

Exhibit No.: 5
Issue: Availability Fees, Capital Structure, Labor
Costs, Executive Management Costs,
Revenue Requirements
Witness: John R. Summers
Sponsoring Party: Lake Region Water & Sewer Company
Case Nos.: SR-2010-0110 and WR-2010-0111

LAKE REGION WATER & SEWER COMPANY

Case Nos. SR-2010-0110 and WR-2010-0111

REBUTTAL TESTIMONY

OF

JOHN R. SUMMERS

Four Seasons, Missouri
February, 2010

Lake
Region Exhibit No. 5
Date 3-29-10 Reporter XF
File No. SR-2010-0110

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

In the Matter of Lake Region Water)
& Sewer Company for Authority)
to File Tariffs Increasing Rates for)
Water and Sewer Provided to)
Customers in the Company's)
Missouri Service Area)

Case No. WR-2010-
Case No. SR-2010-

AFFADAVIT OF JOHN R. SUMMERS

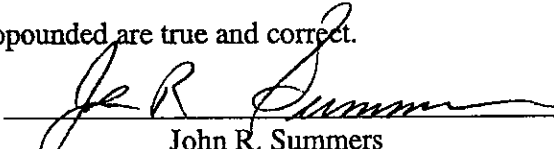
STATE OF MISSOURI)
) ss
VILLAGE OF FOUR SEASONS)

John R. Summers, being first sworn on his oath, states:

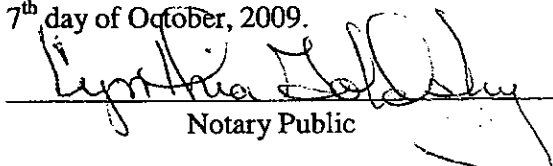
1. My name is John R. Summers. I work in The Village of Four Seasons, Missouri, and I am employed by Public Water Supply District Number Four of Camden County as General Manager.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Lake Region Water & Sewer Company consisting of 14 pages, Exhibit 1 and Schedules 1, 2, 2.1 and 3, all of which have been prepared in written form for introduction into evidence in the above referenced dockets.

3. I here by swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.


John R. Summers

Subscribed and sworn before me this 7th day of October, 2009.


Notary Public

My commission expires:

10/31/11

1 REBUTTAL TESTIMONY

2 OF

3 JOHN R. SUMMERS

4 CASE NOS. SR-2010-0110 AND WR-2010-0111

5 **Q. Please state your full name and business address.**

6 A. My name is John R. Summers. My business address is 62 Bittersweet Road, Four
7 Seasons, MO 65049.

8 **Q. Are you the same John R. Summers who filed direct testimony in the two**
9 **cases referenced above?**

10 A. Yes.

11 **Q. What is the purpose of your rebuttal testimony?**

12 A. In general, I will be responding to portions of the direct testimony submitted by
13 the Staff and the Office of Public Counsel regarding availability fees,
14 management fees and labor costs. I also will address comments made by certain
15 customers during the local public hearing.

16 **AVAILABILITY FEES**

17 **Q. Has the Company included the availability fees in its filing?**

18 A. No, the availability fees are not included in the Company's filing because they are
19 not income or revenue for the Company. I must emphasize that the Company has
20 no rights to the availability fees. Additionally, it has been my experience and
21 understanding based on previous Missouri Public Service Commission
22 (Commission) cases that the Commission does not regulate availability fees.

1 **Q. On page 3 of his direct testimony, Mr. Robertson claims that the issue**
2 **concerns the collection of availability fees from regulated ratepayers. Does**
3 **LRWS charge its ratepayers availability fees?**

4 **A. No. Regulated ratepayers do not pay availability fees. They pay only the rates and**
5 **charges in the Company's tariffs as approved by the Commission. The availability**
6 **fees to which he refers are paid to persons who are entitled to those fees pursuant**
7 **to a contract between the property owner and the developer. This contractual**
8 **obligation is also memorialized in a document titled Amendment to the Third**
9 **Amended and Restated Declaration of Restrictive Covenants Relating to Water**
10 **and Sewer Systems ("Amendment"). This document is recorded with the Camden**
11 **County Recorder of Deeds in Book 681 at Page 760 and a copy is attached hereto**
12 **as Exhibit 1. The fees referenced by Mr. Robertson are set forth in Paragraphs 3.1**
13 **and 4.1 on pages 5 and 6, respectively of the Amendment.**

14 **Q. Mr. Robertson refers to testimony of Four Seasons Lakesites Water & Sewer**
15 **Company ("FSLWS") in Case No. WA-95-164 on page 5 of his testimony.**
16 **Are the availability fees referred to in Case No. WA-95-164, still in force**
17 **today?**

18 **A. Yes. The legal rights to these fees are currently assigned to RPS Properties, LP**
19 **and Sally Stump. The Company has no legal claim to these fees and I am**
20 **unaware of any authority for the Commission to consider the value of assets not**
21 **owned by the Company in the ratemaking process.**

1 **Q. Have you reviewed pages 6 through 9 of Mr. Robertson's testimony in which**
2 **he refers to testimony of MPSC Staff Witness, Mr. Gregory R. Meyer in Case**
3 **No. WA-95-164?**

4 **A. Yes, I have.**

5 **Q. Is there any piece of Mr. Meyer's testimony, as quoted by Mr. Robertson,**
6 **which has any significance in these cases?**

7 **A. I agree with Mr. Meyer's recommendation that availability fees not become part**
8 **of the Company's tariffs and that he noted that a potential water/sewer customer**
9 **should not be denied a request for service from the Company due to unpaid**
10 **availability fees. He stated that "This position is consistent with 4 CSR 240-**
11 **13.050 Discontinuance of Service, and with the practice of other utilities in the**
12 **state that bill unregulated charges for affiliates." It is clear that Mr. Meyer**
13 **believed that the fees are unregulated.**

14 **Q. Did FSLWS agree with Staff's position regarding availability fees in Case**
15 **No. WA-95-164?**

16 **A. No. FSLWS opposed Staff's proposed treatment of the fees. Its position on the**
17 **issue is referenced on page 12 of Mr. Robertson's Direct Testimony.**

18 **Q. Did the Commission rule on the treatment of availability fees in Case No.**
19 **WA-95-164?**

20 **A. No. The case was settled through stipulation which did not address availability**
21 **fees. Therefore, there was no decision or agreement on either the purpose or**
22 **future use of availability fees.**

1 **Q. Why, in general, would a developer impose availability fees on undeveloped**
2 **lots?**

3 **A.** There are several likely reasons a developer would impose such a fee. The most
4 logical reason for the fee would be to recoup a portion, if not all, of the cost of the
5 infrastructure the developer contributed to the utility. With respect to LRWS, by
6 the end of 2002 the Company had recorded approximately \$5,300,000 in water
7 and sewer plant contributed by Four Seasons Lakesites. If the Commission were
8 to adopt Mr. Robertson's and Mr. Meyer's position, utility customers would
9 derive not only the benefit of having the water and sewer infrastructure
10 contributed but would also get free operation and maintenance paid for by the
11 owners of undeveloped lots who are not yet receiving utility service. This is
12 unreasonable. Mr. Robertson's position, as stated on pages 13 and 14 of his
13 Direct Testimony, seems to advocate reducing the rates charged to customers to
14 zero and then lowering the rate base again by any amounts not necessary to
15 reduce rates. In essence, he is advocating that after eleven years of operation, the
16 Commission restructure the terms and rate structure authorized by the
17 Commission in Case No. WA-95-164. If the availability fees are to be included in
18 the utility's rate structure in any manner, the plant costs associated with those fees
19 should not be classified as contributions but rather as rate base upon which the
20 utility may earn a return.

