Exhibit No.: _____
Witness: John R. Summers
Sponsoring Party: Joint Applicants
Case No.: Case No. WM-2015-0231

Case No. WM-2015-0231

DIRECT TESTIMONY

OF

JOHN R. SUMMERS

June 4, 2015

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Application of Ozark Shores Water Company, North Suburban Public Utility Company and Camden County Public Water Supply District Number Four for an order authorizing the Sale, Transfer and Assignment of Water Assets to Camden County Public Water Supply District Number Four and in connection therewith certain other related transactions.	)	Case No. WM-2015-0231

AFFIDAVIT OF JOHN R. SUMMERS

STATE OF KANSAS)
) ss.
COUNTY OF JOHNSON)

I, John R. Summers, of lawful age, and being duly sworn, do hereby depose and state:

1. My name is John R. Summers. I serve as a consultant to Public Water Supply District Number Four of Camden County and Ozark Shores Water Company.

2. Attached hereto and made a part hereof for all purposes is my direct testimony.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.

John R. Summers

Subscribed and sworn to before me, a Notary Public, this 4th day of June, 2015

CASHUNDA THOMAS
Notary Public, State of Kansas
My Appointment Expires
11/08/2017

Notary Public

My Commission expires:
11/08/2017

DIRECT TESTIMONY

OF

JOHN R. SUMMERS

CASE NO. WR-2015-0231

Q. Please state your full name and business address.

A. My name is John R. Summers. My business address is 8600 Shawnee Mission Parkway, Suite 305A, Merriam, Kansas 66202.

Q. What is the purpose of your testimony?

A. I will supply information regarding my relationship with Public Water Supply District Number Four of Camden County ("District") and Ozark Shores Water Company ("Company"). I will confirm the extent of my participation in the analysis prepared by Boone Partners LLC ("BP") relied upon by board members of Public Water Supply District Number Four of Camden County, Missouri (the "District") to determine the reasonableness of the acquisition price of the Company. Finally, I will address the issue of the District utilizing the availability fee revenue in the same manner as the Company.

Q. What is your relationship with the District and the Company?

A. From September 2002 through June 2014 I was employed as the General Manager for the District and served as the de facto General Manager for the Company as well as Lake Region Water & Sewer Company.

Q. Were you hired as a consultant to facilitate the fair market valuation of certain assets of the Company and RPS Properties that are currently the

subject of Cause No. WM-2015-0231 before the Missouri Public Service Commission ("Commission")?

A. No. When I retired from the District effective June 30, 2014 I was asked and agreed to provide ongoing support to all three entities as a consultant.

Q. What does the ongoing support entail?

A. I attend the monthly Board meetings of the District and counsel the accountant and current General Manager in the areas of accounting and general operations. My primary function is to grant the existing staff and board access to my knowledge gained over many years. I first began working in the utility industry in 1978 and have been involved with electric, gas, water, sewer and telecommunications including mergers and acquisitions.

Q. How did you get so involved in the current transaction?

A. I was the General Manager in 2007-2008 when the District and the Company first negotiated a possible transaction and was the liaison between Stann Financial and the District providing information to Stann Financial. The board asked me to handle the same role in this transaction and I agreed. The Company asked me to participate in the filing before the Commission due to my experience in cases before it.

Q. Why wasn't Stann Financial engaged to handle this transaction?

A. The Board did instruct me to contact Ted Stann who told me they were no longer handling this type work due to the success of other ventures. He suggested I contact Les Krone of A.G. Edwards who had recommended them to see if he could assist in finding another consultant.

Q. Did you contact Mr. Krone?

A. The contact was actually made by Board member Thompson. Mr. Krone could not directly assist the District but recommended they contact Daniel Schaub. Mr. Thompson and I did contact Mr. Schaub and his partner Charles Forrest via conference call and explained what the Board wished them to do, later memorialized in an engagement letter attached hereto as Exhibit 1.

Q. Why is the engagement letter in the name of Boone Partners LLC ("BP")?

A. Mr. Schaub told Mr. Thompson and me that he and a few colleagues with the expertise we were seeking had formed a partnership and he would like to involve them through the partnership. The Board agreed as noted above.

Q. What was your involvement with BP during their valuation process?

A. I was chosen by the District's Board of Directors to serve as liaison between the District and BP to provide information on the Company and the transaction.

Q. What type of information did you provide BP?

A. I provided financial information on the Company from 2011 through October 2014 as well as the information provided to the District Board by Stann Financial who had provided a valuation of the proposed transaction in 2008.

Q. Did you provide other information to BP?

A. Yes, I provided an email from Mr. Dustin Keilbey of Midwest Coating Consultants, Inc. regarding the condition of the paint on the Company's elevated storage tank. This email was the basis for the purchase price holdback of $52,781 negotiated by the District and set forth in ¶2.1.1 of the Asset Purchase Agreement. I have attached the email and attachment as Exhibit 2.

Q. Were you involved in drafting and/or preparing the BP report?

A. No, I was not.

Q. Did you participate in any manner in the financial analysis carried out by BP?

A. No, I did not.

Q. Did you provide BP with a price "target" or otherwise instruct them to find a specific value range for the assets of the Company?

A. No, I did not.

Q. Is the report previously provided to the Commission the only report that was generated by BP?

A. Yes, to the best of my knowledge and belief.

Q. Were there any omissions of any previous reports or findings of Boone Partners regarding the fair market valuation of the assets at issue in the proceeding?

A. No, to the best of my knowledge and belief.

Q. Was the report supplied to the Commission fully complete and accurate?

A. Yes, to the best of my knowledge and belief.

Q. Does the District intend to continue the collection of availability fees?

A. Yes. Availability fees have been included as part of the Company's rate structure in one form or another by the Commission since its original certificate case in 1972. The fees were most recently included as revenue for the current rates made effective in 1998.

