

intervene to do so by April 17, 1995, and directing the applicants to send notice to the customers who would be affected by the proposed territorial agreement. The Order and Notice also established a procedural schedule and set the case for hearing on June 15 and 16, 1995. There were no applications to intervene filed. There are no public utilities providing water service in the area and the agreement will not affect the rights or duties of any water supplier that is not a party.

The parties filed a Unanimous Stipulation and Agreement on June 12, 1995, (attached as Appendix 1) signed by counsel for the applicants, the Commission's Staff, and the Office of the Public Counsel. The territorial agreement of the joint applicants was incorporated by reference into the Stipulation and Agreement.

The parties appeared before the Commission on July 7, 1995, for an evidentiary hearing to determine whether the Unanimous Stipulation and Agreement and territorial agreement are detrimental to the public interest and should be approved. The parties presented the prefiled testimony, the maps of the affected area, and the Unanimous Stipulation and Agreement as joint exhibits, all of which were received into the record.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact:

The parties proposed the territorial agreement in order to avoid duplication of facilities, reduce the cost of providing water to the area, provide emergency backup service to the River View Manor Home, prevent future flood-related water outages, and enable some fire fighting service in the area. The agreement was designed in response to petitions from area residents to both the City and the District. The City currently

provides water service for an area that falls outside the city limits and within the District's water boundaries. The territorial agreement provides for the District to begin providing service to that area with limited exceptions. The City would continue to provide water to the River View Manor Home, the municipal facilities within Pere Marquette Park, municipal users located in an area specified in the agreement, and the Lipp tract (see Application Exhibit 2).

The elevation of the affected area requires the City to maintain booster pumps to force feed the water mains. Consequently, it is less costly for the District to provide water in the affected area than for the City to do so. During the 1993 flooding the customers in the area were left without water service. Flooding is a frequent problem in the area. The District is in the process of expanding its distribution system and will expand its facilities as necessary to serve the areas set aside to it by the territorial agreement, including provision of back-up water service for the nursing home. The agreement provides for a lease of specified portions of the City's existing distribution system in the affected area to the District.

The Commission finds that the territorial agreement was entered into in response to a request by customers in the affected area in order to resolve problems of cost and water outages during flood periods. The Commission is of the opinion that the agreement appropriately resolves those problems by permitting the District to expand its facilities as necessary to serve the area. The District's ability to provide a back-up source of water service for the nursing home should avoid a repetition of the 1993 outage. The Commission finds that implementation of the territorial agreement will avoid unnecessary duplication of facilities, avoid the costs of maintaining booster pumps, and enable some fire fighting

service to the area. For these reasons, the proposed territorial agreement is not detrimental to the public interest and should be adopted.

Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions of law:

Neither the City of Ste. Genevieve nor Public Water Supply District No. 1 is a public utility and thus neither is subject to Commission jurisdiction of its water rates and services. § 386.250(3); § 247.040ff. However, when otherwise unregulated water corporations wish to enter into a territorial agreement defining areas of operation as between or among them, the Commission must determine whether the proposed territorial agreement is detrimental to the public interest. § 247.172.3 - 4. Territorial agreements are permitted by statute and, as a matter of law, do not affect the rights of other water suppliers not party to the agreement. § 416.041.3, § 247.172.5. The Commission must conduct a hearing, make its determination by means of report and order and must act within 120 days after the filing of an application. § 247.172.3 - 4. The parties to this territorial agreement have made the required application for approval to the Commission and a hearing was conducted on July 7, 1995, where evidence was admitted to the record. The parties have also submitted a Unanimous Stipulation and Agreement for Commission approval; the Commission is authorized to accept a stipulation of the parties in resolution of the issues by § 536.060. The Commission has considered the evidence adduced and found that the proposed territorial agreement, and the Unanimous Stipulation and Agreement, are not detrimental to the public interest. The Commission concludes that the application, evidentiary hearing, and stipulation of the parties satisfy the statutory requirements and the territorial agreement should be approved.

IT IS THEREFORE ORDERED:

1. That the Unanimous Stipulation and Agreement, attached hereto as Appendix 1, filed on June 12, 1995, is adopted in resolution of all the issues in this case.

2. That the proposed Territorial Agreement between the City of Ste. Genevieve and Public Water Supply District No. 1 be approved.

