

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

In the Matter of the Joint Application of House)
Springs Sewer Company, Inc., and Jefferson County)
Public Sewer District for Approval of House Springs)
Sewer Company, Inc. to Sell Company Assets to)
Jefferson County Public Sewer District, in Connection)
with Other Related Transactions.)

File No. SM-2016-0204

STAFF REPORT AND RECOMMENDATION

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission, (“Commission”) by and through counsel, and for its *Staff Recommendation*, states as follows:

1. On February 16,¹ House Springs Sewer Company, Inc. (HSSC) and Jefferson County Public Sewer District (JCPSD) (collectively Applicants) filed a joint application (application) with the Commission. The application seeks authority for JCPSD to buy the assets HSSC uses to provide sewer service to approximately 1,100 customers in Jefferson County, and then for JCPSD to provide sewer service to those customers.

2. On February 23, the County of Jefferson and Missouri and Delinquent Tax Trustee of Jefferson County, Missouri, filed as intervenors in this file. On March 7, the Missouri Department of Natural Resources (DNR) filed as an intervenor in this file.

3. On March 29, the parties participated in a prehearing conference to discuss case status and procedures and were directed to make a filing to update the Commission on the status of the case.

¹ All dates occur in the year 2016.

4. On April 20, the parties requested a thirty (30) day reporting deadline be set to either submit a status update or file a procedural schedule, as a new counsel for the Applicants entered his appearance. The Commission issued its *Order Granting Staff Motion* on May 11, directing the parties to file a procedural schedule or status report no later than May 20.

5. On April 25, Staff received a letter and documentation from the County of Jefferson and Missouri and Delinquent Tax Trustee of Jefferson County, Missouri, intervenors to this application, declaring that their issues were resolved and stating their intent to withdraw from the case. Counsel for the intervenors has not filed for withdrawal from the casefile to date.

6. On May 11, Staff received notice from DNR declaring that its issues have been resolved.

7. On May 20, 2016, at the parties request the Commission ordered the parties to file another status report no later than June 20.

8. On June 21, at the parties request the Commission issued Orders directing the parties to file another status report no later than July 20.

9. On July 21, at the parties request the Commission issued Orders directing the parties to file another status report no later than August 31.

10. On August 31, the Applicants submitted a status report requesting another status report deadline be set for September 30. On September 1, the Commission issued such an order setting a September 30 deadline for the parties to file a status report or alternative pleading.

11. On September 29, the Applicants filed its *First Amendment to Joint Application and Request for Waiver For Good Cause and Motion for Expedited Treatment*, providing additional details regarding the proposed transaction, submitting a signed Stipulation and Agreement addressing delinquent annual assessment fees held by HSSC, and requesting expedited consideration of the application given its firm closing date scheduled for October 31. Subsequently, the Applicants filed its *First Amended Stipulation and Agreement – HC*, correcting its earlier filing made the same day.

12. On September 29, the Commission filed its *Order Directing Filing*, instructing Staff to file a Recommendation or alternative filing no later than October 11.

13. Throughout the term of this case file, collateral issues have been raised by Staff, OPC, and intervenors, which precluded the application from being complete. To date, DNR and Jefferson County have communicated to Staff that their issues have been satisfied. Staff's concern regarding the delinquent assessments and the issuance of customer notices has been addressed to the satisfaction of Staff by the Applicants.

14. In its initial filing, HSSC declared that it was current on its fiscal year (FY) 2016 annual assessments, and identified an outstanding balance for FY2014 assessment. Upon review, Staff discovered outstanding balances for FY2011, FY2012 and FY2014 annual assessments totaling \$140,784.15. As this casefile may resolve the outstanding assessments owed to the Commission, the Staff did not yet commence complaint proceedings to recover the outstanding assessments. In addition, since the Applicants' initial filing, HSSC has accrued a balance on its FY2017 annual assessment that has been pro-rated for the transfer between HSSC and JCPSD on October 31, and

totals \$2,217.61. In its updated application, the Applicants' submitted a Stipulation and Agreement agreed to by Staff establishing a payment schedule for the parties to furnish payment to satisfy the full amount of delinquent assessment sum. A signed copy by Staff is appended hereto as Appendix B. Three payments will be made, timed in concert with the three tranches contemplated and agreed to by the Applicants in their Asset Purchase Agreement appended to their application. Should payments fail to be timely made or the total outstanding assessment debts remain unresolved, Staff would commence actions against the Applicants to enforce the terms of the Stipulation and Agreement.