Q. What would happen if the District chose not to continue collecting the availability fees?

A. The effect on the District would be very similar to the effect on the Company, i.e., the revenue would need to be replaced by revenue from other sources to cover the cost of operations.

Q. Could the District operate without the availability fees?

A. Yes. The District has authority to change the rate design for the Company to eliminate the availability fees.

Q. Please explain.

A. Historically, the Commission has used the availability fee revenue from the vacant lots to subsidize the operation of the Company and keep the water rates lower for those customers actually receiving water service. The District has the authority to change the rate design to collect the same revenue through charges to those customers actually receiving water service.

Q. Has the District discussed this approach?

A. Yes. However the District believes the prudent approach is to the leave the current rate structures set by the Commission in place for at least the near future and make any future changes gradually.

Q. Do you believe the elimination of the availability fees would be detrimental to the public?

A. No, the District would still collect the same amount of revenue. However, 100% of the revenue would come from the customers actually receiving water service. The Company believes this is the appropriate rate design and made a written offer

to the Commission in 2009 to eliminate the availability fees. A copy of the letter is attached hereto as Exhibit 3.

Q. Does the District have authority to charge the availability fees?

A. Not per the same authority as the Company.

Q. What authority does the District have?

A. The District has the authority to pass its own ordinance setting forth a fee on the vacant lots to replace the revenue currently generated by revenue arising from the restrictive covenants on the land.

Q. Are the District Board members cognizant of potential rate impacts to the Company's current customers?

A. Absolutely, four of the existing five board members are current Ozark Shores Water Company customers as am I.

Q. Does the District anticipate raising the rates of its customers, current or proposed, in connection with this transaction?

A. No, the District anticipates keeping its current rate schedules and adopting the rate schedules set in place by the Commission in 1998.

Q. Does this conclude your testimony?

A. Yes, it does.

BOONEPARTNERS
Imagine | Evaluate | Implement

Boone Partners, LLC
1734 Clarkson Road, Suite 270
Chesterfield, Missouri 63017

November 24, 2014

Personal and Confidential
John R. Summers
Camden County PWSD #4
P.O. Box 9
Lake Ozark, MO 65049

RE: Camden County PWSD #4 Engagement Letter

Dear John,

Thank you for the opportunity to assist you in this matter. The purpose of this letter is to document our understanding of the professional services to be provided to Camden County PWSD #4 ("CCPWSD") by Boone Partners, LLC ("Boone"). The following paragraphs outline the terms and conditions of our Engagement.

NATURE, PURPOSE AND OBJECTIVE

It is understood CCPWSD desires to acquire certain assets of the Ozark Shores Water Company (the "Acquisition"). This Engagement will be performed solely to provide CCPWSD with a financial analysis detailing various purchase prices and financing scenarios. This financial analysis will be provided solely for the purpose of allowing the CCPWSD Board to reach a decision whether to proceed with the Acquisition.

SCOPE OF THE ENGAGEMENT

It is agreed that the scope of our Engagement is limited to the examination of financial statements of CCPWSD and Ozark Shores Water Company provided by CCPWSD (collectively referred to herein as the "Financial Statements"). The Financial Statements will serve as the basis for the financial analysis conducted under this Engagement.

Our responsibility is limited to providing information to the CCPWSD Board with (i) differing valuation methods of the said targeted acquisition based on historic and current market conditions and (ii) different financing assumptions based on current interest rates and market conditions for the Board consideration in arriving at their final decision in regards to the Acquisition.

CCPWSD is responsible for the accuracy and completeness of the information contained in the Financial Statements. This Engagement is not intended (i) to be an audit of the accuracy, completeness or validity of the Financial Statements, (ii) to express an opinion on the internal controls or existing auditing programs or (iii) to express a legal opinion on the validity or enforceability of the sale.

ENGAGEMENT REPORT

The findings and observations of this Engagement will be expressed in a written Engagement Report (the "Report").

The Report will include findings, observations and opinions related to (i) the Financial Statements, (ii) possible terms sought from targeted party, and (iii) the financial obligations the CCPWSD Board will be assuming.

The Report may also include (i) the scope of our financial analysis based on the Financial Statements provided, (ii) a discussion of Risk Factors, and (iii) disclosure of Assumptions and Limiting Conditions relevant to restrictions or limitations in the scope of our analysis or the Financial Statements available for examination and review.

TIMING OF COMPLETION

Boone will begin work on the Engagement at a mutually agreed upon date and expect to complete the engagement within three (3) weeks of the CCPWSD Board providing the Financial Statements. If it appears at any time that the completion date will vary materially from the estimated timeframe, Boone will notify you immediately. Completion and issuance of the Engagement Report is subject to receipt of final execution copies of the Financial Statements.

USE OF EMAIL

In connection with this Engagement, Boone may communicate with you via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

FEE AND BILLING

The fee for this Engagement will be $21,000.00. We would expect to receive $6,000.00 of this fee at signing of this Engagement Letter and as work begins. The $6,000.00 will be credited against the total $21,000 Fee payable upon issuance of the final Engagement Report. A separate Engagement Letter and Scope of Engagement would be created should CCPWSD #4 request additional work beyond the Scope of this Engagement and Engagement Report.

Payment of our professional fees and expenses is not contingent upon our findings or on the outcome of any action.

Fees are payable upon receipt of invoice in U.S. dollars. If, at any time, it appears that the fee will vary materially from this estimate, Boone will notify you before proceeding. If invoice is not paid on a timely basis, Boone reserves the right to charge interest on the unpaid balance.

All outstanding fees must be paid prior to the release of the final report.

Fees for any services that may be required defending our report in litigation, including, but not limited to, conferences, depositions, court appearances, and testimony if required, will be deemed to be a separate engagement and will be governed by the terms and conditions of a subsequent engagement letter.

