

MEMORANDUM

TO: Missouri Public Service Commission, Official Case File
Case No. WA-2025-0012, Confluence Rivers Utility Operating Company, Inc.

FROM: Kelli McKinley, Financial Analyst, Financial Analysis Department
Lovena Jahr, Research/Data Analyst, Customer Experience Department
Financial and Business Analysis Division

Daronn A. Williams, Associate Engineer
Jarrod J. Robertson, Senior Research/Data Analyst
Water, Sewer, Gas, and Steam Department, Industry Analysis Division

/s/ Jarrod J. Robertson 09/30/2024
Senior Research/Data Analyst / Date

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

DATE: September 30, 2024

CASE BACKGROUND

On July 5, 2024, Confluence Rivers Utility Operating Company, Inc. ("Confluence") filed both a *Motion to Consolidate* and an *Application and Motion for Waiver* ("Application") with the Missouri Public Service Commission ("Commission"), seeking authority from the Commission for Confluence to install, acquire, build, construct, own, operate, control, manage and maintain a water and system for the public within the area identified as Creekside, and adjacent to a current water and sewer system, Glenmeadows, which is a Commission regulated system currently operated by Confluence. This Creekside development will result in the addition of approximately 85 lots, which will be enveloped by the neighboring Glenmeadows system.

On July 9, 2024, the Commission issued its *Order Directing Notice, Setting Deadline for Intervention Deadline, and Directing Staff to File a Pleading*, setting a deadline for intervention of July 24, 2024, and setting a deadline of July 30, 2024, for Staff to file a pleading indicating when it can file a recommendation regarding Confluence's Application.

On July 30, 2024, Staff requested an additional sixty (60) days to file its recommendation, and on July 31, 2024, the Commission issued an *Order Consolidating files and Extending Time for Recommendation*, consolidating Case No. SA-2025-0013 and Case No. WA-2025-0012, with the latter acting as lead in this case, and setting a deadline of September 30, 2024 for Staff to file its recommendation.

As of the date of this filing, no party has applied to intervene.

BACKGROUND OF CONFLUENCE

Confluence is a Missouri corporation with its principal office and place of business at 1630 Des Peres Road, Suite 140, St. Louis, Missouri 63131, and it is a public utility subject to the jurisdiction of the Commission. Confluence is currently providing water service to approximately 5,800 customers and sewer service to approximately 5,900 customers in the State of Missouri. Confluence acquired the water and sewer assets of Glenmeadows in Case No. WA-2023-0026, with an effective date of December 18, 2022. Confluence currently provides water and sewer services to approximately 230 connections¹ in the Glenmeadows subdivision, which is located in Lincoln County, near Moscow Mills, Missouri.

Confluence is a subsidiary of Central States Water Resources, Inc. (“CSWR”), which entered into a Utility Services Agreement (“Agreement”) for the Creekside subdivision with Vanderbilt Homes, Inc. (“Developer”) on January 20, 2023.

REQUESTED SERVICE AREA

Confluence wishes to expand the existing Glenmeadows service area to include approximately 85 more residential customers. In the original application, the map and legal description only included the area of the new homes. Because Confluence is proposing to combine the two service areas of Glenmeadows and the new Creekside development, a new map and legal description that encompass the entire new service area was requested. As a result, Confluence provided Staff with these revised items on September 9, 2024. The resulting revised map and legal description is attached to this memorandum as Attachment A and Attachment B. This same map and legal description need to be included in Confluence’s compliance tariff.

