

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

In the Matter of the Joint Application of)
Confluence Rivers Utility Operating Company,)
Inc., and Missouri-American Water Company for)
Authority for Confluence Rivers Utility)
Operating Company, Inc. to Acquire Certain)
Sewer Assets of Missouri-American Water)
Company in Callaway and Morgan Counties,)
Missouri)

Case No. SM-2025-0067

**CONFLUENCE RIVERS' RESPONSE TO PUBLIC COUNSEL
DATA REQUEST NOS. 1-39**

Below and attached please find Confluence Rivers Utility Operating Company, Inc.'s ("Confluence Rivers") responses to the Office of Public Counsel's ("OPC") Data Requests Nos. 1-39.

Please note that Aaron Silas is the responsible person for these responses.

DATA REQUESTS

1. Please list all water and wastewater systems owned by Confluence Rivers in the State of Missouri. For each system, please identify the following:
 - a. Whether Confluence provides water, wastewater, or both water and wastewater service;
 - b. The number of connections served by each system; and
 - c. The number of connections for each classification of customers for each system.

Response: Please see the attachment labeled "OPC DR 1 - Connection Count Information." This document provides a system-by-system breakdown of all water and wastewater systems owned by Confluence Rivers. The first column identifies wastewater systems, and the second column identifies water systems owned and operated by Confluence Rivers. For each listed system, the attachment specifies the total number of connections served, and the number of connections by customer classification as of December 31st, 2024.

Additionally, the Company has recently closed on two service areas (Shelton Estates and Gascony Village), which represent 20 sewer connections and 208 water connections respectively.

2. Please identify the legal description of each water, wastewater, and water and wastewater

system owned by Confluence Rivers in the State of Missouri.

Response: Please see the legal descriptions found in the Company's tariffs.

3. Please identify the address of one resident who takes service within each of the water, wastewater, and water and wastewater systems owned by Confluence Rivers in the State of Missouri.

Response: See the Company's objections provided by counsel on April 4, 2025.

4. In Confluence Rivers' last rate case, Case Number WR-2023-0006, Mr. Todd Thomas attached to his Direct Testimony as Schedule TT-1, a map showing the location of all Confluence Rivers' systems. Please provide an updated version of this map.

Response: Please see the attachment labeled "OPC DR 4 - Confluence Map."

5. Please identify by account number and account name any Confluence Rivers' costs or expenses effected by the acquisition of these systems.

Response: Confluence Rivers believes that all expenses that fall within the categories listed in Appendices E-C to the application will be affected either directly or indirectly by the acquisition of these systems.

6. If Confluence Rivers had acquired the nineteen systems prior to December 31, 2023, please identify the operation and maintenance expenses Confluence Rivers would have allocated, assigned or direct charged to the nineteen systems for the twelve-month period ending December 31, 2024.

Response: Confluence Rivers is unable to determine operations and maintenance expenses that would have been allocated, assigned, or directly charged to these systems due to the fact that it did not own and operate these systems during the twelve-month period ending December 31, 2024.

7. If Confluence Rivers had acquired the nineteen systems prior to December 31, 2023, please identify the administrative and general expenses Confluence Rivers would have allocated, assigned or direct charged to the nineteen systems for the twelve-month period ending December 31, 2024.

Response: Confluence Rivers is unable to determine administrative and general expenses that would have been allocated, assigned, or directly charged to these systems due to the fact that it did not own and operate these systems during the twelve-month period ending December 31, 2024.

8. On page 7 of the Joint Application, Missouri American Water Company and Confluence Rivers refer to "further economies in operational costs." With regard to this statement,
 - a. Please identify any change in any Confluence Rivers' operational cost or expense that may arise as a result of the acquisition of these systems.
 - i. Please specify the amount of any change by account number and account name.

- b. How do these estimated operations costs or expenses compare to the operational costs and expenses MAWC currently assigns to the subject systems?

Response: a. At this time, Confluence Rivers is unable to determine specific changes in operational costs or expenses that may arise as a result of the acquisition of the systems at issue in this case . However, please see the attachment labeled “OPC DR 8 – Appendix E-C - CONFIDENTIAL Pro Forma” filed with the Joint Application for preliminary estimates to operation costs or expenses that may arise as a result from the acquisition of these systems.

b. Confluence Rivers does not have access to MAWC’s specific “currently assigned” costs and is unable to make this detailed comparison.