3. That the parties are authorized to take whatever steps are necessary to implement the Territorial Agreement approved above.

4. That this Report and Order shall become effective on July 20, 1995.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Kincheloe,
Crumpton and Drainer, CC., Concur.

Dated at Jefferson City, Missouri,
on this 19th day of July, 1995.

FILED

JUN - 9 1995

MISSOURI
PUBLIC SERVICE COMMISSION

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

In the matter of the application of the)
City of Ste. Genevieve, Missouri and)
Public Water Supply District No. 1 of)
Ste. Genevieve County, Missouri for)
approval of a territorial agreement)
concerning territory in Ste. Genevieve)
County, Missouri.)

Case No. WO-95-282

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW the City of Ste. Genevieve, Missouri (City), the Public Water Supply District of Ste. Genevieve County, Missouri No. 1 (District), the Staff of the Missouri Public Service Commission (Staff) and the Office of the Public Counsel (OPC) and state the following in resolution of Case No. WO-95-282.

Included in the provisions of Section 247.162 RSMo 1994 is a requirement that in order for a territorial agreement to be binding when it involves a public water supply district, the agreement must be decided by the Commission not later than 120 days after filing, which parties believe is July 20, 1995. The Commission must vote out the territorial agreement by report and order, and the Commission may accept the agreement if it is "not detrimental to the public interest." Sections 247.162.3 and 247.162.4 RSMo 1994.

On March 22, 1995 City and District filed a joint application asking the Commission to approve a territorial agreement between them pursuant to Section 247.162 RSMo 1994. On March 28, 1995, the Commission issued an Order setting the procedural schedule for the case and requiring the Commission's Records Department to give notice and opportunity to intervene to interested parties. The Commission also required District to give notice to landowners, and

the parties believe District did give such notice. No potentially interest party intervened. As a result of negotiations between the parties to this action, certain agreements have been reached. Consequently, City, District, Staff and OPC stipulate and agree as follows:

1. The Joint Application of City and District, dated March 13, 1995 and attached to this Stipulation and Agreement as Appendix A is hereby incorporated by reference into this document.

2. The Territorial Agreement between City and District dated March 14, 1995 and attached to this Stipulation and Agreement as Appendix B is hereby incorporated by reference into this document.

3. The parties believe that this territorial agreement is "not detrimental to the public interest" because it promotes efficient operation of both utilities. All parties to this action agree that City and District should be permitted by the Commission to enter into this territorial agreement pursuant to Section 247.162 RSMo 1994.

4. All parties agree that the terms and conditions in the Territorial Agreement contained in Appendix B were entered into during arms-length negotiations and were the result of valuable consideration given by both parties.

5. The parties further agree that the terms and conditions contained in the Territorial Agreement contained in Appendix B are acceptable to all parties and are "not detrimental to the public interest."

6. There will be no tariffs filed to implement this agreement as both City and District are not entities subject to regulation by the Commission.

7. None of the parties to this Unanimous Stipulation and Agreement shall be deemed to have approved or acquiesced in any question of Commission authority, ratemaking principle or method, rate design methodology, cost allocation, cost recover, or prudence, that may underlie this Unanimous Stipulation and Agreement, or for which provision is made in this Unanimous Stipulation and Agreement.

8. If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all parties. All memoranda submitted by the parties shall be considered privileged in the same manner as are settlement discussions under the Commission's rule, shall be maintained on a confidential basis by all parties and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of a memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission adopts this Stipulation and Agreement.

The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties with advance notice of when the Staff shall respond to the

Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or otherwise protected from disclosure.

9. This Unanimous Stipulation and Agreement represents a negotiated settlement for the sole purpose of addressing the authority requested by the Application of City and District. Except as specified herein, the parties to this Unanimous Stipulation and Agreement shall not be prejudiced, bound by, or in any way affected by the terms of this Unanimous Stipulation and Agreement: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Unanimous Stipulation and Agreement in the instant proceeding, or in any way condition its approval of the same.

10. The provisions of this Unanimous Stipulation and Agreement have resulted from extensive negotiations among the signatory parties and are interdependent. In the event that the Commission does not approve and adopt the terms of this Unanimous Stipulation and Agreement in total, it shall be void and no party hereto shall be bound by, prejudiced or in any way affected by any of the agreements or provisions hereof unless otherwise provided herein.