21 **Q. In Case WA-95-164, if Staff had recommended a rate structure as proposed**
22 **by Mr. Robertson what would have been the result?**

1 A. Mr. Robertson's approach appears to advocate using the availability fees to
2 reduce operating and maintenance expense and then use the excess to reduce rate
3 base. Mr. Meyer stated in his testimony in Case WA-95-164 that the availability
4 fees represented annual income of approximately \$49,000. In that same case Staff
5 Witness Hummel filed Schedules 1 and 2 estimating annual expenses of \$45,031.
6 According to Mr. Robertson's recommendation the rates set for Shawnee Bend
7 customers should have been zero with the excess reducing rate base. The fact that
8 the Staff actually proposed, and the Commission approved, rates to fund the
9 \$45,031 which are currently in effect supports the Company's position that these
10 fees are unregulated and not to be used in the ratemaking process.

11 **Q. On page 13, line 9 of his direct testimony, Mr. Robertson lists as a primary**
12 **concern whether the assessment and collection of the availability fees are**
13 **within the regulatory responsibility of the Commission. In your experience,**
14 **has the Commission asserted jurisdiction over availability fees?**

15 A. No, it has not. On the occasions I know of when this matter has been considered
16 by the Commission, it has declined to include availability fees within its
17 regulatory responsibility or jurisdiction. I know our counsel will have some
18 treatment of this matter at some point, but I am aware of the Commission's
19 analysis and disposition of this issue in Case Nos. WC-2006-0082 and WO-2007-
20 0277.¹ In the Report and Order dated June 14, 2007 and effective June 24, 2007
21 the Commission states, in part:

¹ *Cathy Orler et al. v. Folsom Ridge LLC consolidated with In the matter of the Application of Folsom Ridge LLC and Big Island Water and Sewer Association, Inc. for an Order Authorizing the Transfer of Certain Water*

1 As defined in Section 386.020(47): "Service includes not only
2 the use and accommodations afforded consumers or patrons, but also
3 any product or commodity furnished by any corporation, person or
4 public utility and plant, equipment, apparatus, appliances, property and
5 facilities employed by any corporation, person or public utility in
6 performing any service or in furnishing any product or commodity and
7 devoted to the public purposes of such corporation, person or public
8 utility, and to the use and accommodation of consumers or patrons.'
9 The reservation of a tap-on is not the provision of water or sewer
10 service and does not involve a use, accommodation, product or
11 commodity. Indeed, Mr. Merciel, from the Commission's Staff,
12 testified at hearing that other Commission regulated companies charge
13 similar reservation/maintenance fees, that these are untariffed charges
14 and that these fees do not constitute a charge for utility service.
15

16 **Q. Do Mr. Merciel and Mr. Meyer disagree about availability fees?**

17 A. No, I do not believe they disagree completely. There are two items in Mr.
18 Meyer's testimony in Case No. WA-95-164 that give support to Mr. Merciel's
19 position above and the Company's position in both Case WA-95-164 and these
20 cases: 1) On page 8 of Mr. Meyer's testimony (see Mr. Robertson's Direct
21 Testimony, page 9, lines 27-32) he testifies that service cannot be denied to a lot
22 owner for non-payment of the availability fees. If this were a tariffed utility
23 service under the Commission's jurisdiction the Company would be able to deny
24 service under 4 CSR 240-13.035 Denial of Service, and 2) also on page 8 of Mr.
25 Meyer's testimony he states Staff would perform an annual review of the
26 availability fee revenue. Staff did not include the fees in their proposed rate
27 structure and has never performed such a review which suggests that Mr.
28 Merciel's position ---that these fees do not constitute a charge for utility service---
29 is being followed.

1 **Q. Also on page 13, at line 10 of his direct testimony, Mr. Robertson lists as a**
2 **second primary concern whether a non-regulated entity should be allowed to**
3 **charge regulated ratepayers fees for access to a regulated water or sewer**
4 **system. Are availability fees being charged to the Company's ratepayers?**

5 **A. As stated earlier in my testimony, availability fees are not being charged to**
6 **regulated ratepayers. Regulated ratepayers are those customers who have taken**
7 **water and/or sewer service at their property and they are being charged only the**
8 **amounts allowed by tariff at their property. These ratepayers may pay an**
9 **availability fee for an undeveloped lot where they do not take water and/or sewer**
10 **service. Stated another way, if any Company ratepayer happens to be paying an**
11 **availability fee it is entirely because the ratepayer made an independent decision**
12 **to purchase an undeveloped lot subject to the deed restrictions assessing the fee.**
13 **The Company has no power to enforce the payment of the availability fee against**
14 **the lot owner even if the lot owner is a Company ratepayer. The owner of the**
15 **undeveloped lot is the sole decision maker of whether to take regulated water**
16 **and/or sewer service at the property or to continue to pay the availability fee**
17 **agreed to in the real estate contract and memorialized in the Amendment**
18 **referenced on page 2, line 9, earlier in my testimony.**

19 **Q. Please address Mr. Robertson's third primary concern set forth on page 13,**
20 **line 14 of his Direct Testimony.**

21 **A. Availability fees should not be used to reduce the operation, maintenance or**
22 **investment costs of the regulated utility. The fees cannot be classified as an asset**
23 **of LRWS. LRWS has no legal claim to the fees. I am unaware of any authority**

1 granted to the Commission to classify or treat income from unregulated activities
2 that is received by a shareholder as income of the utility. The Commission itself
3 has concluded, in Case Nos. WC-2006-0082 and WO-2007-0277, that these fees
4 are not for the provision of utility service and, thus, not within the Commission's
5 jurisdiction.

6 Q. Do you agree with Public Counsel's position on this issue?

7 A. No. For the reasons I have set forth in my rebuttal testimony I do not think Public
8 Counsel's position on this issue is in accordance with the rules or authority of the
9 Commission.

10 CAPITAL STRUCTURE

11 Q. Have you reviewed the capital structure proposals from both Staff and
12 Public Counsel?

13 A. Yes. Staff has recommended a capital structure consisting of 16.36% Common
14 Stock and 83.64% Debt applied to the computed rate base of the Company. Public
15 Counsel has recommended using the Company's actual capital structure and to
16 disallow any acquisition premium or related debt service costs.