NEGOTIATED PURCHASE PHASE

Boone Partners retains the First Right to be retained, subject to both Boone Partners and CCPWSD #4 coming to agreement for this added service at the time, to assist in negotiating the purchase of Ozark Shores on behalf of CCPWSD #4. Such agreement will be documented in a separate Engagement Letter and for a separate and agreed upon compensation arrangement.

cbf 12/12/14
TM 12/12/14

CONFIDENTIALITY

We agree for the duration of this agreement to hold in strict confidentiality all proprietary information provided by you in connection with this project and not to share any confidential information with persons outside our firm that are not involved in this Engagement.

Findings, observations and opinions expressed for this Engagement may not be disseminated to third parties other than in conjunction with the stated purpose by any means without Boone's prior written consent and approval.

Boone acknowledges that the Financial Statements may contain certain confidential information (the "Confidential Information") and agrees that the Confidential Information will be held in strict confidence and will be used solely to perform the Engagement. We agree no press release or public

announcement relating to the subject matter of this Engagement. This CONFIDENTIALLY section shall survive any expiration, termination or rescission of this Engagement.

REPRESENTATIONS / DISCLAIMER

The services provided by Boone under this Engagement are provided without regard to specific investment objectives, financial situation, or particular needs and are not to be construed as investment advice or a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not necessarily a guide to future results. Boone represents information provided in conjunction with this Engagement has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of any information or statements, assertions, and opinions provided in conjunction with the Engagement. Statements, assertions and opinions expressed constitute judgments as of their date and, along with other information provided, are subject to change without notice.

Boone does not make any other representations or warranties, express or implied, or arising out of course of performance, custom, industry standard, or usage in trade, including, but not limited to, the implied warranties of title, merchantability and fitness for a particular purpose, as well as claims of infringement and other intellectual property or proprietary rights.

LIMITATION OF LIABILITY

In no event shall Boone be liable to CCPWSD #4, regardless of the form of a cause of action whether in contract, tort or under a statute, including, but not limited to, negligence or strict liability, for damages in excess of the total fees paid for this Engagement. To the extent permitted by applicable law, in no event will Boone be responsible or liable for any special, indirect, incidental, consequential or punitive damages or other damages of any kind, including, but not limited to, loss of data, loss of use, loss of profits, invasion of privacy, or the like, even if Boone has been advised in advance of the possibility of such loss or damages.

INDEMNIFICATION

CCPWSD agrees to indemnify and hold harmless Boone, and its directors, officers, employees and agents, and defend any action brought against Boone, with respect to any claim, demand, cause of action, debt, cost, loss, damages, expense (including reasonable attorneys' fees) or liability, as incurred, arising, directly or indirectly, from client's use of, or inability to use, any information or statements, assertions, and opinions provided in conjunction with the services provided under this Engagement, in whole or in part. CCPWSD shall not have the authority to make any admission of liability on behalf of Boone without Boone's prior written consent. The foregoing defense and payment is subject to Boone promptly notifying CCPWSD of any such claim, allowing CCPWSD to have sole control of the defense and settlement thereof and cooperating with CCPWSD as CCPWSD may reasonably request in connection therewith, and comprises CCPWSD #4' sole

obligation and liability (and Boone's sole remedy) with respect to any such claim. This indemnification section shall survive the expiration, termination or rescission of this Engagement.

ACCEPTANCE

This Engagement Letter is contractual in nature, and includes all of the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you in agreement the foregoing terms shall govern this Engagement, please sign this letter in the space provided below and return the original signed letter to me, keeping a fully-executed copy for your records.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date set forth below and represents and warrants to the other that it is legally free to enter this Agreement and that its execution has been duly authorized.

ACCEPTED AND AGREED

BOONE PARTNERS, LLC
("Boone")

By: Charles T. Forrest (Electronic Signature)

Name: Charles T. Forrest

Title: Partner

Date: November 24, 2014

CAMDEN COUNTY PWSD #4
("CCPWSD #4")

By: T. Randall Thomson

Name: T. RANDALL THOMSON

Title: VICE PRESIDENT

Date: 11/24/14

John R Summers

From: Keilbey, Dustin <dkeilbey@tnemec.com>
Sent: Thursday, June 6, 2013 9:37 AM
To: jrsummers@lakeozarks.com
Subject: Carol Road Tank Spec
Attachments: Camden County PWSD #4 Spheroid Spec.doc; _Certification_.htm

John,
Thanks again for taking the time for me to come look at your tank. As we spoke about at the site, your tank is in pretty good candidate for over coating because it has low mils and very little rust on the exterior. After running the sample chips through our analytical department we have found the top coat to be acrylic polyurethane. You will see in my attached specification, I recommend power washing the entire tank and power tool cleaning any rusted areas. Then spot prime with a surface tolerant epoxy (Tnemec Series 135), a full prime coat with a water based epoxy (Tnemec Series 27WB) and then topcoat the entire exterior surface with a polyurethane (Tnemec Series 740). When would you be planning to put this tank out to bid? Please let me know if you have any questions or concerns, thanks again.

Dustin Keilbey - *Coating Consultant*
Midwest Coating Consultants, Inc
Independent Representative of Tnemec Company Incorporated
2003 Fayette Street - N. Kansas City, Mo 64116
Tel:816-474-1616 Cell:816-806-6356 Fax: 816-474-5656
dkeilbey@tnemec.com - www.tnemec.com/mwcc
NACE Coating Inspector Level 1 - Certified, Cert. No. 229445

SECTION 09970 - WATER TANK COATING SYSTEMS

PART 1 GENERAL

1.01 SUMMARY

A. Section Includes:
1. Work under this section consists of surface preparation, priming and painting necessary to complete work.
2. Use coating systems specified in this section to finish all water tank components, unless otherwise indicated. Without restricting volume or generality, work to be performed under this section may include, but is not limited to:
   a. Exterior steel
   b. Interior steel