11. In the event the Commission accepts the specific terms of this Unanimous Stipulation and Agreement the signatories waive their respective rights to cross-examine witnesses; their respective rights to present oral argument and written briefs pursuant to Section 536.081 RSMo 1994; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 1994; and their respective rights to judicial review pursuant

to Section 386.510 RSMo 1994. This waiver applies only to a Commission Report and Order issued in this Unanimous Stipulation and Agreement.

Respectfully Submitted,

Frank J. Elpers by [Signature]
Frank J. Elpers
601 Market
P.O. Box 404
Ste. Genevieve, Missouri 63670
(314) 883-5000
ATTORNEY FOR CITY

Joe T. Buerkle by [Signature]
Joe T. Buerkle
709 E. Main
P.O. Box 290
Jackson, Missouri 63755-0290
(314) 243-8182
ATTORNEY FOR DISTRICT

John Coffman by [Signature]
John Coffman
P.O. Box 7800
Jefferson City, Missouri 65102
(314) 751-5565
ATTORNEY FOR OPC

John M. Himmelberg, Jr. by [Signature]
John M. Himmelberg, Jr.
P.O. Box 360
Jefferson City, Missouri 65102
(314) 751-7485
ATTORNEY FOR STAFF

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 12th day of June, 1995.

John M. Himmelberg, Jr. by [Signature]

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application)
of the City of Ste. Genevieve,)
Missouri, and Public Water Supply)
District No. 1 of Ste. Genevieve)
County, Missouri, for approval)
of a territorial agreement)
concerning territory in Ste.)
Genevieve County, Missouri)

Case No. WB-95-282

JOINT APPLICATION

Comes now the City of Ste. Genevieve, Missouri, and Public Water Supply District No. 1 of Ste. Genevieve County, Missouri, and pursuant to Section 247.172 RSMo, state as follows:

1. Applicant City of Ste. Genevieve, Missouri (hereinafter referred to as "City") is a Fourth class city located in Ste. Genevieve County, Missouri. City owns and operates a water utility. City's principal office and place of business is 165 S. Fourth St., Ste. Genevieve, Missouri 63670, which is also its mailing address.

2. Applicant, Public Water Supply District No. 1 of Ste. Genevieve County, Missouri (hereinafter "District") is a public water supply district organized and existing under Chapter 247 RSMo in Ste. Genevieve County, Missouri, with its principal office and place of business located #4 Basler Drive, Ste. Genevieve, MO 63670, which is also its mailing address.

3. Communications in regard to this application shall be addressed to:

Frank J. Elpers
601 Market
P. O. Box 404
Ste. Genevieve, MO 63670
(314) 883-5000
ATTORNEY FOR CITY

Joe T. Buerkle
709 E. Main
P. O. Box 290
Jackson, MO 63755-0290
(314) 243-8182
ATTORNEY FOR DISTRICT

MISSOURI
PUBLIC SERVICE COMMISSION

MAR 22 1995

FILED

4. On March 9, 1995, Applicants executed a territorial agreement (hereinafter the "Agreement") pursuant to Section 247.172 RSMo. A copy of the Agreement, including Exhibits 1 through 2 of the Agreement, is attached to and made a part hereof as Exhibit A and incorporated herein by reference as if fully set forth verbatim.

5. The Agreement specifically designates water service areas of City and District. The Agreement also sets forth any and all powers granted to District by City to operate within the corporate boundaries of the City and any and all powers granted to City to operate within the boundaries of the District.

6. This Agreement will enable Applicants to avoid wasteful duplication of services and undue cost to water service customers, to plan appropriately for the orderly development of water service in the affected areas, and to accommodate water service during periods of natural disaster through joint cooperation, and is not, therefore, detrimental to the public interest.

7. The Agreement in no way affects or diminishes the rights and duties of any water supplier not a party to the Agreement to provide service within the service area designated within the Agreement.

WHEREFORE, Applicants request the Commission, pursuant to Section 247.172 RSMo, and pursuant to its rules and regulations, to approve by report and order the territorial agreement entered into between them.

