

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

In the Matter of the Application of Confluence Rivers)
Utility Operating Company, Inc., for a Certificate of)
Convenience and Necessity to Provide Sewer Service) **File No. SA-2026-_____**
In an Area of Lafayette County, Missouri)
(Swan Lake Estates).)

APPLICATION AND MOTION FOR WAIVER

COMES NOW Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”) pursuant to Sections 393.170, RSMo, 20 CSR 4240-2.060, 20 CSR 4240-60.050, and 20 CSR 4240-4.017, and for its *Application and Motion for Waiver*, states as follows to the Missouri Public Service Commission (“Commission”):

INTRODUCTION

1. Confluence Rivers is a Missouri corporation with its principal office and place of business at 1630 Des Peres Rd., Suite 140, St. Louis, MO 63131. Confluence Rivers is a Missouri corporation in good standing. A certified copy of Confluence Rivers’ certificate of good standing was filed in File No. WM-2018-0116 and is incorporated herein by reference.

2. Confluence Rivers provides water service to approximately 6,400 connections and sewer service to approximately 6,500 connections in the State of Missouri, pursuant to certificates of convenience and necessity previously granted by the Commission. Confluence Rivers is a “water corporation,” a “sewer corporation,” and a “public utility,” as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law.

3. Confluence Rivers has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Confluence Rivers

from any state or federal agency or court that involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Application.

4. Communications regarding this application should be addressed to the undersigned counsel and to:

Aaron Silas, Director of Regulatory and Customer Operations
Confluence Rivers Utility Operating Company, Inc.
1630 Des Peres Rd., Suite 140
St. Louis, MO 63131
Phone: (314) 380-8510
E-mail: asilas@cswrgroup.com

THE PROPOSED SALE TRANSACTION

5. Except for certain lines and pipes within the Swan Lake Estates mobile home park, Confluence Rivers proposes to acquire all or substantially all of the sewer system assets of the currently unregulated system of Swan Lake Estates, LLC (“Swan Lake”). Confluence Rivers seeks a Certificate of Convenience and Necessity (“CCN”) to operate the system and provide service to the public.

6. On October 31, 2023, Central States Water Resources, Inc. (“CSWR”) entered into an *Agreement for Sale of Utility System* (“*Agreement*”) with Swan Lake. A copy of the *Agreement* is attached as **Appendix A-C** and marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A).3 and .6, as it contains market-specific information and information representing strategies employed in contract negotiations. (20 CSR 4240-60.050(3)(A)12). CSWR proposes to purchase substantially all the sewer system assets of Swan Lake, as specifically described in and under the terms and provisions of the *Agreement*.

7. Pursuant to Paragraph 18 of the *Agreement*, CSWR plans to assign its rights under the *Agreement* to Confluence Rivers at closing. **Appendix B** verifies the authority of Josiah Cox,

the President of Confluence Rivers, to enter into the *Agreement* and seek Commission approval of the transaction.

CERTIFICATE OF CONVENIENCE AND NECESSITY

8. Swan Lake owns a sewer system serving two mobile home parks in Lafayette County, Missouri – Swan Lake Estates and Bates City Mobile Home Park. Swan Lake Estates has approximately 70 connections and Bates City Mobile Home Park has approximately 88 equivalent connections. There is no other same or similar sewer service available in the area served by Swan Lake (i.e. no other sewer service within one (1) mile of the proposed service area). (20 CSR 4240-60.050(3)(A)8).

9. The wastewater system utilizes a mechanical treatment facility consisting of an aeration basin with a surface aerator rather than conventional diffusers, clarifier, chlorine contact basin, and a sludge holding basin. Tanks are constructed of concrete. The assets are in generally poor condition with significant damage to the concrete tanks, severe rust on most steel equipment and piping, mounting points for pipes are insecure due to the degradation of the concrete tanks, and the surface aerator operated by blowers poorly mounted with straps in the aeration basin. Walkways over the facility are in poor condition, posing a hazard to operator safety. The facility is regulated by the Missouri Department of Natural Resources under NPDES permit MO-0056928. (20 CSR 4240-60.050(3)(A)3).