STAFF’S INVESTIGATION

Water System Background

The water system consists of a single well and three 11,500 gallon hydropneumatic pressure tanks, located at the northwest corner of the subdivision. The tanks are located inside an enclosed structure and the well head is located directly outside of this structure. Water is pumped using a 300 gallon per minute well pump. The total well depth is 1,515 feet deep. The water distribution system consists of 1,880 feet of two-inch water mains and 9,420 feet of six-inch water mains. The material of the water mains is a mix of polyvinyl chloride (“PVC”) and ductile iron pipe. Per Missouri Department of Natural Resources (“DNR”) records, the well was constructed on July 29, 2002 and other water system components were installed approximately between 2004 and 2005. The system is not disinfected. Per the Company representative during Staff’s site inspection on September 11, 2024, the Company does not plan on adding disinfection at this time

¹ Per Confluence’s response to Staff Data Request No. 0012.

because it is currently meeting drinking water requirements. Staff does not object to the Company not using disinfection. In addition, the system does not have a back-up well or emergency connection, which is a DNR recommendation based on the Minimum Design Standards for Missouri Community Water Systems (DNR Publication No. 2489).² These standards are required for new water systems built after December 10, 2013, and since this water system was constructed before this date, it is not required to meet these standards. While not required at this time, it's suggested that Confluence consider adding a back-up well or emergency connection. The water system operates under the DNR Permit to Dispense, Permit Number 6000017-23. The System ID Number is MO-6031360.

Staff conferred with DNR about capacity concerns regarding the water system. DNR and Staff both agree that current water system can handle the 85 additional residential customers.

DNR Inspection of Water System

DNR last inspected this public water system on May 4, 2022. DNR evaluated the system for compliance with the Missouri Safe Drinking Water Law, and the system was found to have a significant deficiency based upon the observations made at the time of the evaluation. In its inspection report, dated May 25, 2022, DNR notes that the air release valve for the well was not screened. However, on May 18, 2022, the Confluence Rivers provided photographic proof that an 18-mesh screen was installed on the air release valve piping as required by DNR regulations.

Sewer System Background

The sewer system consists of a mechanical plant that has the following components: flow equalization, extended aeration, aerated sludge holding tank, chlorination, dechlorination and sludge disposal by contract hauler. The design flow for this sewer system is 80,000 gallons per day ("gpd") and the actual flow is 47,500 gpd, based on the most recent operating permit renewal application that was included in Staff Data Request No. 0014. The collection system consists of 12,342 feet of eight-inch PVC gravity pipe and 58 manholes. The sewer system components were installed between 2004 and 2005, and operates under the DNR Operating Permit (Permit Number MO-0128171). This operating permit expired on December 31, 2023. However, per DNR online records, Confluence's renewal application was received on May 9, 2023. It is Staff's understanding that DNR is working to issue a new permit for this facility. In the meantime, the facility is operating under the existing sewer permit and has to follow the parameters of this permit.

Staff conferred with DNR about capacity concerns regarding the sewer system. DNR and Staff both agree that current sewer system can handle the 85 additional residential customers.

² Found at <https://dnr.mo.gov/document-search/minimum-design-standards-missouri-community-water-systems-pub2489>.

DNR Inspection of Sewer System

DNR last inspected this sewer system on December 12, 2023. This inspection resulted in an inspection report and Letter of Warning (“LOW”). This LOW was issued for the following reasons:

1. The sewer system caused pollution to waters of the state;
2. The sewer system discharged sludge into waters of the state; and
3. The sewer system failed to operate in a manner to prevent the discharge of sludge to waters of the state, as required by the Missouri State Operating Permit.

Based on DNR records that Staff reviewed, after receiving the inspection report, Confluence’s Environmental Health and Safety Program Manager informed DNR, on January 17, 2024, that Confluence had removed the sludge from the receiving stream and built-up sludge from its wastewater treatment plant.

Staff’s Observations of Water and Sewer Systems

Water System

Prior to Confluence taking ownership of Glenmeadows, the water system needed repair. During that time, the hydropneumatic pressure tanks had chipped, peeling paint with rust on the underside, and a lot of the piping inside the tank building was severely rusted.

In addition, prior to Confluence’s ownership, the Glenmeadows water system was not meeting the standards of water storage, according to the Minimum Design Standards for Missouri Community Water Systems Section 7.4.2 “Sizing hydropneumatic tanks,” Part a, which states: “Hydropneumatic storage (conventional tanks or bladder tanks) shall not be used as the only storage facilities for community public water systems serving more than 50 connections or living units.” The continued running of this system relying solely on hydropneumatic storage is not advisable and as a result, Confluence plans to convert these tanks to ground storage tanks and add booster pumps to pressurize the system, per Confluence’s response to Staff Data Request No. 0012. Also, per Confluence’s response to Staff Data Request No. 0015, Confluence is in the preliminary design stages for these projects and it is working with its engineering consultants to initiate the permitting process, which first includes a facility report and is then followed by a construction permit to DNR.

