

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>3</sup>

MAY 8 1 2011

In the Matter of the Joint Application of )  
Aqua Missouri, Inc. and the City of Taos, )  
Missouri, for Authority to Acquire Certain Assets )  
of Aqua Missouri, Inc., and in Connection )  
Therewith, Certain Other Related Transactions. )

Missouri Public  
Service Commission

Case No. SO-2011-0331

**CITY OF TAOS' RESPONSE TO FIRST SET OF STAFF DATA REQUESTS TO CITY**

COMES NOW, the City of Taos, by and through undersigned counsel, and for its responses to the First Set of Staff Data Requests, states as follows:

**DATA REQUEST 1:** If the City of Taos assumes control of the former Aqua assets, what rates will be charged to those customers?

**Response:**

Aqua residential customer rates are \$53.22 per month. The City of Taos intends to maintain these rates until the time the new sewer system is operational. At that time residential customer rates will be the same. Reviewed semi-annually by the sewer board.

Please refer the enclosed documents (said documents are quite large and will not be served to all parties unless requested):

1. Taos, Missouri, Wastewater Treatment Facility Improvements Book 1 of 2
2. Taos, Missouri, Wastewater Treatment Facility Improvements Book 2 of 2
3. Taos, Missouri, Wastewater Collection System Improvements Book 1 of 1

**DATA REQUEST 2:** If the City of Taos assumes control of the former Aqua assets, please provide the detailed plan for creating a central wastewater collection system for the City.

**Response:**

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COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION

Allstate Consultants has developed detailed design documents for a complete sewer system to serve all residents of the city and surrounding area with capacity for a 20 year + population growth to accommodate annexed and internal growth and development. The plans have been reviewed and approved by the Missouri Department of Natural Resources (DNR).

Please refer the enclosed documents:

1. Taos, Missouri, Wastewater Treatment Facility Improvements Book 1 of 2
2. Taos, Missouri, Wastewater Treatment Facility Improvements Book 2 of 2
3. Taos, Missouri, Wastewater Collection System Improvements Book 1 of 1

**DATA REQUEST 3: If this plan goes forward, what will the rates be for consumers of the former Aqua assets?**

Response:

The anticipated rate as computed based on the engineer's estimate of construction cost is \$68.35 per month. The City of Taos has stated publicly that rate to all system users, and that the City of Taos has set a goal is to keep the monthly residential customer bill to be \$50.00 - \$70.00/month when the new sewer system begins operations. The current facility plan indicates a monthly residential bill of \$66.51 per month.

**DATA REQUEST 4: If the plan does not go forward, what will the rates be for the consumers of the former Aqua assets?**

Response:

The rates will remain the same as currently in effect by Aqua Missouri. The Taos Sewer Board will review these rates on a semi-annual basis and make recommendations to the Board of Aldermen regarding any necessary adjustments.

**DATA REQUEST 5: Please provide Taos' plan for operating the wastewaters**

systems that it will be acquiring from Aqua. This includes, but is not limited to, who will be hired to operate the system, billing, customer service, etc. Also, please provide a copy of any contract with a qualified operator who will be operating the systems.

Response:

The City of Taos has had discussions with a DNR licensed operator who is employed by the Village of Wardsville part-time and contracts with two other small communities in the area and has indicated his interest and willingness to enter into a similar arrangement with the City of Taos. He will utilize a Taos resident who is a retired licensed operator and another laborer to operate and maintain the systems. The billing and administrative responsibilities will be initially performed by the City Treasurer and City Clerk ;when the City of Taos ascertains the time requirements for the duties the City of Taos intends to hire a part-time administrator or enter into a contract with the PWSD#4 staff.

**DATA REQUEST 6: Please provide a copy of the RFP the City of Taos has sent out for building a central wastewater system.**

Response:

Cities do not take RFP's for construction projects. Such projects are required by funding agencies and by state statute to be advertised for a minimum of 30 days and bids received and publicly opened. The copies of the advertisements for the Treatment Facility and the Collection System which describes the work and the date of bid opening are enclosed

- Bid Advertisement for the Taos, Missouri, Wastewater Treatment Facility Improvements
- Bid Advertisement for the Taos, Missouri, Wastewater Collection System Improvements

**DATA REQUEST 7: Please provide a copy of all responses to the City of Taos**

receives from its RFPs that it has sent out for construction of a central wastewater system.

Response:

The City of Taos will to provide the Missouri Public Service Commission (PSC) a copy of the bid tabulations after they are received.

**DATA REQUEST 8 and 9:**

**8) If the City of Taos is unable to build its central wastewater system, what is its short-term plan for running the sewer systems? (short-term being 1-3 years)**

**9) If the City of Taos is unable to build its central wastewater system, what is its long-term plan for running the sewer system? (long-term being greater than 3 years)**

Response:

If the City of Taos is unable to build the wastewater treatment facility and collection system, then the City of Taos will operate and maintain the acquired systems with the upgrades required by DNR (and Aqua has not initiated) and utilize available capacity to serve adjacent residents in the Taos community. In addition, the City of Taos will then begin to phase areas of the complete system designed to be completed in smaller contracts. The City of Taos will then use the \$4 million bonding ability to build the sewers to the priority areas and eliminate the open pipes and lagoons in a phases approach.

**DATA REQUEST 10: Please provide a detailed explanation and all supporting documentation for the funding that the City of Taos has to build its central sewer system. This includes all grants and/or State Revolving Fund loans.**

Response:

The voter approved sewer bond issue provided the City of Taos has \$4 Million dollars in bonding authority.

Grants through the DNR provide \$2.17 Million dollars funding for the project.