17 **Q. Did the Company record any acquisition premium at the time the current**
18 **shareholders purchased the stock of Lake Region?**

19 A. No. There is no acquisition premium recorded on the Company's books.

20 Q. Does the Company have an opinion on which approach the Commission
21 should adopt in this case?

22 A. I believe the approach proposed by Staff most accurately reflects the costs of the
23 capital employed in Company's operation. However, I am authorized to state that

1 the Company has no objection to Public Counsel's recommendation of using the
2 actual capital structure recorded on Company's books.

3 **EXECUTIVE MANAGEMENT COSTS**

4 **Q. Do you agree with Public Counsel's position regarding the executive**
5 **management group?**

6 A. No I do not. Because Mr. Vernon Stump addresses this issue more specifically in
7 his separate rebuttal testimony I will simply say that the amounts recorded by the
8 Company for management costs are reasonable and the duties performed by the
9 team are representative of duties performed by top executives in other like
10 companies.

11 **LABOR COSTS**

12 **Q. In his Direct Testimony, Mr. Robertson takes issue with the allocation and**
13 **amount of the Company's labor costs. Please address the amounts referred**
14 **to in Mr. Robertson's Direct Testimony as allocated labor costs?**

15 A. The personnel who handle the daily administrative functions and field operations
16 are actually employees of Public Water Supply District Number Four of Camden
17 County (the "District").

18 **Q. Explain why the Company uses District employees to handle these functions.**

19 A. There are actually three distinct legal entities which operate in the areas generally
20 known as Horseshoe Bend and Shawnee Bend at the Lake of the Ozarks. The
21 third entity is Ozark Shores Water Company ("Ozark Shores"). In 2003 I made a
22 proposal to combine the staffs of Ozark Shores and the District as District
23 employees in order to take advantage of having a larger group to cover workload

1 as needed and to possibly gain better benefits at a lower cost for the employees.

2 This was before the current Lake Region shareholders purchased the stock of
3 Lake Region in late 2004. I have been involved in many different businesses both
4 large and small since 1978. In every company with which I have been associated
5 there have always been periods in which the workload fluctuated. There are three
6 general approaches to managing this fluctuation: 1) hire additional personnel and
7 then go through the lay off process when the workload subsides; 2) pay overtime
8 to existing personnel to cover the heavy workload; or 3) hire contractors to
9 perform the work. I believe approaches 1 and 2 take a human toll on the
10 employees and hiring contractors presents its own unique challenges. By
11 combining the staff under one entity we are able to assign personnel to handle the
12 workload fluctuations as needed and provide benefits at a reasonable cost.

13 **Q. Explain how the District allocates the labor costs.**

14 **A.** The District develops its budget based on historical time studies based on the bi-
15 weekly time sheets of the employees except for me. I perform essentially the same
16 function for each entity and charge one third of my time to each entity. While I
17 obviously am spending more time on Lake Region business during this process
18 the time spent on each entity evens out over the long run. The labor contracts with
19 Lake Region and Ozark Shores are based on historical results including the cost
20 of payroll taxes, health insurance and pension. Each contract includes a provision
21 allowing either party to the contract to request reimbursement if the contract
22 amount varies from actual charges by more than five percent.

23 **Q. Are the Company's labor costs excessive for a company this size?**

1 A. Absolutely not. When I first became involved with the District and Ozark Shores
2 in 2002, Ozark Shores had eight (8) employees including me. When the
3 shareholders purchased the stock of Lake Region there were six (6) employees on
4 the payroll of Lake Region. All three entities have enjoyed significant growth
5 over the years while, at the same time, we have reduced the total number of
6 employees from 14 to 10.

7 **Q. Has your approach to combining staff worked well?**

8 A. Yes. The attached Schedule 1 prepared from the Annual Reports of Ozark Shores
9 and Lake Region for the last full year prior to moving their staff to the District
10 reflects the total payroll and benefits costs incurred by each for 2002 and 2003,
11 respectively. The \$203,557 reflected in Staff's filing based on the work done by
12 Mr. Prenger is more than 14% less than the \$237,816 booked by the Company in
13 2003. Staff did not develop a number for Ozark Shores since it is not a party to
14 this case but the \$201,600 booked by Ozark Shores in 2009 is more than 22% less
15 than the \$259,450 booked in 2002.

16 **Q. Is Public Counsel's analysis of customer counts correct?**

17 A. The count is accurate but the analysis is flawed in that it assumes a sewer
18 customer that is also a water customer should only count as one customer.

19 **Q. Is this an appropriate way to count customers?**

20 A. No, it is not. Even though the customer may receive water and sewer at the same
21 location and receive a combined bill it is not appropriate to consider them as one
22 customer for purposes of staffing. The services are provided under separate tariffs
23 and Company obviously serves water and sewer out of separate infrastructure

1 which has to be operated and maintained. Sewer infrastructure is more expensive
2 to operate and maintain. I have prepared and attached Schedules 2 and 2.1
3 demonstrating the staffing levels indicated by the Environmental Protection
4 Agency's Guide for Evaluating CMOM Programs at Sanitary Sewer Collection
5 Systems. This analysis indicates a need for seven personnel just to operate and
6 maintain the collection system. Assuming an average hourly wage of \$14.90
7 based on our existing field personnel wage rates the cost of just maintaining the
8 collection system would be approximately \$210,229. This number does not
9 include the payroll necessary for operating and maintaining the five (5)
10 wastewater treatment plants, the water distribution system or the administrative
11 functions.

12 **Q. How does the Company's labor cost compare with other Missouri utilities?**

13 A. I compared the labor costs of the Company to those for Aqua Missouri, Aqua RU,
14 Inc. and U S Water Company. Per attached Schedule 3 Company's payroll cost
15 per customer per month of \$12.34 ranks second lowest of the four and is
16 approximately 30% below the average of \$16.76. Company's labor cost as a
17 percentage of revenue is lowest at 23%. The second lowest percentage is 35% and
18 the average percentage for these companies is 38%.

19 **Q. Please state your position on labor costs for these cases.**

20 A. The amounts and allocation determined by Mr. Prenger of the Staff are correct
21 and appropriate.

22 REVENUE

23 **Q. Does the Company have an issue with Staff's revenue calculation?**

1 A. Company did have an issue with the revenue number in the Staff's case as filed
2 January 14, 2010 but believes this issue has been resolved with Staff.

3 **Q. Please explain the issue.**

4 A. Based on input from Staff and the Missouri Department of Natural Resources in
5 2008 Company changed the billing measurement for Four Seasons Racquet Club
6 POA, an intervener in this case, from water usage to sewer usage as allowed in
7 the tariff. Although Company used the local manufacturer's representative to
8 calibrate the sewage flow meter prior to using it for billing subsequent events
9 have led Company, the customer and Staff to believe the usage recorded during
10 the time the meter was used for billing is incorrect. Staff initially used the revenue
11 number based on this incorrect usage figure in computing the revenue
12 requirement for the Horseshoe Bend sewer system.