15. In the Applicants' July *Status Report*, the Applicants agreed to issue customer notices of the proposed sale of the system, and reported language agreed to by Staff, OPC and the Applicants. The Applicants have issued such consumer notices near the end of August.

16. Sales and transfer of regulated sewer assets must occur pursuant to Commission Rules 4 CSR 240-2.060(1) and 4 CSR 240-3.310.

17. Staff has conducted an investigation of the application and attachments, and finds that the proposed sale and transfer of assets from HSSC to JCPSD is not detrimental to the public interest, and recommends approval with the conditions identified in Staff's Memorandum, appended hereto as Appendix A.

18. The Applicants have requested expedited treatment of its application, seeking the Commission issue an order in this case no later than October 25. Such requests are made pursuant to 4 CSR 240-2.080. Staff has no objection to the Applicants' motion for expedited treatment for approval of its proposed transfer and sale

of assets. Furthermore, as the proceeds of the sale will be applied to fully satisfy HSSC's outstanding annual assessment balance, approval of this motion will allow a transaction to proceed in a manner that may avoid further litigation necessary to seek recovery of back assessments.

WHEREFORE, Staff submits its Memorandum and recommends that the Commission enter an Order which:

1. Approves the transfer of any and all sewer utility assets controlled by HSSC, as requested and/or as authorized by County ordinance;
2. Require HSSC to notify the Commission of closing on the sewer assets to JCPSD within five (5) days after such closing;
3. Authorize HSSC to cease providing service immediately after closing on the assets;
4. If closing on HSSC's assets does not take place within thirty (30) days following the effective date of the Commission's order, require HSSC to submit a status report within five (5) days after this thirty (30) day period regarding the status of closing, and additional status reports within five (5) days after each additional thirty (30) day period, until closing takes place, or until HSSC determines that the transfer of the assets will not occur;
5. If HSSC determines that a transfer of the assets will not occur, require HSSC to notify the Commission of such;
6. After the above notice of transfer of assets to JCPSD is received from HSSC, cancel the CCN applying to HSSC and the current tariff on file for HSSC;

7. Approve the First Amended Stipulation and Agreement submitted after the filing of the *1st Amendment to Joint Application and Request for Waiver For Good Cause*, and *Motion for Expedited Treatment*, which will require HSSC to pay all current and past due PSC assessments, in the amount of \$143,001.76 as calculated for October 31, 2016, from sale proceeds; however, if closing occurs after October 31, 2016, then an additional 2017 prorated assessment amount will become due;
8. If the transfer is approved, incorporate the terms of the First Amended Stipulation and Agreement into the final order from the Commission regarding the transfer; and
9. Make no ratemaking determination regarding any potential future regulatory oversight, if any.

Respectfully submitted,

/s/ Hampton Williams

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 3rd day of October, 2016.

/s/ Hampton Williams

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. SM-2016-0204
House Springs Sewer Company, Inc.

FROM: James A. Merciel, Jr. – Water and Sewer Department
Lisa Ferguson – Auditing Department

/s/ James A. Merciel, Jr. October 3, 2016
Case Coordinator Date

/s/ Hampton Williams October 3, 2016
Staff Counsel Date

SUBJECT: Staff's Recommendation to Approve Transfer of Assets, and Cancellation of
Certificate of Convenience and Necessity

DATE: October 3, 2016

CASE BACKGROUND

On February 16, 2016, House Springs Sewer Company, Inc. (HSSC) and Jefferson County Public Sewer District (JCPSD) filed a *Joint Application and, if Necessary, Motion for Waiver* (Application) with the Commission, seeking authority from the Commission for HSSC to transfer its sewer utility assets to JCPSD. HSSC also seeks to cancel its Certificate of Convenience and Necessity (CCN) after the transfer of assets is accomplished, thereby relieving it of its obligation to provide sewer service.

