

**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) File Nos. WA-2023-_____
Convenience and Necessity to Provide Water and) SA-2023-_____
Sewer Service in an Area of Johnson County, Missouri.)

APPLICATION AND MOTION FOR WAIVER

COMES NOW Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”) pursuant to Section 393.170, RSMo, 20 CSR 4240-2.060, 20 CSR 4240-3.305, 20 CSR 4240-3.600, 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 12,000 customers and sewer service to approximately 12,600 customers 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 which involves customer service or rates, which action, judgment, or decision has occurred within three (3) years of the date of this Application.

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

Josiah Cox
Confluence Rivers Utility Operating Company, Inc.
1630 Des Peres Rd., Suite 140
St. Louis, MO 63131
Phone: (314) 380-8544
E-mail: jcox@cswrgroup.com

The Proposed Sale Transaction

5. Confluence Rivers proposes to acquire all or substantially all of the water and sewer systems of the currently unregulated systems of Four Seasons North MHP, LLC (“Four Seasons”). Confluence Rivers seeks Certificates of Convenience and Necessity (“CCN”) to operate the systems and provide service to the public.

6. Four Seasons is a Missouri limited liability corporation in active status with the Missouri Secretary of State. Four Seasons consists of a water and sewer system serving a mobile home park with approximately 35 mobile homes in Johnson County, Missouri. Confluence Rivers is not aware of any other same or similar water or sewer service available in the area served by Four Seasons.

7. The drinking water system consists of one active well with sodium hypochlorite disinfection, one 9,000-gallon storage tank, four 119-gallon bladder pressure tanks, and an associated distribution system. The system is regulated under the safe drinking water act as public water system ID MO1041228. The facility has no recent violations noted in the Missouri Drinking Water Watch System or the Federal Safe Drinking Water Information System.

8. The wastewater system consists of a discharging mechanical treatment facility with a septic tank, extended aeration treatment basin, sludge holding tank, sodium hypochlorite solution disinfection system, and an associated collection system. The facility is regulated under the Clean Water Act under NPDES (National Pollutant Discharge Elimination System) permit MO0113603. The facility has a history of regularly exceeding BOD, E.coli, Ammonia, and Total Suspended Solids limits. This has resulted in at least five instances where the State of Missouri issued notices of violation related to the effluent exceedances.

9. On August 4, 2022, Central States Water Resources, Inc. (“Central States”) entered into an *Agreement for Sale of Utility System* (“*Agreement*”) with Four Seasons. 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. Central States proposes to purchase substantially all of the water and sewer system assets of Four Seasons, as specifically described in, and under the terms and provisions of, the *Agreement*.

Certificates of Convenience and Necessity

10. Pursuant to Paragraph 18 of the *Agreement*, Central States 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.

11. Confluence Rivers requests permission, approval and a CCN to construct, install, own, operate, maintain, control and manage water and sewer systems for the public in an area of

Johnson 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 C. A map of the area sought to be certificated is attached as Appendix D.

12. Attached hereto and marked as Appendix E-C is a list of ten residents or landowners within the proposed service area. Appendix E-C is marked Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)1., as it contains customer-specific information.

Additional Information

13. Attached hereto and marked as Appendix F-C are feasibility studies for the Four Seasons water and sewer systems for which Confluence Rivers seeks CCNs, including estimates of the number of customers, expenses and revenues during the first three years of operation by Confluence Rivers. Appendix F-C is 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. To provide service to the proposed areas, Confluence Rivers will purchase existing water and sewer systems and will not construct systems. Thus, Confluence Rivers asks for a waiver of any requirement to provide plans and specifications related to the construction of the treatment, distribution and collection systems.

14. 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 areas.

15. The sale and purchase of the reference assets should have no impact on the tax revenues of relevant political subdivisions, as Confluence Rivers and Four Seasons are private entities and their status as taxpaying entities will not change as a result of these transactions.

Tariff/Rates

16. Confluence Rivers proposes to utilize the rules governing the rendering of service that are currently found in Confluence Rivers' existing PSC MO No. 12 tariff for water and its existing PSC MO No. 13 tariff for sewer, until such time as the rates and rules are modified according to law. Confluence Rivers would anticipate later adding the Four Seasons service area to the tariff book at issue in its pending rate case (WR-2023-0006/SR-2023-0007) when compliance tariffs are ultimately filed at the conclusion of that case.

17. Four Seasons currently does not charge for water and sewer services. Four Seasons is, however, located approximately 36 miles from Missing Well Water and Sewer systems that are subject of Confluence Rivers' application in File No. WA-2021-0425. Confluence Rivers proposes to use the same rates for Four Season that have been proposed for Missing Well – a fixed monthly water rate of \$20.00, and a fixed monthly sewer rate of \$20.00.

18. These systems will require investment after the purchase by Confluence Rivers that will necessarily result in a request for a rate increase of some amount.

