

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

In the Matter of the Petition for an Interim Receiver and for an Order Directing the General Counsel to Petition the Circuit Court for the Appointment of a Receiver for Misty Water Works.)
)
) **Case No. WO-2024-0036**
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)

STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through counsel, and in response to the Commission’s *Order Directing Staff File A Monthly Status Report*, states as follows:

1. On August 15, 2023, Staff filed a *Petition for Interim Receiver* pursuant to § 393.145, RSMo, asking the Commission to direct its General Counsel to petition the Circuit Court of Cole County, Missouri to appoint a receiver for Misty Water Works and to appoint an interim receiver for Misty Water Works.

2. The evidentiary hearing in this matter was held on October 25 and 26, 2023, during which Leon Travis Blevins testified he planned to form one or more non-profit home owners associations (HOA) to take over the water utility service of the various well systems he owned so that the water systems he operated would no longer be subject to Missouri Public Service Commission (PSC) jurisdiction.

3. On December 20, 2023, the Commission issued an *Order Directing Staff Response About Noncompliant Well Agreement*, requiring the Staff to inform the Commission of the status of the Department of Natural Resources’ (DNR) noncompliant well agreement and its availability.

4. On January 8, 2024, March 7, 2024, and again on April 5, 2024, Staff filed *Status Reports* describing the DNR action against Mr. and Mrs. Blevins.

Specifically, Staff noted that on December 28, 2023, the DNR issued a unilateral order to Mr. and Mrs. Blevins, in the form of a *Notice and Order to Abate Violations and Pay Administrative Penalties* No. PDWB-2023-215, before the Missouri Administrative Hearing Commission (AHC), relating to the Misty Mountain Public Water System (PWS), which became effective on December 28, 2023.¹

5. That administrative order (AO) set forth numerous findings of fact and violations of Chapter 640, RSMo, and Title 10 CSR 60, which would subject Mr. and Mrs. Blevins to monetary penalties under Chapter 630, RSMo. It also ordered Mr. and Mrs. Blevins to take specific corrective actions to remedy the violations set forth in the AO.

6. On February 2, 2024, Mr. and Mrs. Blevins, through counsel, filed a *Notice of Appeal* at the AHC in case number PDWB-2023-215, along with *Respondents' Request for Extension of Time for Good Cause Shown*. The AHC designated that filing a "complaint" and gave it AHC case number 24-0110. On March 7, 2024, the DNR filed a *Motion to Dismiss and Answer* in AHC case number 24-0110 (DNR Order No. PDWB-2023-215) for lack of jurisdiction, in that the Blevins' filed their appeal of its Order out of time. On April 4, 2024, the AHC entered a *Decision* granting the DNR's *Motion to Dismiss*.

7. According to the DNR, to date, the Blevins have been and continue to be in non-compliance with the unilateral AO issued by the DNR relating to the Misty Mountain PWS on December 28, 2023, No. PDWB-2023-215.

¹ The Order can also be accessed at this link: <https://dnr.mo.gov/compliance-assistance-enforcement/actions>.

8. On January 5, 2024, the DNR issued two other proposed Administrative Orders on Consent (AOCs) to Mr. and Mrs. Blevins relating to the Charity PWS and Rolling Hills PWS, which contain similar requirements as the Misty Mountain PWS AOC referenced above. If the Blevins' fails to reach an agreement and sign the proposed AOCs, then the DNR will issue unilateral AOs to each PWS, as it did with the Misty Mountain PWS.

9. On January 9, 2024, Mr. Blevins registered the Charity PWS Home Owners Association (HOA), Rolling Hills PWS HOA, and the Misty Mountain PWS HOA as public non-profit corporations with the Missouri Secretary of State's (MO SOS) Office. No other filing was made for or on behalf of any of the HOAs with the MO SOS Office.

10. On February 29, 2024, the Tigger Water Well was registered as a Mutual Benefit corporation with the MO SOS Office with the purpose of forming a Mutual Water Well Ownership (hereafter to be known as the "Tigger HOA"). The Tigger HOA's Bylaws were drafted and approved by its members on February 24, 2024.

11. According to the Pulaski County, Missouri Recorder of Deeds, the Tigger Well #1, which serves the Tigger HOA, is owned by one of the homeowner-members of the Tigger HOA, and not by Mr. Blevins.

12. On March 26, 2024, the DNR activated the Tigger HOA PWS, splitting it away from the rest of the Misty Mountain PWS, and now provides water to the residents of both the Tigger HOA homeowners and the Taylor Lane residents until at least

June 3, 2024.² Lori Jean has been hired by the Tigger HOA as the Tigger HOA PWS Certified Operator (CO).