13 **Q. How was the issue resolved?**

14 A. Company, Staff and the customer have agreed to a stipulation to be filed with the
15 Commission which would adjust the billing rendered to the customer back to the
16 water usage method from January, 2009 until the sooner of the installation and
17 proper calibration of additional sewer flow meters as well as re-calibrating (and
18 possibly relocating) the existing sewer flow meter or May 31, 2010. The May 31,
19 2010 date may be adjusted if cause is shown.

20 **Q. Has Staff revised the revenue number to be included in this case for the**
21 **customer?**

22 A. Yes. Staff has revised the revenue number for this customer to be included and
23 Company has agreed to the number.

Direct Testimony of
John R. Summers
Page 14 of 14

1 **Q. Does this conclude your Rebuttal Testimony?**

2 **A. Yes, it does.**

John R Summers
Rebuttal Testimony
Exhibit 1
Cases SR-2010-0110 & WR-2010-0111

Space above this line reserved for Recorder of Deeds

This instrument was prepared by:
Summers Compton Wells PC
Carol Stanton Fiala
8909 Ladue Road
St. Louis, MO 63124

After recording return to:
First Title Insurance Agency

COVER PAGE

Document Title: **AMENDMENT TO THE THIRD AMENDED AND RESTATED
DECLARATION OF RESTRICTIVE COVENANTS
RELATING TO WATER AND SEWER SYSTEMS**

Grantor: **Four Seasons Lakesites, Inc.
a Missouri corporation**

Grantor's Address: **P.O. Box 430
Lake Ozark, MO 65049**

Grantee: **Four Seasons Lakesites, Inc.
a Missouri corporation**

Grantee's Address: **315 Four Seasons Dr.
P.O. Box 430
Lake Ozark, MO 65049**

Legal Description: **See Attached Exhibit "A"**

AMENDMENT TO THE THIRD AMENDED AND RESTATED
DECLARATION OF RESTRICTIVE COVENANTS OF FOUR SEASONS LAKESITES
RELATING TO WATER AND SEWER SYSTEMS

THIS AMENDMENT TO THE THIRD AMENDED AND RESTATED DECLARATION OF RESTRICTIVE COVENANTS RELATING TO WATER AND SEWER SYSTEMS (the "Water and Sewer Amendment") is made this 22nd day of July, 2009, by FOUR SEASONS LAKESITES, INC., a Missouri corporation ("Declarant").

WITNESSETH

WHEREAS, Declarant is the developer of real property situated in Camden County and Miller County, Missouri and more particularly described in Exhibit "A", which is attached and incorporated by reference.

WHEREAS, Declarant recorded the original Declaration of Restrictive Covenants dated December 2, 1969 in Book 158, Page 345 in the Office of the Recorder of Deeds of Camden County, Missouri (the "Original Declaration").

WHEREAS, Declarant subsequently amended the Original Declaration by Amended Declaration of Restrictive Covenants dated March 10, 1971, recorded in Book 162, Page 780; by First Supplemental Indenture dated May 31, 1972, recorded in Book 168, Page 451; by First Supplemental Indenture dated June 21, 1972, recorded in Book 168, Page 668; by Indenture Agreement dated August 3, 1973, recorded in Book 175, Page 534; by Indenture Agreement dated August 15, 1973, recorded in Book 175, Page 756; by Indenture Agreement dated November 23, 1973, recorded in Book 177, Page 513; by Amendment dated May 30, 1975, recorded in Book 185, Page 252; by Amendment dated May 30, 1975, recorded in Book 185, Page 253; by Amendment dated September 24, 1975, recorded in Book 187, Page 430; by Amended and Restated Declaration of Restrictive Covenants dated May 25, 1978, recorded in Book 206, Page 428; by Supplemental Declaration dated October 14, 1980, recorded in Book 225, Page 105; by Amendment dated August 26, 1980, recorded in Book 225, Page 106; by Supplemental Declaration dated March 18, 1981, recorded in Book 228, Page 26; by Supplemental Declaration dated July 30, 1981, recorded in Book 231, Page 182; by Amendment dated August 15, 1981, recorded in Book 231, Page 516; by Amendment dated November 23, 1981, recorded in Book 233, Page 702; by Amendment dated August 22, 1984, recorded in Book 261, Page 941; by Second Amended and Restated Declaration of Restrictive Covenants dated January 14, 1986, recorded in Book 283, Page 436; by Amendment dated June 23, 1986, recorded in Book 287, Page 565; by Amendment dated May 14, 1987, recorded in Book 300, Page 155; by Amendment dated May 14, 1987, recorded in Book 300, Page 185; by Supplemental Declaration dated February 9, 1988, recorded in Book 308, Page 269; by Supplemental Declaration dated June 7, 1988, recorded in Book 312, Page 353; by Amendment dated April 30, 1988, recorded in Book 314, Page 74; by Amendment dated May 13, 1989, recorded in Book 325, Page 820; by Amendment dated November 6, 1989, recorded in Book 332, Page 789; by Supplemental Declaration dated June 1, 1990, recorded in Book 340, Page 733; by Amendment dated June 1, 1990, recorded in Book 340, Page 734; by

Supplemental Declaration dated November 15, 1991, recorded in Book 357, Page 836; by Supplemental Declaration dated November 15, 1991, recorded in Book 358, Page 268; by Supplemental Declaration dated April 8, 1993, recorded at Book 379, Page 813; by Supplemental Declaration dated January 13, 1995, recorded at Book 407, Page 666; by Third Amended and Restated Declaration of Restrictive Covenants dated July 2, 1996, recorded at Book 431, Page 292; by Supplemental Declaration dated February 5, 1997, recorded at Book 438, Page 209; by Supplemental Declaration dated February 6, 1998, recorded at Book 454, Page 885; by Supplemental Declaration dated April 23, 1998, recorded at Book 458, Page 616; by Amendment dated April 27, 1998, recorded at Book 458, Page 852; by Amendment dated July 9, 1998, recorded at Book 462, Page 829; by Amendment dated July 9, 1998, recorded at Book 462, Page 830; by Supplemental Declaration dated July 9, 1998, recorded in Book 462, Page 833; by Supplemental Declaration dated August 6, 1998, recorded at Book 464, Page 339; by Supplemental Declaration dated September 2, 1998, recorded at Book 465, Page 787; by Supplemental Declaration dated June 18, 1999, recorded at Book 480, Page 492; by Supplemental Declaration dated May 3, 2000, recorded in Book 495, Page 526; by Supplemental Declaration dated July 14, 2000, recorded in Book 499, Page 521; by Amendment dated February 13, 2001, recorded in Book 510, Page 726; by Supplemental Declaration dated March 14, 2001, recorded in Book 511, Page 100; by Amendment dated March 28, 2002, recorded in Book 532, Page 175; by Supplemental Declaration dated July 31, 2002, recorded in Book 539, Page 905; by Supplemental Declaration dated July 31, 2002, recorded in Book 539, Page 911; by Amendment dated February 13, 2001, recorded in Book 510, Page 726; by Amendment dated September 19, 2003, recorded in Book 569, Page 406; by Supplemental Declaration dated October 26, 2005, recorded in Book 615, Page 762; and by Supplemental Declaration dated November 29, 2005, recorded in Book 615, Page 996.