9. Please identify all systems Confluence Rivers has acquired in the State of Missouri in the last four years.

Response: Please see the attachment labeled “OPC DR 9 – Systems Closed in Last 4 Years.”

10. Of the water, wastewater, or water and wastewater systems Confluence Rivers has acquired in the State of Missouri in the last four years, please identify the following for each system as of the time of acquisition:
 - a. The number of customers included with each system (if the system included both a water and wastewater system, please identify the number of customers associated with each type of system);
 - b. Whether the system was providing service to customers on a consistent basis;
 - c. Whether the system incurred violations of any standard enforced by the Missouri Department of Natural Resources during the preceding four years;
 - i. If any violation exists, please identify the violated standard and the number of violations; and
 - d. Whether the system was in good standing with all entities providing oversight (including, but not limited to, the Public Service Commission, the Missouri Department of Natural Resources, etc.).

Response: Please see the dockets identified in the attachment labeled “OPC DR 9 – Systems Closed in Last 4 Years,” for information requested.

11. If the Commission approves this transaction, please identify what, if any, changes, improvements, or renovations Confluence Rivers intends to make within the next two years to each of the nineteen systems it seeks to acquire. For each item identified, please identify:
 - a. The applicable system;
 - b. The estimated cost of any potential change, improvement, or renovation; and
 - c. The estimated timeframe for beginning the potential change, improvement, or renovation.

Response: Please see Confluence Rivers' response to Staff DR 0027 in EFIS. for detailed information regarding improvements proposed by the third-party engineer Confluence Rivers engaged as part of its due diligence activities to assess each of the systems at issue in this case. Confluence Rivers notes these recommendations are preliminary. A final determination of what changes, improvements, or renovations may be necessary can only be made after the Company has owned and operated the systems.

Please note that these reports have been identified as Confidential pursuant to Commission Rule 20 CSR 4240-2.135(2)(A).4 and .6.

12. Please identify all differences between the systems located in Confluence Rivers' District 1 and District 2 for wastewater service, as referred to on page 7 of Mr. Silas's Direct Testimony.

Response: Sewer District 1 consists of systems that contain limited treatment technology, including but not limited to lagoons and land application systems.

Sewer District 2 consists of those with more advanced (and costly) treatment technologies, such as extended aeration, oxidation ditches, tertiary filtration, membrane bioreactors, biological or chemical nutrient removal, etc. Please see the Non-Unanimous Partial Stipulation and Agreement approved in File No. WR-2023-0006 for further information.

13. What criteria does Confluence Rivers apply when determining whether a system should be located in District 1 or District 2 for wastewater service?

Response: Please see the Company's response to OPC DR 12.

14. If the Commission approves the acquisition of these nineteen systems, for each of the nineteen systems, please identify whether it will be included in Confluence Rivers' District 1 or District 2 for wastewater service.

Response: Based on the criteria provided in the response to OPC 12, Confluence Rivers believes Golden Ponds Lagoon WWTF, Hiller's Creek Lagoon WWTF, Maple Leaf WWTF and The Highlands WWTF would fit in District 1. Additionally, the Company believes Big Sky Subdivision WWTP, Calley Trail, Cedar Hills Subdivision WWTF, Dogwood Lake, Evergreen Drive Acres WWTF, Halifax Road WWTP, Hidden Valley, Hunter's Cree, Lee Street Subdivision WWTP, Ozark Meadows II WWTP, Ryan's Lake Subdivision WWTP, Southwind Meadows WWTP, Sterling Ridge Subdivision WWTP, Stoney Creek, and Summit View Subdivision WWTP would fit in District 2.

15. On page 9 of Mr. Silas' Direct Testimony, he references "the experience of our personnel." With respect to each of the individuals included in this reference, please identify the following:
- a. Each person's name and business title;
 - b. Each person's job duties;
 - c. Whether each person is employed by Confluence Rivers, Central States Water

Resources, CSWR, LLC, or a different entity;

- i. If the individual is employed by a different entity, please identify that entity;
- d. Each person's business address; and
- e. Each person's relevant experience.

Response: See the Company's objections provided by counsel on April 4, 2025.

Notwithstanding this objection, please see attachment labeled "OPC DR 15 – CSWR Key Personnel".

16. Please identify the qualifications Confluence Rivers requires for an individual to serve as a wastewater system operator or maintenance provider.