STATE OF MISSOURI)
) SS
 COUNTY OF STE. GENEVIEVE)

Malcolm Scherer of lawful age, being duly sworn, states that he is the Water Superintendent of applicant City of Ste. Genevieve, Missouri, that he has read the above and foregoing application, including exhibits attached thereto, and that the statements made therein and the contents of the exhibits attached thereto are true and correct according to his best information and belief.

Malcolm Scherer
 Malcolm Scherer

Subscribed and sworn to before me this 10th day of March, 1995.

BETTY A. SEIBEL
 Notary Public, State of Missouri
 County of Ste. Genevieve
 My Com. Expires Dec. 21, 1995

Betty A. Seibel
 Betty A. Seibel, Notary Public
 State of Missouri
 County of Ste Genevieve
 My term expires: 12-21-95

TERRITORIAL AGREEMENT

CITY OF STE. GENEVIEVE, MISSOURI
AND
PUBLIC WATER SUPPLY DISTRICT NO. 1 OF
STE. GENEVIEVE COUNTY, MISSOURI
(Pursuant to Section 247.172 RSMo)

THIS AGREEMENT, made and entered into this 9th day of March, 1995, by and between the CITY OF STE. GENEVIEVE, MISSOURI, a municipal corporation (hereinafter "CITY"), and PUBLIC WATER SUPPLY DISTRICT NO. 1 OF STE. GENEVIEVE COUNTY, MISSOURI, a rural water district existing under Chapter 247 RSMo (hereinafter "DISTRICT"), WITNESSETH:

WHEREAS, the CITY is authorized by law to provide water services within and in certain instances outside its municipal boundaries, and,

WHEREAS, the DISTRICT is authorized by law to provide water services within the boundaries of the DISTRICT, and,

WHEREAS, there currently exists an area within the boundaries of the DISTRICT served by CITY water, and,

WHEREAS, due to the great flood of 1993 an area within the DISTRICT but served by CITY water was without water, and,

WHEREAS, the DISTRICT has procured grant funds from the U. S. Economic Development Administration to extend its mains to alleviate those areas affected by water outage, and to provide further water service within the affected area, and,

WHEREAS, duplication of facilities for water services potentially served by both CITY and DISTRICT entails a waste of resources and an increase in consumer costs, and is not in the public interest, and,

WHEREAS, CITY and DISTRICT desire to provide proper planning and provision of water services within the area of the DISTRICT currently served by CITY water and adjacent areas, all as authorized by Section 247.172 RSMo.

NOW THEREFORE, CITY and DISTRICT mutually covenant and agree as follows:

1. The area within the DISTRICT currently serviced by the CITY is depicted on the map which is Exhibit 1 attached. Shown on Exhibit 1 are (a) the boundary line between the DISTRICT and the CITY, (b) the existing service lines, gate valves, fire hydrants, service connections and unused meter pits of the CITY, (c) the interconnect valves to be installed

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on existing CITY mains where they will connect with mains to be under the jurisdiction of the DISTRICT (whether presently CITY mains or future mains installed by DISTRICT), (d) proposed immediate improvements to be installed by the DISTRICT, (e) a clear indication of those customers of the CITY which will remain customers of the CITY (the balance to become customers of the DISTRICT), and (f) the location of the emergency connection for the nursing home. The metes and bounds of the common line between the CITY and the DISTRICT are described on Exhibit 2 attached.

2. The CITY shall henceforth continue to provide water service to the River View Manor Nursing Home (the "nursing home"); however, DISTRICT shall include in its plan of improvements such extension of main, service line, valves and appurtenances as may be necessary and proper to provide an emergency source of water to the nursing home in the event that the CITY is unable to provide a continuous source of water to the nursing home due to conditions beyond its control, including, but not limited to, such conditions as existed during the great flood of 1993.

