

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

In the Matter of the Application of                    )  
Central Jefferson County Utilities, Inc.            )  
for an Order Authorizing the Transfer                )  
and Assignment of Certain Water and                )  
Sewer Assets to Jefferson County                    )  
Public Sewer District and in                         )  
Connection Therewith, Certain Other                )  
Related Transactions.                                    )

Case No. SO-2007-0071

**MISSOURI DEPARTMENT OF NATURAL RESOURCES'  
SUGGESTED FINDINGS OF FACT, CONCLUSIONS OF LAW**

**Suggested Findings of Fact**

COMES NOW the Missouri Department of Natural Resources (hereinafter “the Department”), by and through counsel, and for its Suggested Findings of Fact states as follows:

1. Central Jefferson County Utilities, Inc. (hereinafter “Central Jefferson”) owns and operates water and sewer facilities that currently serve the Raintree Plantation Subdivision (hereinafter “the Subdivision”).
2. The Subdivision is platted for approximately 3500 lots, and all but 30 lots have been sold. Homes have been constructed upon approximately 670 lots.
3. Central Jefferson’s current wastewater treatment facility has a design flow of 64,000 gallons per day. Monthly discharge monitoring reports indicate that in the past year, the inflow of wastewater into the wastewater treatment facility has averaged approximately 100,000 gallons per day, in excess of its daily limit. Pursuant to an Order for Compliance from the United States Environmental Protection Agency, all new sewer

connections to the wastewater treatment facility are currently prohibited until such time as new connections to the sewer collection system will not result in the wastewater treatment facility exceeding its daily design flow.

4. Central Jefferson owns two water supply wells that serve the Subdivision. Well 1 has been shown to produce water with levels of lead in excess of state and federal regulations. Well 1 may only produce drinking water when mixed with water from Well 2.

5. Central Jefferson has no funds to invest in new infrastructure to upgrade and expand the drinking water facilities and the wastewater treatment facility serving the Subdivision.

6. On August 15, 2006, Central Jefferson filed an Application seeking the Missouri Public Service Commission's (hereinafter "the Commission") authorization to transfer and assign the drinking water facilities, and accompanying infrastructure, and the existing wastewater treatment facility, and accompanying infrastructure, to the Jefferson County Public Sewer District (hereinafter "the Sewer District").

7. The Sewer District and Environmental Management Corporation (hereinafter "EMC") have recently finalized a Utility Operation, Maintenance and Capital Improvement Agreement. Pursuant to the agreement, EMC will upgrade/expand, operate and maintain the proposed assets to be transferred.

8. The upgraded and expanded wastewater treatment facility will have a design flow of 400,000 gallons per day and will have adequate capacity to handle current and expected future growth in the Subdivision.

9. EMC has experience in building, operating and maintaining water and wastewater treatment facilities.

**Suggested Conclusions of Law**

COMES NOW the Department, by and through counsel, and for its Suggested Conclusions of Law states as follows:

The proposed transfer of Central Jefferson's water and sewer assets to the Sewer District is not detrimental to the public interest so long as the following conditions are met:

1. The payment of any connection fees, including tap on fees, collected by the Sewer District on behalf of Raintree Plantation, Inc. shall be held in escrow and shall be used to fund as much as possible the costs of improvements and upgrades to the wastewater collection and treatment operations recommended in the Sanitary Sewer Study and Improvement Plan referenced in the Compliance Agreement;
2. The Sewer District and EMC shall establish a schedule and funding device under which wastewater treatment capacity and water distribution and storage capacity are increased to accommodate projected growth in the Subdivision;
3. The assets shall not be transferred until a Compliance Agreement between the Department, the Sewer District and EMC is executed; and
4. The assets shall not be transferred until a Utility Operation, Maintenance and Capital Improvement Agreement between the Sewer District and EMC is executed.

Respectfully Submitted,

SCHREIMANN, RACKERS,  
FRANCKA AND BLUNT, L.L.C.

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Attorneys for the Missouri Department of  
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### **CERTIFICATE OF SERVICE**

I, the undersigned, do hereby certify that a true and correct copy of the foregoing document was sent via e-mail on January 19, 2007 to William R. England III at [trip@brydonlaw.com](mailto:trip@brydonlaw.com), Attorney for Applicant; Dean Cooper at [dcooper@brydonlaw.com](mailto:dcooper@brydonlaw.com), Attorney for Applicant; Keith Kruger at [keith.krueger@psc.mo.gov](mailto:keith.krueger@psc.mo.gov), Attorney for General Counsel's Office; Christina Baker at [christina.baker@ded.mo.gov](mailto:christina.baker@ded.mo.gov), Attorney for the Office of the Public Counsel; Mark Comley at [comleym@ncrpc.com](mailto:comleym@ncrpc.com), Attorney for the Raintree Plantation Property owners Association, Inc.; and mailed via United States mail, postage prepaid, on January 19, 2007, to Ct Corporation System, Registered Agent for EMC, 120 South Central Avenue, Clayton, Missouri 63105; Legal Department, Jefferson County Public Sewer District, P.O. Box 632, Hillsboro, Missouri 63050; Stanley Schnaare, Raintree Plantation Property Owners Association, Inc., P.O. Box 440, Hillsboro, Missouri 63050.

/s/ Michael J. Schmid  
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