Response: Please see attachment labeled "OPC DR 16 - Contractor Duties and Responsibilities," which outlines the roles and expectations included in Confluence Rivers' current third-party operations and maintenance contract. Confluence River requires all contractors to have personnel with the qualifications necessary to perform all contracted tasks to serve as a wastewater system operator or maintenance provider.

17. For each of the nineteen systems Confluence Rivers seeks to acquire, how many individuals would it take to operate and maintain each of the wastewater systems? Please identify the total number of individuals by each system sought to be acquired in this case. If overlap is possible, such that one person can regularly provide service to more than one system, please identify all potential overlap possibilities.

Response: Confluence Rivers does not have information regarding how many individuals it would take to operate and maintain each of the systems being acquired in this case. If the Commission approves the Company's application in this case, Confluence Rivers intends to enter into a third-party operations and maintenance contract to serve these customers. Confluence Rivers will require the chosen contractor to staff appropriately to maintain all required service level standards and fulfill all obligations in its contract.

18. For each of the individuals required to operate and maintain each of the nineteen systems sought to be acquired, please identify the following:

- a. Each person's name and business title;
- b. Each person's job duties;
- c. Whether each person is employed by Confluence Rivers, Central States Water Resources, CSWR, LLC, or a different entity;
 - i. If the individual is employed by a different entity, please identify that entity;
- d. Each person's business address;
- e. Each person's relevant experience; and

- f. The average time it takes for each person to arrive at the system from his or her business address.

Response: See the Company's objections provided by counsel on April 4, 2025.

Notwithstanding this objection, Confluence Rivers has yet to finalize an operations and maintenance contract for the operation of the nineteen systems, and therefore is unable to provide this information. If the Commission approves the Company's application, a contractor will be selected and an operations and maintenance contract will be signed. See also the response to DR 16.

19. Please identify all Confluence Rivers or Central States Water Resources policies that provide guidance or standards on the response time for system disruptions or emergencies at any of Confluence Rivers' systems.

Response: Confluence Rivers follows internal policies and standard operating procedures that establish response time expectations for system disruptions or emergencies. All emergency calls receive a response within 2 hours of receipt, ensuring urgent issues are addressed promptly and customer safety is prioritized.

These procedures are guided by a Work Order Priority System, which assigns specific timeframes for response and resolution based on the severity and nature of the issue – Emergency, Critical, Major, or Minor. While all emergencies are responded to within 2 hours, the timeframe for resolving other types of issues depends on their priority classification. The system is designed to ensure that the most serious matters are handled first, while still maintaining an organized and timely approach to all service concerns.

This prioritization framework is consistently applied across all Confluence Rivers systems, including those proposed for acquisition, to maintain high standards of operational reliability and customer service.

20. In the event an individual contacts Confluence Rivers to notify it of a system disruption or emergency, please describe the process by which Confluence Rivers responds to that system disruption or emergency.

Response: Please see the attachment labeled "OPC DR 20 - Workorder Process". Confluence Rivers follows this process when the Company is notified of a system disruption or emergency. As noted in the response to OPC 19, all emergency and service disruption calls receive a response within two hours.

21. In the event an individual contacts Confluence Rivers to notify it of a system disruption or emergency, does Confluence Rivers employ different response procedures for any water, wastewater, or water and wastewater system?

- a. If so, please identify:
 - i. The response procedure employed for each system; and

- ii. Why the system requires a different response procedure.

Response: No, Confluence Rivers follows the same procedures for all systems.

22. On a systemwide average, approximately how long does it take for a Confluence Rivers' or CSWR, LLC's employee or independent contractor retained by Confluence Rivers or CSWR, LLC to arrive to a system in the event of a system disruption or emergency?

Response: Confluence Rivers does not calculate systemwide averages for responses to system disruptions or emergencies. As stated in the Company's response to OPC DR 19, the Company requires a response within two hours to system disruptions and emergencies.

23. Approximately how long would it take for a Confluence Rivers' or CSWR, LLC's employee or independent contractor retained by Confluence Rivers or CSWR, LLC to arrive to one of the systems it seeks to acquire in this case in the event of a system disruption or emergency? Please identify a response time for each of the nineteen systems Confluence Rivers seeks to acquire in this case.

Response: As noted in several previous responses, Confluence Rivers has not entered into the operations and maintenance contract for the systems at issue in this case because the Commission has not authorized the Company to acquire those systems. Once the Company has taken ownership, the contract will require the contractor to respond within two hours to system disruptions and emergencies.