1.02 REFERENCES

A. Publications listed herein are part of this specification to extent referenced.

B. American Society for Testing and Materials:
1. ASTM D16 Terminology Relating to Paint, Varnish, Lacquer, and Related Products
2. ASTM D3359 Test Method for Measuring Adhesion by Tape Test
3. ASTM D4263 Test Method for Indicating Moisture in Concrete by the Plastic Sheet Method.
4. ASTM D4541 Test Method for Pull Off Strength of Coatings Using Portable Adhesion-Testers
5. ASTM D1005 Test for determining dry film thickness
6. ASTM D4417 Test for determining surface profile

C. The Society for Protective Coatings:
1. SSPC-SP1 Specification for Solvent Cleaning
2. SSPC-SP2 Specification for Hand Tool Cleaning
3. SSPC-SP3 Specification for Power Tool Cleaning
4. SSPC-SP5 Specification for White Metal Blast Cleaning
5. SSPC-SP6 Specification for Commercial Blast Cleaning
6. SSPC-SP7 Specification for Brush-Off Blast Cleaning
7. SSPC-SP10 Specification for Near White Metal Blast Cleaning
8. SSPC-SP11 Specification for Power Tool Cleaning to Bare Metal
9. SSPC-PA1 Painting Application Specification
10. SSPC-PA2 Measurement of Dry Paint Thickness with Magnetic Gages
11. SSPC-SP12 Water Jetting

1.03 DEFINITIONS

A. Terms PAINT shall in a general sense have reference to, zinc primers, latex, polyurethane and epoxy type coatings and application of these materials.

B. DRY FILM THICKNESS (DFT): Thickness, measured in mils (1/1000 inch), of a coat of paint in cured state.

1.04 SUBMITTALS

A. Product Data:
   1. Submit manufacturer's literature describing products to be provided, giving manufacturer's name, product name, and product line number for each material.
   2. Submit technical data sheets for each coating, giving descriptive data, curing times, mixing, thinning, and application requirements.
   3. Submit color charts showing manufacturer's full range of standard colors.

B. Quality Assurance Submittals:
   1. Certificates:
      a. Provide manufacturer's certification that products to be used comply with specified requirements and are suitable for intended application.
      b. Submit listing of not less than 5 of applicator's most recent applications representing similar scope and complexity to Project requirements. List shall include information as follows:
         i) Project name and address
         ii) Name of owner
         iii) Name of contractor
         iv) Name of engineer
         v) Date of completion
         vi)
   2. Manufacturer's Instructions:
      a. Submit manufacturer's installation procedures, if not on product data sheets, which shall be basis for accepting or rejecting actual installation procedures.

1.05 QUALITY ASSURANCE

A. Qualifications:
   1. Provide products from a company specializing in manufacture of coatings with a minimum of 10 years experience.
   2. Applicator shall be trained in application techniques and procedures of coating materials and shall demonstrate a minimum of 2 years successful experience in such application.
      a. Maintain, throughout duration of application, a crew of painters who are fully qualified.

3. Single Source Responsibility:
    a. Materials shall be products of a single manufacturer.
    b. Provide secondary materials, which are produced or are specifically recommended by coating system manufacturer to ensure compatibility of system.

B. Pre-Installation Meeting:
1. Schedule a meeting to be held on-site before field application of coating systems begins.
2. Meeting shall be attended by Contractor, Owner's representative, Engineer, Coating Applicators, and Manufacturer's representative.
3. Topics to be discussed at meeting shall include:
    a. A review of Contract Documents shall be made and deviations or differences shall be resolved.
    b. Review items such as environmental conditions, surface conditions, surface preparation, application procedures, and protection following application.
    c. Establish which areas on-site will be available for use as storage areas and working area.
4. Prepare and submit, to parties in attendance, a written report of pre-installation meeting. Report shall be submitted within 3 days following meeting.

1.06 DELIVERY AND STORAGE

A. Packing and Shipping:
1. Deliver products in manufacturer's original unopened containers. Each container shall have manufacturer's label, intact and legible.

2. Include on label for each container:
    a. Manufacturer's name
    b. Type of paint
    c. Manufacturer's stock number
    d. Color name and number
    e. Instructions for thinning, where applicable

B. Storage and Protection:
1. Store materials in a designated protected area, per manufacturer's printed data sheet instructions.

1.07 PROJECT CONDITIONS

A. Environmental Requirements:
1. Apply coating materials per manufacturer's printed data sheet instructions:

a. Refer to specific product data sheets for minimum surface temperature requirements. Surface temperatures shall be at least 5 degrees F (15 degrees C) above dew point and in a rising mode.
b. Provide for proper ventilation using explosion proof equipment. Allow to run 72 hours after interior coating application.
c. Adequate illumination shall be provided using explosion proof lights and equipment.
d. Atmosphere shall be free of airborne dust.

PART 2 PRODUCTS

2.01 ACCEPTABLE MANUFACTURERS

A. This specification lists specific products manufactured by Tnemec Company, Inc. of Kansas City, Missouri. Materials specified herein are cited as minimum standard of quality which will be acceptable.

B. Materials specified herein shall not preclude consideration of equivalent materials. Equivalent materials shall be submitted to Engineer for consideration and shall be made at least ten (10) days prior to the date of bids.
1. Requests for substitution shall include evidence of satisfactory past performance on water tanks.
2. Substitutions will not be considered that change number of coats or do not meet specified total dry film thickness.
3. Contractor shall state in the bid the amount of deduct to use equivalent materials to those specified.
4. Paints for interior wet applications must be listed by NSF International as certified for potable water contact in accordance with ANSI/NSF Std. 61, Section 5, Protective (Barrier) Materials.

2.02 COATING MATERIALS

COATING SYSTEMS:

Spot Prime Coating – Tnemec Series 135 Chembuild

ABRASION
METHOD: ASTM D 4060, (CS-17 Wheel, 1,000 grams load).

