status report stating when it expects to file a recommendation, by August 28, 2023. On August 28, 2023, Staff filed its *Status Report*, requesting additional time to file its recommendation by October 28, 2023. The Commission issued an order on August 28, 2023, approving Staff's request for additional time to file its recommendation by October 28, 2023. On October 27, 2023, Staff filed a *Motion for Extension* requesting to file its recommendation no later than November 28, 2023. The Commission approved Staff's request on October 27, 2023.

Confluence has no overdue Commission annual reports or assessment fees. Additionally, no parties sought to intervene in the case and, to date, no public comments have been submitted.

BACKGROUND OF CONFLUENCE

Confluence is a Missouri corporation with its principle office and place of business at 1630 Des Peres Rd., Suite 140, St. Louis, MO 63131, and is a public utility subject to the jurisdiction of the Commission. According to the application, Confluence is currently providing water service to approximately 5,200 customers and sewer service to approximately 5,100 customers in the State of Missouri. However, as of January 31, 2023, Confluence provides service to approximately 4,830 water connections and 5,053 sewer connections in the State of Missouri.[1] In recent years, Confluence has acquired several existing small water and sewer systems and continues to do so.

Confluence is a subsidiary of Central States Water Resources, Inc. ("CSWR"), which entered into a Purchase and Sale Agreements ("Agreement") with Johnson Bay, Brussels, and Mapaville to purchase the water and/or sewer systems for a combined purchase price of ** [redacted] **.

BACKGROUND OF JOHNSON BAY

Johnson Bay is a limited liability company formed on December 11, 1995 and is in active status with the Missouri Secretary of State. Johnson Bay provides water and sewer service to approximately 63 single-family residences in Morgan County, Missouri. Future growth is not anticipated in the Johnson Bay subdivision. Currently, Johnson Bay charges $27.00 per month for water service, which includes 3,000 gallons. There is an additional charge of $0.90 per 100 gallons used over 3,000 gallons. The current charge for wastewater service is $47.50 per month. CSWR initially entered into an Agreement with Johnson Bay on February 28, 2023. On May 18, 2023, CSWR signed a First Amendment to the original agreement, which included the purchase price of ** [redacted] **.

Based upon this information, it is possible the system serving Johnson Bay should have been regulated by the Commission prior to this acquisition.

BACKGROUND OF BRUSSELS

Brussels is a Non-Profit Corporation formed on January 6, 2003 and is in good standing with the Missouri Secretary of State. Brussels provides sewer service to approximately 13 single-family residences in Lincoln County, Missouri. Future growth is anticipated in the Brussels subdivision, to the extent of potentially doubling in size. Currently, Brussels charges $32.00 per month for wastewater service. CSWR entered into an Agreement with Brussels on November 18, 2022, which included the purchase price of ** [redacted] **.

[1] General Rate Case No. WR-2023-0006, Direct Testimony Paul K. Amenthor, page 3:6 – 8.

BACKGROUND OF MAPAVILLE

Mapaville is a Non-Profit Corporation formed on March 16, 2017 and is in good standing with the Missouri Secretary of State. Mapaville provides sewer service to approximately 9 single-family residences in Jefferson County, Missouri. Future growth is not anticipated in the Mapaville subdivision. Currently, Mapaville charges $50.00 per month for wastewater service. CSWR entered into an Agreement with Mapaville on March 6, 2023, which included the purchase price of ** [redacted] **.

STAFF'S INVESTIGATION

Staff investigated the condition of the water and sewer systems, including their performance and compliance with drinking water and environmental regulations. Staff reviewed information from Department of Natural Resources ("DNR") records, including operating permits, inspections, notices of violation ("NOV"s), and letters of warning ("LOW"s). Staff also reviewed engineering memorandums prepared for CSWR by 21 Design Engineering Group ("21 Design") on April 25, 2023 (Brussels) and July 15, 2023 (Johnson Bay & Mapaville).

Staff performed on-site inspections of the water and sewer systems on September 7th and 8th. These inspections included a review of the current condition of each system and a discussion with Confluence's personnel on proposed capital improvements. Staff agrees with Confluence that these systems will require repairs and improvements.

Confluence's preliminary cost estimates are provided by 21 Design and are included in this memorandum for informational purposes only. Staff will review all investments and the actual costs for all repair and improvements during a future rate case to be filed by Confluence.

Johnson Bay

Water System

Of the three separate locations in this acquisition case, Johnson Bay is the only one that also includes a drinking water system. It serves approximately 90 acres of residential area consisting of 63 service connections. The subdivision is platted for a total of approximately 150 houses but has seen minimal growth over the previous two decades. The water system consists of two active wells, two 16,000-gallon ground storage tanks, a total of 11 hydropneumatic tanks (7 at main well, 4 at back-up well), and a distribution system. One of the wells is strictly used as a backup, but should remain online for the foreseeable future to provide water as necessary in case equipment failure causes the main well to go offline for a period of time. The facility is regulated under the Safe Drinking Water Act as a public water system operating under permit number MO3031338.

DNR Inspection of Water System

Johnson Bay's drinking water system has maintained continuous compliance with DNR throughout its operation. DNR's only recommendations are minor structural changes in the well houses to make them suitable for modern operational practices. However, the current system has been grandfathered to comply with current regulations. Both DNR and 21 Design engineering

recommend installing flow meters on each well so that operators at Johnson Bay can monitor water usage more effectively.

Sewer System

Johnson Bay's sewer system consists of a recirculating gravel filter step system with solids being held in septic tanks. Pumps move liquids to a recirculating tank with a tablet chlorinator, chlorine contact chamber and a tablet de-chlorinator. Sludge disposal is completed by a contract hauler. Septic tanks and associated equipment are owned and maintained by each homeowner.