Public Interest

19. The grant of the requested CCNs (and approval of the underlying transactions) is in the public interest and will result in regulated water and sewer services provided to the current and future residents of these service areas. The systems would be acquired by Confluence Rivers, a Missouri public utility, and be subject to the jurisdiction of the Commission. As it has 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 water and sewer systems for which the certificates are 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 systems. Confluence Rivers also has the financial strength and resources necessary to make expenditures and investments required to maintain the systems.

Motion for Waiver

20. 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.

21. 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....”)

22. Thus, 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:

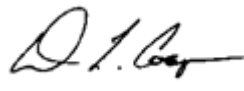
(A) Waiving the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) for good cause shown;

(B) Granting Confluence Rivers CCNs authorizing it to install, acquire, build, construct, own, operate, control, manage, and maintain water and sewer systems for the public within the specified areas currently served by Four Seasons North MHP, LLC;

(C) Authorizing Confluence Rivers to acquire the water and sewer system assets of Four Seasons North MHP, LLC, as described in this Application; and,

(D) Granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the agreements and the Application and to consummate related transactions in accordance with the agreements.

Respectfully submitted,



Dean L. Cooper MBE #36592
Jennifer L. Hernandez MBE #59814
BRYDON, SWEARENGEN & ENGLAND P.C.
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David L. Woodsmall MBE #40747
Central States Water Resources
1630 Des Peres Rd., Suite 140
Des Peres, MO 63131
dwoodsmall@cswrgroup.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 14th day of March 2023 to the following:

Office of the General Counsel
staffcounservice@psc.mo.gov

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



AFFIDAVIT

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

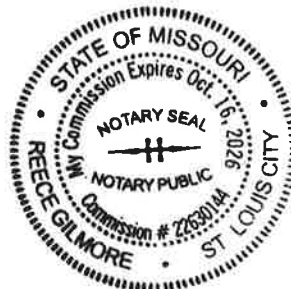
I, Todd Thomas, having been duly sworn upon my oath, state that I am the Vice President of Confluence Rivers Utility Operating Company, Inc. (“Confluence Rivers”), that I am duly authorized to make this affidavit on behalf of Confluence Rivers, that I have knowledge of the matters stated herein, and 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.

Todd Thomas

Subscribed and sworn before me this 3 day of March, 2023.

Reece Gilmore
Notary Public

My Commission Expires Oct 16th, 2026



APPENDIX A-C

**HAS BEEN
IDENTIFIED AS**

CONFIDENTIAL

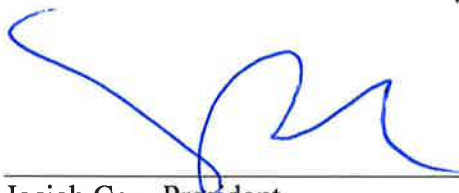
**IN ITS ENTIRETY PURSUANT TO
20 CSR 4240-2.135(2)(A)3. and 6.**

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 12th day of December, 2022.



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

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

Subscribed and sworn before me this 12th day of December, 2022.

Reece Gilmore
Notary Public

My Commission Expires OCT 16th, 2026



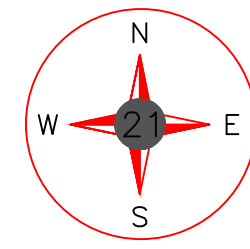
APPENDIX C

M & M Mobile Homes MO Service Area Description:

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

Commencing from the southeast corner of Section 11, Township 46 North, Range 26 West; thence along the south line of said Section 11, Westerly 545.00 feet, more or less to the point of beginning; thence continuing along the south line of said Section 11, Westerly 785.37 feet, more or less; thence leaving said south line N4°26'41"E 600.31 feet, more or less to the south right-of-way line of NW 215th Road; thence along said south right-of-way line of NW 215th Road, Easterly 806.45 feet, more or less; thence leaving said south right-of-way line of NW 215th Road, S4°12'48"W 652.11 feet, more or less to the point of beginning, containing 11.61 acres more or less.

**ROUGH SERVICE AREA MAP (v1)
M&M MOBILE HOMES
(WATER & WASTEWATER)
JOHNSON COUNTY, MO**



SITE 1
WELL SITE
RESEARCH EASEMENT/ACCESS
OWNER: FOUR SEASONS NORTH MHP LLC
PARCEL ID: 12101100000001000
NEAR ADDRESS: 42 NW 215

SITE 2
WWTF SITE
RESEARCH EASEMENT/ACCESS
OWNER: FOUR SEASONS NORTH MHP LLC
PARCEL ID: 12101100000001000
NEAR ADDRESS: 42 NW 215

APPENDIX D

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:	08/22/2022
PROJECT NO:	0596-22
DRAWN BY:	KAR
SCALE:	
SHEET NAME:	SERVICE AREA MAP



APPENDIX E-C

**HAS BEEN
IDENTIFIED AS**

CONFIDENTIAL

**IN ITS ENTIRETY PURSUANT TO
20 CSR 4240-2.135(2)(A)1**

APPENDIX F-C

**HAS BEEN
IDENTIFIED AS**

CONFIDENTIAL

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