WHEREAS, Declarant further amended the Original Declaration by filing the following: Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties dated October 5, 2000, recorded October 10, 2000 recorded in Book 503, Page 509; Amendment dated February 13, 2001, recorded March 26, 2001 in Book 510, Page 727; Supplemental Declaration dated October 24, 2001, recorded October 25, 2001 in Book 523, Page 260; Amendment dated March 28, 2002, recorded April 2, 2002 in Book 532, Page 177; Supplemental Declaration dated September 12, 2002, recorded September 19, 2002 in Book 542, Page 765; Supplemental Declaration dated March 28, 2003, recorded April 18, 2003 in Book 556, Page 466; Supplemental Declaration dated September 19, 2003, recorded September 29, 2003 in Book 569, Page 405; Supplemental Declaration dated February 25, 2004, recorded March 2, 2004 in Book 577, Page 958; First Amended and Restated Supplemental Declaration of Covenants and Restrictions for Porto Cima Townhouse Properties dated February 15, 2005, recorded March 10, 2005 in Book 599, Page 335; Supplemental Declaration of Covenants and Restrictions for the Villas at Country Club Cove dated April 25, 2005, recorded June 2, 2005 in Book 604, Page 275; Supplemental Declaration of Restrictive Covenants for Country Club Cove dated August 30, 2005, recorded September 12, 2005 in Book 610, Page 786; Supplemental Declaration of Covenants and Restrictions for Porto Cima Courts dated October 16, 2006, recorded October 17, 2006 in Book 633, Page 214; and First Supplemental Declaration to the Supplemental Declaration of Covenants and Restrictions for

the Villas at Country Club Cove dated June 6, 2008, recorded June 11, 2008 in Book 663, Page 600.

WHEREAS, by First Supplemental Indenture dated June 21, 1972, recorded in Book 168, Page 668, Declarant may amend this Declaration at any time until such time as all Lots in the Development have been sold.

WHEREAS, fewer than all of the Lots in the Development have been sold and Declarant desires to further amend and restate this Declaration.

WHEREAS, Article IX of the Declaration, "Water System and Sewage Treatment System," no longer adequately or accurately addresses the water and sewer treatment systems in the Development, the role of the Missouri Public Service Commission or the laws of the State of Missouri and as such, Declarant desires to remove Article IX from the Declaration and place certain covenants and restrictions relating to water and sewer systems within the Development in this Water and Sewer Amendment.

NOW, THEREFORE, Declarant hereby amends this Declaration as follows:

1. Removal of Article IX. Article IX of the Declaration, titled "Water System and Sewage Treatment System," is hereby removed in its entirety from the Declaration and replaced with the following language:

IX. WATER AND SEWER SYSTEMS.

All provisions relating to Water and Sewer Systems and treatment are set forth in the Amendment to Declaration dated July 15, 2009, recorded in the Office of the Recorder of Deeds of Camden County, Missouri and the Office of the Recorder of Deeds of Miller County (the "Water and Sewer Amendment"). All provisions of the Water and Sewer Amendment shall survive the recording of any amendment to the Declaration.

2. Definitions. The terms used in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as follows:

2.1 "ACC" means the Architectural Control Committee of the Association.

2.2 "Assessment" means all assessments levied against any Lot in accordance with the Declaration, now or as amended.

2.3 "Association" means the Four Seasons Lakesites Property Owners Association, Inc., a Missouri mutual nonprofit corporation, its successors and assigns.

2.4 "Lot" means any numbered lot shown on the Plats of the Subdivision, and any lot designated herein or in a Supplemental Declaration for use as single family or residential

multiple family purposes, other than those specifically designated for special purposes, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, and any improvements thereon. The term shall include, by way of illustration, but not limitation, condominium units, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses as well as vacant Lots intended for development. In the case of a building within a condominium development containing multiple living Units, each living Unit shall be deemed to be a separate Lot.

2.5 "Owner" collectively means one or more Persons (such additional Persons being a "Co-Owner") who holds the record title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

2.6 "Person" means a natural person, a corporation, limited liability company, partnership, trustee or any other legal entity.

2.7 "Plan Area" means those areas of the Development located on Horseshoe Bend for which the Sewage Treatment Plan has been adopted as set forth in Section 4.2.

2.8 "Plat" means a plat of any phase or subdivision, or any part thereof, of the Development as is recorded in the appropriate recording offices of Camden County and Miller County, Missouri.

2.9 "Sewage Treatment Plan" means the plan adopted by the Declarant for sewage treatment as described in Section 4.2.

2.10 "Special Assessment" means Assessments levied by the Association from time to time to cover unbudgeted expenses or expenses in excess of those budgeted, and as more specifically set forth in the Declaration, now and as amended.

2.11 "Sub-Association" means any condominium association or other owners association created pursuant to the provisions of a Supplemental Declaration and having concurrent jurisdiction with the Association over the portion of the Development added by such Supplemental Declaration.

2.12 "Subdivision" means any real property submitted to this Declaration pursuant to a Supplemental Declaration and a Plat and amended Plats as a distinct phase of the Development.

2.13 "Supplemental Declaration" means an amendment or supplement to the Declaration which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

2.14 "Unit" shall have the meaning assigned to it in any Sub-Association Declaration with respect to the property governed by such Sub-Association Declaration.

3. Water Systems.

3.1 Shawnee Bend Lots – Central Water System. The Owner of each Lot located on Shawnee Bend in a subdivision serviced by a central water system agrees to pay the owner of the central water system, or its assigns or designees, a monthly availability charge of Ten Dollars (\$10.00), unless the Owner of the Lot is contractually obligated to Developer, or Developer's assign, to pay a different amount. This availability fee shall commence upon the availability of water in a water system distribution main provided for the Lot and shall terminate when the Owner connects his Lot to the water system distribution main. Each Lot Owner will bear the cost of the service line from his building to the water main. Unpaid availability fees shall become a lien upon the Lot the date they become due.

