

# STATE OF MISSOURI



Robin Carnahan  
Secretary of State

## CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

**CANYON TREATMENT FACILITY, LLC**  
**LC0835908**

was created under the laws of this State on the 14th day of August, 2007, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 15th day of January, 2010

*Robin Carnahan*

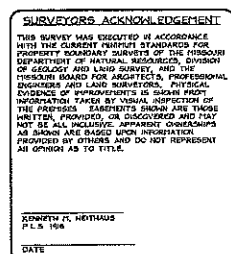
Secretary of State



Certification Number: 12443425-1 Reference:  
Verify this certificate online at <http://www.sos.mo.gov/businessentity/verification>

Exhibit 1

Location map showing the area to be certified, bounded by T22N, T23N, R22W, and R23W. The area is shaded and labeled "AREA TO BE CERTIFIED". It is bounded by the "STONEY HOLLOW ROAD" to the east. The map includes a north arrow and a scale bar indicating 1" = 3000'.



BEARINGS BASED ON GRID NORTH AS  
ESTABLISHED BY MISSOURI COORDINATE  
SYSTEM OF 1983, CENTRAL ZONE

**HEI**

541-335-2200 ext. 201  
541-335-2201  
541-335-2202  
FAX 541-335-2203  
10000 NE 28th St.  
Portland, OR 97219

Representative office of Heithaus Engineering & Assoc., Inc. a corporation of the State of Oregon. The principal office of Heithaus Engineering & Assoc., Inc. is located at 10000 NE 28th St., Portland, OR 97219. The principal office of Heithaus Engineering & Assoc., Inc. is located at 10000 NE 28th St., Portland, OR 97219.

**Heithaus Engineering & Assoc., Inc.**

[illegible]

CANYON TREATMENT FACILITY, LLC  
DESCRIPTION OF AREA TO BE CERTIFIED

BOUNDARY DESCRIPTION:

A PART OF SECTIONS 4 AND 5 OF TOWNSHIP 22 NORTH, RANGE 22 WEST AND A PART OF SECTION 33, TOWNSHIP 23 NORTH, RANGE 22 WEST OF THE 5TH PRINCIPLE MERIDIAN BEING MORE PARTICULARLY DESCRIBED AS:

BEGINNING AT A THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 4 (CORPS OF ENGINEERS MONUMENT # 205-1-13);

THENCE ALONG THE CORPS OF ENGINEER'S TABLE ROCK LAKE GOVERNMENT FEE TAKE LINE (G.F.T.L.)

THE FOLLOWING NINE (9) COURSES:

- 1) N 88°03'04" W A DISTANCE OF 625.56', TO CORPS MONUMENT #205-1-13A;
- 2) N 88°06'12" W A DISTANCE OF 194.62', TO CORPS MONUMENT #205-1-14;
- 3) S 01°50'08" W A DISTANCE OF 329.93', TO CORPS MONUMENT #205-1-15;
- 4) S 36°54'33" W A DISTANCE OF 184.66', TO CORPS MONUMENT #205-1-15A;
- 5) S 36°45'59" W A DISTANCE OF 495.95', TO CORPS MONUMENT #205-1-15B;
- 6) S 36°39'16" W A DISTANCE OF 128.14', TO CORPS MONUMENT #205-1-15C;
- 7) S 36°46'28" W A DISTANCE OF 426.77', TO CORPS MONUMENT #205-1-15D;
- 8) S 36°41'26" W A DISTANCE OF 157.69', TO CORPS MONUMENT #205-1-15E;
- 9) S 36°48'09" W A DISTANCE OF 194.46' TO THE SOUTHWESTERLY CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 2007 PAGES 24699 ON FILE IN THE STONE COUNTY RECORDER'S OFFICE;

THENCE LEAVING SAID G.F.T.L. ALONG THE PROPERTY LINES OF LAST SAID PROPERTY THE FOLLOWING FOUR (4) COURSES:

- 1) N 53°00'33" W A DISTANCE OF 333.63';
- 2) N 28°44'41" E A DISTANCE OF 198.50';
- 3) N 24°23'38" E A DISTANCE OF 160.58';
- 4) N 31°59'14" E A DISTANCE OF 47.97';