3. The DISTRICT shall provide, pursuant to its own or other applicable rules and regulations, water service to other water users within the DISTRICT boundary, with the exception of (a) any municipal improvement or user, including facilities within the City of Ste. Genevieve Pere Marquette Park (subject, however, to the provisions of paragraph 4 below), (b) the nursing home except as specified in 2 above, (c) municipal users located on county owned or unincorporated property lying south and east of a line commencing at a point on North Main Street at the north end of a ball field lying west of North Main Street and north of Matthews Drive, said line then running generally in a southwesterly direction to the interconnect valve located on Boverie Drive, thence with Boverie Drive to Matthews Drive, thence with Matthews Drive to its intersection with White Sands Road and then with the north line of White Sands Road to its intersection with River View Drive, and (d) the Lipp tract excepted on Exhibit 2 and shown thereon. The CITY shall continue to provide water service to any area within the municipal CITY limits as they now exist, to the municipal improvements in Pere Marquette Park (subject to the provisions of paragraph 4 below) and to the county owned or unincorporated area referred to above (primarily the ball field and fair grounds) regardless of whether that area of municipal use may fall within the DISTRICT boundaries. The numbered water users shown on Exhibit 1 representing CITY water users shall become water users of the DISTRICT.

4. Notwithstanding the provisions of paragraph 3 above with respect to municipal uses of water in Pere Marquette Park, the DISTRICT shall with respect to the public bathroom and pavilion located immediately south and east of KSGM Drive as shown on KSGM Drive as shown on Exhibit 1 at the option of the CITY either (a) in conjunction with its planned capital improvements and on a timely basis to provide continuous service to the bathroom and pavilion run a one (1) inch service line from a point on CITY water main approximately located at the bathroom and pavilion to service the same, or (b) shall provide water at no cost to the said bathroom and pavilion through a single meter (said meter to be provided at no cost to the CITY) for up to 8000 gallons per month usage. Water usage

to the bathroom and pavilion on a monthly basis in excess of 8000 gallons shall be charged by the DISTRICT to the CITY based on its applicable rate structure.

5. The DISTRICT shall be entitled to serve and shall provide water service to its existing customers and any new customers located within its boundaries in accordance with its rules and regulations.

6. The DISTRICT shall furnish, or shall arrange to furnish, pursuant to its rules and regulations fire hydrants and associated tees and valves within the area reflected on Exhibit 1 at all locations where such currently exist as well as on future extensions according to location standards then currently in effect established by the CITY. Provided, however, that such fire hydrants shall be provided solely for the purpose of providing free flow water and at no time shall any fire fighting pumping apparatus be attached thereto.

7. The DISTRICT shall, in consideration of the payment of One Dollar (\$1.00), the payment and receipt of which is acknowledged, together with the adherence by it to the other provisions of this agreement, be entitled to use, implement, augment and maintain, and the CITY does hereby lease, grant and extend the right to use, implement, augment and maintain, existing water mains, valves, meters and appurtenances, located within the area shown on Exhibit 1 on the DISTRICT side of the interconnect valves shown thereon.

8. At the commencement of the servicing of the mains and extensions providing water service by the DISTRICT, the DISTRICT shall remove all existing CITY meters for water service connections, and replace them with meters of a type and calibration currently used by the DISTRICT at no cost to the CITY and shall return existing meters so removed to the CITY. The installation of meters and the establishment of water user agreements with the existing CITY customers which are to become DISTRICT customers shall be pursuant to the rules and regulations of the DISTRICT. An existing booster pump located within the area set forth on Exhibit 1 to be taken over by the DISTRICT shall be taken out of service and at the option of the CITY may be removed for its use elsewhere.

9. CITY is party to six (6) Water Extension Agreements, to-wit: Bussen 9/30/71, Friedman 2/12/71, and Hoog 11/5/69, 7/10/73, 6/26/75, and 9/6/79, relating to private fund expenditures for the extension of water mains in the area depicted on Exhibit 1 now served by the CITY. DISTRICT agrees to assume and to pay the obligations for reimbursement imposed on the CITY to the extent and as such obligations become due according to the terms of the Water Extension Agreements, and so long as, pursuant to this agreement, DISTRICT shall be utilizing such extensions for the purpose of providing water in the area in question. CITY agrees that in the event of annexation and the application of the provisions of paragraph 14 below, that it shall reimburse DISTRICT for any amounts required to be paid under the provisions of this paragraph.

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10. It is acknowledged by the CITY and the DISTRICT that the private water users within the area reflected on Exhibit 1 have petitioned to be excluded from CITY water service and provided DISTRICT water service.

11. To the extent that the CITY shall have or own any right of way, roadway, or other easement for utility purposes within the area shown on Exhibit 1, the CITY hereby does grant, bargain and convey, sell and assign, the right to use such roadways and easements for water service to the DISTRICT. DISTRICT shall otherwise have full right to occupy and use public road rights of way as currently authorized by statute, rule or ordinance.