Staff inspected the water system on September 11, 2024. Since Confluence has taken ownership of Glenmeadows, it has removed the rust from the hydropneumatic pressure tanks and repainted them, and has replaced most of the rusted piping inside the building that houses the storage tanks. There was some rust on the piping near the master meter, but the Confluence representative stated they would be replacing the piping and meter soon. In addition, Confluence has completed the following projects to the water system:

- Installed high tide remote monitoring
- Cleaned up old signs and trash inside and outside the well house
- Placed covers over holes in exterior siding to prevent vermin intrusion on wellhouse
- Installed a 6-inch saddle, corporation stop, and a pressure transducer for high tide monitoring
- Installed a hydrant diffuser

Sewer System

Prior to Confluence taking ownership of Glenmeadows, the sewer treatment system was poorly maintained and was in extremely poor condition. The grates that were over the flow equalization, extended aeration and aerated sludge holding tank were severely rusted and literally falling apart. Leaves and debris were clogging the skimmers in the clarifiers. The clarifiers were full of sludge and plants were growing in the clarifiers from the sludge build-up. Large amounts of sludge were found in the chlorine contact chamber. The bar screen was completely clogged and covered with rags, debris, and disposable wipes. The wastewater treatment plant was discharging dark, murky water and sludge was visible in the stream. A sign identifying the outfall was missing, which was a violation to the site's DNR sewer permit.

Staff inspected the sewer system on September 11, 2024. Since taking ownership of this sewer system, Confluence has addressed many of the issues, such as: replacing the grates, removing leaves, debris, sludge and plants from the clarifiers, removing sludge from the chlorine contact chamber and cleaning the bar screen and keeping it clear of debris. The discharge from the plant is no longer dark and murky and is now clear. Sludge is no longer visible in the stream and Confluence has installed a permanent outfall sign.

During this inspection, Confluence mentioned the residents of this subdivision often flush foreign objects, such as rags and mop heads, more-so than other service areas. As a result, Confluence's wastewater operator has to clean the bar screen multiple times a day. In addition, Confluence is considering adding a lift station to this sewer system to better control the foreign objects from entering the wastewater system.

In addition to the investments already mentioned, Confluence has completed the following projects to the sewer system:

- Installed high tide remote monitoring
- Added additional aeration drops and rebuilt the air header, along with return activated sludge piping
- Installed Confluence River signage on sewer plant fence
- Installed new equalization basin and secondary grinder pumps, replaced plumbing and wiring, and removed airlift pumps
- Installed a new flow meter and pressure gauges on air lines
- Replaced blower #1 completely and rebuilt and rewired blower #2 with a new motor

Tartan Energy Criteria

When considering a request for a new Certificate of Convenience and Necessity (CCN), the Commission applies criteria originally developed in a CCN case filed by the Tartan Energy Company (Case No. GA-94-127), 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 a need for service as the developer intends to construct an additional 85 lots which will require water and sewer service.

(2) Applicant's Qualifications

Confluence is an existing water and sewer corporation and public utility subject to the jurisdiction of the Commission. Confluence is currently providing water service to approximately 5,800 customers and sewer service to approximately 5,900 customers throughout Missouri.

(3) Applicant's Financial Ability

No external financing is anticipated as the Developer is constructing the distribution and collection systems. Confluence has the financial capacity to continue to operate this system through access to capital from its parent company CSWR. Confluence has also demonstrated over numerous years that it has adequate resources to operate utility systems it owns.