THENCE LEAVING LAST DESCRIBED BOUNDARY LINE N 52°54'44" W A DISTANCE OF 316.94' TO A POINT LYING ON THE G.F.T.L.;

THENCE ALONG SAID G.F.T.L. THE FOLLOWING TEN (10) COURSES:

- 1) N 28°26'02" E A DISTANCE OF 261.61', TO CORPS MONUMENT #205-2-2;
- 2) N 87°58'35" W A DISTANCE OF 656.06', TO CORPS MONUMENT #205-2-3 / #206-1-1;
- 3) N 02°05'31" E A DISTANCE OF 328.35', TO CORPS MONUMENT #206-1-2;
- 4) N 42°55'06" W A DISTANCE OF 467.24', TO CORPS MONUMENT #206-1-3;
- 5) N 01°53'45" E A DISTANCE OF 328.31', TO CORPS MONUMENT #206-1-4;
- 6) N 28°37'58" E A DISTANCE OF 369.58', TO CORPS MONUMENT #206-1-5;
- 7) S 88°07'48" E A DISTANCE OF 165.71', TO CORPS MONUMENT #206-1-6;
- 8) N 01°28'12" E A DISTANCE OF 327.07', TO CORPS MONUMENT #206-1-7 / #205-3-1;
- 9) N 57°38'58" E A DISTANCE OF 2367.41', TO CORPS MONUMENT #205-3-2;
- 10) N 88°06'13" W A DISTANCE OF 173.45' TO THE SOUTHWESTERLY CORNER OF LOT 1 OF THE REPLAT OF LOTS 17-24 OF THE FIRST ADDITION COMPTON RIDGE SUBDIVISION AS RECORDED IN BOOK 22 AT PAGE 100 OF THE STONE COUNTY MISSOURI RECORDER'S OFFICE.

THENCE ALONG THE WESTERLY LINE OF SAID REPLAT THE FOLLOWING FOUR (4) COURSES:

- 1) N 02°01'13" E A DISTANCE OF 60.00';

- 2) N 31°01'25" W A DISTANCE OF 66.86';
- 3) N 75°11'07" W A DISTANCE OF 44.65';
- 4) N 02°01'13" E A DISTANCE OF 89.57' TO THE SOUTHERLY RIGHT-OF-WAY LINE OF STREAMSIDE DRIVE;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING TWO (2) COURSES:

- 1) N 80°08'40" E A DISTANCE OF 21.57';
- 2) WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 30.06', WITH A RADIUS OF 183.60', WITH A CHORD BEARING OF N 75°29'47" E, WITH A CHORD LENGTH OF 30.03' TO THE NORTHERN MOST CORNER OF LOT 8 OF SAID REPLAT;

THENCE ALONG THE EASTERLY LINE OF SAID LOT 8 S 34°28'48" E A DISTANCE OF 97.57' TO THE COMMON CORNER OF SAID LOT 8 WITH LOTS 7, 9 AND 10 OF SAID REPLAT;

THENCE ALONG THE WESTERLY LINE OF SAID LOT 10, THE NORTHERLY LINE OF LOTS 10 & 11 AND THE EASTERLY LINE OF LOT 11 SAID REPLAT THE FOLLOWING FOUR (4) COURSES:

- 1) N 43°44'09" E A DISTANCE OF 121.38';
- 2) S 82°07'14" E A DISTANCE OF 92.29';
- 3) N 77°38'33" E A DISTANCE OF 97.15';
- 4) S 18°20'59" E A DISTANCE OF 116.10' TO THE SOUTHERLY MOST CORNER OF A TRACT OF LAND OWNED BY THE STONE COUNTY SEWER DISTRICT AND RECORDED IN BOOK 331, AT PAGE 1491, IN THE STONE COUNTY, MISSOURI RECORDER'S OFFICE;

THENCE ALONG THE BOUNDARY LINE OF SAID STONE COUNTY SEWER DISTRICT PROPERTY THE FOLLOWING FOUR (4) COURSES:

