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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a hearing of the Public Service
Commission, held at Jefferson City,
Missouri, on the 28th day of
March,1980.

In the matter of the application)
of LAKE SAINT LOUIS SEWER COMPANY)
for permission, approval, and a)
certificate of convenience and)
necessity authorizing it to)
construct, install, own, operate,)
control, manage, and maintain a)
sewer system for the public)
located in an unincorporated area)
in St. Charles County, Missouri.)

CASE NO. SA-80-198.

BEFORE:

EDWARD J. CADIEUX, Presiding,
HEARING EXAMINER.

REPORTED BY:
Nancy A. Fox

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APPEARANCES:

W. R. ENGLAND, III, Attorney at Law,
P. O. Box 456,
Jefferson City, Missouri 65102,

FOR: APPLICANT, LAKE SAINT LOUIS
SEWER COMPANY.

RORY ELLINGER, Assistant General Counsel,
P. O. Box 360,
Jefferson City, Missouri 65102,

FOR: STAFF OF THE MISSOURI PUBLIC
SERVICE COMMISSION.

1 BE IT REMEMBERED, at a hearing of the Public
2 Service Commission, held at the time and place mentioned on
3 the title page hereof, the following proceedings were had:

4 (Written Entries of Appearance Filed.)

5 (AT THIS TIME APPLICANT'S EXHIBITS NOS. 1
6 THROUGH 5, INCLUSIVE, WERE MARKED BY THE REPORTER FOR THE
7 PURPOSE OF IDENTIFICATION.)

8 EXAMINER CADIEUX: The hearing will come to
9 order.

10 The Commission has set for hearing at this
11 time Case No. SA-80-198 in the matter of the application of
12 Lake Saint Louis Sewer Company for a certificate of conve-
13 nience and necessity.

14 The Bench will accept oral entries of appear-
15 ance at this time beginning with the Applicant.

16 MR. ENGLAND: Let the record reflect the
17 appearance of W. R. England, appearing on behalf of Applicant,
18 Lake Saint Louis Sewer Company. My mailing address is Post
19 Office Box 456, Jefferson City, Missouri, 65102.

20 MR. ELLINGER: Rory Ellinger for the Staff of
21 the Missouri Public Service Commission, P. O. Box 360,
22 Jefferson City, Missouri.

23 EXAMINER CADIEUX: Are there any procedural
24 matters which the parties wish to address before testimony?

25 MR. ENGLAND: Only that Applicant, before

1 going on the record, had marked for purposes of identification
2 five exhibits numbered Applicant's Exhibits 1 through 5 and
3 that Applicant proposes to offer the testimony of at least
4 one witness, perhaps two.

5 EXAMINER CADIEUX: All right. The record will
6 so reflect that.

7 Mr. Ellinger, any matters?

8 MR. ELLINGER: Nothing.

9 EXAMINER CADIEUX: Mr. England, do you wish to
10 make an opening statement or otherwise you may call your first
11 witness.

12 MR. ENGLAND: If I may just proceed to call
13 my first witness that would be fine with me, your Honor.

14 EXAMINER CADIEUX: You may do so.

15 MR. ENGLAND: I call Mr. Vern Stump.

16 (Witness sworn.)

17 _____
18 VERNON L. STUMP, called as a
19 witness in behalf of the APPLICANT, being
20 duly sworn, testified as follows:

21 DIRECT EXAMINATION BY MR. ENGLAND:

22 Q State your name and address for the record,
23 please.

24 A Vernon L. Stump. My mailing address is 506
25 Nichols, Columbia, Missouri, 65201.

1 Q By whom are you employed, Mr. Stump, and in
2 what capacity?

3 A I'm employed by Mid-Missouri Engineers as
4 President of the Company, and I also serve as Manager of the
5 Lake Saint Louis Sewer Company.

6 Q Would you briefly describe your duties as
7 Manager for the Applicant, Lake Saint Louis Sewer Company?

8 A My duties include overall operational respon-
9 sibility for the company and also handling matters of
10 extensions, engineering expansions, and engineering projects.

11 Q Mr. Stump, are you authorized to testify here
12 today on behalf of the Applicant, Lake Saint Louis Sewer
13 Company?

14 A Yes, I am.

15 Q Now, you have caused to be filed before this
16 Commission an application to extend the certificated service
17 area of the Company; is that correct?

18 A Yes.

19 Q Would you briefly describe the existing certi-
20 ficated area of the Company and its existing operation?

21 A The Company presently serves the city and
22 community of Lake Saint Louis, Missouri. It has approximately
23 1400 residential customers at this time. We have collection
24 facilities and treatment capabilities.