(4) Economic Feasibility of Proposal

The Developer will construct the distribution and collection systems and contribute them to Confluence. Further, the Developer will make a per lot contribution related to the facilities to be used to provide water and sewer service to this area. Such contributions will ensure that the new development will contribute to the cost of bringing the existing plants (Glenmeadows) into compliance and ensuring that there is sufficient capacity to serve the new development.

(5) Promotion of the Public Interest

As the Commission determined in Case No. GA-94-127, positive findings with respect to the other four standards above will in most instances support a finding that an application for a CCN will promote the public interest. The granting of this requested CCN will result in additional revenue with no increased capital expense, benefiting existing customers (Glenmeadows) in the long-term. For all of the reasons outlined throughout this memorandum, Staff asserts that Confluence’s request for a CCN in the proposed additional service area is in the public interest.

Staff’s conclusion is that the Tartan Energy criteria are all met for this case.

Tariff and Rate Impact

According to the Application, Confluence proposes to utilize the water and sewer rates, rules, and terms of service currently applicable to the Glenmeadows service area (water and sewer – District 2). Confluence further plans to submit tariff sheets, to be effective before closing on the assets, to include a service area map and service area legal description to include the addition of the Creekside development, to be included in its Electronic Filing and Information System (“EFIS”) tariff P.S.C. MO No. 30 (applicable to water service) and EFIS tariff P.S.C MO No. 31 (applicable to sewer). Those rates are as follows:

- Water (metered service);
 1. Monthly Minimum;
 - For service through a 5/8” meter \$35.04;
 - For service through a 3/4” meter \$35.04;
 - For service through a 1” meter \$61.33;
 - For service through a 1 1/2” meter \$105.13;
 - For service through a 2” meter \$140.18;
 - For service through a 3” meter \$350.44;
 - For service through a 4” meter \$525.67.
 2. Commodity Charge: \$5.25/1,000 gallons
- Water (Unmetered Service);
 1. Monthly Minimum: \$55.26
- Sewer Service (Monthly Flat Rate): \$70.83

CUSTOMER SERVICE AND BILLING

The future customers in the extended property of Creekside acquired by Confluence will be able to contact Confluence by calling a customer service telephone number at 866-945-3920. Personnel are available during the hours of 8:00 am to 5:00 pm, Monday through Friday, to respond to customer inquiries and take service requests. In addition, customers may send an email (support@confluenceriversuoc.com) to customer service at any time and this will be forwarded to the appropriate group to address the customer’s question. There is also an emergency toll-free number available 24/7 at 866-945-3920. Additionally, main office customer service personnel are available to be contacted after hours to address customer concerns in the event of escalation. The main office of Confluence Rivers is located at 1630 Des Peres Road, Suite 140, St. Louis, Missouri 63131. The current business hours are from 8:00 am to 5:00 pm. Contact information for customers to reach the Company is located on the customer brochure, the website, and all written materials sent to customers.

It is anticipated that a total of eighty-five (85) residential lots will be available within the requested service area.

Confluence will utilize its standard billing process. Meters will be read near the end of each month as close to the previous month's date as possible. Bills will be calculated near the first week of each month by Nitor Billing Services using Muni-Link software. Bills are mailed by a mailing service. Bills will have a due date of the last business day of the month, at least twenty-one (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. Confluence does not collect or require customer deposits from either new or existing customers.

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 Creekside Development and upgrade, own, operate, maintain, or otherwise control and manage said system. There is no purchase cost associated with the acquisition. It is stated in paragraph 3 of the Agreement that, "Upon completion and acceptance by Utility of the facilities to be constructed and installed by Developer in accordance with the Agreement, all Infrastructure shall become the property of Utility, as installed and without the requirement of written documents of transfer. Utility shall own, operate, and maintain such facilities at its sole cost and responsibility and shall have all right, title, and interest as sole owner of those facilities. Notwithstanding the foregoing, Developer shall execute a deed(s), bill of sale and/or other documents reasonably requested by Utility as necessary or desirable, in its sole opinion, to convey to Utility and ensure Utility's ownership of, ready access to, and operations and maintenance of the Infrastructure."³

The acquisition does have a total project cost of ** [REDACTED] **. ⁴ Confluence states that it has, "the financial strength and resources necessary to make expenditures and investments required to maintain the system."⁵

A review of Confluence's pro forma financial statements indicates that the total anticipated cost of the project will be funded through equity infusions by its parent company, CSWR, as well as money borrowed from CSWR.⁶ Given the fact that the funding for this acquisition and improvement is coming from Confluence's parent company, Staff reviewed the current financial

³ Appendix C-C, The Application.