SYSTEM: Series 135 Chembuild applied to steel and cured 14 days at 75°F (24°C).
REQUIREMENT: No more than 122 mg average loss after 1,000 cycles. (TR1797-A)

ADHESION
METHOD: ASTM D 3359, (Method B, 5 mm Crosshatch).
SYSTEM: Series 135 Chembuild applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel which was exterior
exposed for four months until uniformly rusted, then SSPC-SP2 Hand Tool Cleaned. The coating system cured 10 days at 75°F (24°C).
REQUIREMENT: No less than a rating of 5. (TR1795)

METHOD: ASTM D 4541 (Type II, Method B).
SYSTEM: Series 135 Chembuild applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel which was exterior exposed for four months until uniformly rusted, then SSPC-SP2 Hand Tool Cleaned. The coating system cured 10 days at 75°F (24°C).
REQUIREMENT: No less than 883 psi (5.86 MPa) pull, average of three tests. (TR1794)

FLEXIBILITY & ELONGATION
METHOD: ASTM D 522, (Method A, Conical Mandrel).
SYSTEM: Series 135 Chembuild applied to SSPC-SP1 Solvent Cleaned steel and cured 10 days at 75°F (24°C).
REQUIREMENT: No less than 16 percent elongation. (TR1799)

METHOD: ASTM D 522 (Method B, Cylindrical Mandrel).
SYSTEM: Series 135 Chembuild/Series 1070 Fluoronar applied to SSPC-SP7/NACE No. 4 Brush-Off Blast Cleaned steel and cured 14 days at 75°F (24°C).
REQUIREMENT: No cracking, checking or delamination of film with 1/8" mandrel and no less than 38.2% elongation after 14 days cure, average of three tests. (TR6117)

HUMIDITY
METHOD: ASTM D 4585.
SYSTEM: Series 135 Chembuild applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured 21 days at 75°F (24°C).
REQUIREMENT: No blistering, cracking, rusting or delamination of film after 2,000 hours exposure. (TR1707-A)

IMPACT
METHOD: ASTM D 2794.
SYSTEM: Series 135 Chembuild applied to SSPC-SP1 Solvent Cleaned steel and cured 10 days at 75°F (24°C).
REQUIREMENT: No less than 28 inch-lbs (3.16 J) average, direct impact. (TR1798)

MOISTURE VAPOR TRANSMISSION
METHOD: ASTM D 1653.
SYSTEM: Series 135 Chembuild cured seven days at 75°F (24°C).

REQUIREMENT: No more than 23.4 g/m² per 24 hours moisture vapor transmission and no more than 0.72 perms (0.48 metric perms) water vapor permeability, average of three tests.

PROHESION
METHOD: ASTM G 85.
SYSTEM: Two coats Series 135 Chembuild applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured 14 days at 75°F (24°C).
REQUIREMENT: No rusting, cracking or blistering of film. No more than 1/16" (1.6 mm) rust creepage at scribe after 10,000 hours exposure.

SALT SPRAY (FOG)
METHOD: ASTM B 117.
SYSTEM: Two coats Series 135 Chembuild applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel which was exterior exposed for four months until uniformly rusted, then SSPC-SP2 Hand Tool Cleaned.
REQUIREMENT: No blistering, cracking, rusting or delamination of film. No rust creepage at scribe after 4,000 hours exposure.

Full Prime Coating – Tnemec Series 27WB Typoxy

ABRASION
METHOD: ASTM D 4060 (CS-17 Wheel, 1,000 gram load).
SYSTEM: Series 27WB Typoxy applied to SSPC-SP 1 Solvent Cleaned steel and cured seven days at 75°F (24°C).
REQUIREMENT: No more than 181 mg loss after 1,000 cycles, average of three tests. (TR6307)

ADHESION
METHOD: ASTM D 4541 (Type V Tester).
SYSTEM: Two coats Series 27WB Typoxy applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured 14 days at 75°F (24°C).
REQUIREMENT: No less than 1,440 psi (9.93 MPa) pull, average of three tests. (TR6309)

METHOD: ASTM D 4541 (Type V Tester).
SYSTEM: Series 90-97 Tneme-Zinc/Series 27WB Typoxy applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured seven days at 75°F (24°C).
REQUIREMENT: No less than 1,187 psi (8.18 MPa) pull, average of three tests. (TR6343)

METHOD: ASTM D 4541 (Type V Tester).
SYSTEM: Series 90-97 Tneme-Zinc/Series 27WB Typoxy/Series 1029 Enduratone applied to SSPC-SP6/NACE No. 3 Commercial Blast Cleaned steel and cured 30 days at 75°F (24°C).
REQUIREMENT: No less than 1,105 psi (7.62 MPa) pull, average of three tests. (TR6311)

CATHODIC DISBONDMENT
METHOD: ASTM G 8 (1.5 V).

SYSTEM: Series 27WB Typoxy applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured 14 days at 75°F (24°C).
REQUIREMENT: Classification Group A. No more than 0.39 inch (9.91 mm) disbonded equivalent circle diameter. (TR6308)

CYCLIC SALT FOG/UV EXPOSURE
METHOD: ASTM D 5894.
SYSTEM: Series 90-97 Tneme-Zinc/Series 27WB Typoxy/Series 1029 Enduratone applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured 30 days at 75°F (24°C).
REQUIREMENT: No blistering, cracking, rusting or delamination of film after 3,000 hours continuous exposure, average of three tests.

HYDROSTATIC PRESSURE RESISTANCE
METHOD: ASTM D 7088.
SYSTEM: Two coats Series 27WB Typoxy applied to SSPC-SP7/NACE No. 4, ICRI-CSP6 Brush-Off Blast Cleaned concrete and cured 14 days at 75°F (24°C).
REQUIREMENT: No visible leakage on the face of the block and no blistering after application of 4 lbs pressure for 30 minutes.

IMMERSION
METHOD: ASTM D 870.
SYSTEM: Series 91-H2O Hydro-Zinc/Series 27WB Typoxy applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured seven days at 75°F (24°C).
REQUIREMENT: No blistering, cracking, rusting or delamination of film after 5,000 hours continuous immersion in deionized water at 140°F (60°C), average of two tests.