25 Q As far as the requirements of this Commission

Missouri Public Service Commission

1 regarding formal filings, evidence of incorporation, and
2 what have you, all those documents are on file and available
3 for public inspection here at the Commission, are they not?

4 A Yes, they are.

5 Q Now, would you briefly describe the area that
6 this application proposes to certificate?

7 A The area we are proposing to certificate is
8 ~~located~~ approximately 300 feet to the east of the present ser-
9 vice area of Lake Saint Louis, and it encompasses approximately
10 2 acres. And at this time there is one building on the
11 property that will serve as a school.

12 Q Let me direct your attention to Applicant's
13 Exhibit No. 1 and would you describe that and incorporate
14 that into your previous testimony, please?

15 A Exhibit No. 1 shows the existing service area
16 for Lake Saint Louis Sewer Company and is marked at the bottom
17 right-hand corner of the exhibit the new service area that's
18 being requested.

19 Q Now, let me turn your attention to Applicant's
20 Exhibit No. 2 and would you describe what that is for the
21 record, please?

22 A Exhibit No. 2 is the legal description of the
23 piece of property that we're requesting to incorporate in
24 our service area, and this is taken from the ~~warranty deed~~
25 of the property.

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Q Turning your attention to Applicant's Exhibit No. 3, would you describe that for the record, please?

A Yes. Exhibit No. 3 was prepared by our staff and describes the present size of the school which will presently serve approximately 40 students with a staff of 5 adults. The existing school has cooking facilities but no gymnasium and shower. The exhibit projects the loading, the projected loading from sewage from the facility, the estimated total usage of water and the revenue that would be generated by the school for the sewer company.

Q With respect to your estimate of the revenues to be generated from the proposed customer, what rate are you using to base that calculation on?

A This rate is the existing rate that the Lake Saint Louis Sewer Company now charges for commercial customers at a rate per gallons used. This was calculated from theoretical numbers relating to normal usage by this type of facility.

Q With respect to that rate, Mr. Stump, it is the Company's intention to charge this new customer the same commercial rate that it charges all of its customers under its existing tariff; is that correct?

A Yes, it is.

Q You do not anticipate charging any more or less for sewer service from this customer than any other

1 similarly situated customer on the Company's system?

2 A No. We'll charge the same rates.

3 Q Okay. And those rates, of course, will be
4 only those authorized by the Missouri Public Service Commission?

5 A That's correct.

6 Q With respect to the physical feasibility, if
7 you will, of the system, how do you propose to connect on
8 this additional customer?

9 A There will be a new trunkline built from the
10 existing lines in the Lake Saint Louis Sewer System collection
11 system that will run to the new school, and they will all
12 be gravity fed.

13 Q Would you turn your attention to Applicant's
14 Exhibit 5 and briefly describe that for the record, please?

15 A Exhibit 5 is a schematic of the sewer system
16 that is proposed to be built. It will be an 8-inch sanitary
17 sewer running from the existing service at Lake Saint Louis
18 110 feet north. It will make a right angle at a manhole
19 running 360 feet to the edge of the property owned by the
20 Heritage Day Care Center. Then there will be a lateral tied
21 from the building to the manhole.

22 Q The exhibit shows the various sizes and lengths
23 of pipe proposed to be used in this extension; is that correct?

24 A Yes, it does.

25 Q Are there any other facilities that will need

1 to be constructed, such as lift stations, preliminary or
2 interim treatment facilities, anything of that nature?

3 A No, there will not.

4 Q So it will just be a straight construction of
5 a main and then a lateral off that main?

6 A It will be a main and three manholes.

7 Q How does the Company propose to finance the
8 extension or the costs associated with the extending of this
9 service to the new customer?

10 A It will be financed in accordance with the
11 Company's extension rule. The owners of the Academy will
12 provide the funds to install the extension.

13 Q Let me turn your attention, then, to Applicant's
14 Exhibit No. 4 and briefly describe that for the record, if you
15 would, please?

16 A Exhibit No. 4 is the Applicant's request for
17 sewer service and request for connection to the Lake Saint
18 Louis Sewer Company.

19 Q Mr. Stump, with regard to municipality, county,
20 other governmental boundaries, where exactly is this piece
21 of ground that you seek to certificate located? Is it
22 located within any municipality boundaries?