⁴ Appendix E-C, The Application.

⁵ Paragraph 14, The Application.

⁶ This money is classified by Confluence as "Payable to Associated Companies" on its balance sheet. Though it is recorded in the Long-Term Liabilities section of Confluence's 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. Confluence additionally considers this amount as equity in its debt to capital ratios.

and business risk profile of both companies as well as the effect this project will have on each company’s credit quality.

While neither Confluence nor CSWR are publicly traded, a review of Confluence’s and CSWR’s financial ratios show the following⁷:

Confluence Rivers

	<u>As of March 31, 2024</u>			<u>Pro Forma</u>				
			<u>Financial Risk</u>			<u>Financial Risk</u>		
Debt/EBITDA (x)	**	██████	**	Highly Leveraged	**	██████	**	Highly Leveraged
Debt/Capital (%)	**	██████	**	Highly Leveraged	**	██████	**	Highly Leveraged

CSWR

	<u>As of March 31, 2024</u>			<u>Pro Forma</u>				
			<u>Financial Risk</u>			<u>Financial Risk</u>		
Debt/EBITDA (x)	**	██████	**	Highly Leveraged	**	██████	**	Highly Leveraged
Debt/Capital (%)	**	██████	**	Minimal	**	██████	**	Minimal

A review of Confluence’s and CSWR’s financial ratios shows that both companies’ Debt to Earnings before Interest, Taxes, Depreciation, and Amortization (“EBITDA”) decrease in the pro forma. These ratios for both companies are considered “Highly Leveraged”, which typically means a higher amount of debt with less coverage. The financial statements show a decrease in Confluence’s Debt to Capital Ratio due to an increase in its equity while there is no change in CSWR’s Debt to Capital Ratio. Due to negative Funds from Operations (“FFO”), Confluence and CSWR both show negative FFO to Debt Ratios⁸ which are nonsensical in nature as this ratio is typically positive.⁹ For this reason, Confluence’s and CSWR’s FFO to Debt ratios are unable to truly reflect the financial position of the companies.

⁷ Confluence’s response to Data Request Nos. 0002, 0003, and McKinley’s Workpaper.

⁸ Ibid.

⁹ FFO/Debt ratios typically range from less than 12 for “Highly Leveraged” risk companies to greater than 60 for “Minimal” risk companies.

Confluence has a projected average annual capital expenditure of ** [REDACTED] **¹⁰ for the next five years, while CSWR shows a projected average annual capital expenditure of ** [REDACTED] **¹¹ for the next five years. The total cost of this acquisition and improvement appears to be around 2% of Confluence’s average annual anticipated capital expenditure, while it is less than 1% of CSWR’s average annual projected capital expenditures.¹²

A review of Confluence’s and CSWR’s Balance Sheets show that the companies have ** [REDACTED] ** and ** [REDACTED] ** in cash, respectively.¹³ Additional review of both companies’ financials shows that, historically, both companies have had cash available if needed and that this acquisition and improvement does not greatly affect either company’s financial statements.¹⁴ Despite this, Confluence and CSWR both consistently report 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.”¹⁵ A review of the CCN cases filed by Confluence during fiscal years 2023-2024¹⁶ shows in those fiscal years alone, Confluence filed thirteen CCN and Merger cases, with six of them being joint sewer and water cases.¹⁷ Furthermore, from July 1, 2024 to date, Confluence has filed four additional CCN and Merger cases, including this one.¹⁸ The total purchase cost for all thirteen of Confluence’s most recent CCN’s and Merger’s is ** [REDACTED] **¹⁹, which is eight times more than Confluence’s average annual projected capital expenditures, but less than 10% of CSWR’s average annual projected capital expenditures. The total estimated project cost of Confluence’s thirteen CCNs and Mergers

¹⁰ Confluence’s response to Data Request No. 0005 as a part of Case No. WA-2023-0398.