10. The facility has an extensive history of noncompliance. It has been in a state of significant category 1 noncompliance for all 12 of the last 12 quarters. The facility has consistently struggled to meet permit limits for BOD, Ammonia, and TSS with Ammonia exceedances for every quarter in the last 3 years. The facility has also incurred 9 single-event violations in addition to the consistent effluent exceedances.

11. As a result, after acquisition Confluence Rivers plans to make operation or capital improvements to the sewer system. (20 CSR 4240-60.050(3)(A)4). Attached hereto and marked as **Appendix C-C** is the Engineering Memorandum concerning the Swan Lake facilities that provides a description of those improvements to the sewer system, including the reason for the improvements, estimated cost of capital improvements, and a proposed timeline for completion of the improvements. **Appendix C-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)3. and 6., as it contains market-specific information and information representing strategies employed in contract negotiations.

12. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control and manage a sewer treatment system for the public in an area of Lafayette County, Missouri, as an addition to its existing service territories. A legal description of the area sought to be certificated is attached hereto as **Appendix D**. (20 CSR 4240-60.050(3)(A)1). A map of the area sought to be certificated is attached as **Appendix E**. (20 CSR 4240-60.050(3)(A)2).

13. There are no known communications with existing customers. (20 CSR 4240-60.050(3)(A)5).

14. Within twenty (20) days after the filing of this Application, Confluence Rivers will provide notice to all potential customers within the designated service area. (20 CSR 4240-60.050(2)).

ADDITIONAL INFORMATION

15. Attached hereto and marked as **Appendix F-C** is a feasibility study for the Swan Lake sewer system for which Confluence Rivers seeks a CCN, with the proposed method for financing, proposed rates, service charges, and revenues and expenses during the first three years

of operation by Confluence Rivers and includes an estimate of the costs to operate the system. (20 CSR 4240-60.050(3)(A)6 and 20 CSR 4240-60.050(3)(A)9). **Appendix F-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A).3 and .6 as it contains market specific information and information representing strategies employed in contract negotiations.

16. Confluence Rivers estimates that it will incur approximately \$104.27 to incorporate the Swan Lake sewer system customers into Confluence Rivers. (20 CSR 4240-60.050(3)(A)9).

17. **Appendix G-C** contains copies of any available support documentation related to the costs to operate the system. (20 CSR 4240-60.050(3)(A)9). **Appendix G-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A).4 as it contains market specific information.

18. Attached hereto and marked as **Appendix H-C** is a rate base calculation following the commission approved Uniform System of Accounts (USOA) requirements with workpapers and supporting documentation for the assets to be acquired. (20 CSR 4240-60.050(3)(A)7). **Appendix H-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A).3 and .6 as it contains market specific information and information representing strategies employed in contract negotiations.

19. Confluence Rivers believes an acquisition premium does not exist and Confluence Rivers does not extend to seek recovery of such premium in future rates. (20 CSR 4240-60.050(3)(A)13).

20. Confluence Rivers has attempted to contact the seller and has been unable to obtain financial statements, general ledgers, invoices, or billing registers for the Swan Lake sewer systems for the previous five (5) years. (20 CSR 4240-60.050(3)(A)10).

21. Within twenty (20) days after the filing of this Application, Confluence Rivers will provide notice to all potential customers within the designated service area. An example of this customer notice is attached hereto as **Appendix-I**. (20 CSR 4240-60.050(2)).

22. Confluence Rivers is not aware of any franchises or permits from municipalities, counties, or other authorities that would be required in order to provide service in the requested area. (20 CSR 4240-60.050(4)).

TARIFF/RATES

16. Confluence Rivers understands the existing customer rates for customers within Swan Lake Estates mobile home park to be a \$3 customer charge, plus \$5.34 per 1,000 gallons of usage and the rate for Bates City Mobile Home Park to be \$6,500 per month to be billed to the mobile home park. The Company proposes to charge a monthly fixed rate of \$19.02 for the customers in Swan Lake Estates mobile home park. This rate is the equivalent of the \$3 customer charge and an assumed 3,000 gallons of usage.¹ Confluence Rivers is proposing a fixed rate because wastewater customers do not normally have a meter on their wastewater output or that the wastewater provider does not have access to water usage information. The vast majority of costs in the wastewater cost of service are fixed and do not vary with fluctuating residential usage. As such, since very little of the cost of service varies with usage, it makes sense to collect the cost of service through a flat monthly charge rather than through a variable usage charge. From the customer perspective, adopting a flat rate structure simplifies billing, making billing predictable for customers, and reducing complexities associated with usage based billing. Confluence Rivers proposes to utilize the existing mobile home park rate for Bates City Mobile Home Park. In addition, the Company proposes to utilize Confluence Rivers' existing service