On February 17, 2016, the Commission issued its *Order Directing Filing* (Order), in which it directed that notice be sent to the County Commission of Jefferson County, Missouri, the General Counsel for the Missouri Department of Natural Resources, members of the General Assembly representing citizens in Jefferson County, Missouri, and to the media serving Jefferson County, Missouri. This Order also prescribed that any person wishing to intervene in this case should submit an application requesting such by March 8, 2016.

On February 23, 2016, the County of Jefferson, Missouri (the County) and Delinquent Tax Trustee of Jefferson County, Missouri (the Tax Trustee) as two parties submitted a *Motion to Intervene*, which intervention the Commission granted on March 7, 2016. On March 7, 2016 the Missouri Department of Natural Resources (DNR) submitted a *Motion to Intervene*. The Commission granted DNR intervention on March 18, 2016. DNR also submitted an *Amendment to Motion to Intervene* on April 20, 2016.

On March 29, 2016 the Commission held a prehearing conference, in which all of the parties in the case had an opportunity to begin discussions and negotiations on pertinent issues, as well as any needs for further procedural schedule for resolution of this case. Staff filed a *Status Report* on May 20, 2016 in which it indicated that issues concerning both of the intervenors were resolved, but that Staff still had issues to be resolved. Staff requested that the Commission set a 30 day deadline for the parties to file another status report or a procedural schedule. On May 20, 2016 the Commission

issued another *Order Directing Filing*, in which it directed the parties to file a procedural schedule or status report no later than June 20, 2016.

On June 20, 2016 HSSC and JCPSD filed *Applicant's Status Report*, stating that issues pertaining to real property have arisen, and additional time is needed for resolution. On June 21, 2016 the Commission issued another *Order Directing Filing* requiring another status report by July 20, 2016. On July 20, 2016, HSSC submitted its *Applicant's Status Report*, in which it outlined activity related to this transaction to date, stated that due diligence work is ongoing, that a message to customers would be sent along with monthly billing on or about July 31, 2016, that HSSC would submit an updated application or another status report by August 31, 2016, and that the parties were seeking to close on the assets by the end of September. On July 21, 2016, the Commission issued an *Order Directing Filing*, directing the parties to submit a status report or alternative pleading no later than August 31, 2016. On August 31, 2016, HSSC submitted a Status Report stating that the parties were continuing work on due diligence issues.

On September 29, 2016, HSSC submitted its *1st Amendment to Joint Application and Request for Waiver for Good Cause*, and *Motion for Expedited Treatment* (First Amendment to Application). The First Amendment to Application also included an amendment to the Asset Purchase Agreement that was included with the Application, as Attachment A; and a Stipulation and Agreement pertaining to HSSC's annual assessments that are payable to the Public Service Commission, as Attachment B. Also on September 29, 2016, the Commission issued an *Order Directing Filing* specifying that the Staff shall submit a recommendation or a pleading no later than October 11, 2016, and for the Office of the Public Counsel (OPC) to respond to the First Amendment to Application, if it wishes to do so, by October 11, 2016. Then also on September 29, 2016, HSSC submitted a First Amended Stipulation and Agreement.¹

BACKGROUND OF THE INVOLVED SEWER UTILITIES AND THE UTILITY SYSTEMS

HSSC obtained a CCN from the Commission in Case No. SA-85-134, authorizing it to provide sewer service in a described area in Jefferson County. The service area is generally the watersheds of Bear Creek and Heads Creek. It includes the town of House Springs, MO, and area surrounding that town extending approximately two (2) miles to the east. HSSC's plan in its CCN case was to acquire various existing small systems in the watersheds, construct new systems as needed, and construct sewers that could ultimately connect the small collection systems together for treatment at one or more new larger treatment facilities, allowing elimination of some of the small sewage treatment facilities.

In its 2015 annual report, HSSC reported 1,198 customers; those customers consisting of single-family residences, apartments, mobile homes, and commercial customers. Since its certification by the Commission in 1985, HSSC has acquired pre-existing sewer systems in its service area, constructed new sewer systems, and undertaken improvements by removing a few sewage treatment facilities from service in favor of connecting the systems to newer treatment facilities at better locations. Throughout its service area, HSSC has thirteen (13) sewage treatment facilities, and also

¹ The Asset Purchase Agreement filed with the Application, the amendment to the Asset Purchase Agreement and the stipulation filed with the First Amendment to Application, and the First Amended Stipulation and Agreement were filed by HSSC as Highly Confidential documents.

obtains wholesale treatment service from the City of Byrnes Mill by pumping sewage to that City's treatment facility.

