

THE STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION,

VS.

Respondents.

Case No.: WC-2017-0096

Receiver's duties were essentially two fold. First, the Receiver was to stabilize the system and ensure that it was continuing to supply safe and adequate water and wastewater services to its customers. This has been and is continuing to be accomplished by the Receiver.

The Receiver was to get the system into a position to be sold to a more traditional provider of water and wastewater services. It appeared that this duty has also been accomplished. The Commission will be provided with more information on this issue in Paragraph 7.

Since the Court's appointment as Receiver, Missouri Utilities has continued to operate with a very minimal income. There has been only one extremely minor rate increase since 2006. The annual revenues of Missouri Utilities are approximately \$24,000.00.

Both the water and wastewater systems are old and the wastewater system in particular requires constant repair and maintenance.

As a result of minimal income and ongoing expenses, Missouri Utilities has very limited income to pay administrative fees to governmental agencies including the Commission and the Missouri Department of Natural Resources.

6. Missouri Utilities has paid its administrative fees to the Commission for 2015 and 2016.

7. Further Answering, Receiver anticipated that as of this date, he would no longer be functioning as Receiver in that on the 18th day of September, 2015, Receiver obtained Court authority to sell the Company to Central States Water Resources. At that time, it was anticipated that said transaction would close within a matter of weeks and that as a part of said transaction, the issue of administrative fees to the Commission and/or Department of Natural Resources would be resolved by the new company. Attached hereto and incorporated herein by reference is a copy of the Court Order, denoted as Exhibit "A".

To date, for reasons unknown to the Company, said sales transaction has not been consummated. Attached hereto and denoted as Exhibit "B" is correspondence to the

representative for Central States Water Resources, the purchasing company, demanding that said transaction be closed no later than October 31, 2016.

8. Finally, the Complaint filed by the Commission lists "Gary Cover" as a Respondent. Gary Cover is the Court-Appointed Receiver and an officer of the Court and, therefore, has both statutory and judicial immunity.

9. In an effort to show good will, attached hereto and incorporated herein by reference is Exhibit "C" which is a copy of a check from Missouri Utilities in the amount of \$500.00 as partial payment of the administrative fees referenced in the Complaint.

WHEREFORE, Respondents Missouri Utilities Company and Gary Cover pray that the Commission Dismiss the Complaint filed ultimately approve the sale of Company to a more traditional provider of water and wastewater services; and for such other and further relief as the Court deems just and proper under the premises.

COVER & HILTON LAW, LLC



GARY V. COVER

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gary@coverhiltonlaw.com

Attorneys for Respondents

I hereby certify that a copy of the above and foregoing was electronically served on Marcella L. Forck, attorney for the Staff of the Public Service Commission, on this 10 day of October, 2016.



Gary V. Cover

IN THE CIRCUIT COURT OF COLE COUNTY, MISSOURI

CIRCUIT DIVISION

PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI,

Plaintiff,

vs.

MISSOURI UTILITIES COMPANY,

Defendant.

Case No.: 06AC-CC00337

ORDER

Now, on this 18th day of September, 2015, the Court takes up for consideration Defendant's *Motion for Authority to Execute Asset Purchase Agreement to Sell Assets of Missouri Utilities Company*.

Defendant Missouri Utilities Company appears by its Court-Appointed Receiver and Attorney Gary V. Cover.

Plaintiff Missouri Public Service Commission appears by Attorney Shelley Brueggemann.

Proposed Purchaser Central States Water Resources, Inc. appears by its Attorney, Dean Cooper.

1. The Court hereby sustains the *Motion for Authority to Execute Asset Purchase Agreement to Sell Assets of Missouri Utilities Company*.

2. The Receiver is hereby authorized to execute any and all documents necessary to effect the Asset Purchase Agreement.

3. The proceeds from the sale of the assets of Missouri Utilities Company shall be disbursed as outlined in Defendant's Motion.



ALL ENTERED THIS 18th DAY OF SEPTEMBER, 2015.



JON EDWARD BEETEM, JUDGE

GARY V. COVER
gary@coverhiltonlaw.com

WESLEY D. HILTON
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LEGAL ASSISTANTS
Robin Wells, Office Manager
Debbie Moose
Denise Cover

October 10, 2016

Josiah Cox, President
Central States Water Resources, Inc.
500 NW Plaza Drive, Suite 500
St. Ann, MO 63074

RE: **Missouri Utilities Company/Central States Water Resources, Inc.**

Dear Josiah:

You, of course, will recall that on September 18, 2015, the parties obtained approval from the Circuit Court of Cole County, Missouri, for said contract.

Further, on the 29th day of September, 2015, the parties entered into a contract for the sale of the assets of Missouri Utilities. Attached is a copy of said contract. As you are aware, said contract has not, as of this date, been consummated.

Now, both Missouri Utilities and myself are subject to a Complaint that has been filed before the Missouri Public Service Commission. Enclosed is a copy of said Complaint. The essence of the Complaint is failure of Missouri Utilities to pay administrative fees as Ordered by the Commission. Next enclosed is a copy of my Answer to the Commission.

At this point, I need the sales contract and transfer of assets to be concluded or I need to begin pursuing another purchaser. Therefore, if this sale is not completed by October 31, 2016, then I will take action to void the sale contract and Court Order and pursue other potential purchasers.

If you have any questions regarding the above or need further information, please feel free to contact me.

Sincerely,

ORIGINAL SIGNED BY
GARY V. COVER

Gary V. Cover

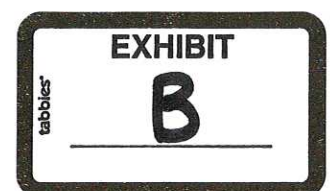
GVC/rew

Enclosures

c: Shelley Brueggemann, Public Service Commission
Dean Cooper, Attorney at Law

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Lebanon, MO 65536
417 / 588-0104



MISSOURI UTILITIES COMPANY
GARY V COVER, RECEIVER
137 WEST FRANKLIN ST
P O BOX 506
CLINTON, MO 64735

Oct 10, 2016

Date

1925
80-205/1019

Pay to the Order of Director of Revenue, State of MO \$500.00

Five Hundred and 00/100-----Dollars



Third National Bank

P.O. Box 351
Sedalia, Missouri 65302-0351
www.thirdnationalbank.com

partial payment on
For annual assessment

ORIGINAL SIGNED BY
GARY V. COVER

MP

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EXHIBIT

C

tabbles