- 1) N 29°17'27" E A DISTANCE OF 190.42';
- 2) N 44°31'19" E A DISTANCE OF 121.70';
- 3) N 18°38'23" W A DISTANCE OF 248.03';
- 4) S 52°17'54" W A DISTANCE OF 264.51' TO A POINT ON THE EAST LINE OF LOT 15 OF SAID REPLAT;

THENCE N 18°27'29" W A DISTANCE OF 33.97' TO THE SOUTHEAST CORNER OF LOT 16 OF SAID REPLAT;

THENCE ALONG THE BOUNDARY OF SAID LOT 16 THE FOLLOWING FOUR (4) COURSES:

- 1) S 78°06'10" W A DISTANCE OF 133.29';
- 2) N 25°38'24" W A DISTANCE OF 49.18';
- 3) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 29.79', WITH A RADIUS OF 15.00', WITH A CHORD BEARING OF N 21°19'24" E, WITH A CHORD LENGTH OF 25.13';
- 4) N 78°00'00" E A DISTANCE OF 122.82' TO THE NORTHEAST CORNER OF SAID LOT 16;

THENCE N 18°45'32" W A DISTANCE OF 38.45' TO THE NORTHEAST CORNER OF LAKEWOOD ROAD RIGHT-OF-WAY;

THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES:

- 1) S 78°00'04" W A DISTANCE OF 118.95';
- 2) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 94.76', WITH A RADIUS OF 248.31', WITH A CHORD BEARING OF N 87°04'25" W, WITH A CHORD LENGTH OF 94.18';
- 3) N 74°37'32" W A DISTANCE OF 146.60';

THENCE LEAVING LAST SAID NORTHERLY RIGHT-OF-WAY N 20°48'00" W A DISTANCE OF 529.85' TO THE SOUTHERLY BOUNDARY OF COMPTON RIDGE SUBDIVISION AS RECORDED IN PLAT BOOK 3, PAGE 25, OF THE STONE COUNTY MISSOURI RECORDER'S OFFICE;

THENCE ALONG SAID SOUTHERLY BOUNDARY THE FOLLOWING SIX (6) COURSES:

- 1) N 65°44'54" E A DISTANCE OF 123.09';
- 2) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 178.70', WITH A RADIUS OF 975.97', WITH A CHORD BEARING OF N 70°27'10" E, WITH A CHORD LENGTH OF 178.45';
- 3) N 75°41'56" E A DISTANCE OF 63.16';
- 4) WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 346.85', WITH A RADIUS OF 806.62', WITH A CHORD BEARING OF N 63°22'49" E, WITH A CHORD LENGTH OF 344.18';