¹ \$19.02 = \$3.00 + (3 * \$5.34)

charges for these systems, Confluence Rivers would further plan to submit tariff sheets, to be effective before closing on the assets, to include a service area map, service area written description, and rates to be included in its EFIS tariff P.S.C. MO No. 31, applicable to sewer service.

17. The sewer system will require investment after the purchase by Confluence Rivers that will necessarily result in a future request for a rate increase of some amount.

PUBLIC INTEREST

18. The grant of the requested CCN (and approval of the underlying transactions) is in the public interest and results in regulated sewer service being provided to the current and future residents of the Swan Lake service area. The system would be acquired by Confluence Rivers, a Missouri public utility, and be subject to the jurisdiction of the Commission. As demonstrated to the Commission in past cases, Confluence Rivers, with the support and assistance of its affiliates, is fully qualified, in all respects, to own and operate the sewer system for which the certificate is sought. Confluence Rivers' successful operation of other water and sewer systems in Missouri demonstrates its ability to provide safe and reliable service to customers and to comply with the Commission's rules, regulations, and decisions governing the ownership and operation of such system. Confluence Rivers also has the financial strength and resources necessary to make any expenditures and investments required to maintain the system.

MOTION FOR WAIVER

19. Commission Rule 20 CSR 4240-4.017(1) requires "[a]ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." Because it did not file such a notice within the time period prescribed by that rule, Confluence Rivers seeks a waiver of the 60-day pre-filing notice requirement.

20. Under Rule 20 CSR 4240-4.017(1)(D), a waiver of the pre-filing notice requirement may be granted for good cause. In this regard, Confluence Rivers declares, as verified below, that it has had no communication with the Office of the Commission (as defined in 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case. Good cause for the requested waiver exists in accordance with Commission Rule 20 CSR 4240-4.017(1)(D) (“Good cause for waiver may include, among other things, a verified declaration from the filing party that it has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case...”).

21. Therefore, as authorized by Rule 20 CSR 4240-4.017(1)(D), Confluence Rivers moves for a waiver of the 60-day notice requirement and acceptance of this application at this time.

WHEREFORE, for the reasons previously stated, Confluence Rivers respectfully requests the Commission issue an order:

(A) Waiving the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) for good cause shown;

(B) Granting Confluence Rivers a CCN authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain a sewer treatment system for the public within the specified area currently served by Swan Lake Estates, LLC;

(C) Authorizing Confluence Rivers to acquire the sewer system assets of Swan Lake Estates, LLC, as described in this *Application and Motion for Waiver*; and

(D) Granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the *Agreement*, the *Application and Motion for Waiver*, and

consummate related transactions in accordance with the *Agreement*.

Respectfully submitted,



Dean L. Cooper MBE #36592

BRYDON, SWEARENGEN & ENGLAND P.C.

312 E. Capitol Avenue

P.O. Box 456

Jefferson City, MO 65102

(573) 635-7166 telephone

dcooper@brydonlaw.com

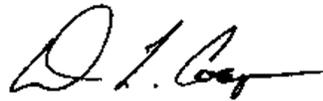
**ATTORNEYS FOR CONFLUENCE RIVERS
UTILITY OPERATING COMPANY, INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail this 11th day of November 2025, to the following:

