

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

In the Matter of the Petition for an Interim	)	
Receiver and for an Order Directing the	)	
General Counsel to Petition the Circuit	)	
Court for the Appointment of a Receiver	)	File No. WO-2017-0236
For Ridge Creek Water Company, LLC,	)	
And for Ridge Creek Development, L.L.C.	)	

**FIRST INTERIM REPORT OF INTERIM RECEIVER**

Terry M. Jarrett, as Interim Receiver (“Receiver”) of Ridge Creek Water Company, LLC and Ridge Creek Development Company, LLC, files this First Interim Report (“First Report”), documenting the current status of the receivership estate and his activities since the May 3, 2017 appointment as Receiver.

**I. PROCEDURAL BACKGROUND**

The Public Service Commission Staff (“Staff”) filed a petition with the Public Service Commission on March 14, 2017, asking the Commission to direct its General Counsel to petition Cole County Circuit Court to appoint a receiver to take control of Ridge Creek Water Company and Ridge Creek Development (the “Companies”). Staff also sought the appointment of an interim receiver, Terry M. Jarrett. Staff alleged in its petition that Ridge Creek Water Company and Ridge Creek Development were unable or unwilling to provide safe and adequate service to their water customers.

The Commission issued its Report and Order approving the petition on May 3, 2017.

The owners of Ridge Creek Water Company and Ridge Creek Development have consented to the appointment of an interim receiver and receiver to take over Ridge Creek Water and Ridge Creek

Development to provide service to their water customers.

## **II. STATUS OF THE COMPANIES**

As Interim Receiver, the Receiver is charged with, among other things, operating the water system, conserving and managing all assets of the water system and performing all acts necessary or advisable to preserve the value of those assets in order to prevent any irreparable loss or injury. The operations of the Ridge Creek water system remain subject to Commission Rules and Regulations. Immediately upon appointment, the Receiver took a number of steps to discharge this obligation:

- The Receiver retained Central States Water Resources, Inc. (“CSWR”), to take over the operations and maintenance of the water system in accordance with all applicable laws and regulations.
- The Receiver and CSWR began securing the physical premises and personal properties of the water system.
- The Receiver met with Sherry and Bobby Jones, who had been employed by the owners to operate the water system. The Receiver retained their services to continue the billing and accounting functions, and some operations functions, during the transition to CSWR. All available books, records, and electronic data of the water system have been secured.
- The Receiver and CSWR are taking steps to identify the nature, value and location of any of the assets of the water system.
- The Receiver and CSWR met with DNR to discuss compliance issues and develop a schedule for compliance with DNR regulations. We continue to work with DNR on compliance issues.
- On June 15, 2017, the Receiver received word that the electricity provider for the water system was shutting off power to the wells due to nonpayment of electric bills. The receiver spoke with the

electric utility and convinced it to stop the disconnections and restore power. Unfortunately, 14 of the system's 22 wells were shut down for a period of about 2 hours. This triggered DNR regulations that require issuance of a boil advisory and testing of the wells. CSWR continues to work with DNR to resolve this issue. The Receiver also worked with the electric utility to resolve the payment issues.

- On June 21, the Receiver, a representative from the Operator, PSC staff, and OPC met with customers at a public meeting in the Waynesville City Hall, Waynesville, MO to answer questions about the water system and current rate case.
- The Receiver has started an email listserv to provide status updates and information about the water system to customers.
- The Receiver has answered numerous questions from customers via phone and email.

### **III. ASSETS OF THE ESTATE**

Upon appointment, the Receiver conducted an investigation and found that there was no cash on hand and no money in the companies' bank account. Since that time, collections have been coming to the Receiver. The Receiver has set up a bank account in the Receiver's name. Currently, there is \$2,716.77 in total funds in the receivership estate.

### **IV. FINANCIAL RECORDS OF RECEIVERSHIP DEFENDANT**

At this time the Receiver has been able to obtain only limited financial records of the companies. These records were maintained by Sherry Jones, an employee of the owners. The Receiver is attempting to obtain any financial or other records that the owners may have.

## **V. SUPPLEMENTAL REPORTS**

The Receiver will file from time to time further reports as his investigation proceeds.

Dated this 3<sup>rd</sup> day of July, 2017.

Respectfully submitted,



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Terry M. Jarrett      MO Bar 45663  
Interim Receiver

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## **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all parties on the official service list for this case on this 3<sup>rd</sup> day of July, 2017.



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Terry M. Jarrett