

A. No. Osage Water Company was formed in 1987 by William R. ("Bill") Mitchell, Martha Mitchell, his wife, and William Patterson ("Pat") Mitchell to own and operate a regulated water utility system in the City of Osage Beach. They remained as the sole owners and managers of the Company until 1992. At that time, with the approval of the Commission, additional stock was issued to David L. Hancock and Gregory D. Williams in exchange for water and sewer systems that they each owned. Pat Mitchell was appointed as president of OWC, and served in that capacity until 1996. David L. Hancock was appointed as vice-president, and served in that capacity until 1996. Gregory D. Williams was appointed as the secretary of OWC, and continues to serve in that capacity at the present time. As a result of various disagreements, including his failure to transfer ownership or operation of the water and sewer systems he had agreed to contribute to OWC in exchange for stock, Mr. Hancock was removed from office in 1996, Mr. Williams was appointed as president, and Mr. Mitchell was appointed as vice-president. Mr. Williams served as president until January of 2001, at which time Mr. Mitchell was again appointed as president, and continues to serve in that capacity at this time. With respect to general operations, Mr. Mitchell ran the business operations of OWC throughout the entire period of its existence until July 7, 2001, when he abruptly and without prior notice quit.

Q. Please explain Mr. Mitchell's "abandonment" of OWC.

A. On July 7, 2001 my husband and I returned to his law office after various appointments to find numerous boxes containing the records of OWC and the keys to its various water and sewer systems on the outside porch, together with a

letter from Mr. Mitchell indicating he no longer intended to operate OWC. A copy of that letter is attached as Schedule EU-4. I have managed OWC's operations since that date.

Q. Mr. Cochran ascribes various actions of OWC in 1994 as attributable to Mr. Williams. Is this consistent with the management and operation of OWC at that time?

A. No. Mr. Williams was the corporate secretary and attorney for OWC in 1994. Mr. Mitchell was the president, and Mr. Hancock was the vice-president. Mr. Mitchell and Mr. Hancock were the officers in charge of carrying out the business of OWC. Mr. Williams was in charge of the corporate minute book.

transfer of assets
Q. Mr. Cochran asserts that assets of OWC have been transferred to Environmental Utilities and/or to other entities controlled by you and your husband. Is this accurate?

A. No. Mr. Cochran provides no documentation of such transfers because no such documentation exists, because no such transfers have ever occurred.

financial demise of OWC
(and no EU impact on that)
Q. Do you agree with Mr. Cochran's assertion that the financial demise of OWC is imminent?

A. There is no question but that OWC is financially challenged as a result of the overbuilding of its water systems by the City of Osage Beach, and the introduction of competition for water customers in service areas that are regulated by the Commission on the assumption that OWC holds a monopoly. As to whether OWC will be forced to cease operations, commence a bankruptcy proceeding, or take other drastic action, only time will tell. OWC is at present meeting its day-