DNR Inspection of Sewer System

The facility is regulated by the Clean Water Act under National Pollutant Discharge Elimination System ("NPDES") permit number MO-GD00172. The facility has had multiple violations due to exceedances of monthly effluent limitations for ammonia, Biochemical Oxygen Demand ("BOD"), Total Suspended Solids ("TSS"), and E. coli. According to the engineering report, most of the difficulties surrounding the operation of the plant are related to inconsistent and ineffective removal of ammonia. The nitrifying bacteria typically found in recirculating sand filters are not as forgiving as the nitrifiers typically seen in extended aeration processes and tend to die out more easily during periods of colder weather. Additionally, the lack of a settling tank located at the site of the treatment system makes inventorying and removal of solids more difficult, which could cause additional issues such as clogging in the sand filter and increased effluent concentrations, making disinfection more difficult and failing effluent limits more likely. The presence of a Septic Tank Effluent Pumping ("STEP") collection system is helpful as it minimizes solid quantities entering the plant initially, but solids will still be generated throughout the treatment process, so more diligent removal of solids prior to the recirculation tank would be necessary if an on-site septic tank is not installed upstream from the existing treatment process.

Staff's Observation of the Water and Sewer Systems

Staff visited Johnson Bay on September 8, 2023. The water system is in good condition, has multiple new parts, and has been thoroughly maintained. Staff noted DNR's recommendations for the grandfathered backup well and found it to be in suitable condition. Engineering reports recommend that Confluence should create a GIS map of the wastewater collection system, and staff believes that the same practice should be used for the drinking water distribution system.

The existing wastewater treatment system is in good condition. The external structure appears to be stable and the filtration media was removed and rebuilt within the last ten years. However, staff notes that the plant has had multiple occurrences in the past when it was unable to meet effluent limits. This means that the system is producing water which exceeds limits for ammonia, BOD, TSS, and E. coli that is flowing directly into the Lake of the Ozarks. Improvements like additional solid material removal, could be made to the treatment process to ensure that the system remains in compliance.

Proposed Water System Improvements

A summary of proposed improvements for Well #1 (Main Well) is as follows:

- Removal of the existing booster pumps, as they are oversized relative to demand, and replacing them with a triplex 40 gallon per minute ("gpm") booster pump system with Variable Frequency Drives ("VFD"). These replacement pumps combined with VFDs will make the system more efficient and less expensive to maintain and operate;
- Removal of the existing hydropneumatic tanks from service. Utilizing the new booster pumps to maintain pressure in the distribution system will negate the need for hydropneumatic tanks
- Installation of a magnetic master meter to allow remote monitoring of water usage.
- Addition of a remote monitoring system to allow for monitoring flow demand, run time of the well and booster pumps, and volume of groundwater stored within the ground storage tanks;
- Well house maintenance and valve/pipe replacement;
  Completion of tank inspections.[2]

A summary of proposed improvements for Well #2 (Backup Well) is as follows:

- Installation of a magnetic master meter to allow remote monitoring of water usage.
- Addition of a remote monitoring system to allow for monitoring flow demand and run time of the well pump;
- Well house maintenance and valve/pipe replacement;,

Proposed Sewer System Improvements

A summary of proposed improvements for the sewer system is as follows:

- Installation of a manual transfer switch with a quick connect to allow for the use of a portable generator in emergency situations;
- Installation of a remote monitoring system;
- Brush removal;[3]
- Removal of trees in the vicinity of the sand filter;[3]
- Minor grading work around the sand filter to cover any process piping that is sticking out above-grade;
- Installation of an ultrasonic level transducer and V-Notch Weir for flow measurement in the new chlorine contact tank;
- Installation of a new fiberglass primary settling/septic tank above-grade upstream from the existing recirculation tank;
- Installation of a new fiberglass Moving Bed Biofilm Reactor ("MBBR") tank above-grade to supplement the wastewater systems' nitrification capabilities and improve compliance with ammonia effluent limits;

[2] While not a capital investment, periodic tank inspections are necessary to maintain existing equipment. This task is sometimes neglected by water providers.
[3] While not a capital investment, vegetation must be controlled to prevent damage to plant and prevent leaves and debris from entering the wastewater treatment system.

- Installation of a new duplex submersible pumping system in the existing recirculation tank for the purpose of feeding the new MBBR;
- Installation of a new duplex blower system for MBBR aeration;
- Installation of a new control panel with VFD's for the blowers, allowing them to be throttled downwards or upwards as necessary to increase energy efficiency;
- Installation of a new fiberglass chlorine contact tank downstream from the existing chlorine tablet feeder that is sized to provide 15 minutes of contact time at peak hourly flows;
- Create a GIS map of the collection system; and,
- Install flow monitoring, perform smoke testing, perform video inspection at selected locations, evaluate systems and create a GIS based maintenance priority list to help understand and reduce the effect of Inflow and Infiltration ("I&I") on the system.

Brussels Valley Estates

Sewer System

The Brussels wastewater treatment facility is located in Troy, Missouri approximately 40 miles northwest of Saint Louis. The wastewater system consists of a package extended aeration activated sludge plant with flow equalization, aeration, filtration, post aeration, and chorine disinfection and dechlorination. Sludge is held in an aerated sludge holding tank prior to removal by a contract hauler. The existing facility has been operational since 2005. The subdivision serviced by the plant is not fully built out, and currently features only 13 residences built in the 23-acre area designed for 65 residences. According to the owner of the subdivision, the subdivision is expected to be fully built out within the next few years. A review was performed of EPAs Echo compliance website which lists violations of wastewater treatment plants across the country. In the last 12 quarters, the Brussels facility has had one single BOD violation and an ammonia violation.

The facility also failed to report a sanitary sewer overflow in October 2021. The system has been seriously neglected, is not properly functioning, and requires significant improvements.