12. The parties hereby acknowledge and confirm that existing water service facilities owned by the CITY to which the right of use, augmentation and maintenance is transferred to the DISTRICT by the terms of this agreement (except as to meters, See 8 above), and depicted on Exhibit 1 hereto, consists of 5764 feet of four-inch cast iron pipe main, 2568 feet of six-inch cast iron pipe main, 8 gate valves, 6 fire hydrants with no valves, 59 service connections including meters and 3 meter pits with no meter or service connection.

13. It is acknowledged by the parties that the implementation of this agreement and the recognition of the desirability of DISTRICT providing water service to users within its geographic boundaries notwithstanding previous water service which may have been provided within the DISTRICT boundaries by the CITY is in the best interest of the public welfare and required by economic and practical necessity. This is, in part, due to the elevation and the need to provide booster pumps to extend and provide CITY water within the area shown on Exhibit 1 or other area within the DISTRICT boundaries. Future annexation by the CITY of any area within the DISTRICT boundaries under the terms of this agreement shall not affect the provisions hereof unless this agreement shall be amended. DISTRICT shall be required to provide and be responsible for the extension of water mains within DISTRICT boundaries consistent with economic reality and its own rules and regulations. The parties acknowledge that there is a ready supply of potable water within the DISTRICT boundaries such that the CITY should not be required by annexation to extend water service within the DISTRICT boundaries, particularly in light of elevation differentials which exist.

14. In the future, should the CITY annex any of the area within DISTRICT boundaries and seek to provide the water service within DISTRICT boundaries, the City shall be required to (a) show compliance with Section 247.160-170 RSMo, (b) to make reimbursement under the provisions of paragraph 9 above, (c) to the extent that the DISTRICT is required to reimburse any federal funding agency for improvements funded through such agency, to reimburse District such costs of reimbursement, and (d) reimburse the DISTRICT for any displaced water improvements, including mains, service lines, valves, hydrants, service connections, meters pits and meters or related appurtenances, located within the area shown on Exhibit 1, excluding, however, any items as are set forth in

paragraph 11 and still in use, at a rate equal to the value of such displaced improvements based on actual cost of construction at the time of such displacement, less any undiminished or expired useful life of said improvements based on a thirty (30) year useful life and in cases of any questions, subject according to a determination made by an engineer or engineering firm mutually acceptable to the parties. DISTRICT covenants not to locate within the area shown on Exhibit 1 any standpipe, well, treatment plant or similar improvement installed for the benefit of DISTRICT'S entire geographic area. In determining the cost of any reimbursement to the DISTRICT no DISTRICT-wide cost-per-user or similar amortization on a DISTRICT-wide basis shall be included. In acknowledgment of the rights of the DISTRICT hereunder, DISTRICT hereby agrees to notify CITY in writing sixty (60) days in advance of any major extension or augmentations of the mains and appurtenances planned or undertaken by the DISTRICT in the area currently serviced by the CITY depicted on Exhibit 1.

15. The DISTRICT agrees that notwithstanding statutory authority for it to provide sewer service under Chapter 247, that as to any area annexed by the CITY falling within the DISTRICT boundaries, the CITY shall have the right to plan and maintain sewer services within such area.

16. The DISTRICT shall, so long as the terms of this agreement remain applicable, not object, and shall, in all ways reasonably possible, cooperate with any annexation plan by the CITY.

17. The parties acknowledge that in severing the existing CITY main reflected on Exhibit 1 they intend to provide an interconnected loop system between two severed portions of main presently owned by the CITY, and that at the extreme ends of the severed main there shall be located appropriate interconnect valves as indicated on Exhibit 1 to provide an emergency source of water from DISTRICT to CITY and vice versa, provided, however, that the same shall be done in all respects consistent with good engineering practice and recommendation, and any applicable DNR regulation, and based on joint authorization and action by the parties.

18. The service area provided for and the provisions for water service established by this agreement or any other term of this agreement may be not be modified, repealed or changed except by written document executed by the parties and approved by their respective governing bodies, and approved by the Missouri Public Service Commission pursuant to provisions of Section 247.172 RSMo as amended, or similarly provided for in other statutory enactment.