Staff Counsel Division
staffcounsel@psc.mo.gov

Office of the Public Counsel
opcservice@opc.mo.gov

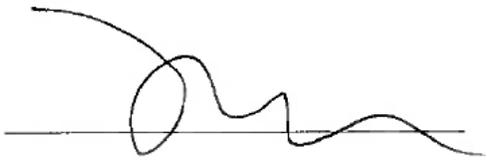


Dean L. Cooper

AFFIDAVIT

State of Missouri)
)
County of St. Louis) ss

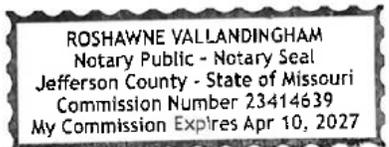
I, Josiah Cox, having been duly sworn upon my oath, state that I am the President of Confluence Rivers Utility Operating Company, Inc. ("Confluence Rivers"), that I am duly authorized to make this affidavit on behalf of Confluence Rivers, that I have knowledge of the matters stated herein, and that said matters are true and correct to the best of my information, knowledge, and belief. Additionally, no representative of Confluence Rivers has had any communication with the Office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the one hundred fifty (150) days immediately preceding the filing of the Application regarding any substantive issue likely to be addressed in this case.



Subscribed and sworn before me this 30th day of October, 2025.


Notary Public

My Commission Expires 04-10-2027



APPENDIX A-C

**HAS BEEN
IDENTIFIED AS**

CONFIDENTIAL

**IN ITS ENTIRETY PURSUANT TO
20 CSR 4240-2.135(2)(A)3. and 6.**

APPENDIX B

VERIFICATION OF AUTHORITY

COMES NOW the undersigned, the President of Confluence Rivers Utility Operating Company, Inc. ("Confluence Rivers") and Central States Water Resources, Inc. ("CSWR"), and does hereby verify that CSWR had and has the requisite authority to enter into each *Agreement for Sale of Utility System* described in the Application and to carry out all the obligations contained in each *Agreement for Sale of Utility System*.

IN WITNESS WHEREOF, the undersigned has hereto set his hand the 30th day of October, 2025.



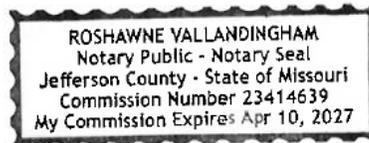
Josiah Cox, President
CONFLUENCE RIVERS UTILITY OPERATING
COMPANY, INC. and CENTRAL STATES
WATER RESOURCES, INC.

State of Missouri)
)
County of St. Louis) ss

Subscribed and sworn before me this 30th day of October, 2025.

Roshawne Vallandingham
Notary Public

My Commission Expires 04-10-2027



APPENDIX C-C

HAS BEEN
IDENTIFIED AS

CONFIDENTIAL

IN ITS ENTIRETY PURSUANT TO
20 CSR 4240-2.135(2)(A)3. and 6.

APPENDIX D

Swan Lake Estates MO Service Area:

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

Beginning at the northwest corner of Section 36, Township 49 North, Range 29 West; thence Easterly along the north line of said Section 36, 1323.15 feet more or less to the west right-of-way line of Missouri State Highway "D"; thence along said west right-of-way line, Southerly 1475.64 feet more or less to the intersection of said west right-of-way line with the north right-of-way line of U.S. I-70 Outer Road; thence Southwesterly along said north right-of-way line of U.S. I-70 Outer Road 2520.11 feet more or less; thence leaving said north right-of-way line N0°15'39"E 2287.17 feet more or less to the north line of Section 35, Township 49 North, Range 29 West; thence along said north line of Section 35, 644.89 feet more or less to the point of beginning, containing 99.55 acres more or less.

APPENDIX E

HAS BEEN
FILED SEPARATELY

APPENDIX F-C

**HAS BEEN
IDENTIFIED AS**

CONFIDENTIAL

**IN ITS ENTIRETY PURSUANT TO
20 CSR 4240-2.135(2)(A)3. and 6.**

APPENDIX G-C

**HAS BEEN
IDENTIFIED AS**

CONFIDENTIAL

**IN ITS ENTIRETY PURSUANT TO
20 CSR 4240-2.135(2)(A)4.**

APPENDIX H-C

**HAS BEEN
IDENTIFIED AS**

CONFIDENTIAL

**IN ITS ENTIRETY PURSUANT TO
20 CSR 4240-2.135(2)(A)3. and 6.**

APPENDIX I

HAS BEEN
FILED SEPARATELY