SALT SPRAY (FOG)
METHOD: ASTM B 117.
SYSTEM: Series 27WB Typoxy applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured seven days at 75°F (24°C).
REQUIREMENT: No blistering, cracking, rusting or delamination of film. No more than 3/16 inch rust creepage at scribe after 6,200 hours exposure.

WATER VAPOR TRANSMISSION
METHOD: ASTM D 1653 (Method B, Condition C).
SYSTEM: Series 27WB Typoxy cured 30 days at 75°F (24°C).
REQUIREMENT: No more than 4.68 g/m² per 24 h water vapor transmission and no more than 0.29 perms water vapor permeability, average of three tests.

Finish Coat- Tnemec Series 740 UVX

ABRASION
METHOD: ASTM D 4060 (CS-17 Wheel, 1,000 gram load).
SYSTEM: Two coats Series 740 UVX cured 30 days at 75°F (24°C).

REQUIREMENT: No more than 129 mg loss after 1,000 cycles, average of three tests.

ADHESION
METHOD: ASTM D 4541, (Method B, Type II Tester).
SYSTEM: Series 66 Hi-Build Epoxoline/Series 740 UVX applied to SSPC-SP6/NACE No. 3 Commercial Blast Cleaned steel and cured 14 days at 75°F (24°C).
REQUIREMENT: No less than 1,883 psi (13.0 MPa) adhesion, average of three tests. (TR6160)

METHOD: ASTM D 4541, (Method B, Type II Tester).
SYSTEM: Series L69 Hi-Build Epoxoline II/Series 740 UVX applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured seven days at 75°F (24°C).
REQUIREMENT: No less than 950 psi (6.55 MPa) pull, average of three tests. (TR6129)

METHOD: ASTM D 4541, (Method E, Type V Tester).
SYSTEM: Series 66 Hi-Build Epoxoline/Series 740 UVX applied to SSPC-SP6/NACE No. 3 Commercial Blast Cleaned steel and cured 14 days at 75°F (24°C).
REQUIREMENT: No less than 2,336 psi (16.1 MPa) adhesion, average of three tests. (TR6161)

CLEANABILITY
METHOD: MIL-PRF-85285C Section 4.6.13.
SYSTEM: Series 66 Hi-Build Epoxoline/Series 740 UVX cured 30 days at 75°F (24°C).
REQUIREMENT: No less than 84% cleaning efficiency, average of two tests. (TR5997)

FLEXIBILITY & ELONGATION
METHOD: ASTM D 522 (Method A - Conical Mandrel).
SYSTEM: Series L69 Hi-Build Epoxoline II/Series 740 UVX applied to SSPC-SP7 Brush-Off Blast Cleaned steel and cured 30 days at 75°F (24°C).
REQUIREMENT: No less than 4% elongation, average of three tests. (TR5829)

FUNGAL/MOLD/MILDEW RESISTANCE
METHOD: ASTM D 5590.
SYSTEM: Series L69 Hi-Build Epoxoline II/Series 740 UVX applied to glass fiber filter paper and cured 14 days at 75°F (24°C).
Spore Suspensions: (1) Aspergillus niger (ATTC 6275) and Penicillium funiculosum (ATTC 11797) and (2) Auerobasidium pullutans (ATTC 9348).
REQUIREMENT: No fungal or algal growth after 4 weeks exposure.

HARDNESS
METHOD: ASTM D 3363.
SYSTEM: Series L69 Hi-Build Epoxoline II/Series 740 UVX applied to SSPC-SP7/NACE No. 4 Brush-Off Blast Cleaned steel and cured 30 days at 75°F (24°C).
REQUIREMENT: No gouging or scratching with an HB or less pencil. (TR5830)

HUMIDITY

METHOD: ASTM D 4585.
SYSTEM: Series L69 Hi-Build Epoxoline II/Series 740 UVX applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured 14 days at 75°F (24°C).
REQUIREMENT: No blistering, cracking, rusting or delamination of film after 2,000 hours exposure. (TR5848)

QUV EXPOSURE
METHOD: ASTM D 4587 (UVA-340 bulbs, 8 hours light, 4 hours dark).
SYSTEM: Series L69 Hi-Build Epoxoline II/Series 740 UVX applied to SSPC-SP1 Solvent Cleaned aluminum and cured seven days at 75°F (24°C).
REQUIREMENT: No blistering, cracking, chalking or delamination of film. No less than 84% gloss retention, no more than 13 units gloss loss and no more than 1.31 DE00 color change after 10,000 hours exposure.

SALT SPRAY (FOG)
METHOD: ASTM B 117.
SYSTEM: Series L69 Hi-Build Epoxoline II/Series 740 UVX applied to SSPC-SP10/NACE No. 2 Near-White Metal Blast Cleaned steel and cured 14 days at 75°F (24°C).
REQUIREMENT: No blistering, cracking, rusting or delamination of film. No more than 3/16 inch rust creepage at scribe after 2,500 hours exposure.

STEEL WATER STORAGE TANKS

Exterior: 10

STEEL WATER STORAGE TANK

Exterior - Epoxy/Polyurethane

Surface Preparation: High pressure water blast all areas with a minimum 3000 - 5000 lbs. psi at the tip at a rate of 3 - 5 gallons/minute, utilizing an orbital tip and TSP detergent additive to remove chalk, loose paint and other contaminants, followed by a clean water rinse. Exterior should be clean and dry before proceeding.

All rusted, abraded and exposed steel shall be Power Tool Cleaned in accordance with SSPC-SP3. All loose paint shall be removed with the same power tools, but remaining, intact primers can be left in place. Feather all edges.

Spot Prime: Apply one coat of Tnemec Series 135 Chembuild to all bare steel surfaces. This coating shall be applied at a dry film thickness of 4.0 to 6.0 mils.

Full Prime: Appy one coat of Tnemec Series 27WB Typoxy to entire exterior surface. This coating shall be applied at a dry film thickness of 4.0 – 6.0 mils.