DNR Inspection of Sewer System

The facility formerly operated under NPDES permit number MO-0130117. Upon inspection performed by DNR on August 16, 2018, there were multiple reported violations, including:

- Permittee placing water contaminants or untreated wastewater in a location where it is reasonably certain to cause pollution of state waters;
- Failure of permittee to provide oral and/or written notification to the Department for all bypasses;
- Failure to provide adequate provisions for the protection of the operator and visitors;
- Use of a water contaminant source, domestic wastewater from a non-permitted outfall;
- Failure to maintain a valid authority for the facility;
- Failure to provide at least two operable pumps and alarm system for lift station;
- Failure to provide an all-weather access road from a public right-of-way with enough room for a vehicle to turn around;
- Permitted installation/modification of the treatment plant without receiving proper permitting; and,
- Failure to maintain outfall for collection of effluent samples before discharge to receiving waters.

Despite these issues, DNR renewed the operating permit in 2019. Then, the facility was found to be in violation of the Missouri Clean Water Law during a DNR inspection on January 20, 2023. Problems within the facility that caused violations were still not rectified, and its DNR permit expired on September 30, 2023.

Staff's Observations of the Sewer System

Staff visited Brussels on September 7, 2023. The wastewater treatment plant is in very poor condition, and it is clear that it has been neglected. The surrounding grounds are un-kept, there are critical pieces of machinery that cannot operate due to missing parts, and structural problems that will likely require major repairs. Staff observed grey matter, consistent with sewage, in the receiving stream on the effluent end of the plant, in addition to a large leak on the influent side of the plant that is allowing untreated wastewater to leach into the surrounding area. The existing treatment technology should be capable of meeting effluent limits, if repairs are made and the plant is operated and maintained correctly. Based upon Staff observations and DNR reports, the system is presently not providing safe and adequate service.

Proposed Sewer System Improvements

A summary of proposed sewer system improvements is as follows:

- Installation of a manual transfer switch to allow for the use of a portable generator in emergency situations;
- Installation of an ultrasonic level transducer and V-Notch Weir for flow measurement in the chlorine contact/post-aeration tank;
- Installation of a remote monitoring system to record flow data prior to additional system improvements;
- Brush removal;[3]
- Installation of a new gravel access road;
- Installation of a new duplex blower system for extended aeration (including WAS/RAS & Scum Airlifts) and post-aeration;
- Installation of a new blower system for the digester and for pre-aeration;
- Installation of new control panels with VFDs for the blowers, allowing them to be throttled downwards or upwards as necessary to increase energy efficiency;
- Installation of a new duplex influent grinder pump system and control panel with VFD;
- Installation of a chlorine tablet feeder upstream from the chlorine contact tank, and dechlorination tablet feeder upstream from the effluent basin;
- Create a GIS map of the collection system; and,
- Install flow monitoring, perform smoke testing, perform video inspection at selected locations, evaluate systems and create a GIS based maintenance priority list to help understand and reduce the effect of I&I on the system.

Mapaville

Sewer System

The Mapaville wastewater treatment facility is located approximately 5 miles northwest of Festus, Missouri in Mapaville, Missouri. The plant was originally constructed in the early 1980's and consists of an extended aeration system with chlorine disinfection. Sludge is held in an aerated holding tank prior to removal by a contract hauler. The facility has 9 homes presently connected and previously operated under NPDES permit number MO-0081906. The permit expired as of December 31, 2021, and has not been renewed due to the facility being unable to meet effluent compliance limits.

DNR Inspection of Sewer System

DNR sent a LOW to Mapaville in March 2021 due to the treatment facility violating limits of the Missouri Clean Water Act in samples that were taken on September 30, 2020 and December 31, 2020. Failure to meet effluent requirements was likely due to mismanagement and a lack of proper maintenance of the treatment facility. Prior to the permit expiration, the facility had multiple violations due to exceedances of effluent limitations for BOD, E. coli, and ammonia. The Mapaville Meadows Homeowner's Association ("HOA") contacted Jefferson County, requesting that the neighborhood be connected to existing public sewer district, but the request was ultimately

denied in 2022 due to the HOA lacking a continuing authority. Finally, DNR issued an Abatement Order against the HOA in July of 2023.

Staff's Observations of the Sewer System

Staff visited Mapaville on September 7, 2023. The plant itself is in fair condition, but it is clear that proper maintenance has not been performed for a sometime. The blowers are not in operation leaving the system without aeration. Vegetation has been allowed to infiltrate the surrounding grounds, and is now damaging the fence and producing foliage that falls directly into the treatment plant. Staff examined the creek beyond the plant's outfall and found pools of grey matter, consistent with sewage sludge, in the receiving stream. If operated and maintained correctly, the plant should have adequate capacity to handle the existing flows and meet effluent limits. Based upon Staff observations and DNR reports, the system is presently not providing safe and adequate service.

Proposed Sewer System Improvements

A summary of proposed sewer system improvements is as follows:

- Installation of a manual transfer switch with a quick connect to allow for the use of a portable generator in emergency situations;
- Installation of remote monitoring;
- Installation of an ultrasonic level transducer and V-Notch Weir for flow measurement in the chlorine contact/post-aeration tank;
- Brush removal;[3]
- Installation of a gravel access road;
- Replace existing fence;
- Replace all existing process wastewater and air piping including drops, laterals, and diffusers;
- Replace the existing clarifier weir and install a baffle wall;
- Conversion of the existing extended aeration system to an Integrated Fixed Film Activated Sludge ("IFAS") system;
- Installation of a new duplex blower system for IFAS aeration (including air injection for WAS/RAS & Scum Return Airlifts);
- Installation of a new control panel with VFDs should be installed for the blowers, allowing them to be throttled downwards or upwards as necessary to increase energy efficiency;
- Installation of a chlorine tablet feeder upstream from the chlorine contact tank;
- Create a GIS map of the collection system; and,
- Installation of flow monitoring, perform smoke testing, perform video inspection at selected locations, evaluate systems and create a GIS based maintenance priority list to help understand and reduce the effect of I & I on the system.