JCPSD is a public sewer district that is not subject to the jurisdiction of the Commission. Among approximately six (6) sewer systems it currently owns and operates, JCPSD acquired one of its sewer systems from a regulated utility, Central Jefferson County Utilities, Inc. The acquisition of that system was approved by the Commission in Case No. SO-2007-0071.

STAFF'S INVESTIGATION

Staff reviewed the Application and attachments including an Asset Purchase Agreement. Staff is familiar with HSSC's system operations. Assets to be transferred include all of the sewage treatment facilities, collecting sewers, lift stations, and either certain parcels of real estate or access rights to utility plant.

Rate Impact

HSSC's monthly rates have been in effect since March 15, 2013. Rates are:

Single-family residences	\$37.43
Mobile homes in parks and multi-family units	\$34.85
Commercial	\$37.43 first 6,000 gallons water use plus \$5.92 per 1,000 gallons over 6,000 gallons

JCPSD states to Staff that it intends to initially adopt existing HSSC rates, and that the rates will remain in effect for at least three (3) months although at this time there is no specific plan to change rates. JCPSD will evaluate its costs after gaining operational history, and will need to take into consideration any capital improvements it may see fit to undertake. Further, JCPSD will need to undertake capital funding and rate changes through approval of its board of directors, and communicate with customers acquired from HSSC in the same manner as it already does for its existing customers.

Customer Notice

An article appeared on March 3, 2016 in the local newspaper that serves the House Springs area, the *West Side Leader*. A copy of the article, as it appears on the *West Side Leader's* website, is included with this memorandum as Attachment A and incorporated herein by reference. Additionally, with the input of Staff and the OPC, HSSC prepared customer notice verbiage to be included on customer post-card bills, and stated to Staff that it included the notice on bills that were sent to customers on or about August 31, 2016. Early in this case Staff received one Public Comment, from a customer who found it difficult to make cash payments for service, due to the Company's office staffing limitations. Staff has received no additional comments from customers.

OTHER ISSUES

HSSC is in good standing with the Secretary of State.

HSSC has no delinquencies with regard to filing its annual reports through calendar year 2015, as

documented on the Commission's Electronic Filing and Information System (EFIS).

HSSC is past due on some of its annual assessment amounts with the Commission, as follows:

2014 - \$49,368.57 past due.

2012 - \$48,156.95 past due.

2011 - \$43,258.63 past due.

The total amount for annual assessments that is due to the Commission is the past due amount \$140,784.15, plus a pro-rated amount for fiscal year 2017. That amount is calculated to be \$2,217.61 as of October 31, 2016, HSSC's stated anticipated closing date. Based on that 2017 pro-rated amount, the total amount of annual assessment payment expected to be owed by HSSC is \$143,001.76. Staff notes that if the closing date is some time later than October 31, 2016, then a different 2017 pro-rated amount would be due. The purpose of the Stipulation and Agreement, and the First Amended Stipulation and Agreement, are to address the terms of payment of the total annual assessment amount owed by HSSC. Staff has reviewed these documents, and recommends the Commission approve the First Amended Stipulation and Agreement, along with approval of the proposed transfer of assets and other related conditions, and with the provision that an additional assessment amount for 2017 would be owed to the Commission if closing occurs after the anticipated October 31, 2016 closing date.

RESOLUTION OF INTERVENORS' ISSUES

The County and the Tax Trustee state in their *Motion to Intervene* that their interest in this case involves one particular subdivision lot on which a sewage treatment facility is located, described by recorded subdivision lot description. This lot, in a subdivision development known as Meadow Brook Estates, apparently was previously owned by the subdivision developer who provided its use for the HSSC treatment facility for the purpose of providing sewer service to this developer's subdivision. However, now the lot became owned by the County and the Tax Trustee, because of procedure involving unpaid property taxes.