23 A No, it's not. It is located in St. Charles
24 County.

25 Q It's an unincorporated area of St. Charles
County?

Missouri Public Service Commission

1 A Yes.

2 Q Do you know if you need approval of the St.
3 Charles County Board of Building Commissioners or Planning
4 and Zoning or whatever before you can begin this extension?

5 A No, we do not.

6 Q Have you talked to the people at St. Charles
7 County headquarters and talked to them about the proposed
8 extension?

9 A We have not talked to them about this particular
10 extension. We have checked in the past and they do not have
11 franchises for the area.

12 Q Well, that's what I'm getting at.

13 A Right.

14 Q In other words, you feel that you have all the
15 necessary governmental approval in order--

16 A Yes, we do.

17 Q --to extend that? And your investigations
18 reveal that?

19 A Yes.

20 Q Have you had any contact with the Missouri
21 Department of Natural Resources regarding the proposed extension?

22 A No, we haven't.

23 Q Do you know if they will require preliminary
24 approval or anything of that nature?

25 A They will require construction permit, plans,

1 and specifications submitted and will require approval before
2 construction begins.

3 Q Do you anticipate any problem with securing
4 that approval?

5 A No, we do not.

6 Q Has that approval been applied for yet?

7 A Not at this time.

8 Q When do you anticipate applying for it?

9 A Within two weeks.

10 Q With respect to the proposed certificated area,
11 are there currently any other public utilities either regulated
12 by this Commission or not regulated by this Commission that
13 are providing service to this area?

14 A No, there are not.

15 MR. ENGLAND: I believe that's all the ques-
16 tions I have of this witness and subject to cross-examination,
17 would offer the Exhibits 1 through 5 into evidence.

18 EXAMINER CADIEUX: Mr. Ellinger.

19 MR. ELLINGER: We have no objections to the
20 introduction of the exhibits.

21 We have a couple of questions for the witness,
22 Mr. Examiner.

23 EXAMINER CADIEUX: All right. Proceed.

24 CROSS-EXAMINATION BY MR. ELLINGER:

25 Q To your knowledge, Mr. Stump, is anyone else

1 planning in the near future to connect up to this proposed
2 line?

3 A Not at this time.

4 Q Within a year?

5 A There is nothing planned at this moment on it,
6 no. There may be a request from the owner located in the
7 area between the Academy and the boundaries of Lake Saint
8 Louis Sewer Company, but we've had no contact with that
9 particular owner.

10 Q In your opinion, will the collector sewer and
11 sewer line built to service this new area be large enough to
12 handle any additional connections and service lines?

13 A Yes, it would be.

14 Q We had some discussion in prehearing before
15 we went on the record as to the proposed legal description.
16 Is it still your intention to file a tariff dealing with that
17 legal description?

18 A Yes, it is.

19 Q When would you do that?

20 A We have that available now.

21 Can I defer that to you?

22 MR. ENGLAND: If the information is available--

23 WITNESS STUMP: The information is available
24 now so we can file that today.

25 MR. ELLINGER: If I may, Mr. Examiner.

1 This will be a late-filed exhibit, Mr. England?

2 MR. ENGLAND: That's correct. Let me under-
3 stand what you want. Is that a tariff sheet defining the
4 legal boundaries of the proposed certificated area?

5 MR. ELLINGER: Yes.

6 MR. ENGLAND: I don't think I could have it
7 to you by today, but ~~certainly~~ by the middle of next week.

8 MR. ELLINGER: Could you have that filed within
9 30 days from this date?

10 WITNESS STUMP: Yes, we could.

11 EXAMINER CADIEUX: Excuse me, Mr. Ellinger,
12 would that need to be filed as an exhibit or not?

13 MR. ELLINGER: It wouldn't have to be an
14 exhibit, but it would make the record complete, probably,
15 if it were.

16 MR. ENGLAND: Excuse me, if I could. What
17 I think the Staff wants is a legal description in tariff
18 form which is customary with any tariff that's on file
19 downstairs. It would spell out the legal description of
20 the property that is proposed to be certificated and would
21 be filed with the Commission in that it is filed with its
22 other tariff pages. So I don't think it needs to be an
23 exhibit, and before we could begin rendering service in that
24 area, we certainly would have something to you.

25 EXAMINER CADIEUX: Would that legal description

1 be identical to what has been offered here as Applicant's
2 Exhibit 2?

3 MR. ENGLAND: That's correct, only on a tariff
4 page in tariff form.

5 MR. ELLINGER: I think the gentleman is correct.
6 Then, we would have no further questions of
7 the witness.

8 EXAMINER CADIEUX: All right. Applicant's
9 Exhibits 1 through 5 are received into evidence.

10 (AT THIS TIME APPLICANT'S EXHIBITS NOS. 1
11 THROUGH 5, INCLUSIVE, WERE RECEIVED IN EVIDENCE AND MADE A
12 PART OF THIS RECORD.)

