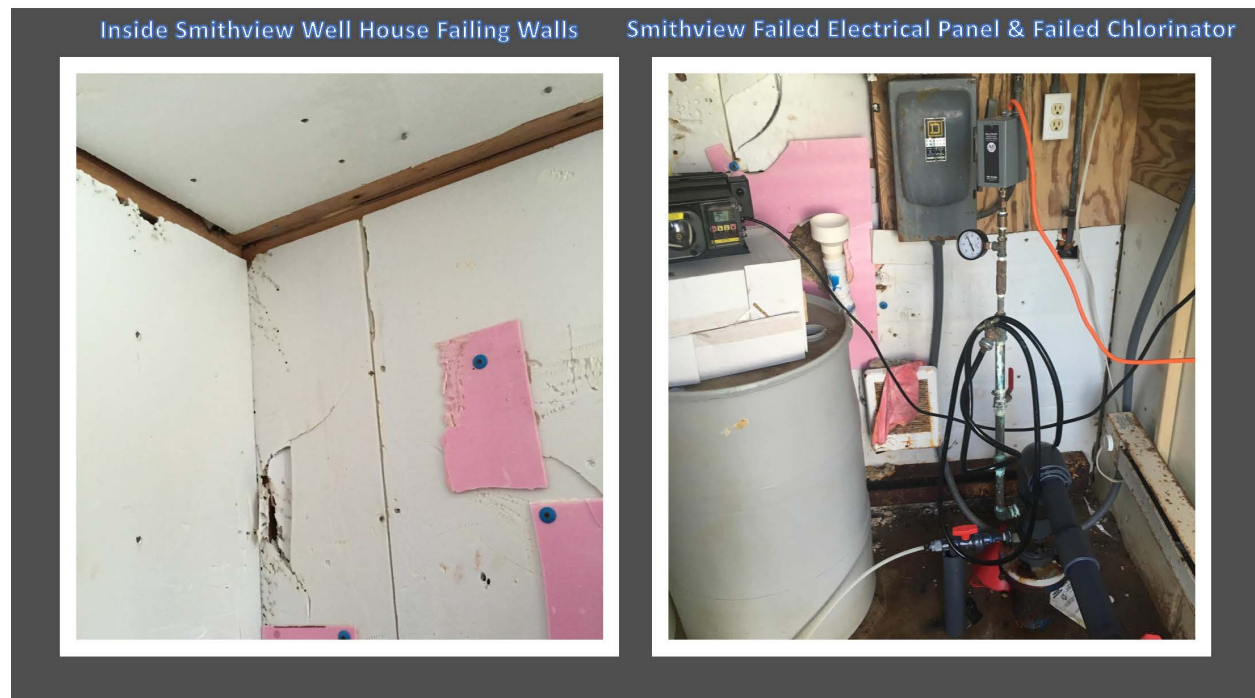


Exhibit B

Smithview:

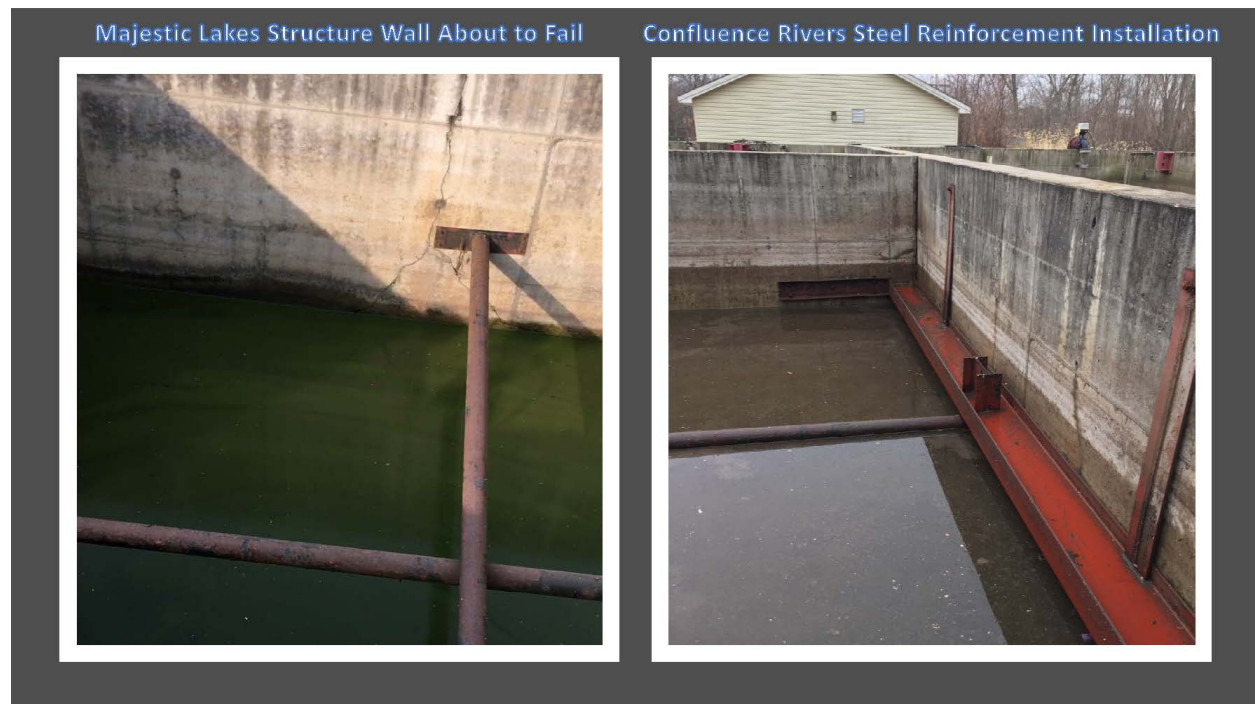
CSWR managed utilities took over operations at Smithview at the request of the Missouri Public Service Commission Staff. In February of 2016 Smithview was in danger of being shutdown by MDNR due to a lack of any operational staff. The previous Owner had abandoned the system. The MDNR deficiency letter is attached as **Exhibit B-1**.