3.2 Horseshoe Bend Lots – Central Water System. The Owner of each Lot located on Horseshoe Bend agrees to pay the owner of the water works system to be constructed within the Development on Horseshoe Bend, a minimum monthly availability charge for water, water service and the accommodations afforded the Owners of said Lots by said water works system, commencing upon the availability of water in a water works system distribution main provided for the lot and continuing thereafter so long as water is available for use, whether or not tap or connection is made to a water works system distribution main and whether or not said Owner actually uses or takes water. No charge will be made to the Lot Owners for the right to connect to the water system. Each Lot Owner will bear the cost of the service line from his building into the water main. The said owner or owners of said water works system will be a privately owned public utility authorized by a Certificate of Public Convenience and Necessity issued by the State of Missouri Public Service Commission ("PSC") to operate the water works systems.

The aforesaid amounts of said availability charges, times and methods of payments thereof by said Owners, and other matters, shall be as provided in Schedules of Rate and Rules, Regulations and Conditions of Services for Water Services filed and published by said public utility or utilities which said Missouri PSC, or any successor Regulatory Body of the State of Missouri, in accordance with law and passed to file or formally approved by said PSC as the then effective Schedule of Rates and Rules, Regulations and Conditions of Service of said public utility or utilities, or if not so provided, as determined by the owner of the water works system. The amounts of said availability charges and other charges are subject to change hereafter by order of the said Missouri PSC, or its successors, in accordance with then existing law and the structure of said availability charges are likewise and in the same manner subject to change from availability rates to another type of rate or rates.

Unpaid charges shall become a lien upon the Lot or Lots to which they are applicable as of the date the same become due. Nothing in this paragraph shall be construed as a limitation on the rights of any such public utility to sell and assign in accordance with law its property and assets to a governmental subdivision of the State of Missouri.

3.3 Individual Water Systems. Prior to the extension of the central water system to a Lot on either Horseshoe Bend or Shawnee Bend, the Owner of the Lot may install an individual

water system. Once the central water system is available to the Lot, the Owner must disconnect the individual water system and utilize the central water system.

3.4 Ridgecrest Water System. No water system will be provided by the Developer to the Ridgecrest Subdivision. Section 3.2 shall not apply to the Ridgecrest Subdivision. Each Lot Owner within Ridgecrest Subdivision will be required to install an individual water system for water supply, unless a water supply system becomes accessible to the Lot.

4. Sewer Systems.

4.1 Shawnee Bend Lots - Central Sewer System. The Owner of each Lot in a subdivision located on Shawnee Bend serviced by a central sewer system agrees to pay the owner of the central sewer system, or its assigns or designees a monthly availability charge of Fifteen Dollars (\$15.00), unless the Owner of the Lot is contractually obligated to Developer, or Developer's assign, to pay a different amount. This availability fee shall commence upon the availability of a sewer system distribution main provided for the Lot and shall terminate when the Owner connects his Lot to the sewer system distribution main. Each Lot Owner will bear the cost of the service line from his building to the sewer main. Unpaid availability fees shall become a lien upon the Lot the date they become due.

Prior to the extension of the central sewer system to such a Lot as described above, the Owner of the Lot may install an individual sewer system. Once the central sewer system is available to the Lot, the Owner must disconnect the individual sewer system and utilize the central sewer system.

4.2 Horseshoe Bend Lots - Plan for Sewage Treatment. The Developer adopted the Sewage Treatment Plan for sewage treatment by use of individual treatment facilities or other methods of sewage treatment in certain areas of the Development located on Horseshoe Bend (the "Plan Area") in lieu of or prior to central sewer service being available. The following provisions apply to the implementation and administration of said Sewage Treatment Plan. For purposes of Sections 4.2 and 4.3, each reference to an Owner shall mean an Owner of a Lot in the Plan Area.

a. Each Owner of a Lot containing a residence shall install an individual treatment facility, at the Owner's expense. Each such individual treatment facility must meet the specifications for such individual treatment facility set forth in the Sewage Treatment Plan.

b. It shall be the duty of each Owner of a Lot improved by a residence to construct an individual treatment facility in accordance with the specifications of the Sewage Treatment Plan so that it performs its stated functions and upon the failure of any Owner of a Lot containing a residence to maintain such an individual treatment facility, the Association may enter upon the Lot, take such action as is necessary to so construct and maintain such an individual treatment facility, and assess the Lot Owner for the expenses so incurred. Said Specific Assessment, if unpaid, shall be a lien upon the Lot and may be enforced by the Association in the manner set forth in the Declaration.

c. According to the Sewage Treatment Plan, the Association shall periodically maintain each Lot Owner's individual treatment facility by (i) collecting wastes on a regular basis; and (ii) inspecting and making or causing to be made necessary repairs (whether the facility is constructed under the Sewage Treatment Plan or is an existing unit described in Section 4.2f) on a regular basis to ensure continued compliance with the specifications set forth in the Sewage Treatment Plan. And for these purposes, the Association and its agents may enter upon any Owner's Lot.

d. The Association shall assess as a Specific Assessment in accordance with the Declaration against each Lot with a residence, a monthly maintenance fee for implementing and administering the Sewage Treatment Plan. The Association may charge more for Lots with more than one (1) dwelling Unit. The Association shall develop criteria for such variable fees.

e. No permit shall be issued by the ACC for the construction of any building, whether residential, commercial or otherwise, within the Plan Area unless the submitted treatment plan provides for the construction of an individual treatment facility in conformance with the Sewage Treatment Plan. The ACC shall employ an engineer to review such plans and advise the ACC whether the construction plans are in conformance.

f. Notwithstanding anything herein, if the individual treatment facility for any residence is replaced or substantially changed, in the judgment of the Association, it shall then be replaced with an individual treatment facility which conforms to said specifications as approved by the ACC. The Association may make further variances and exceptions to avoid hardship.

g. Notwithstanding the above, if the existing sewage treatment facility on any Lot does not meet the specifications outlined in the Sewage Treatment Plan and is causing pollution of any waters or is presenting a hazard to health, the Association may (after notice and opportunity to correct the deficiency) enter onto said Lot, construct a new facility which does meet the specifications of the plan, and assess the Lot Owner for the expenses so incurred. Such Specific Assessment shall be a lien upon the Lot and may be enforced in the manner set forth in the Declaration

4.3 Rights, Powers and Duties of the Association. The Association shall have the following rights, powers and duties with respect to the Sewage Treatment Plan:

a. The Association or its assignees shall inspect, maintain, operate, repair, improve and regulate the use of all elements under the Sewage Treatment Plan, including, but not limited to, the individual treatment facilities and all support facilities use in connection with the individual treatment facilities (the "Sewage Treatment System"). In connection with such inspection, maintenance, operation, repair, improvement and regulation of the Sewage Treatment System, the Association shall comply with all provisions of law, federal, state and local, as such may exist from time to time, including, but not limited to, any regular inspection obligations.

b. The Association or its assignees shall provide to all Lot Owners the right and advantage of participation in such plan for sewage treatment, subject, however, to the conditions herein provided, and subject to such reasonable rules and regulations as may be prescribed by the Association, such rules and regulations to be uniform in application to all Owners of the same classification.

c. The Association, by majority vote of the Board, may dedicate the obligation or responsibility or maintenance of the Sewage Treatment Plan and Sewage Treatment System, or any part thereof, to a municipal corporation, county, water or sewer district authority or other governmental body.