13 EXAMINER CADIEUX: The witness is excused.
14 (Witness excused.)

15 _____
16 MR. ENGLAND: Could I have a minute? I
17 might want to put Ms. Giaimo on.

18 EXAMINER CADIEUX: All right. Also, let the
19 record reflect that on March 6, 1980, an Order and Notice
20 of Hearing was issued by this Commission and copies of that
21 Order were sent to the Department of Natural Resources and
22 the presiding judge of St. Charles County notifying them of
23 this proceeding.

24 (Discussion off the record.)

25 MR. ENGLAND: Mr. Examiner, if I could, I

1 would like to call Ms. Giaimo to the stand, please, and she
2 has not previously been sworn.

3 (Witness sworn.)

4
5 L A U R A A N N E G I A I M O, called
6 as a witness in behalf of the APPLICANT, being
7 duly sworn, testified as follows:

8 DIRECT EXAMINATION BY MR. ENGLAND:

9 Q State your name and address for the record,
10 please.

11 A Okay. It's Laura Anne Giaimo, 3107 Brentwood
12 Drive, St. Charles, Missouri.

13 Q Ms. Giaimo, by whom are you employed and in
14 what capacity?

15 A I'm the owner of Heritage Academy Learning
16 Centers.

17 Q Which is the customer that seeks service from
18 the Lake Saint Louis Sewer Company in this application; is
19 that correct?

20 A Yes. Yes.

21 Q Ms. Giaimo, to your knowledge, is there any
22 other sewer service available to the Academy?

23 A There is none. We've checked it out. There
24 is nothing.

25 Q Now, I know that in several instances the

1 City of Lake Saint Louis has purported to render sewer service
2 to some individuals within the city area, have they expressed
3 any interest in providing you with sewer service?

4 A No, they have not.

5 Q With respect to the Academy, would you briefly
6 describe for the record what it will entail?

7 A Do you mean--

8 Q Its operation, the number of students, the
9 facilities that will be there and whether you expect it to
10 increase in the near future.

11 A Well, right now the part of the building that
12 is usable, which is not the lower level, would hold 40 students.
13 And there are separate bathroom facilities for the boys and
14 girls. There are 6 commodes plus two adult baths in there.
15 There will be no washing or anything like that. We will have
16 dishes. There is a dishwasher in there and we plan on putting
17 in another 3-vat sink downstairs.

18 With having an average of 80 students at one
19 of my other facilities, I spend in water approximately--
20 and it averages out to \$20 a month. My sewer and my water
21 bill are just about identical, and I've gone over the last
22 four years and it averages out to that with an average of
23 80 students. That means bathroom in the morning, more for
24 the little ones, that means snack which you need the water for
25 if you're not having milk, then there is lunch. There is

1 no laundry or anything being done in there. And that also
2 includes maintaining the outside yard, hosing off the drive,
3 sprinkling and watering and all that.

4 Q Let me ask you, with respect to the sewer
5 company, I assume that they have told you what their tariffs
6 provide for in the way of not only, one, the rate to be charged
7 on a monthly basis, but the conditions under which they will
8 extend service, have they not?

9 A Yes.

10 Q And do you understand what the rate will be
11 on a monthly basis?

12 A Whatever the current rate is, yes.

13 Q But I guess more importantly, under the exten-
14 sion policy or tariff of this which was approved by the
15 commission, it is the burden of the Applicant to pay for
16 the extension of the sewer service?

17 A Yeah. I--

18 Q I'm not asking whether you agree with it--

19 A No. No. There was some question if Vernon
20 will remember--Mr. Stump will remember, when he said I had
21 to dedicate the line. I let the meeting go on and I said,
22 "What do you mean 'dedicate'?" I understood real quick, yes,
23 I understood.

24 Q One other question. With respect to the
25 Academy itself, is it in operation as of today?

Missouri Public Service Commission

1 A No, it's not.

2 Q And why is that?

3 A The use permit stipulated like two weeks before
4 opening--we had had permission to open with an upgraded
5 septic which we went ahead and did. They rescinded that and
6 then they told us, you know, right before we were going to
7 have our open house in September--because this other we had
8 verbally, we didn't have it in writing. We got a copy of
9 the use permit that said we have to tie into a municipal
10 sewer. And the building is not allowed to open. It has
11 been closed since last September because of the sewer.