SERVICE AREA

Staff has reviewed the maps of the proposed service areas that were included in the *Application* for each of the three systems. Staff has no concerns with the maps or legal descriptions provided by Confluence.

RATE BASE

The Auditing Department Staff reviewed information provided by Confluence in response to Staff's Data Requests ("DRs") and the information in Confluence's *Application*, which included sale agreement documents and Confluence's workpapers. Typically, Staff recommends the value of plant investment, or rate base, by evaluating supporting documentation of the original cost of the utility plant, annual depreciation expense, and whether or not interactions with non-utility parties resulted in contributed plant-in-service. The initial costs invested in the plant, usually referred to as development costs, are recovered by the developer through sale of lots and are treated as Contribution in Aid of Construction ("CIAC") on the utility's books and records. Including this previously recovered cost into base rates would result in a double recovery of the development costs from the utility customers. Based on the lack of the original cost documentation for the plant, Staff recommends accounting for the Brussels sewer, Johnson Bay sewer and Mapaville sewer as fully contributed plant (no rate base value).

Likewise, Staff considers the initial investment in Johnson Bay's water system recovered through the sale of lots in the Johnson Bay subdivision. However, Confluence provided documentation of capital costs incurred between 2012 and 2023, which is subsequent to the initial development. For these investments in the water system, Staff calculated a rate base value of $43,503 for the water system as of September 30, 2023.

PURCHASE PRICE

Confluence entered into purchase agreements in order to acquire the water and wastewater system assets of Brussels, Johnson Bay, and Mapaville. According to Confluence the final purchase price of each system was the result of arms-length negotiations, where each party approved a purchase price that is agreeable to its own interests.

Plant Instruction No. 5 of the Commission-approved Uniform System of Accounts ("USOA") provides guidance on how to record the acquisition of utility systems. This instruction describes how the cost of the acquisition should be charged to various rate base accounts as well as accounts that generally do not affect the ratemaking revenue requirement; including Account 114 – Utility Plant Acquisition Adjustments. Conceptually, this account holds the difference between the net book value of assets acquired and the purchase price of those assets. The accounting industry also commonly refers to the amount of purchase price over book value as an acquisition premium (or if the book value exceeds the purchase price, an acquisition discount).

If the acquisition transactions at the center of this case were to close on September 30, 2023, each system would have the following acquisition premium/discount:

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[redacted]

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Confluence is not seeking regulatory treatment for acquisition premiums or discounts as part of the current application, but it may request recovery from ratepayers in a future rate case. Staff finds that deferral of ratemaking decisions related to the purchase prices is not detrimental to the public interest because a rate case is the proper venue to consider all relevant factors. However, Staff recommends that the Commission explicitly order Confluence to adhere to the acquisition accounting guidance provided in the USOA so that a request for rate recovery can be properly audited in Confluence's next rate case.

DISTRESSED SYSTEMS

Water and sewer utilities are capital-intensive operations that require compliance with numerous State and Federal regulations. A distressed water or sewer system usually means a system that does not currently have the ability to fund operations, repairs, upgrades and compliance obligations. The most critical of distressed systems are ones not currently compliant with State or Federal regulations and therefore are not providing safe and adequate service. These systems often require significant investment to repair and update them just to work towards compliance with current regulations. It is unclear if the Brussels or Mapaville systems are financially distressed, or if the owners simply chose not to make appropriate investments. The Johnson Bay system is providing safe and adequate service, and Staff has no information suggesting it is distressed

DEPRECIATION

Staff recommends the use of the water and sewer depreciation rates in Exhibit A of the *Unanimous Partial Stipulation and Agreement* filed in Confluence rate case, Case No. WR-2023-0006, which was approved by the Commission on September 27, 2023.

CUSTOMER EXPERIENCE

Publicity and Customer Notice

According to information provided to Staff, Confluence stated that it is not aware of any notifications or meetings held to inform the residents of the pending case.

Customer Service and Billing

The business office for Confluence will not change as a result of the proposed acquisition. The main office for Confluence is located at 1630 Des Peres Road, Suite 140, St. Louis, MO 63131. Customers will be able to contact Confluence's customer service department by calling

the toll-free phone number (866) 945-3920, the emergency toll-free number (866) 945-3920 option 2 or by sending an email to customer service at support@confluenceriversuoc.com. The emergency number, website and email are available 24/7. According to Confluence, this information will be provided on the customer brochure, the website, and in all written materials that will be sent to customers. The main office is open from 8:00 am to 5:00 pm M-F to respond to customer concerns forwarded by operations or customer service personnel. Additionally, main office customer service personnel are available to be contacted after hours for emergency calls.

Confluence will offer the following payment options including, check, money order, cashier's check, e-check, credit/debit cards, Apple Pay, Google Pay, PayPal Cash and Check Free Pay. Online payments can be made using any of the methods listed.

In order to incorporate each system's records into its billing and customer service systems, Confluence will obtain a customer list from each of the system's current owners/operators. That data will then be entered into Confluence's UOC billing system via data import or by manual data entry.

Confluence does not collect or require customer deposits from either new or existing customers. If applicable, it will be the responsibility of the seller to return, prior to closing, any and all customer deposits held by the systems before the acquisition by Confluence.