¹¹ Confluence’s response to Data Request No. 0183 as a part of Case No. WR-2023-0006.

¹² The percentage of the total acquisition cost (** [REDACTED] **) from the average five-year capital expenditure provided by Confluence in case WR-2023-0006 (** [REDACTED] **).

¹³ Confluence’s response to Data Request No. 0002.

¹⁴ Confluence’s response to Data Request Nos. 0001, 0002, and 0002.1 as a part of Case No. WA-2023-0398.

¹⁵ S&P Capital IQ Pro, Financial Focus, “Water utility transactions trickle in while long-term demand remains elevated”, published July, 14, 2023.

¹⁶ Fiscal year 2023 went from July 1, 2022 to June 30, 2023.

¹⁷ 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, WA-2024-0048/SA-2024-0049, SA-2024-0129, SM-2024-0130, & SA-2024-0307.

¹⁸ These cases include: WA-2025-0012/SA-2025-0013, WM-2025-0065, SM-2025-0067, & SM-2025-0080.

¹⁹ Review of applications of all FY 2023-2025 Confluence CCN cases. Purchase costs were taken from purchase agreements provided in the application and totaled.

from Fiscal Years 2023-2024 including this current case is ** [REDACTED] **²⁰, which is more than 14 times Confluence’s average annual projected capital expenditures, but roughly 16% of CSWR’s average annual projected capital expenditures. This indicates that Confluence has fairly aggressive business practices, but with the financial support of its parent company,²¹ is able to accommodate its aggressive business risks. Additionally, 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 “Highly Leveraged” financial risk profile, there is no purchase price for this system. Additionally, the projected total cost of this acquisition and improvement will be provided by CSWR in the form of loans and equity and is less than 1% of CSWR’s projected average annual capital expenditures. CSWR’s financial risk profile is mostly unchanged by this transaction and the total acquisition cost is less than 18% of Confluence’s available cash and less than 1% of CSWR’s cash available. Given this information, Staff does not have any evidence that CSWR cannot provide the necessary support for Confluence to acquire, upgrade, own, operate, maintain, and otherwise control and manage the Creekside Development systems. Staff concludes that Confluence, with the assistance of its parent company, CSWR, is financially capable of the acquisition and improvement requested in the application.

Other Issues

Confluence is currently listed as an Active Limited Liability Company with the Missouri Secretary of State.

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

Confluence is current with annual report filings with the Commission through calendar year 2023, as documented on the Commission’s Electronic Filing and Information System (“EFIS”).

Confluence is current on its annual assessment quarterly payments through the second quarter of fiscal year 2024.

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

²⁰ Review of applications of all FY 2023-2025 Confluence CCN cases. Estimated Total Project Costs were taken from the feasibility study included with the application.

²¹ Confluence’s response to Data Request No. 0002 shows all costs associated with this case coming from their parent company, CSWR.

STAFF'S RECOMMENDATIONS

Staff recommends the Commission grant the CCN as requested. Staff's position is that Confluence is essentially requesting to expand the Glenmeadows service area to include approximately 85 more residential lots, and providing service in the expanded service area is feasible and is not detrimental to the public interest.

Based upon the above, Staff recommends that the Commission:

1. Grant Confluence a CCN to provide water and sewer service consistent with the current Glenmeadows service area, with the addition of the Creekside development;
2. Approve existing Glenmeadows rates for the addition of the Creekside development;
3. Require Confluence to submit tariff sheets, to become effective before closing on the assets, to include a service area map and service area written description, to be included in its EFIS tariffs P.S.C. MO No. 30 and 31, applicable to water and sewer service, respectively;
4. Require Confluence to distribute to any new Creekside customers an informational brochure detailing the rights and responsibilities of the utility and its customers regarding its sewer service, consistent with the requirements of Commission Rule 20 CSR 4240-13, as customers initiate service with Creekside;
5. 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;
6. Require Confluence to provide to the Customer Experience Department ("CXD") Staff a copy of the first bill they render to a customer in the extended area;
7. Require Confluence to email Staff in CXD outlining completion of the above recommendations regarding the customer brochure, training and billing within the specified time periods; and
8. Make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining utility plant constructed within the new service area, or providing service in the new service area, in any later proceeding. Staff will submit a further recommendation regarding tariff sheets to be filed by Confluence in this matter.