In their *Motion to Intervene*, the County and the Tax Trustee stated that it appeared HSSC claimed to own and proposed to sell this lot to JCPSD. However, the County and Tax Trustee now state to Staff that their interest in this case is resolved by an ordinance, passed by the County Council on April 12, 2016, ordering and authorizing the Tax Trustee to transfer this lot by a sale from the County and the Tax Trustee to JCPSD. A copy of the ordinance and ancillary documentation was included within Attachment A of the *Status Report* filed on May 20, 2016. Although HSSC at present has apparent legitimate use of this lot and the sewer utility assets upon this lot, it has no ownership claim to this property; but, based on this filed documentation JCPSD will have ownership of the lot and legitimate use of sewer utility assets after this proposed sale of assets is complete.

Although the County and the Tax Trustee have not withdrawn from this case, Staff is of the understanding, based on the filed documentation, that the issue pertaining to this subdivision lot is resolved. Staff notes that JCPSD and HSSC need to continue to work together, if it is still necessary, with respect to any and all due diligence matters, in order that the transfer of assets may be accomplished.

In its *Motion to Intervene*, DNR had stated that past due operating permit fees were due from HSSC, and additional fees would become due soon. In its *Amendment to Motion to Intervene*, DNR stated that it had negotiated permit requirements and associated fees, and that it had settled on a total amount due from HSSC of \$7,000. A memorandum from counsel representing DNR to counsel for Staff and counsel for HSSC was included with the May 20 *Status Report* as Attachment B. The memorandum indicates that the outstanding permit fees that were the original subject of DNR's *Motion to Intervene* have been resolved. Although DNR has not withdrawn from the case, Staff is of the understanding that the DNR's issue which was the basis of its intervention is resolved.

STAFF'S RECOMMENDATIONS AND CONCLUSIONS

Staff asserts that this sale and transfer of assets will result in very little direct impact to customers, since rates and operations will be substantially unchanged. Further, although customers would no longer be able to contact the Commission with quality of service or billing issues, they will have a board of directors of this public entity available, who oversee and have control over such customer issues.

The Staff, based on its review as described herein, takes the position that the proposed sale and transfer of assets from HSSC to JCPSD is not detrimental to the public interest, and therefore recommends approval with the conditions as outlined herein. Staff also recommends that following the completed transfers of assets, the Commission cancel the CCN applying to HSSC, and cancel the tariff currently in effect for HSSC to provide sewer service.

STAFF'S RECOMMENDATIONS

Based upon the above, Staff recommends that the Commission:

1. Approve the transfer of any and all sewer utility assets controlled by HSSC, as requested and/or as authorized by County ordinance;
2. Require HSSC to notify the Commission of closing on the sewer assets with JCPSD within five (5) days after such closing;
3. Authorize HSSC to cease providing service immediately after closing on the assets;
4. If closing on HSSC's assets does not take place within thirty (30) days following the effective date of the Commission's order, require HSSC to submit a status report within five (5) days after this thirty (30) day period regarding the status of closing, and additional status reports within five (5) days after each additional thirty (30) day period, until closing takes place, or until HSSC determines that the transfer of the assets will not occur;
5. If HSSC determines that a transfer of the assets will not occur, require HSSC to notify the Commission of such;
6. After the above notice of transfer of assets to JCPSD is received from HSSC, cancel the CCN applying to HSSC and the current tariff on file for HSSC;
7. Approve the First Amended Stipulation and Agreement submitted after the filing of the *1st Amendment to Joint Application and Request for Waiver For Good Cause*, and *Motion for Expedited Treatment*, which will require HSSC to pay all current and past due PSC

assessments, in the amount of \$143,001.76 as calculated for October 31, 2016, from sale proceeds; however, if closing occurs after October 31, 2016, then an additional 2017 pro-rated assessment amount will become due;

8. Make no ratemaking determination regarding any potential future regulatory oversight, if any.

Attachment: A – Newspaper Article

SPORTS Lions split at district 23

GREAT EATS Decades of dinners 19



West Side LEADER

'Once a week but never weakly'

Vol. 3, No. 41

Thursday, March 3, 2016

www.myleaderpaper.com

636-931-7560

'Sad to go, happy to go'

Rizzi leaves Fox C-6 to be closer to extended family

By Kim Robertson
For the Leader

Fox C-6 School District officials say they have a tough job ahead — finding an assistant superintendent to replace Lorenzo Rizzi, who has been with the district for 25 years but is leaving at the end of this school year to take a job in his hometown, Belton, just outside Kansas City.