Confluence will utilize its standard billing process. Meters will be read near the end of each month as close to the previous months date as possible. Bills will be calculated near the first week of each month utilizing the Company's billing software, Muni-Link. Bills are mailed by a mailing service. Bills will have a due date of the last business day of the month, at least 21 days after each bill's rendition. Late fees are posted the day after the due date or within the first few days following the due date by Nitor Billing Services. Auto-payments are generated on the 20th of each month. Customers are contacted twice prior to disconnection via a written delinquent notice and a door hanger.

RATE AND TARIFF MATTERS

Confluence is proposing to adopt the rules and regulations contained within its current Commission approved water and sewer tariffs, MO P.S.C. No. 12 and MO P.S.C. No. 13, respectively. At a later date, the service areas will be added to the tariff books at issue in the pending rate case, Case Number WR-2023-0006.

Confluence is also proposing to adopt the current existing rates for each of the unregulated systems, as outlined below:

Johnson Bay Water	$27.00 per month (includes 3,000 gallons); $0.90 per additional 100 gallons used
Johnson Bay Sewer	Flat Rate of $47.50 per month
Brussels Sewer	Flat Rate of $32.00 per month
Mapaville Sewer	Flat Rate of $50.00 per month

Johnson Bay, Brussels, and Mapaville are not included in Confluence's current rate case, Case Number WR-2023-0006; therefore, rates will remain at the proposed rates listed previously until the systems are included in Confluence's next general rate case.

FINANCIAL ANALYSIS

Staff investigated whether Confluence has the financial ability to acquire all or substantially all of the water and sewer system assets of the currently unregulated systems of the Brussels sewer system, the Johnson Bay water and sewer systems, the Mapaville sewer system and upgrade, own, operate, maintain, or otherwise control and manage said systems. The purchase price of the Brussels and Mapaville systems are ** [redacted] ** each with respective total project costs of ** [redacted] ** and ** [redacted] **, while the purchase price of the Johnson Bay system is ** [redacted] ** with a total project cost of ** [redacted] **.[4] See Table 1 for a full breakdown of the purchase prices and total costs per system. Confluence states that it has, "the financial strength and resources necessary to make expenditures and investments required to maintain the systems."[5]

Table 1: Project Expenses by System[6]

Project	Purchase Price	Total Project Cost
Brussels Valley	** [redacted] **	** [redacted] **
Mapaville	** [redacted] **	** [redacted] **
Johnson Bay	** [redacted] **	** [redacted] **
Total	** [redacted] **	** [redacted] **

Confluence indicated that the purchase price for the systems was funded by equity provided by its parent company, CSWR.[7] Confluence additionally indicated that the remaining amount of the improvements for all three systems would be funded by a combination of both debt and equity.[8] Further review of Confluence's pro forma financial statements indicates that the total anticipated

[4] Appendices A-C, G-C, K-C, & O-C, The *Application*.
[5] Paragraph 31, The *Application*.
[6] Appendices A-C, G-C, K-C, & O-C, The *Application*.
7 Confluence Rivers' response to Staff's Data Request No. 0018.
[8] Ibid.

cost of the projects stems from equity infusions by its parent company, CSWR, as well as money borrowed[9] from CSWR.[10] See Table 2 below for a breakdown of how Confluence indicated the money for each project is to be split between debt and equity.

Table 2: Confluence Rivers' Debt and Equity Breakdown by Project[11]

Project	Payable to Associated Companies (Debt)[12]	Paid-In Capital/Retained Earnings (Equity)[8]
Brussels Valley	** [redacted] **	** [redacted] **
Mapaville	** [redacted] **	** [redacted] **
Johnson Bay	** [redacted] **	** [redacted] **
Total	** [redacted] **	** [redacted] **

Given the fact that the funding for this acquisition is coming from Confluence's parent company, Staff reviewed the current financial and business risk profile of both companies as well as the effect this project will have on their credit quality.

While neither Confluence nor CSWR are publicly traded, a review of Confluence and CSWR's financial ratios shows debt to capital ratios of ** [redacted] ** and ** [redacted] **, respectively.[13] These ratios indicate that Confluence has a highly leveraged financial risk while CSWR has a minimal financial risk which remains consistent in the pro forma.[14] See Table 3 below for a breakdown of both Confluence's and CSWR's ratio changes in the pro-forma.

[9] According to Confluence Rivers' response to Data Request No. 0003.1, this money is classified by Confluence Rivers as "Payable to Associated Companies" on their balance sheet. Though it is recorded in the Long-Term Liabilities section of Confluence Rivers' balance sheet, this amount has no "repayment, interest or other financing terms" as discussed in response to Data Request No. 0007.3 in case WF-2023-0023.
[10] Confluence River's response to Staff's Data Request No. 0014.
[11] Confluence Rivers' response to Staff's Data Request No. 0014.
[12] The table reflects how Confluence Rivers indicated each project would be split between debt and equity. The equity, "Paid-In Capital" is an amount recorded under the Capital section of Confluence's Balance Sheet. The debt, "Payable to Associated Companies" is an amount recorded under the Long-Term Liabilities section of Confluence's Balance Sheet, which is additionally recorded by them as a negative "Retained Earning" on Confluence's Balance Sheet. As this amount is money borrowed from CSWR with no due date or interest, Confluence records it as a debt on the balance sheet but records it as an equity for their Capital Structure.
[13] Confluence Rivers' response to Staff's Data Request No. 0015.
[14] S&P's Ratings Services, RatingsDirect, "Criteria Methodology: Business Risk/Financial Risk Matrix Expanded"

Table 3: Financial Ratio Pro-Forma Changes[15]

Confluence Rivers			
Ratios	Q1 2023	Pro-Forma	% Change
Total Debt/Total Capital	** [redacted] **	** [redacted] **	** [redacted] **

CSWR			
Ratios	Q1 2023	Pro-Forma	% Change
Total Debt/Total Capital	** [redacted] **	** [redacted] **	** [redacted] **

Both companies additionally report negative ratios for both Funds from Operations ("FFO") to Debt as well as Debt to Earnings before Interest, Taxes, and Depreciation/Amortization ("EBITDA"). These ratios have been consistently negative, with a couple of exceptions for Confluence's 2021 and Q1 2022 Debt to EBITDA ratios.[16] Negative financial ratios are nonsensical in nature as these ratios are typically positive[17] and due to that reason are unable to truly reflect the financial position of the companies. The negative ratios for FFO/Debt and Debt/EBITDA for both companies results from FFO and EBITDA themselves being negative numbers. The negative FFO for both companies appears to be from their negative net incomes. The negative FFO in the FFO/Debt ratio indicates that operations earnings are not enough to cover debt expenses. A negative EBITDA typically indicates poor cash flow and in the Debt/EBITDA ratio would indicate earnings are not exceeding debt.