Majestic Lakes:

In October of 2016 Confluence Rivers prevented a total wastewater system wall structural collapse at Majestic Lakes. Majestic Lakes has been under a MDNR mandated building moratorium since 2008 (**Exhibit B-2**), and the original developer was referred to the Missouri Attorney general's office enforcement group for negligence in constructing the Majestic Lakes WWTP. The Majestic Lakes HOA was under a long-term contract with Missouri American Water Company (MAWC) for operations. This MAWC operations contract did not have any provisions for MAWC to make investments in the Majestic Lakes WWTP (See **Exhibit B-3**). Majestic Lakes HOA letter stating this fact sent to MAWC). In September of 2016 the Majestic Lakes WWTP walls began to fail. Confluence Rivers steeped in because the Majestic Lakes

HOA could not afford to make even emergency repairs, and MAWC did not have a contract to make emergency repairs. Confluence Rivers engaged a contractor to reinforce the Majestic Lakes structural walls with steel bracing while Confluence Rivers was finalizing the Majestic Lakes purchase contract.



The Willows

Starting in September of 2017 Confluence Rivers began operating the Willows water and wastewater system in order to provide the provision of drinking water and sanitary sewer service. The Willows is under an attorney general enforcement actions for both water and wastewater service (**Exhibit B-4**). The Willows Water system standpipe ran through a 55-gallon drum stuffed with insulation that sat on top of concrete cinder blocks. This non-complaint water configuration froze and broke off completely shut off water to the community. Confluence Rivers was able to install a temporary fix to continue providing basic drinking water service to the Willows.

Willows Drinking Water Connection through 55-gallon drum stuffed with insulation on Cinder Blocks

Willows Drinking Water Connection through 55-gallon drum stuffed with insulation on Cinder Blocks



Roy-L

Roy-L has an extreme amount of I & I coming into the sewer conveyance system. Confluence Rivers has already begun smoke testing and video to identify these issues, which are in addition to the MDNR treatment compliance schedule. The drinking water system, in addition to the lack of emergency service, needs a system refurbishment as the inside of the tank could be potentially exposing residents to contaminants.

Inside of Roy-L's Drinking Water Tank Covered with Rust Sludge



Infiltration and Inflow running into a Roy-L Manhole



The OPC does not understand the information previously provided by Confluence Rivers regarding the systems inside this application. Confluence Rivers statement that “there are a number of health and safety issues involved with these utilities” is clearly backed by the official records.

Smithview does not currently have numerous amounts of required equipment necessary required to ensure MDNR minimum to emergency service which is clearly stated in the MDNR letters. Without emergency operations provision by Confluence Rivers the community would be cut off from water service.

MDNR has issued compliance schedules for Gladlow Water and Sewer Company (which is in state appointed receivership) and lacks any drinking water emergency service provision including storage or emergency power as stated by MDNR since 2015. The operator of Gladlow simply cuts off the community from water service to even perform basic pump maintenance.

Roy-L Utilities does not have equipment necessary required to ensure MDNR minimum to emergency service. In addition the current wastewater conveyance system infiltration and inflow is part of a PSC schedule to remedy.

M.P.B., Inc., Mill Creek, Port Perry, and The Willows are all encountering acute safety and health concerns. The following are high level outlines of the active health, welfare, and safety issues facing these systems. A detailed breakdown with supporting MDNR documentation for all the systems is attached as **Exhibit B-5**.

M.P.B. (A wastewater system in state appointed receivership)

M.P.B. at Villa Ridge is currently actively under Notice of Violations by MDNR and is discharging untreated human pathogens into a receiving stream next to a single-family subdivision. MDNR notes that there is sludge in the creek and that the system does not have disinfection equipment functioning.

M.P.B. at Lake Virginia has a west lagoon that has never been permitted by MDNR and is discharging waste that may or may not have had even primary treatment into a receiving water body in violation of multiple MDNR regulations.

M.P.B. at Lake Virginia has an east lagoon that is operating without a valid permit, is discharging untreated human pathogens into the receiving stream next to a single-family subdivision, leaking untreated waste through a faulty berm, and discharging nutrients to the receiving stream.

Mill Creek (a wastewater system in state appointed receivership)

Mill Creek is currently actively under Notice of Violations by MDNR and is discharging untreated human pathogens into a receiving stream next to a single-family subdivision. The existing disinfection contact chamber has failed. In addition Mill Creek has a history of violating other MDNR discharge permit limits.

Port Perry: The current drinking water system does not have system redundancy to provide emergency service. In addition Confluence Rivers does not believe the backup well can be used inside the system. The wastewater system does not have fencing to protect residents from exposure to wastewater and the infiltration basins may be leaching untreated waste into the surrounding area per MDNR.

The Willows: The Willows currently has active Missouri Attorney General actions for both its water and wastewater system. The water system has multiple failures due to long term substantial equipment degradation and has continually been subject to low pressure events that have been un-reported to MDNR potentially exposing the residents to drinking water health hazards. The wastewater system has caused pollution to a tributary of Pond Creek and continually experienced sanitary sewer overflows exposing residents to potentially harmful under treated waste.