19. The parties recognize and agree that neither this agreement nor approval of this agreement by the Missouri Public Service Commission shall in any way affect or diminish the rights of any water supplier not a party to this agreement to provide water service within the area affected by the terms of this agreement (Section 247.172(5) RSMo.).

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20. The parties acknowledge that nothing in this agreement shall be construed as conferring upon the Missouri Public Service Commission jurisdiction over the service, rates, financing, accounting, or management of the DISTRICT or CITY, and acknowledge the further jurisdictional provisions of Section 247.172 RSMo.

21. Notwithstanding the obligations of the parties established under Section 247.172 RSMo, and 4 C.S.R. 240-51.010 concerning applicable fees established by the Missouri Public Service Commission imposed upon the parties incident to the prosecution of approval of this agreement or amendment thereto, the parties agree that such fees so applicable shall be underwritten by the DISTRICT. DISTRICT shall be solely responsible for its legal and engineering costs incident hereto. DISTRICT also agrees to reimburse CITY for legal expenses associated with the prosecution of the necessary joint application to the Missouri Public Service Commission for the approval of this agreement up to Five Hundred Dollars (\$500.00). Any legal and engineering expense incurred by CITY not associated with the Missouri Public Service Commission application shall be CITY'S responsibility.

22. In the event this agreement is not approved by the Missouri Public Service Commission within one (1) year after the date of this agreement, this agreement shall thereupon automatically become null and void.

23. Exhibits 1 and 2 hereto attached are incorporated herein by reference as if fully set forth herein and made a part hereof.

24. This agreement shall be binding upon the undersigned, their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this agreement pursuant to appropriate enactment of each of their lawful governing bodies, this 9th day of March, 1995.

CITY OF STE. GENEVIEVE

ATTEST:

Betty A. Seibel
Betty A. Seibel, City Clerk

By: William E. Anderson
WILLIAM E. ANDERSON
(Title) MAYOR

APPROVED AS TO FORM:

Frank J. Elpers
Frank J. Elpers, City Attorney

PUBLIC WATER SUPPLY DISTRICT
NO. 1 OF STE. GENEVIEVE COUNTY,
MISSOURI

By: Donald J. Flieg
Donald Flieg, President

ATTEST:

Margie M Walker
District Clerk

APPROVED AS TO FORM:

Joe T. Buerkle
Joe T. Buerkle, District Attorney

STATE OF MISSOURI)
) SS.
COUNTY OF STE. GENEVIEVE)

On this 10th day of March, 1995, before me a Notary Public in and for said county and state, came William E. Anderson, the Mayor, and Betty A. Seibel, City Clerk of the City of Ste. Genevieve, Missouri, a political subdivision duly authorized, incorporated and existing under and by virtue of the Constitution and laws of the State of Missouri, who are personally known to me to be the same persons who executed, as such officers, the within instrument on behalf of said District and such persons duly acknowledged the execution of the same to be the free act and deed of said City of Ste. Genevieve Missouri.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in Ste. Genevieve, Missouri, the day and year last above written.

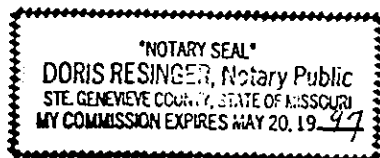
MARY ANN OTTO
Notary Public, State of Missouri
County of Ste. Genevieve
My Commission expires January 22, 1996

Mary Ann Otto
MARY ANN OTTO Notary Public
State of Missouri
County of Ste. Genevieve
My term expires: 1/22/96

STATE OF MISSOURI)
) SS
COUNTY OF STE. GENEVIEVE)

On this 14th day of March, 1995, before me a Notary Public personally appeared Donald Flieg, to me known, who being by me first duly sworn did say that he is the President of Public Water Supply District No. 1 of Ste. Genevieve County, Missouri, a rural water district of the State of Missouri, and the seal affixed to the foregoing instrument is the corporate seal of said corporation, and said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said Donald Flieg acknowledged said instrument to be the free act and deed of said Public Water Supply District No. 1 of Ste. Genevieve County, Missouri.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said county and state the day and year first above written.



Doris Resinger
Notary Public
State of Missouri
County of _____
My term expires: _____

Service List for
Case No. WO-95-282
June 12, 1995

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