Fox Superintendent Jim Wipke, who took over the district's top job in June 2015, said he has "learned a lot" from Rizzi in the short time they have worked together.

"I am sorry to see him go," Wipke said. "He has great relationships with folks throughout the district, and it's been a blessing to me to have him here (in the Central Office)."

Wipke said Rizzi isn't just a good administrator, but also a good person

"He has more heart than most anyone I've ever worked with," Wipke said. "I would have loved to have him around for a few more years. But, it was a tough decision for him to leave and he made it based on what's best for



Ted Howell photo

Fox assistant superintendent Lorenzo Rizzi will leave the job at the end of the school year.

his family, and I can respect that. That's really who he is; he's a family-first guy, through and through."

Next school year, Rizzi, 47, of Oakville will be an assistant superintendent for school improvement with

the Belton School District, which has an enrollment of approximately 5,500 students, about half the enrollment in the Fox district.

See RIZZI, Page 12

On track

128 apartments for Fenton area get first approval

By Steve Taylor
For the Leader

The Jefferson County Council on Feb. 22 gave initial approval to a development plan for 128 new apartment units in the Springdale area between Fenton and Arnold.

The county Planning and Zoning Commission had recommended approval of the proposal Feb. 11.

Larry Debrecht of Debrecht Properties of St. Louis is planning to build six apartment buildings on 9.95 acres at Springdale Boulevard and Kot Road off Hwy. 141, near Guffey Elementary School and the Northeast Public Sewer District's treatment plant.

The County Council's unanimous vote Feb. 22 was the first of three affirmative votes required for approval. The project

See APARTMENTS Page 14



Ted Howell photo

Celebrating diversity

Jefferson County's annual Black History Luncheon was held Saturday in Festus. About 265 people attended, including this group. Seated from left, are Beth Divelyly, Arnold Comtrea; Susan Curfman, Comtrea CEO; Kathryn Ellsi, Comtrea Festus; Marilyn Ellis of House Springs; Martha Maxwell of House Springs; Ann Gettinger of Festus; Jill Lombardo, CEO-JFCAC; Julia Hampton, JFCAC; and Trish Loomis of Festus. Standing at back are State Rep. Becky Ruth and County Executive Ken Waller. See more photos and details on Page 2.

PSC asked to OK sale of House Springs Sewer Co. to county Public Sewer District

By Tracey Bruce
For the Leader

The Jefferson County Public Sewer District and the House Springs Sewer Co. have filed a joint application with the Missouri Public Service Commission seeking approval for the district to buy the sewer company.

The House Springs Sewer Co., owned by Patricia Fribis, has 13 wastewater treatment facilities and serves about 1,100 sewer customers in and around the House Springs area.

Jefferson County Public Sewer District chairman Clyde Pratt said the sale of

the company to the sewer district would be "the best thing for residents" served by the company as well as for people who live in the area who do not have sewer service.

"This makes the company government-owned rather than privately owned," he said.

"Companies regulated by the Public Service Commission are limited on what they can do. This would give the sewer district more flexibility and allow us to grow in that area," he said.

Pratt said government regulations

See SEWER SALE, Page 14

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News briefs

Sound equipment, grass seed stolen at Grandview schools

Sound equipment, grass seed and other items valued at \$2,050 recently were stolen from the press box and a shed on the Grandview R-2 School District grounds in the 10000 block of Hwy. C, west of Hillsboro, the Jefferson County Sheriff's Office reports.

The theft was reported Feb. 19, but it may have occurred sometime between Dec. 18 and that date, according to the report.

It looked like someone used a cinder block to force open the main door to the press box, which is near the baseball field, and then stole Bose speakers, a digital scoreboard controller, a microphone, an auxiliary cord for a sound system and four metal folding chairs, according to the report. The culprit also pried off a latch to a nearby shed and stole several bags of grass seed, the report said.

-- Kim Robertson

About \$10,620 in cash, jewelry, knives stolen

Cash, jewelry, knives and other items valued at \$10,620 were stolen sometime between Feb. 15 and Feb. 16 from a home in the 7500 block of Walmart Court in Barnhart, the Jefferson County Sheriff's Office reports.