Confluence has an average annual five-year projected capital expenditure of ** [redacted] **,[18] while CSWR has an average annual five-year capital expenditure of ** [redacted] **.[19] The total cost for the three systems is roughly 1.5X greater the average of Confluence's anticipated 5-year capital expenditures, however, it is less than 2% of CSWR's projected capital expenditures.[20] Please see Table 4 below for a breakdown of both companies' yearly capital expenditures and average.

[15] Confluence Rivers' response to Staff's Data Request No. 0015.
[16] Confluence Rivers' response to Staff's Data Request No. 0015 and Staff's Data Request No. 0003 in WA-2023-0398.
[17] FFO/Debt ratios typically range from less than 12 for "Highly Leveraged" risk companies to greater than 60 for "Minimal" risk companies. Debt/EBITDA typically ratios range from less than 1.5 for "Minimal" risk companies to greater than 5 for "Highly Leveraged" risk companies.
[18] Confluence Rivers' response to Staff's Data Request No. 0017.
[19] Confluence Rivers' response to Staff's Data Request No. 0183 as a part of Case No. WR-2023-0006.
[20] The percentage of the total cost of all three systems (** [redacted] **) from the average five year capital expenditure provided by Confluence Rivers in response to data request No. 0017 (** [redacted] **) and for CSWR in case WR-2023-0006 (** [redacted] **).

Table 4: Annual Capital Expenditures by Company[21]

Year	Confluence Rivers	CSWR
2023	** [redacted] **	** [redacted] **
2024	** [redacted] **	** [redacted] **
2025	** [redacted] **	** [redacted] **
2026	** [redacted] **	** [redacted] **
2027	** [redacted] **	** [redacted] **
Average	** [redacted] **	** [redacted] **

A review of Confluence's and CSWR's Balance Sheets shows that the companies have ** [redacted] ** and ** [redacted] ** in Cash, respectively.[22] Additional reviews of both companies' financials shows that historically, both companies have also had cash available if needed and that this acquisition does not greatly affect either companies' financial statements.[23] Despite this, Confluence and CSWR both report consistently negative "Net Income" from 2020 to current as well as in the pro forma.

In recent years, the water and sewer sector "has experienced an expansion in the geographic footprint of transactions and diversity in the acquirers of water and wastewater systems nationwide. Given sector demographics, the lion's share of water utility acquisition activity will continue to stem from the acquisition of financially challenged, small private systems and municipal utility systems by the largest investor-owned utilities."[24] Review of the CCN cases filed by Confluence during fiscal year 2023[25] shows that in that fiscal year alone, Confluence filed nine CCN cases[26], including this one, with five of them being joint sewer and water cases. Furthermore, from July 1, 2023 to date, Confluence filed two additional CCN cases.[27] This indicates that Confluence has a fairly aggressive business practice, but larger companies acquiring smaller financially challenged water and sewer systems appears to be on par with other companies nationwide.

While Staff has concerns regarding Confluence's high financial risk profile, its debt to capital ratio shows a positive minimal change in the pro forma.[28] Additionally, the projected total project cost of all three systems, ** [redacted] **, will be provided by CSWR[29] with the total project cost of

[21] Confluence Rivers' response to Staff's Data Request No. 0017 and Data Request No. 0183 as a part of Case No. WR-2023-0006.
[22] Confluence Rivers' response to Data Request No. 0014.
[23] Ibid.
[24] S&P Capital IQ Pro, Financial Focus, "Water utility transactions trickle in while long-term demand remains elevated", published July, 14, 2023
[25] Fiscal year 2023 went from July 1, 2022 to June 30, 2023.
[26] These Cases include: WA-2023-0003, WA-2023-0026/SA-2023-0027, WA-2023-0092/SA-2023-0093, SA-2023-0187, SA-2023-0215, WA-2023-0284/SA-2023-0285, WA-2023-0398/SA-2023-0396, SA-2023-0437, and WA-2023-0450/SA-2023-0451.
[27] These cases include: WA-2024-0048 and SA-2024-0049.
[28] Confluence Rivers' response to Data Request No. 0015.
[29] Confluence Rivers' response to Data Request No. 0018.

all three systems being less than 2% of CSWR's average annual projected capital expenditures and less than 6% of their cash on hand. Furthermore, CSWR has a Minimal financial risk profile that is mostly unchanged by this transaction. Given this information, Staff does not have any evidence that Confluence, with their parent company, CSWR, does not have the financial capability to acquire, upgrade, own, operate, maintain, and otherwise control and manage the Brussels, Johnson Bay, and Mapaville water and sewer systems. Staff concludes that Confluence, with the assistance of its parent company, CSWR, is financially capable of the acquisitions requested in the application.