*Finish Coat: Apply one complete coat of Tnemec Series 740 UVX to the affected areas. This coating shall be applied at a dry film thickness of 2.0 to 3.0 mils per coat. Color shall be selected by the Engineer/Owner.

2.03 ACCESSORIES

A. Coating Application Accessories:
   1. Provide application accessories as indicated in coating manufacturer's application instructions, including but not limited to cleaning agents, etching agents, cleaning cloths, sanding materials, and clean-up materials.
   2. Material not specifically identified, but needed for proper application shall be of a quality not less than specified products.

2.04 MIXING Instructions: Specific product mixing and thinning instructions are to be found in the manufacturer's printed data sheets.

PART 3 EXECUTION

3.01 EXAMINATION

A. Site Verification of Conditions:
   1. Examine areas and conditions under which application of coating systems shall be performed for conditions that will adversely affect execution, permanence, or quality of coating system application.
   2. ASTM D4263 Test Method for Indicating Moisture in Concrete by the Plastic Sheet Method.
   3. Correct conditions detrimental to timely and proper execution of Work.
   4. Do not proceed until unsatisfactory conditions have been corrected.
   5. Commencement of installation constitutes acceptance of conditions and responsibility for satisfactory performance.

3.02 PREPARATION

A. Protection:
   1. Take precautionary measures to prevent fire hazards and spontaneous combustion. Remove empty containers from site at completion of each day's work.
   2. Provide drop cloths, shields, and other protective equipment.

3. Protect elements surrounding work from damage or disfiguration.
4. As Work proceeds, promptly remove spilled, splashed, or splattered materials from surfaces. Leave storage area neat and clean at all times.

B. Surface Preparation:

1. General Requirements:
   a. Prior to application of primer, surfaces shall be prepared to receive specified paintings system in compliance with manufacturer's recommendations and specifications of The Society of Protective Coatings as indicated in Schedule below.
   b. Surfaces to be coated shall be clean, dry and free from dust and any foreign matter which might adversely affect adhesion or appearance.
2. Ferrous Metal Surfaces:
   a. For shop primed surfaces feather edges to make touch-up areas inconspicuous. Field welds and touch-ups shall be prepared to conform to original surface preparation standards.
   b. Shop applied prime coatings which are damaged during transportation, construction or installation shall be thoroughly cleaned and touched up in field. Use repair procedures which insure complete protection of adjacent primer
   c. For surfaces not shop primed, surfaces shall be cleaned in compliance with specifications of The Society for Protective Coatings as indicated in Schedule of Coating Systems of this specification.

3.03 APPLICATION

A. General Requirements:

1. Apply coating systems in compliance with manufacturer's instructions and using application method best suited for obtaining full, uniform coverage and hide of surfaces to be coated.
   a. Work shall be implemented in compliance with applicable sections of AWWA D102 and the latest revisions thereto.
2. Apply primer, intermediate, and finish coats to comply with wet and dry film thicknesses and spreading rates for each type of material as recommended by manufacturer and in accordance with SSPC-PA2.
3. Number of coats specified shall be minimum number acceptable. Apply additional coats as needed to provide a smooth, even application.
   a. Closely adhere to re-coat times recommended by manufacturer. Allow each coat to dry thoroughly before applying next coat. Provide adequate ventilation for tank interior to carry off solvents during drying phase.
4. Employ only application equipment that is clean, properly adjusted, and in good working order, and of type recommended by coating manufacturer.

5. After surface preparation, spot primer on interior weld seams shall be brush applied.

B. Thinning: Thinning requirements for specified products are to be found in the paint manufacturer's printed data sheets and are to be strictly adhered to.

C. Disinfection and Filling of Tank:

1. Provide adequate ventilation for proper drying of paint on interior surfaces and which will remove solvent vapors.
2. Following final application, tank shall not be disinfected or filled until coating system is fully cured.
3. Refer to applicable product data sheet(s) for dry time/temperature requirements. Disinfection (if specified) shall be in compliance with AWWA C652, or as instructed by Engineer.

D. Interface with Other Work:

1. Allow a minimum of seven days curing time after application of final coat to tank interior before flushing, disinfecting or filling with water.

3.04 REPAIR/RESTORATION

A. At completion of Work, touch-up and restore finishes where damaged.

B. Defects in Finished Surfaces:

1. When stain, dirt, or undercoats show through final coat, correct defects and cover with additional coats until coating is of uniform finish, color, appearance and coverage.

C. Touch-up of minor damage shall be acceptable where result is not visibly different from surrounding surfaces. Where result is visibly different, either in color, sheen, or texture, recoat entire surface.

3.05 FIELD QUALITY CONTROL

A. Inspector's Services:

1. Documents:
   a. Review Contract Documents and applicable sections of referenced standards.
2. Field Painting Inspection:
   a. Verify cleaning operations to surfaces are to condition specified.
   b. Verify conformance of paint to specification.
   c. Check for thickness of each coating, final thickness and holidays.
   d. Check touch-up for final finish.
   e. Contractor will have both wet and dry film gauges onsite for inspector's use.
3. Reports:

a. Submit written progress reports describing inspections made and showing action taken to correct non-conforming work. Report uncorrected deviations from Contract Documents.

B. Manufacturer's Service:
1. A representative of the paint manufacturer shall be available to provide on-site technical assistance, and guidance for application of the paint system as needed.

3.06 PROTECTION

A. Protect painted areas against damage until paint system is fully cured

3.07 WASTE MANAGEMENT

A. General Requirements:
1. Place materials defined as hazardous or toxic waste in designated containers.
2. Return solvent and oil soaked rags for contaminant recovery and laundering or for proper disposal.
3. Do not dispose of paints or solvents by pouring on ground. Place in designated containers for proper disposal.