5. Surviving Instrument. This Water and Sewer Amendment shall survive the execution and recording of the Fourth Amended and Restated Declaration and shall remain in full force and effect and be incorporated into the Fourth Amended and Restated Declaration as if set forth therein. In the event of a conflict between the terms of this Water and Sewer Amendment and the terms of the Fourth Amended and Restated Declaration, the terms of this Water and Sewer Amendment shall control.

IN WITNESS WHEREOF, the undersigned has executed this Amendment to the Third Amended and Restated Declaration of Restrictive Covenants as of the date and year set forth above.

FOUR SEASONS LAKESITES, INC.

By: PS
Peter N. Brown, President

STATE OF MISSOURI)
) SS.
COUNTY OF CAMDEN)

On this ____ day of July, 2009, before me appeared Peter N. Brown, to me personally known who, being duly sworn, did say that he is the President of Four Seasons Lakesites, Inc., a corporation of the State of Missouri, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors, and said Peter N. Brown acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal in the County and State aforesaid, the day and year first above written.

Notary Public
My Commission Expires:

EXHIBIT "A"
TO
AMENDMENT TO THE THIRD AMENDED AND RESTATED
DECLARATION OF RESTRICTIVE COVENANTS OF FOUR SEASONS LAKESITES
RELATING TO WATER & SEWER SYSTEMS

Horseshoe Bend Subdivisions

All of the real property identified as:

Kay's Point No. 1 as per plat recorded in Plat Book 12, Pages 57 through 61 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Kay's Point No. 2 as per plat recorded in Plat Book 13, Pages 41 through 45 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Kay's Point No. 3 as per plat recorded in Plat Book 13, Page 82 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Kay's Point No. 4 as per plat recorded in Plat Book 13, Page 83 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Kay's Point No. 5 as per plat recorded in Plat Book 13, Pages 86 and 87 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Kay's Point No. 6 as per plat recorded in Plat Book 13, Page 88 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Kay's Point No. 7 as per plat recorded in Plat Book 14, Page 35 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Kay's Point No. 8 as per plat recorded in Plat Book 17, Pages 23, 27, 28 and 29 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Ridgecrest No. 1 as per plat recorded in Plat Book 14, Pages 48 through 50 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Cornett Cove No. 1 as per plat recorded in Plat Book 14, Page 34 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Cornett Cove No. 2 as per plat recorded in Plat Book 14, Pages 68 through 70 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Cornett Cove No. 3 as per plat recorded in Plat Book 14, Page 92 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri, save and except for lots 601 through 613 withdrawn per Amendment to Declaration recorded December 12, 2002 in Book 548, Page 338 at the Office of the Recorder of Deeds of Camden County, Missouri;

Cornett Cove No. 4 as per plat recorded in Plat Book 14, Pages 93 through 95 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Cornett Cove No. 5 as per plat recorded in Plat Book 15, Pages 81 through 85 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Cornett Cove No. 6 as per plat recorded in Plat Book 17, Pages 22 and 22A and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Cornett Cove No. 7 as per plat recorded in Plat Book 17, Pages 25 and 25A and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Country Club Estates No. 1 as per plat recorded in Plat Book 15, Pages 77 and 78 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Country Club Estates No. 2 as per plat recorded in Plat Book 15, Pages 79 and 80 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Country Club Estates No. 3 Amended Plat as per plat recorded in Plat Book 18, Pages 75 and 76 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Imperial Point as per plat recorded in Plat Book 17, Pages 26 through 26B and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Palisades Point No. 1 Amended Plat as per plat recorded in Plat Book 19, Page 11 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Palisades Point No. 2 as per plat recorded in Plat Book 19, Page 42 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Palisades Point No. 3 as per plat recorded in Plat Book 20, Page 18 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Palisades Point No. 4 as per plat recorded in Plat Book 21, Pages 30 through 33 inclusive and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Palisades Point No. 5 as per plat recorded in Plat Book 24, Pages 13A through 13D and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Equestrian Estates No. 1 as per plat recorded in Plat Book 21, Pages 9 through 11 at the Office of the Recorder of Deeds of Camden County, Missouri;

Equestrian Estates No. 2 Amended Plat as per plat recorded in Plat Book 35, Pages 15A through 15D and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Seasons Ridge First Amended Plat as per plat recorded in Plat Book 40, Pages 29A through 29F and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Regency Cove as per plat recorded in Plat Book 42, Pages 34A through 34D and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Villas at Country Club Cove as per that portion of the Country Club Cove Subdivision Phase 1 plat recorded in Plat Book 84, Pages 49A through 49H as identified in the Supplemental Declaration of Covenants and Restrictions for the Villas at Country Club Cove recorded on June 2, 2005 in Book 604, Page 275 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Villas at Country Club Cove as per plat titled "Country Club Cove Subdivision, Phase II" recorded in Plat Book 112, Pages 16A-16C and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri; and

That portion of the Country Club Cove Subdivision Phase 1 plat recorded in Plat Book 84, Pages 49A through 49H as described in Exhibit A to the Supplemental Declaration of

Restrictive Covenants for Country Club Cove recorded on September 12, 2005 in Book 610, Page 786 and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri; as well as,

Shawnee Bend Subdivisions

All of the real property identified as:

Grand Point as per plat recorded in Plat Book 45, Pages 32A through 32P inclusive, and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Grand Point No. 2 as per plat recorded in Plat Book 51, Pages 9A through 9I inclusive, and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Eagles Cove as per plat recorded in Plat Book 56, Pages 50A through 50G inclusive, and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Fox Run as per plat recorded in Plat Book 59, Pages 30A through 30C and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri, save and except for lot 675 which was withdrawn as per Amendment to Declaration recorded in Book 662, Page 513 at the Office of the Recorder of Deeds of Camden County, Missouri;

Heritage Isle as per plat recorded in Plat Book 60, Pages 40A through 40J inclusive, and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri, save and except for lots 1055-1060 which were withdrawn as per Amendment to Declaration recorded in Book 510, Page 726 at the Office of the Recorder of Deeds of Camden County, Missouri;

Grand Point No. 3 as per plat recorded in Plat Book 61, Pages 2A through 2B, and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Champions Run as per plat recorded in Plat Book 63, Pages 15A through 15J, and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

La Riva Est as per plat recorded in Plat Book 66, Pages 12A through 12H, and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri, and as recorded in Plat Book A, Page 293 and rerecorded in Plat Book A, Page 294, at the Office of the Recorder of Deeds of Miller County, Missouri, and all amendments thereto and resubdivisions thereof at the Offices of the Recorder of Deeds of