- 5) N 51°03'26" E A DISTANCE OF 37.70';
  - 6) WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 62.34', WITH A RADIUS OF 1315.92', WITH A CHORD BEARING OF N 49°42'00" E, WITH A CHORD LENGTH OF 62.33';
- THENCE S 38°34'22" E A DISTANCE OF 871.43';
- THENCE N 01°21'28" E A DISTANCE OF 1071.81' TO THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 2008 AT PAGE 14886;
- THENCE ALONG LAST SAID TRACT OF LAND THE FOLLOWING FIVE (5) COURSES:
- 1) N 01°13'24" E A DISTANCE OF 720.46';
  - 2) S 87°09'21" W A DISTANCE OF 38.11';
  - 3) N 02°17'22" W A DISTANCE OF 119.91';
  - 4) N 02°16'50" E A DISTANCE OF 299.32';
  - 5) N 02°31'32" E A DISTANCE OF 268.72' TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF MISSOURI STATE HIGHWAY 265;
- THENCE ALONG SAID WESTERLY RIGHT-OF-WAY THE FOLLOWING SIX (6) COURSES:
- 1) S 79°59'42" E A DISTANCE OF 48.47';
  - 2) S 74°17'44" E A DISTANCE OF 118.80';
  - 3) S 53°58'21" E A DISTANCE OF 28.79';
  - 4) WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 313.78', WITH A RADIUS OF 533.69', WITH A CHORD BEARING OF S 57°27'08" E, WITH A CHORD LENGTH OF 309.28';
  - 5) S 40°36'31" E A DISTANCE OF 232.32';
  - 6) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 142.27', WITH A RADIUS OF 1106.28', WITH A CHORD BEARING OF S 36°55'24" E, WITH A CHORD LENGTH OF 142.17' TO THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK 330 AT PAGE 1006;
- THENCE ALONG LAST SAID TRACT OF LAND THE FOLLOWING THREE (3) COURSES:
- 1) S 57°33'34" W A DISTANCE OF 228.45';
  - 2) S 28°19'45" E A DISTANCE OF 150.37';
  - 3) N 72°57'01" E A DISTANCE OF 230.15' TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF SAID MISSOURI STATE HIGHWAY 265;
- THENCE ALONG SAID WESTERLY RIGHT-OF-WAY THE FOLLOWING FIFTEEN (15) COURSES:
- 1) WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 137.67', WITH A RADIUS OF 1106.28', WITH A CHORD BEARING OF S 18°41'21" E, WITH A CHORD LENGTH OF 137.58';
  - 2) S 15°07'27" E A DISTANCE OF 334.80';
  - 3) WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 319.91', WITH A RADIUS OF 450.28', WITH A CHORD BEARING OF S 35°28'27" E, WITH A CHORD LENGTH OF 313.22';
  - 4) S 55°49'27" E A DISTANCE OF 149.40';
  - 5) S 47°17'26" E A DISTANCE OF 118.80';
  - 6) WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 525.01', WITH A RADIUS OF 518.69', WITH A CHORD BEARING OF S 32°35'57" E, WITH A CHORD LENGTH OF 502.88';
  - 7) S 07°54'04" E A DISTANCE OF 200.36';
  - 8) WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 365.84', WITH A RADIUS OF 1472.69', WITH A CHORD BEARING OF S 10°43'24" E, WITH A CHORD LENGTH OF 364.90';
  - 9) S 17°50'27" E A DISTANCE OF 204.89';
  - 10) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 254.87', WITH A RADIUS OF 675.00', WITH A CHORD BEARING OF S 05°38'46" E, WITH A CHORD LENGTH OF 253.36';
  - 11) S 03°30'10" W A DISTANCE OF 708.57';
  - 12) S 02°36'37" W A DISTANCE OF 19.20';
  - 13) S 03°39'00" W A DISTANCE OF 30.12';

14) WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 715.52', WITH A RADIUS OF 756.78', WITH A CHORD BEARING OF S 23°26'10" E, WITH A CHORD LENGTH OF 689.16';

15) S 50°31'19" E A DISTANCE OF 536.66' TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY OF STORMY POINT ROAD;

THENCE ALONG SAID NORTHWESTERLY RIGHT-OF-WAY THE FOLLOWING TWENTY-FIVE (25) COURSES:

1) S 37°42'53" W A DISTANCE OF 222.99';

2) WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 141.69', WITH A RADIUS OF 952.29', WITH A CHORD BEARING OF S 36°04'24" W, WITH A CHORD LENGTH OF 141.56';

3) S 33°19'24" W A DISTANCE OF 137.49';

4) N 39°50'34" W A DISTANCE OF 5.00';

5) S 33°45'20" W A DISTANCE OF 28.42';

6) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 99.47', WITH A RADIUS OF 1099.62', WITH A CHORD BEARING OF S 35°54'54" W, WITH A CHORD LENGTH OF 99.44';

7) S 42°42'27" W A DISTANCE OF 124.60';

8) S 50°15'55" W A DISTANCE OF 203.70';

9) S 53°24'24" W A DISTANCE OF 246.08';

10) WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 116.34', WITH A RADIUS OF 130.00', WITH A CHORD BEARING OF S 27°46'08" W, WITH A CHORD LENGTH OF 112.50';

11) S 02°07'51" W A DISTANCE OF 8.96';

12) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 292.60', WITH A RADIUS OF 189.61', WITH A CHORD BEARING OF S 46°20'20" W, WITH A CHORD LENGTH OF 264.42';

13) N 89°27'11" W A DISTANCE OF 219.80';

14) WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 387.47', WITH A RADIUS OF 577.45', WITH A CHORD BEARING OF S 71°19'26" W, WITH A CHORD LENGTH OF 380.25';