B. Containment/Disposal Requirements:
1. Surface Preparation Debris Containment:
a. When required by federal, state or local regulation, entire tank and structure shall be enclosed and surface preparation debris contained.
b. Refer to SSPC 61 Guide for Containing Debris Generated during Paint Removal Operations.
2. Disposal of Surface Preparation Debris:
a. Refer to SSPC 71 Guide for the Disposal of Lead-Contaminated Surface Preparation Debris.
b. Surface preparation debris shall be disposed of in compliance with applicable federal, state and local regulations.
3. Containment/Disposal Costs:
a. Painter shall be responsible for costs associated with containment and waste disposal that may result from execution of this Project.

3.08 ONE YEAR ANNIVERSARY INSPECTION

A. Owner shall set a date for a one year inspection.

B. Inspection will be attended by a owner's representative, engineer, and painting contractor.

C. Any deficiencies in the coatings system will be repaired at the contractor's expense.

END OF SECTION

NEWMAN, COMLEY & RUTH P.C.

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January 26, 2009

Mr. Steven C. Reed
Chief Litigation Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: Availability Fees charged by Ozark Shores Water and Sewer Company.

Dear Steve:

I shared your message of November 17, 2008 with Ozark Shores Water Company (the Company) and we have reviewed your analysis respecting whether the Company must tariff the "availability charge" applied to certain lot owners in the Four Seasons Lakesites, Inc. development at the Lake of the Ozarks. At the outset let me advise that the Company does not agree with your analysis and does not intend to submit a tariff regarding the availability charge for Missouri Public Service Commission approval.

First, requiring the Company to tariff the availability charge reverses a Commission policy that is over thirty years old. Your analysis offers no explanation why this policy should be discarded at this time in the Company's regulatory history.

The staff have been aware of Company's availability charge for three decades or longer and on the occasions when the Company has sought rate relief the staff have not insisted that the charge be tariffed. The staff quite clearly know of the revenue the Company obtains from the charge. In the Company's last rate case (Case No. WR-98-990) the revenue derived from this untariffed activity ($204,514.00 according to Accounting Schedule 6, Imhoff) was used to offset the Company's revenue requirement. Even though the staff used the revenue from the availability charge in the process of approving the Company's rates, the staff have never insisted that the charge be tariffed.

In annual reports to the Commission the Company reported the revenue which was obtained from the availability charges. However, in 2006, the Company's annual report was rejected by the Commission for the reason that revenue from unregulated operations was included. The Company was required to submit an amended annual report which omitted any accounting for the revenue from the availability charge. The Company's annual reports since that time exclude the revenue derived from the availability charge. At every level of regulation

to date, the Commission staff have regularly interpreted the availability charge as beyond the reach of Commission jurisdiction. The staff's position is supported in the law.

Second, the powers and authority of the Commission set out in Chapter 393, RSMo, are exercisable only if within the jurisdiction of the Commission which is expressed in Chapter 386. Section 386.250 provides in pertinent part:

> The jurisdiction, supervision, powers and duties of the public service commission herein created and established shall extend under this chapter:
>
> * * *
>
> (6) To the adoption of rules as are supported by evidence as to reasonableness and which prescribe the conditions of rendering *public utility service*, disconnecting or refusing to reconnect *public utility service* and billing for *public utility service*.

[emphasis supplied]

The water and sewer department staff have historically excluded the availability of water or sewer service from the classification of "public utility service." In practical fact this is true. Mere availability of water service does not constitute "service" and since the Commission lacks jurisdiction over anything but public utility "service" it cannot make rules or regulations for, or set rates for, availability of a service. As recently as February 2007, Jim Merciel testified that availability fees or "maintenance" fees are not charges for a utility service.[1] The Commission did not disagree in its report and order in that matter.[2]

Your analysis quotes from the Declarations of Covenants and Restrictions for Four Seasons Lakesites. There is an article devoted to the water and sewer system. You state in your analysis that the language of the covenants acknowledges that the availability charge is subject to the authority of the Commission. You also acknowledge that the covenants form a separate agreement between the developer and the landowner. The Commission is not a party to the covenants and restrictions. Furthermore, the covenants acknowledge that if the availability charge is not provided for in Commission approved rates, then the owner of the system may determine the rates. Whatever this separate agreement may provide for Commission involvement in the setting of rates and charges, the agreement cannot affect the jurisdiction of the Commission. It is elementary that parties cannot by agreement confer jurisdiction on the Commission. *Livingston Manor, Inc. v. Dept. of Social Services,* 809 S.W.2d 153, 156

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[1] Case No. WC-2006-0082 (consolidated with others) at Tr. 1095.

[2] "The reservation of a tap-on is not the provision of water or sewer service and does not involve a use, accommodation, product or commodity." Report and Order, *Orler v. Folsom Ridge*, Case No. WC-2006-0082 at page 58.

(Mo.App.W.D.1991) (Subject matter jurisdiction of an administrative agency cannot be enlarged or conferred by consent or agreement of the parties.)

Your conclusion that the availability charge is subject to tariffing, and thus the approval of the Commission, is premised on the erroneous assumption that "availability" of water service is synonymous with the service itself. The Commission's jurisdiction does not reach bare availability of service or how a lot owner compensates a developer/system owner for availability.

Ozark Shores does not favor a protracted dispute about regulation of the availability fee. I have been authorized to suggest a means of resolving these issues. As I mentioned earlier, in the Company's last rate case the staff reduced the Company's revenue requirement by the amount received from the untariffed availability charge. To resolve these issues, Ozarks Shores will voluntarily stop charging the availability fee if: 1) the Commission restores the revenue derived from that charge to the Company's revenue requirement, and approves rates adjusted accordingly; and 2) the shift in the revenue does not trigger a rate case. If a rate case is necessary to recognize the revenue from the availability charge as part of the Company's revenue requirement, the Company would withdraw the offer.

I look forward to hearing from you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By: /s/ Mark W. Comley

Mark W. Comley
comleym@ncrpc.com

MWC:ab
bc: John Summers