24. Please identify the types of insurance coverage Confluence Rivers requires its independent contractors to carry.

Response: The types and amounts of insurance Confluence Rivers requires depends on the type of work a contractor will perform. The following excerpt from one of the Company's operations and maintenance contracts reflects the types of insurance routinely required:

"Insurance. Operator shall procure and maintain in effect throughout the duration of the term of this Agreement insurance coverage not less than the types and amounts specified below. The Operator also agrees to furnish the Owner, prior to commencement of the Agreement and from time to time on demand, suitable evidence that such insurance is in force, which will include but not necessarily be limited to a certificate of insurance and copies of all policies whose coverage amounts are shown on the certificate of insurance. In the event that additional insurance, not specified herein, is required by Owner during the course of the services covered by this Agreement, Operator shall supply such insurance and all additional costs shall be borne by Owner. Policies containing a self-insured retention will not be acceptable to Owner. A company with an A- or better rating must issue all insurance policies. All coverage required herein shall list Owner as an additional insured including ongoing operations and completed operations on a primary and non-contributory basis using form CG 20 10 11 85 or its equivalent, and Operator shall maintain all coverage in force continuously without interruption during the term of this Agreement, except as set forth below with respect to tail coverage. In addition, each coverage required herein shall include a waiver of subrogation (where allowable by law).

- a. **Comprehensive General liability insurance on an "occurrence basis," in the amount of at least \$1,000,000.00 per occurrence, with at least a \$2,000,000.00 annual aggregate limit, including broad form property damage, blanket contractual and personal injuries (including death resulting therefrom) coverage.**
- b. **Automobile Liability insurance in the amount of \$500,000.00 per person and \$1,000,000.00 per occurrence for bodily injury and \$500,000.00 per occurrence for property damage or \$1,000,000.00 combined single limit. Coverage should extend to any auto or owned, hired or non-owned autos.**
- c. **Worker's Compensation and Employers Liability in the amount required by law.**
- d. **Commercial Umbrella Coverage on all of the foregoing coverage in the amount of \$5,000,000.00 per occurrence and \$5,000,000.00 aggregate.**
- e. **Operator shall maintain in force Pollution Legal Liability policy with limits of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate. In the event that Pollution Liability Coverage is discontinued for any reason by Operator after the termination of this Agreement, Operator agrees to procure tail coverage in force continuously without interruption for a period of three (3) years from the date of the termination of this Agreement.**
- f. **Professional Liability Error and Omissions coverage of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate. In the event that Professional Liability Errors and Omissions coverage is discontinued for any reason after the termination of this Agreement, Operator agrees to procure tail coverage in force continuously without interruption for a period of three (3) years from the date of the termination of this Agreement.**

The policies listed above shall include within their certificate an endorsement that the policy may not be canceled until sixty (60) days prior written notice of cancellation has been served upon Owner by registered or certified mail. Operator shall provide to Owner at execution of this Agreement a certificate of insurance showing all required endorsements and additional insureds."

25. On page 8 of Mr. Silas's Direct Testimony, he states that "Confluence Rivers works to complete all necessary improvements and rehabilitation projects necessary for any given system within the first two years of ownership." Please identify the criteria Confluence Rivers apply to determine what "improvements" and "rehabilitation projects" are necessary.

Response: Please see the Company's response to OPC DR 11. Confluence Rivers identifies necessary improvements and rehabilitation projects based on what is required for each

system to meet state regulatory requirements and operate effectively and efficiently. These determinations are made in consultation with the third-party engineering partners and, where applicable, the Missouri Department of Natural Resources.

It is important to note that these recommendations are preliminary. A final determination regarding which improvements and upgrades will be implemented can only be made after Confluence Rivers has taken ownership and has had the opportunity to operate the systems directly.

26. Please identify all compliance standards Mr. Silas refers to when referencing the close work between Confluence Rivers and the Missouri Department of Natural Resources on page 8, lines 11-12 of his Direct Testimony.

Response: Please refer to the Missouri Department of Natural Resources' regulations for all compliance standards applicable to Confluence Rivers' systems. These are the compliance standards Mr. Silas referred to in his testimony.

27. How many wastewater customers does Confluence Rivers currently serve?

Response: Please see the response provided in OPC 1.

28. Please identify all compliance standards Confluence Rivers must meet when operating a wastewater system in the State of Missouri.