**DATA REQUEST 11: Please explain how the City of Taos taking over the wastewater treatment responsibilities from a privately-owned, experienced and established sewer utility is in the public interest for the customers and the residents of Taos.**

Response:

Many of the users on Aqua system are Taos residents and voted for the \$4 million bond issue for the Taos Wastewater Treatment Facility and Collection System. The question posed to the voters was as follows:

*"Shall the City of Taos, Missouri, issue its sewerage system revenue bonds in the amount of \$4,000,000 for the purpose of acquiring and constructing a sewerage system for the City, the cost of operation and maintenance of said sewerage system and the principal and interest on said revenue bonds to be payable solely from the revenues derived by the City from the operations of its sewerage system, including all future improvements and extensions thereto?"*

The vote on this bond issue was 155 in favor and 22 opposed.

All of Dove Lake customers and Bradford Court and Twehous Acres are in the City and represent approximately 120 + customers. From that the elected representatives conclude that the citizens want and think the City will provide better service than Aqua--and this is the City's intent.

Customers have easy access to local resources. Customers of the City of Taos are able to contact

their Aldermen and will be able to contact members of their Sewer Board.

Aqua's rates have continued to rise in part because Aqua is a profit motivated corporation. The City is not for profit. The City will strive to keep rates as low as possible. Homes in the area are best protected by a centralized wastewater treatment facility and collection system.

By: 

Rudolph L. Veit - #28213

Jason H. Ludwig - #58945

515 East High Street

P.O. Box 28

Jefferson City, Missouri 65102

(573) 636-2177

(573) 636-7119 (Fax)

Rudy.V@carsoncoil.com

Jason.L@carsoncoil.com

### CERTIFICATE OF SERVICE

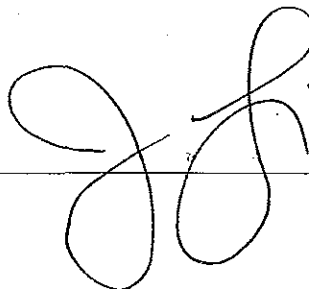
The undersigned certifies that a true and correct copy of the foregoing document was sent by U.S. Mail, postage prepaid, on May 20, 2011, to the following:

Office of the General Counsel  
Missouri Public Service Commission  
Governor Office Building  
P. O. Box 360  
Jefferson City, MO 65102-0360  
[gencounsel@psc.mo.gov](mailto:gencounsel@psc.mo.gov)

Governor Office Bldg.  
Suite 650  
200 Madison Street  
P.O. Box 2230  
Jefferson City, MO 65102-2230  
[opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov)

Marc H. Ellinger, #40828  
Thomas R. Schwarz, #29645  
308 East High Street, Suite 301  
Jefferson City, MO 65101  
Telephone: 573/634-2500  
Facsimile: 573/634-3358  
[mellinger@blitzbardgett.com](mailto:mellinger@blitzbardgett.com)  
[tschwarz@blitzbardgett.com](mailto:tschwarz@blitzbardgett.com)

Rachel M. Lewis, Deputy Counsel  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 526-6715 (Telephone)  
(573) 751-9285 (Fax)  
[Rachel.Lewis@psc.mo.gov](mailto:Rachel.Lewis@psc.mo.gov)



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## ADVERTISEMENT FOR BIDS

Owner: City of Taos  
Address: 4909 Country Side Park  
Jefferson City, MO 65101

Separate sealed bids for the construction of: **Wastewater Collection System Improvements**

Project consists of construction of approximately 45,500 linear feet of gravity sewer, 218 manholes, 5 pump stations, 35 grinder pump units, associated force mains along with all equipment and appurtenances

Bids will be received by City of Taos, Missouri at the Knights of Columbus Hall, 7128 Route M, Jefferson City, Missouri until 3:00 p.m., Monday, May 16, 2011, and then at said location publicly opened and read aloud.

The City of Taos reserves the right to award the contract to the "lowest and best responsible bidder". Work under this contract to be fully complete within 455 consecutive calendar days upon notice to proceed.

The Bid Documents, Contract Documents, and Plans may be examined and obtained upon payment of \$225.00 for each set at the following location:

Allstate Consultants LLC  
3312 LeMone Industrial Blvd.  
Columbia, MO 65201  
Phone No.: 573-875-8799  
Email Address: [allstate@allstateconsultants.net](mailto:allstate@allstateconsultants.net)

A refund of \$50.00 will be returned to plan holders upon receipt of plans and specifications returned to Allstate Consultants in reusable and undamaged condition.

A Pre-Bid Conference for general questions and site inspection trip has been scheduled for Monday, May 2, 2011, at 4:00 p.m., at the Knights of Columbus Hall, 7128 Route M, Jefferson City, Missouri. Attendance is not mandatory.

Nondiscrimination In Employment: Bidders on this work will be required to comply with the President's Executive Order Number 11246. Requirements for Bidders and Contractors under this order are explained in the Information to Bidders.

The project is financed by the Missouri State Revolving Fund, established by the sale of Missouri Water Pollution Control bonds and federal Capitalization Grants to Missouri.

## ADVERTISEMENT FOR BIDS

Owner: City of Taos  
Address: 4909 Country Side Park  
Jefferson City, MO 65101

Separate sealed bids for the construction of: **Wastewater Treatment Facility Improvements**

Project consists of construction of a mechanical wastewater treatment plant having a capacity of 150,000 gallons per day, complete with all equipment and appurtenances

Bids will be received by City of Taos, Missouri at the Knights of Columbus Hall, 7128 Route M, Jefferson City, Missouri until 3:00 p.m., Monday, May 16, 2011, and then at said location publicly opened and read aloud.

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