ATTACHMENTS

- A. Service Area Map
- B. Service Area Legal Description

**ROUGH SERVICE AREA MAP
 GLEN MEADOWS - CREEKSIDE
 (WATER & WASTEWATER)
 LINCOLN, MO**



Utility Note Disclaimer:

The service area shown hereon are depicted based on a service area map provided by the system manager. 21 Design Group, Inc. performed no field verification of the layout and are unable to determine the exact location at this time. The location represents approximate location only and should not be construed as being 100% accurate. It is shown to provide general service area of the system to assist with ordering title work and preparation of scope for a license Land Surveyor. This sketch should not be used to interpret encroachments.

DATE:	09/09/2024
PROJECT NO:	0596-22
DRAWN BY:	AMD
SCALE:	
SHEET NAME:	
SERVICE AREA MAP	



1351 Jefferson, Suite 301
 Washington, MO 63090
 mail@21designgroup.net
 P: 636-432-0229

Updated Glen Meadows MO Service Area Description:

The area served is part of Lincoln County, Missouri and is more particularly described as follows:

Commencing from the southeast corner of the Southwest Quarter of the Southeast Quarter of Section 13, Township 48 North, Range 1 West; thence along said sixteenth section line, Northerly 1,714.92 feet, more or less to the point of beginning; thence leaving said sixteenth section line, Westerly 1550.12 feet, more or less to the east right-of-way line of Missouri State Highway "U"; thence along said east right-of-way line, Northerly 1884.12 feet, more or less; thence leaving said east right-of-way line, Easterly 1799.39 feet, more or less; thence Southerly 742.64 feet, more or less; thence Easterly 699.25 feet, more or less; thence Southerly 1840.03 feet, more or less to the north right-of-way line of Missouri State Highway "U"; thence along said north right-of-way line, Northwesterly 558.20 feet, more or less; thence leaving said north right-of-way line N3°43'45"E 646.40 feet, more or less to the point of beginning, containing 97.51 acres more or less. Subject to survey.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of)
Confluence Rivers Utility Operating)
Company, Inc., for Certificates of)
Convenience and Necessity to Provide)
Water and Sewer Service in Lincoln)
County, Missouri, as an Expansion of its)
Existing Service Area (Creekside)
Development))

Case No. WA-2025-0012

AFFIDAVIT OF LOVENA JAHR

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW LOVENA JAHR, 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.

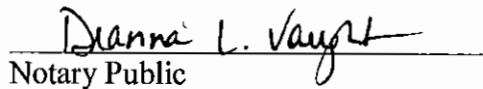


LOVENA JAHR

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 26th day of September 2024.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

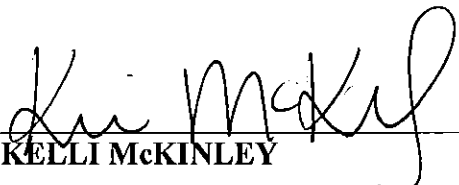
In the Matter of the Application of)
Confluence Rivers Utility Operating)
Company, Inc., for Certificates of) Case No. WA-2025-0012
Convenience and Necessity to Provide)
Water and Sewer Service in Lincoln)
County, Missouri, as an Expansion of its)
Existing Service Area (Creekside)
Development))

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.

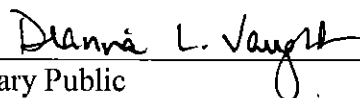
Further the Affiant sayeth not.


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 30th day of September 2024.

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 18, 2027
Commission Number: 15207377


Notary Public