12 Q I don't mean to put words in your mouth, but
13 it's crucial to you to get the sewer service so that you can
14 begin operation as an Academy as that piece of ground, at
15 least, was intended to be used by you?

16 A Yes, it is.

17 EXAMINER CADIEUX: Can I ask a question?

18 Does that authority come from St. Charles County
19 or exactly where did that authority to open come from?

20 WITNESS GIAIMO: The St. Charles County Circuit
21 Court.

22 MR. ENGLAND: The Lake St. Louis City didn't
23 require any kind of--or has any zoning or permit requirement
24 as far as you're concerned, do they?

25 WITNESS GIAIMO: Not that I know of, no.

1 MR. ENGLAND: I don't think I have any other
2 questions of this witness. I would tender her for cross-
3 examination if the Staff has any.

4 EXAMINER CADIEUX: Mr. Ellinger.

5 MR. ELLINGER: We have no questions, ma'am.
6 Thank you.

7 EXAMINER CADIEUX: You may be excused.

8 (Witness excused.)

9 _____
10 EXAMINER CADIEUX: Mr. England, do you have
11 any other witnesses?

12 MR. ENGLAND: No, I do not.

13 EXAMINER CADIEUX: Mr. Ellinger.

14 MR. ELLINGER: We have one witness, Mr. Examiner,
15 Mr. Merciel who has not yet been sworn.

16 (Witness sworn.)

17 _____
18 STAFF'S EVIDENCE:

19 J I M M E R C I E L, called as a witness in
20 behalf of the STAFF, being duly sworn, testified
21 as follows:

22 DIRECT EXAMINATION BY MR. ELLINGER:

23 Q Mr. Merciel, again, would you state your name
24 and give your business address?

25 A. Jim Merciel, Post Office Box 360, Jefferson City.

1 Q Who do you work for?

2 A I work for the Public Service Commission in
3 the Water and Sewer Department.

4 Q How long have you worked for the Commission?

5 A Three years.

6 Q Have you testified in cases similar to the
7 one here this morning in other cases at other times?

8 A Yes, I have.

9 Q Have you read the testimony in today's case?

10 A Yes--well, I've heard the testimony.

11 Q Have you sat through this case so far and
12 heard the testimony?

13 A Yes, I have.

14 Q To your knowledge, has anyone intervened or
15 opposed the granting of the certificate of convenience and
16 necessity requested by the Company?

17 A There is no opposition at all to my knowledge.

18 Q Does the Staff have an opinion regarding this
19 application?

20 A Staff's opinion is that it's in the public
21 interest that the certificate be granted for this area.

22 Q Do you have any questions or doubts concerning
23 that application, or that is Staff's opinion?

24 A That's Staff's opinion. We have no problem
25 with the certificate being granted.

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MR. ELLINGER: We have no further questions.

EXAMINER CADIEUX: Any questions, Mr. England?

MR. ENGLAND: No questions.

EXAMINER CADIEUX: The witness is excused.

(Witness excused.)

MR. ELLINGER: That would complete Staff's case. We have no testimony or exhibits to present.

EXAMINER CADIEUX: Is there a desire to waive the provisions of Section 536.080 concerning the reading of the transcript?

MR. ENGLAND: Yes, sir. And Applicant has already done so.

EXAMINER CADIEUX: Mr. Ellinger?

MR. ELLINGER: The same, Mr. Examiner.

EXAMINER CADIEUX: Is there any desire to file briefs or orally argue this matter?

MR. ENGLAND: Absolutely not on behalf of the Applicant.

MR. ELLINGER: None here, Mr. Examiner.

EXAMINER CADIEUX: All right. The case will be submitted and the hearing is adjourned.

Thank you.

WHEREUPON, the hearing of this case was concluded.

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I N D E X

APPLICANT'S EVIDENCE:

PAGE

VERNON STUMP

Direct Examination by Mr. England

4

Cross-Examination by Mr. Ellinger

11

LAURA ANNE GIAIMO

Direct Examination by Mr. England

15

STAFF'S EVIDENCE:

JIM MERCIEL

Direct Examination by Mr. Ellinger

19

E X H I B I T S

APPLICANT'S EXHIBITS:

MARKED

RECEIVED

Exhibit No. 1

Map of Service Area

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Exhibit No. 2

Waranty Deed

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Exhibit No. 3

Feasibility Study

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Exhibit No. 4

Application for Sewer Connection

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Exhibit No. 5

Schematic Drawing

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