13. The Tigger HOA notified Mr. Blevins by letter that he must fix or otherwise repair the Taylor well to get it operational so that those homes can regain access to the Taylor well and no longer be connected to the Tigger HOA PWS well. To date, Mr. Blevins has failed to fix or make necessary repairs to the Taylor well, leaving those homes still connected to the Tigger HOA PWS.³

14. The Taylor well is owned and operated by Mr. Blevins, but has been out of service since approximately August 2019⁴, leaving all of the residents on Taylor Lane to be fully supplied by the Tigger well. The connection between the two wells recently suffered a leak, adversely affecting the Taylor Lane residents' water supply. To date, Mr. Blevins has taken no action to fix the leak at the Taylor well. The Tigger HOA wants to permanently close its connection to the Taylor well / Taylor Lane residents, but does not want to cut water service to the residents if the leak is not fixed. A picture of the Taylor Well house, taken by Staff on April 25, 2024, is attached hereto and incorporated herein by reference as **Attachment A**.

15. Lori Jean ceased acting as the CO for Mr. Blevins and the Misty Mountain, Charity, and Rolling Hills PWSs on or about March 3, 2024. 10 CSR 60-14.010 requires all community public water systems to be under the direct supervision of a properly certified CO. Because Mr. Blevins is not a CO, he is required to obtain the services of a

² There are currently three houses on Taylor Lane receiving water from the Tigger HOA PWS well. The residents have been notified by letter from the Tigger HOA that the Tigger HOA is working on a "service agreement" related to maintaining the water supply to those residents past June 3, 2024.

³ According to Pulaski County Recorder of Deeds, Mr. and Mrs. Blevins own the lot that contains the Taylor well.

⁴ According to a customer connected to this system.

properly certified operator for each PWS and provide a copy of a complete contract operator agreement per 10 CSR 60-14.010(4)(F).

16. To date, no replacement CO has been retained by Mr. Blevins. As a result, DNR will be sending Mr. and Mrs. Blevins letters of warning the week of May 6, 2024, regarding Misty Mountain PWS, Rolling Hills PWS, and Charity PWS and notices of violation (NOVs) in May and in all subsequent months until each system obtains a CO or submits a viable corrective action plan.

17. The 2024 DNR laboratory services and program administration fees (“lab fees”) are now overdue for the Misty Mountain, Charity, and Rolling Hills PWSs. The Blevins’ will get notices of violation for those systems in June if the fees remain unpaid.

18. On April 25, 2024, Staff inspected three wells Mr. Blevins owns that supply water service to approximately 10 homes on Rowden Lane, one of which has developed a leak, resulting in a loss of water pressure to three of the houses. The leak appears to be in the wellhead, below the surface. If the casing is cracked, this would be the second well failure of such nature among the Blevins systems, which generally believed by Staff to be due to substandard construction. To date, Mr. Blevins has not taken steps to fix the leak. Unlike the three well systems mentioned above, the homes on Rowden Lane are not part of a DNR regulated PWS, and there is no connection that will allow the houses located there to be supplied by any of those well systems. Because DNR has no jurisdiction, the PSC is the only agency with oversight.

19. A cracked casing at the Topo well, which is believed to have been the source of the bacterial contamination, coupled with Mr. Blevins refusal to address the

issue while acting as a utility and charging customers, lead to the initial request for PSC assistance from DNR.

20. On April 8, 2024, an *Order of Revival of Judgment* was entered in the Cole County Circuit Court, in *State of Missouri, ex rel., Jeremiah W. (Jay) Nixon, Attorney General, the MO Land Reclamation Comm'n, The MO Clean Water Comm'n, and the MO DNR, v. Charles Johnston, d/b/a Johnston Sand & Gravel Co., Morris M. McDaniel,, and Leon Travis Blevins d/b/a Travis Sand & Gravel Co.*, Case No. 02CV324722, against Leon Travis Blevins d/b/a Travis Sand & Gravel Co. That *Order* revived the *Judgment* entered against Mr. Blevins on July 3, 2003 in the amount of \$10,000 plus interest for his violations of the Missouri Clean Water Law.

WHEREFORE, the Staff respectfully offers and requests the Commission accept the foregoing *Status Report* in this case.

Respectfully submitted,

/s/ Carolyn H. Kerr

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 7th day of May, 2024, to all parties and counsel of record.

/s/ Carolyn H. Kerr



Figure 1 The Blevins Taylor Well has been out of service for over a year. According to an area service provider that I spoke with, it will not take much to repair it, but Blevins has not been able to do so. In the picture above you can see that it rests in disrepair with the well house missing its roof.