TMF AND TARTAN ENGERGY CRITERIA

Staff utilizes the concepts of Technical, Managerial, and Financial capacities ("TMF") in studying applications involving existing water and/or sewer systems. Staff has reviewed and stated its position on the TMF capacities regarding each of Confluence's affiliates in previous CCN and transfer of assets cases before the Commission. Staff's position on Confluence's ability to meet TMF criteria remains positive regarding those affiliates, and it similarly takes the position that Confluence has adequate TMF capacity in this case. It is Staff's position that Confluence has the ability to secure funding, to oversee construction of any necessary upgrades or repairs, and the ability to manage operations of the water and sewer utility systems listed above.

When considering a request for a new CCN, the Commission applies criteria originally developed in a CCN case filed by the Tartan Energy Company and referred to now as the "Tartan criteria." The Tartan criteria contemplate 1) the need for service; 2) the utility's qualifications; 3) the utility's financial ability; 4) the economic feasibility of the proposal; and, 5) promotion of the public interest. Similar to the TMF capacities, in previous CCN cases Staff investigated these criteria and that investigation relates to this proposed acquisition. The results of Staff's investigation are outlined below:

(1) Need for Service

There is both a current and future need for water and/or sewer service, as the existing Johnson Bay, Brussels, and Mapaville customer base has both a desire and need for service.

(2) Applicant's Qualifications

Confluence is an existing water and sewer corporation and public utility subject to the jurisdiction of the Commission. As of January 31, 2023, Confluence provides service to approximately 4,830 water connections and 5,053 sewer connections throughout Missouri.[30] Confluence is a subsidiary of CSWR.

(3) Applicant's Financial Ability

Confluence has the financial capacity to acquire this system through access to capital from its parent company. This purchase is being made with a capital infusion and as a result, the purchase does not have a negative impact on the purchaser's capital structure or financial ratios.

[30] General Rate Case No. WR-2023-0006, Direct Testimony Paul K. Amenthor, page 3:6 – 8.

(4) Feasibility of the Proposal

The final determination of the existing rate base (before investment upgrades) and certainly any return of and on rate base for any future rate base investments would be determined in a future rate case. Any investment upgrades need to be prudent, in-service, used and useful before they are included in Confluence's revenue requirement. In other words, the Company does not get recovery of or a return on any investment until after rates are set in a future rate case. The proposed adoption of the existing rates, which are currently feasible, will be reviewed in Confluence Rivers' next rate case. Confluence Rivers can draw upon the significant resources of its parent company, should any shortfall arise prior to the next rate case.

The upgrades and repairs proposed by Confluence for these systems appear reasonable, and are likely to enable the troubled systems to begin providing safe and adequate service. This demonstrates the technical and operational feasibility of the Company's proposal.

(5) Promotion of the Public Interest

Staff finds the proposed transaction promotes the public interest. The current owners of the Brussels and Mapaville systems have failed to properly operate and maintain the sewer systems. This will be resolved by Confluence purchasing the systems and making the appropriate improvements. As a result, the customers will be better served by Confluence as the operator of the sewer systems, and will more likely be provided with safe and adequate service, provided that Confluence completes upgrades and repairs in a timely manner as described in the conditions below.

Additionally, the current owner of the Johnson Bay water and sewer system has made the decision to exit the water and sewer utility business. The sale of the Johnson Bay water and sewer systems to Confluence is in the public interest. Customers will experience enhanced service with improvements, and Confluence has demonstrated the ability to provide safe and adequate service.

OTHER ISSUES

Brussels and Mapaville, as unregulated water and/or sewer entities, have no obligations due to the Commission, and has no pending actions before the Commission. As mentioned previously, it is possible Johnson Bay should have been a regulated utility before the Commission prior to this acquisition.

Confluence Rivers is a corporation that is in "good standing" with the Missouri Secretary of State.

Confluence Rivers is current with annual report filings with the Commission through calendar year 2022, as documented on the Commission's Electronic Filing and Information System ("EFIS").

Confluence Rivers is current on its annual assessment quarterly payments.

Confluence Rivers has other pending cases before the Commission, but none that would impact this decision.

STAFF RECOMMENDATION

Based upon the above, Staff recommends that the Commission:

1. Grant Confluence separate CCN's to provide water and sewer service in the proposed Johnson Bay, Brussels, and Mapaville service areas;
2. Approve Confluence's proposed monthly charge for water service, as outlined in Staff's Memorandum, and the rules governing water service currently found in Confluence's water tariff P.S.C. MO No. 12, until such time the new tariff book is approved by the Commission in Confluence's current rate case;
3. Approve Confluence's proposed monthly charges for sewer service for each service area, and the rules governing sewer service currently found in Confluence's sewer tariff P.S.C. MO No. 13, until such time the new tariff book is approved by the Commission in Confluence's current rate case;
4. Require Confluence to submit tariff sheets for each service area, to become effective before closing on the assets, to include a service area map, service area written description, rates and charges;
5. Require Confluence to notify the Commission of closing on the assets within five (5) days after such closing;
6. If closing on the assets does not take place within thirty (30) days following the effective date of the Commission's order approving such, require Confluence to submit a status report within five (5) days after this thirty (30) day period regarding the status of closing, and additional status reports within five (5) days after each additional thirty (30) day period, until closing takes place, or until Confluence determines that the transfer of the assets will not occur;
7. If Confluence determines that a transfer of the assets will not occur, require Confluence to notify the Commission of such no later than the date of the next status report, as addressed above, after such determination is made, and require Confluence to submit tariff sheets as appropriate that would cancel service area maps and descriptions applicable to the service area in its water and sewer tariffs, and rate and charges sheets applicable to customers in the service areas in the water and sewer tariffs;
8. Require Confluence to keep its financial books and records for plant-in-service and operating expenses in accordance with the NARUC Uniform System of Accounts;
9. Require Confluence to adhere to the acquisition accounting guidance provided in the USOA so that a request for rate recovery can be properly audited in Confluence's next rate case.
10. Require Confluence to utilize the water and sewer depreciation rates in Exhibit A of the *Unanimous Partial Stipulation and Agreement* filed in Confluence rate case, Case No. WR-2023-0006, which was approved by the Commission on September 27, 2023.
11. Require Confluence to provide training to its call center personnel regarding rates and rules applicable to the water and sewer customers in the acquired areas;
12. Require Confluence to distribute to the customers in the acquired areas an informational brochure detailing the rights and responsibilities of the utility and its customers consistent with the requirements of Commission Rule 20 CSR 4240-13, within thirty (30) days of closing on the assets;