While the victims were away from the home, someone stole \$320 in cash; a diamond ring; a ruby ring; about 80 collectible knives that were stored inside two ammunition cans; and a Stihl chainsaw, the report said.

-- Kim Robertson

Sewer sale: No price has been set for sale of sewers

Continued from Page 1

continue to increase and small sewer companies find it increasingly difficult "to meet those regulations without costs going through the roof."

He said residents can be hard hit when a small company that serves 25 or 50 families has to buy expensive equipment, and it's much better to spread that cost over 300 or more customers.

"We can grow and expand, and the more customers we have, the more customers we have to spread that cost over," he said.

If the sale is approved, Pratt said rates would not increase in the immediate future.

"That's what the Public Service Commission is interested in, whether the rates will go up."

The PSC approved a rate increase for the House Springs Sewer Co. in 2013. At that time, rates for a single-family home were raised to \$37.43 per month and rates for mobile homes were raised to \$34.85.

In the long run, an expansion will help keep rates down, Pratt said. And there are other reasons the sale is good for residents, he said.

"The biggest plus is that this would help clean up Jefferson County because those who do not have sewer service at all may be able to tap in and we could provide sewer service."

PSC spokesman Kevin Kelly said the agency is taking applications from entities such as large businesses, municipalities, industrial parks or other large entities that would be affected by the sale and want to participate in the process. Ap-

plications must be filed with the Secretary of the Missouri Public Service Commission at P.O. Box 360, Jefferson City, MO 65102 by March 8, 2016. Or comments can be filed at www.psc.mo.gov on the Electronic Filing and Information System (EFIS) page.



Clyde Pratt

Individual residents who want to comment on the transaction should contact the Office of Public Counsel which represents the interests of the general public at P.O. Box 2230, Jefferson City, MO 65102 or call 1-866-922-2959 or by email at opcservice@ded.mo.gov. The Public Service Commission Staff also will take comments and can be reached at P.O. Box 360, Jefferson City, MO 65102, or call 1-800-392-4211, or at email pscinfo@psc.mo.gov.

JCPSD district manager Connie Hargis said details of the potential sale have not been hammered out yet.

"This is just a public notice letting people know," she said "The Public Service Commission is interested in customers getting fair rates. I'm sure they would entertain any questions."

She said there has been no price set for the sewer company but the district has been preparing for the purchase.

"We've signed a letter of intent, and we've done our due diligence and had an engineer evaluate the system," Hargis said. "Now everything hinges on the Public Service Commission's approval. We

don't know if it will be approved or not."

Fribis has owned House Springs Sewer Co. since 1998. No one returned a message left with the sewer company.

The Jefferson County Public Sewer District currently manages six sewer systems. Its largest is the Hillsboro-area Raintree Plantation subdivision system, which has 721 customers. If the deal is approved, the House Springs system would be the district's largest, Hargis said.

The Jefferson County Commission formed the JCPSD in 2000, Pratt said. "They saw the need for sewers in Jefferson County because of the lack of sewers and the leaky septic systems," he said.

However, funding to develop a countywide sewer system failed consistently at the polls, he said.

As an alternative to a countywide system, the sewer district has grown by negotiating purchases of smaller sewer systems and paying for them through user fees or, in at least one case, having the sewer system donated outright.

If the PSC approves the sale of the House Springs Sewer Co., the JCPSD might get a loan for the purchase, Pratt said.

In addition to operating a sewer system at Raintree, the JCPSD operates sewer systems for the Mirasol subdivision in the Eureka area, Sunrise Acres in the Cedar Hill area, Sandy Branch Estates near Hillsboro and Brookside Parc in the Hillsboro area. The district also provides water treatment services for Falls of Little Creek, west of Festus.

"The purpose of the district is to bring sewer service to as many homes as possible in Jefferson County," Pratt said.

Apartments: Six apartment buildings would replace mobile home park

Continued from Page 1

could receive final approval at the council's March 14 meeting.

Debrecht is proposing to replace the Happy Valley Mobile Home Park with the six apartment buildings.