15) S 52°06'03" W A DISTANCE OF 15.93';

16) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 83.48', WITH A RADIUS OF 242.05', WITH A CHORD BEARING OF S 61°47'27" W, WITH A CHORD LENGTH OF 83.07';

17) S 71°51'45" W A DISTANCE OF 74.79';

18) WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 291.70', WITH A RADIUS OF 820.00', WITH A CHORD BEARING OF S 61°40'18" W, WITH A CHORD LENGTH OF 290.16';

19) S 51°28'51" W A DISTANCE OF 47.30';

20) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 51.37', WITH A RADIUS OF 152.00', WITH A CHORD BEARING OF S 61°09'42" W, WITH A CHORD LENGTH OF 51.12';

21) S 70°50'33" W A DISTANCE OF 167.14';

22) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 104.59', WITH A RADIUS OF 184.86', WITH A CHORD BEARING OF S 87°02'21" W, WITH A CHORD LENGTH OF 103.20';

23) N 70°18'28" W A DISTANCE OF 38.79';

24) N 75°12'24" W A DISTANCE OF 114.77';

25) WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 42.19', WITH A RADIUS OF 75.00', WITH A CHORD BEARING OF N 59°05'34" W, WITH A CHORD LENGTH OF 41.63';

THENCE S 47°01'17" W A DISTANCE OF 40.00' TO THE BOUNDARY OF A TRACT OF LAND DESCRIBED IN BOOK 2008 AT PAGE 1934;

THENCE ALONG LAST SAID TRACT OF LAND THE FOLLOWING FOUR (4) COURSES:

1) WITH A NON-TANGENT CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 30.11', WITH A RADIUS OF 90.00', WITH A CHORD BEARING OF S 33°55'28" W, WITH A CHORD LENGTH OF 29.97';

2) N 88°28'19" W A DISTANCE OF 279.76', TO CORPS MONUMENT #205-1-10A;

3) N 20°22'29" E A DISTANCE OF 426.82', TO CORPS MONUMENT #205-1-11;

4) S 88°28'19" E A DISTANCE OF 133.88';

THENCE CONTINUING S 88°28'19" E A DISTANCE OF 40.17' TO THE EASTERLY RIGHT-OF-WAY OF SAID STORMY POINT ROAD;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY N 03°41'06" W A DISTANCE OF 103.74' TO A POINT OF INTERSECTION WITH THE G.F.T.L.;

THENCE ALONG SAID G.F.T.L. N 01°54'43" E A DISTANCE OF 225.18' WHICH IS THE POINT OF BEGINNING,

EXCEPT LOTS 1-16, 21, 22 & 27-30, STONEBRIDGE ESTATES SUBDIVISION A REPLAT OF LONGVIEW ESTATES SECOND ADDITION, RECORDED IN PLAT BOOK 35, PAGE 48, STONE COUNTY, MISSOURI.

ALSO EXCEPT THE PROPERTIES DESCRIBED IN: DEED BOOK 256, PAGE 458; DEED BOOK 2009, PAGE 2038; DEED BOOK 479, PAGE 645; DEED BOOK 2007, PAGE 15306; DEED BOOK 2009, PAGE 487; DEED BOOK 441, PAGE 702, ON FILE IN THE STONE COUNTY, MISSOURI, RECORDER'S OFFICE.

HAVING AN AREA OF (EXCLUDING EXCEPTIONS) 15,976,544 SQUARE FEET, 366.8 ACRES, MORE OR LESS, AND SUBJECT TO ALL EASEMENTS AND/OR RIGHTS-OF-WAY.