13. Require Confluence to provide to the Customer Experience Department ("CXD") Staff an example of its actual communication with the each system's customers regarding its acquisition and operations of the water and sewer systems, and how customers may reach Confluence, within ten (10) days after closing on the assets;
14. Require Confluence to provide to the CXD Staff a sample of five (5) billing statements from the first three month's billing for each of the acquired systems within ten (10) days of the billings; and,
15. Require Confluence to file notice in this case outlining completion of the above-recommended training, customer communications, notifications and billing for each acquired system within ten (10) days after such communications and notifications.
16. Require Confluence to include each system's water and sewer customers in its established monthly reporting to the CXD Staff on customer service and billing issues, on an ongoing basis, after closing on the assets.
17. Require Confluence to complete repairs and upgrades to the wastewater plant at Brussels, and bring effluent sample readings into DNR compliance within 24 months of closing. Require Confluence to notify the manager of the Water, Sewer, and Steam Department upon completion of these repairs and upgrades.
18. Require Confluence to complete repairs to the wastewater plant at Mapaville, and bring effluent sample readings into DNR compliance within 24 months of closing. Require Confluence to notify the manager of the Water, Sewer, and Steam Department upon completion of these repairs and upgrades.
19. Require Confluence to file notice in this case once Staff Recommendations Nos. 1-18 above have been completed.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Confluence Rivers Utility Operating Company, Inc., for Authority to Acquire Certain Water and Sewer Assets and for Certificates of Convenience and Necessity	)))))	File No. WA-2023-0450

AFFIDAVIT OF SYDNEY FERGUSON

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

COMES NOW SYDNEY FERGUSON and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

SYDNEY FERGUSON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 21st day of November 2023.

CHERYL LEVERETTE
MY COMMISSION EXPIRES
9-7-2027
NOTARY SEAL
#01404338
JACKSON COUNTY
NOTARY PUBLIC, STATE OF MISSOURI

Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Confluence Rivers Utility Operating Company, Inc., for Authority to Acquire Certain Water and Sewer Assets and for Certificates of Convenience and Necessity	)))))	File No. WA-2023-0450

AFFIDAVIT OF JARED GIACONE

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

COMES NOW JARED GIACONE and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

JARED GIACONE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 21st day of November 2023.

CHERYL LEVERETTE
MY COMMISSION EXPIRES
9-7-2027
NOTARY SEAL
#01404338
JACKSON COUNTY
NOTARY PUBLIC, STATE OF MISSOURI

Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Confluence Rivers Utility Operating Company, Inc., for Authority to Acquire Certain Water and Sewer Assets and for Certificates of Convenience and Necessity	)))))	File No. WA-2023-0450

AFFIDAVIT OF LINDSEY SMITH

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

COMES NOW LINDSEY SMITH and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Lindsey Smith
LINDSEY SMITH

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 21st day of November 2023.

CHERYL LEVERETTE
MY COMMISSION EXPIRES
9-7-2027
NOTARY SEAL
#01404338
JACKSON COUNTY
NOTARY PUBLIC, STATE OF MISSOURI

Cheryl Leverette
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Confluence Rivers Utility Operating Company, Inc., for Authority to Acquire Certain Water and Sewer Assets and for Certificates of Convenience and Necessity	)))))	File No. WA-2023-0450

AFFIDAVIT OF MATTHEW R. YOUNG

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

COMES NOW MATTHEW R. YOUNG and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

Matt Young

MATTHEW R. YOUNG

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 21st day of November 2023.

CHERYL LEVERETTE
MY COMMISSION EXPIRES
9-7-2027
NOTARY SEAL
#01404338
JACKSON COUNTY
NOTARY PUBLIC, STATE OF MISSOURI

Cheryl Leverette

Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Confluence Rivers Utility Operating Company, Inc., for Authority to Acquire Certain Water and Sewer Assets and for Certificates of Convenience and Necessity	)))))	File No. WA-2023-0450

AFFIDAVIT OF LISA A. STOCKMAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW LISA A. STOCKMAN and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Lisa A. Stockman
LISA A. STOCKMAN

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 21st day of November 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070

D Suzie Mankin
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Confluence Rivers Utility Operating Company, Inc., for Authority to Acquire Certain Water and Sewer Assets and for Certificates of Convenience and Necessity	)))))	File No. WA-2023-0450

AFFIDAVIT OF KELLI McKINLEY

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KELLI McKINLEY and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Kli McKinley

KELLI McKINLEY

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of November 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070

D Suzie Mankin

Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Confluence Rivers Utility Operating Company, Inc., for Authority to Acquire Certain Water and Sewer Assets and for Certificates of Convenience and Necessity	)))))	File No. WA-2023-0450

AFFIDAVIT OF KERI ROTH

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW KERI ROTH and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Keri Roth

KERI ROTH

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 20th day of November 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070

D Suzie Mankin

Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Confluence Rivers Utility Operating Company, Inc., for Authority to Acquire Certain Water and Sewer Assets and for Certificates of Convenience and Necessity	)))))	File No. WA-2023-0450

AFFIDAVIT OF ADAM STAMP

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW ADAM STAMP and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

ADAM STAMP

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 21st day of November 2023.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070

Notary Public