The mobile home park has 23 pads, most of which are occupied, said Dan Govero of Govero Land Services, who represented Debrecht before both the P and Z board and the County Council.

A development plan is all that is required; the apartments are allowed under the property's planned-mixed residential zoning.

"It's a good use for this property," Govero said. "There is a need for this type of housing."

Govero said rents for the two- or three-bedroom apartments would probably be about \$1,000 a month.

"This is not low-income housing," he said. "With the cost of building these units, he (Debrecht) could not afford that kind of development."

The mobile home park was established in 1959 by the Schaefer family, said attorney Floyd Norrick of Hillsboro.

He said family members are aging and wish to divest themselves of the



Steve Taylor photo

Lawrence Gier, who lives near the proposed apartment complex, asks about additional traffic that might be generated by the proposed development.

property. Debrecht's plan to build apartments there, he said, is win-win for all concerned.

"This is the type of development plan that will attract new residents to Jefferson County, most likely from St. Louis County," he said. "It will expand our real estate tax base, and because they'll be spending money in the county, it will increase our sales taxes as well."

Norrick said even though the property is said to areas that flooded in late December, the property owners have never seen flooding there.

Lawrence Gier, who lives nearby, raised questions about additional traffic that might be generated by the apartment complex at both the P and Z meeting and before the County Council.

"Right now, it's a disaster," he said on Feb. 11, noting that further commercial development is planned in the area. In addition, he pointed out, a 320-home subdivision, Winding Bluffs, is planned to be built immediately west of the mobile home park.

"This area can't handle that kind of traffic," Gier said. "It's like putting two bushels of apples in a bushel."

Govero said Debrecht would be required to conduct a traffic study by the Missouri Department of Transportation, which also has plans to address the Hwy. 141-Springdale Boulevard intersection.

"The state is looking at that intersection," Govero said. "Everything he's concerned about will be addressed."

After adding a requirement that Debrecht build a playground in the common area of the complex, the P and Z board recommended approval of the plans, how-

ever, County Council members said they were dubious about requiring Debrecht to install a playground in the middle of a parking lot.

"We should allow the developer to put a playground in if it's safe and fits his business model," said Councilman Bob Boyer (District 3, Arnold). "I don't want them to put something in that's not safe just because it's mandated."

Councilman Jim Kasten (District 5, Herculaneum) suggested that Govero find an alternate spot for the playground.

"I'm all for playgrounds, believe me," he said. "I'm not sure putting one in the middle of a parking lot is the best idea."

Govero said as the design of the project progresses, it's likely a different site can be identified for the play area.

Debrecht said work could begin within three months of receiving County Council approval, and that the apartments would likely be built at once rather than in phases.

He said all the mobile home owners are on a month-to-month rental basis, and that he would provide assistance when they are required to leave.

"We'll help them move," he said. "We'll do what we need to do."

APPENDIX B
HAS BEEN DEEMED
HIGHLY CONFIDENTIAL
IN ITS ENTIRETY.

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

In the Matter of the Joint Application of House)
 Springs Sewer Company Inc., and Jefferson)
 County Public Sewer District for Approval of)
 House Springs Sewer Company, Inc. to Sell)
 Company Assets to Jefferson County Public)
 Sewer District, in Connection with Other)
 Related Transactions)

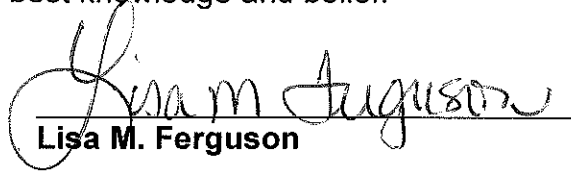
File No. SM-2016-0204

AFFIDAVIT

State of Missouri)
) ss.
 County of St. Louis)

COMES NOW Lisa M. Ferguson and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached Staff Memorandum; and that the same is true and correct according to her best knowledge and belief.


Further the Affiant sayeth not.


Lisa M. Ferguson

JURAT

Subscribed and sworn to before me this 3rd day of October, 2016.

VIVIAN KINCAID
 Notary Public - Notary Seal
 State of Missouri
 Commissioned for St. Louis County
 My Commission Expires: June 06, 2018
 Commission Number: 14893349


NOTARY PUBLIC