Response: Please see the response provided in OPC 26.

29. When does Confluence Rivers anticipate filing its next general rate case?

Response: At this time, Confluence Rivers intends to file its next rate case in the 3rd or 4th quarter of 2025.

30. If Confluence Rivers' and MAWC's Joint Application to acquire the nineteen systems is approved, will Confluence Rivers include the newly-acquired nineteen systems in its next general rate case?

Response: Confluence Rivers plans to include the nineteen systems in the first rate case it files after closing on said systems.

31. Does Confluence Rivers have an estimate of the anticipated rate increase it would request if the nineteen systems were included in its next rate case application?

- a. If so, please identify the anticipated rate increase.
- b. If not, please explain why no such estimation was made prior to Confluence Rivers making the decision to purchase the systems.

Response: No such estimate is available at this time. Numerous factors affect utility rates and many of the factors that will impact Confluence Rivers' future rates are unknown and unknowable at the present time. Therefore, the Company is unable to estimate or quantify

any impacts on customer rates. At closing, Confluence Rivers has proposed to adopt the rates in effect at for the nineteen systems at issue in this case. Any future change to customer rates will require Commission approval.

32. Does Confluence Rivers have an estimate of the anticipated rate increase it would request if the nineteen systems were not included in its next rate case application?
- If so, please identify the anticipated rate increase.
 - If not, please explain why no such estimation was made prior to Confluence Rivers making the decision to purchase the systems.

Response: No such estimate can be made at this time. See response to OPC 31.

33. Does Confluence Rivers anticipate buying any of MAWC's other small water, wastewater, or water and wastewater systems over the next five years?
- If so, please identify such systems and explain why Confluence Rivers believes it would be in the public interest to do so.

Response: There are no current plans to acquire additional systems owned by MAWC.

34. On page 1 of the Joint Application states that customers of the nineteen systems will experience "enhanced service." Please identify the types of "enhanced services" Confluence Rivers will provide. For each type of "enhanced service" identified, please indicate:
- Whether MAWC provided such a service or a similar service while owning each of the systems; and
 - Whether Confluence Rivers believes MAWC could provide such a service or a similar service.

Response: Please see pages 8 & 9 of the Direct Testimony of Aaron Silas. While MAWC provides similar services as Confluence Rivers, Confluence Rivers specializes in running and rehabilitating small systems. This specialization will allow Confluence Rivers to both continue the high-quality service provided by MAWC and address the unique challenges some of these facilities face based on its experience with other small systems.

35. Please identify the cost reductions Confluence Rivers estimates it can realize by acquiring and providing service to the customers of these systems.

Response: Confluence Rivers is unable to estimate cost reductions until it has acquired and operated all the systems included in this acquisition.

36. Please indicate how potential cost reductions will be shared with the ratepayers of the nineteen systems.

Response: Any potential cost reductions will be reflected in the revenue requirement used to set rates in a future general rate case.

37. Given the types of systems involved in this transaction, will Confluence Rivers or CSWR, LLC need to retain additional employees or contractors?

- a. If yes, please identify the following:
 - i. The number of additional employees or contractors;
 - ii. The cost of adding those additional employees or contractors;
 - iii. The types of job duties the additional employees or contractors will perform;
 - iv. Where the additional employees or contractors will maintain a business address; and
 - v. The experience each additional employee or contractor must possess.

Response: Please see the response provided in OPC 17.

38. Please identify all benefits current customers of each system will realize as a result of Confluence Rivers' acquisition of their system.

Response: Please refer to the Direct Testimony of Aaron Silas for details regarding benefits current customers of each system will realize as a result of Confluence Rivers' acquisition of their system.

39. On page 6 of the Joint Application, MAWC and Confluence Rivers assert that Confluence Rivers will "utilize the existing customer rates for the nineteen (19) wastewater systems (\$65.36/month)." If the rates for each of these systems change as a result of a Commission decision in MAWC's current rate case, Case Number WR-2024-0320, will the rate Confluence Rivers proposes to charge these customers also change?

- a. If so, please identify the rate Confluence Rivers would propose to charge the customers of each system after acquiring the systems.

Response: It is the Company's intention to adopt at the time the application is approved by the Commission the base rate that is being charged to customers of the systems at issue in this case. If the rates change as a result of any pending case, Confluence Rivers will likely request the adoption of the approved rates.

//S// Dean L. Cooper
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