## EXHIBIT 4

### Residence and /or Landowners

Celebration Cove  
Tom D'Alessandro  
106 Celebration Cove Circle  
Branson MO 65616

Karen Stowe  
588 Canyon Parkway  
Branson MO 65616

Festiva Resorts  
Brian Cauthern  
One Vance Gap Road  
Asheville, NC 28805

David Tague  
699 Canyon Parkway  
Branson MO 65616

Rob Hunsaker  
P O Box 195  
Hollister MO 65673

Tri Lakes Board of Realtors  
P O Box 6668  
Branson MO 65615-6668

Lakeland Development Group LLC  
2837 State Hwy 265  
Suite #3  
Branson MO 65616

Kenneth Vestal  
383 Parsons Parkway  
Branson MO 65616

Doug Manz  
103 Gregory Lane  
Branson MO 65616

VPG Partners VI, LLC  
Joshua Neally  
3179 N. Gretna Road  
Branson, MO 65616

Moore Life Ministries  
Keith Moore  
P O Box 1010  
Branson MO 65615

Royal Vista, LLC  
130 Royal Vista Drive  
Branson, MO 65616

Gary Shaver  
P O Box 1440  
Hollister MO 65673

Sammy Shrum  
51 Gregory Lane  
Branson MO 65616



**FEASIBILITY STUDY  
FOR CANYON TREATMENT FACILITY, LLC**

**January, 2010**

## 1. Introduction

This Feasibility Study was prepared by Canyon Treatment Facility, L.L.C., to provide the information needed to satisfy the requirements of the Missouri Public Service Commission's Rule 4 CSR 240-3.305(1)(A)5 and is being filed as part of an Application for Certificate of Convenience and Necessity (Application).

### The Applicant

Canyon Treatment Facility LLC (Canyon or Applicant) is a Missouri limited liability company, formed for the purpose of providing a regional solution for sewer service in an unincorporated portion of Stone County, Missouri. The area proposed to be served (proposed certificated area) is more specifically described in the map and the metes and bounds description contained in Exhibits 2 and 3, respectively, attached to the Application. Canyon proposes to acquire one and possibly two existing wastewater treatment facilities already serving portions of the proposed certificated area. Canyon proposes to expand one of these existing facilities to serve existing and future development with a design flow of 150,000 gallons per day (GPD).

## 2. Existing Wastewater Treatment Facilities

The proposed certificated area consists primarily of residential and resort properties adjacent to Table Rock Lake. Population fluctuates greatly based on peak tourism and weekly vs. weekend users. Currently there are two existing wastewater treatment facilities serving portions of the proposed certificated area. A description of the existing wastewater collection and treatment facilities is as follows:

### A. Box Canyon Watershed Wastewater Treatment Facility

Box Canyon Watershed Wastewater Treatment Facility is a recirculating gravel filter system operating under Missouri Department of Natural Resources (MDNR), Operating Permit No. MO-0129470. The wastewater treatment facility is located on approximately .81 acres of land, which is owned by Horse Trading LLC (an affiliate of Applicant). The Box Canyon Watershed Wastewater Treatment Facility is currently operated and maintained by Box Canyon Watershed Association Inc. under the continuing authority of the Stone County Sewer District No. 1. The existing wastewater treatment facility is currently permitted to serve an average daily flow of 29,715 gallons per day (GPD). There is considerable development occurring in the proposed certificated area and, as a result, there is a need to expand this existing treatment facility. In that

regard, Box Canyon Watershed Association Inc. has submitted two (2) Anti-Degregation Studies to the MDNR for expansion of the existing facility to 150,000 GPD. The first Anti-Degregation Study was for expansion of the existing treatment facility to 100,000 GPD and the second study proposes to further expand the plant to 150,000 GPD.

The collection system for this area is already constructed and there are no current plans to expand it. Existing collecting sewers are currently the property and responsibility of the various developments that they serve. In the future, however, if additional collection sewers become necessary, Canyon proposes to either construct them itself (with reimbursement from the development requesting extension of the collection sewer) or require the new development to construct the necessary collection sewers (in accordance with MoDNR and Canyon's specifications) and contribute said collecting sewers and necessary easements to Canyon.

B. Sunset Cove Wastewater Treatment Facility

The Sunset Cove Wastewater Treatment Facility is an extended aeration treatment plant that currently serves Sunset Cove condominiums, townhomes and residential properties operating under MDNR Permit No. MO-0103225. The existing wastewater treatment facility is permitted to serve an average daily flow of 20,000 GPD. There are no current plans to improve or expand the existing Sunset Cove Wastewater Treatment Facility. The collection system for the Sunset Cove area is already constructed and there are no current plans to expand it. However, should additional collection sewers become necessary in the future, Canyon would propose that new developments be responsible for the costs and/or construction of such collection sewers, as it proposes for new collection sewers for the Box Canyon Watershed Wastewater Treatment Facility.