Camden County, Missouri and Miller County, Missouri, save and except for the property designated "Reserved for Future Development Rights" withdrawn per Amendment to Declaration recorded in Book 569, Page 406 at the Office of the Recorder of Deeds of Camden County, Missouri and as recorded in Book 2003, Page 7774 at the Office of the Recorder of Deeds of Miller County, Missouri;

La Riva Est No. 2 as per plat recorded in Plat Book 70, Pages 11A through 11H, and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri, and as recorded in Plat Book A, Page 327, at the Office of the Recorder of Deeds of Miller County, Missouri;

Grand Point Subdivision First Addition as per plat recorded in Plat Book 73, Page 11, and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

La Riva Est No. 3 as per plat recorded in Plat Book 75, Pages 36A through 36D, and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Heritage Isle No. 2 Townhomes as per plat recorded in Plat Book 68, Pages 5A-5F and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Heritage Isle No. 3 Townhomes as per plat recorded in Plat Book 70, Pages 8A-8H and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Heritage Isle No. 4 Townhomes as per plat recorded in Plat Book 73, Pages 43A-43P and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Heritage Isle No. 5 Townhomes as per plat recorded in Plat Book 72, Pages 19A-19F and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Heritage Isle No. 6 Townhomes as per plat recorded in Plat Book 76, Pages 12A-12F and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Heritage Isle No. 7 Townhomes as per plat recorded in Plat Book 78, Pages 27A through 27P and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri;

Heritage Isle No. 7 Townhomes First Addition as per plat recorded in Plat Book 82, Pages 44A-44J and all amendments thereto and resubdivisions thereof at the Office of the Recorder

of Deeds of Camden County, Missouri;

Heritage Isle No. 8 Townhomes as per plat recorded in Plat Book 81, Page Pages 11A-11H and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri and as per plat recorded in Plat Book 2003, Page 7773 at the Office of the Recorder of Deeds of Miller County, Missouri; and

Porto Cima Courts as per plat recorded in Plat Book 101, Pages 32A-32D and all amendments thereto and resubdivisions thereof at the Office of the Recorder of Deeds of Camden County, Missouri.

John R Summers
Rebuttal Testimony
Schedule 1
Cases SR-2010-0110 & WR-2010-0111

Historical Wage & Benefit Comparison

Lake Region Water & Sewer Company, Inc.	<u>2003</u>
Payroll Per Page F-43	187,781
Employee Pensions & Benefits Page S-3	39,850
Employee Pensions & Benefits Page W-3	<u>10,185</u>
Total Wages & Benefits	<u><u>237,816</u></u>

Ozark Shores Water Company, Inc.	<u>2002</u>
Payroll Per Page F-43	232,111
Employee Pensions & Benefits Page W-3	<u>27,339</u>
Total Wages & Benefits	<u><u>259,450</u></u>

John R Summers
Rebuttal Testimony
Schedule 2
Cases SR-2010-0110 & WR-2010-0111

Staff Level Indicated By Environmental Protection Agency
Guide For Evaluating CMOM Programs at Sanitary Sewer Collection Systems

	People	Hours/Wk	Wage	Weekly	Annual
Superintendent	1	5			
Foreman	1	15			
Maintenance Man II	1	15			
Maintenance Man I	1	15			
Construction Equipment Personnel	1	15			
Laborer	1	15			
Maintenance Mechanic II		109			
Maintenance Mechanic I		41			
Maintenance Mechanic Helper		41			
Total Man-Hours Per Week Per EPA Guidelines		271	14.90	4,043	210,229

Number of Personnel

7

Number of Lift Stations

41

Above is only for duties associated with maintenance of collection system. Additional man-hours would therefore be necessary to operate and maintain the 5 wastewater treatment facilities water facilities. The hourly wage used is a figure based upon the average hourly rate for field personnel per Staff payroll schedule before overtime. The wage rate also does not include payroll taxes or benefits.

STAFF COMPLEMENTS FOR WASTEWATER COLLECTION SYSTEM MAINTENANCE
POPULATION SIZE
(Estimated Number of Personnel)

Occupational Title	5,000		10,000		25,000		50,000		100,000	
	(c)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
Superintendent	1	5	1	10	1	20	1	40	1	40
Assistant Superintendent										
Maintenance Supervisor							1	40	2	80
Foreman	1	15	1	20	1	20	1	40	1	40
Maintenance Man II	1	15	1	20	1	20	1	40	1	40
Maintenance Man I	1	15	1	20	2	60	3	120	5	200
Mason II							1	40	1	40
Mason I									1	40
Maint. Equipment Personnel					1	40	2	80	3	120
Construction Equipment Personnel	1	15	1	20	1	20	1	40	1	40
Auto. Equipment Personnel									1	40
Photo. Inspection Technician									1	40
Laborer	1	15	1	20	2	40	2	80	5	200
Dispatcher							1	40	2	80
Clerk Typist							1	20	1	20
Stock Clerk							1	40	1	40
Sewer Maint. Staff	6	80	6	110	9	220	16	620	27	1,060
Maintenance Mechanic II	see comment (c) below									
Maintenance Mechanic I	see comment (d) below									
Maintenance Mechanic Helper	see comment (d) below									
Construction Inspection Supervisor	see comments (e) and (f) below									
Total Staff										

(a) Estimated number of personnel.

(b) Estimated total man-hours per week.

(c) Multiply number of lift stations maintained by 8/3.

(d) Multiply number of lift station visits per week by 1.

(e) Multiply estimated construction site visits per week by 8/3.

(f) Determined by the number of Construction Inspectors employed and developed on a judgmental basis.

Unit processes included in this staffing table are:

1. Maintenance of sanitary sewer main lines & appurtenances (laterals not included).
2. Maintenance of storm sewer main lines.
3. Maintenance of lift stations.
4. Inspection of newly constructed sewer main lines and appurtenances.

(U.S. EPA 1973)

Comparative Wage & Benefit Costs
Information From 2008 Annual Reports to
Missouri Public Service Commission

John R Summers
Rebuttal Testimony
Schedule 3
Cases SR-2010-0110 & WR-2010-0111

	Aqua Missouri	Aqua RU	us water	Averages	Lake Region
Total Revenues	\$ 912,199.46	\$ 399,066.00	\$ 745,430.00	\$ 685,565.15	\$ 888,639.00
Payroll	\$ 266,838.32	\$ 103,560.00	\$ 280,382.00	\$ 216,926.77	
Benefits	\$ 89,422.66	\$ 35,505.00		\$ 41,642.55	
Total	\$ 356,260.98	\$ 139,065.00	\$ 280,382.00	\$ 258,569.33	\$ 203,557.00
Payroll % of rev.	39%	35%	38%	38%	23%
Meters	825	897	2135	1,286	1375
Payroll cost/meter/mo	\$ 35.99	\$ 12.92	\$ 10.94	\$ 16.76	\$ 12.34