Representatives of the Sunset Cove Condominium Owners Association have expressed interest in transferring ownership of its wastewater treatment facility and responsibility for operation and maintenance to Canyon. However, at the present time, no formal agreement has been reached.

3. Feasibility Analysis

Since the contractual terms for acquisition of the Sunset Cove Wastewater Treatment Facility have not yet been established, this Feasibility Analysis is limited to the Box Canyon Watershed area.

It is anticipated that once Canyon receives a Certificate of Convenience and Necessity from the Missouri Public Service Commission and begins operation as a sewer corporation subject to the jurisdiction of the Missouri Public Service Commission, Box Canyon Watershed Association will take the necessary steps to transfer whatever assets it owns to Canyon and cease doing business. In addition, Horse Trading LLC, which owns the land on which the Box Canyon Watershed Wastewater Treatment Facility is located, will transfer its ownership in the land and whatever rights it has to the improvements thereon (i.e., the existing treatment facility) to Canyon at no cost to Canyon.

Plans and the estimated cost of construction for improvements to and expansion of the existing Box Canyon Wastewater Treatment Facility are as follows:

Engineering	\$	215,000
Legal		25,000
Treatment Plant Construction & Installation		1,500,000
<b>TOTAL</b>	<b>\$</b>	<b>1,740,000</b>

Canyon anticipates that the proposed expansion will be able to serve an additional 500 units.

Canyon would propose to finance the costs of the improvements to and expansion of the existing Box Canyon Wastewater Treatment Facility through a one-time, connection fee of \$3,500 per unit. Canyon is anticipating that future connection fees would be sufficient to recover the total costs of the improvement of and expansion to the existing wastewater treatment facility.

### Estimated Annual Operating Expenses

Canyon estimates that its annual operating expenses for the first three (3) years of operation will be as follows:

Expense	Estimate
Grounds & Maintenance	\$500.00
Licenses & Permits	\$2,500.00
Office Supplies	\$500.00
Postage	\$500.00
Professional Fees	\$2,500.00
Repair & Maintenance	\$10,000.00
Utilities	\$18,000.00
Operator	\$45,000.00
Insurance	\$2,000.00
Chemicals	\$15,000.00
Testing	\$1,200.00
Property Taxes	\$1,000.00
Rent	\$9,600.00
MoPSC Assessment	\$10,000.00
Manager Salary	\$12,000.00
TOTAL	\$130,300.00

### Estimated Number of Customers and Proposed Rates

Canyon anticipates that the number of customers for the first three (3) years of operation will be as follows:

Year 1	230
Year 2	265
Year 3	300

### Estimated Rates

Taking the estimated projecting operating expenses, dividing by estimated number of units served at the end of this three (3) years and dividing by twelve, Canyon proposes monthly service charges/rates as follows:

Residential (homes, condominiums, time share, etc.)	\$40 per month per unit
Commercial establishments discharging sewage in amounts comparable to residential units	\$40 per month per unit
Commercial establishments discharging sewage in amounts substantially in excess of residential units (e.g., restaurants)	\$460 per month per unit

-STONE COUNTY SEWER DISTRICT NO. 1-



December 14, 2009

Canyon Treatment Facility, LLC  
P.O. Box 6232  
Branson, MO 65615

To Whom It May Concern,

As Continuing Authority, Stone County Sewer District #1, grants permission to Canyon Treatment Facility, LLC., to become a Missouri Public Service Company, to provide sewer treatment service to the area around Stormy Point Village, Royal Vista Condos, Cedar Landing, Celebration Cove, Canyon Estates, Canyon Park, New Castle, Branson Nantucket, Tri Lakes Board of Realtors, and Stormy Point Campground and others.

Sincerely,

A handwritten signature in cursive script, appearing to read "Deborah Poivre", written in dark ink.

Deborah Poivre  
Administrator

P.O. Box 925 Branson, MO 65615 (417) 338-5231