BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water Company for a Certificate of Convenience and Necessity Authorizing it to Install, Own, Acquire, Construct, Operate, Control, Manage and Maintain a Water System and Sewer System in and around the City of Garden City, Missouri	)))))))	**File No. WA-2021-0391** **File No. SA-2021-0392**

ORDER DIRECTING NOTICE

Issue Date: May 10, 2021 Effective Date: May 10, 2021

On May 7, 2021, Missouri-American Water Company (MAWC) filed the above-referenced application. The application seeks, among other things, authority for MAWC to acquire and operate the assets of a municipal water and sewer system in Garden City, Missouri.

The Commission will direct notice of the application be given to the county commission, local newspapers, and members of the General Assembly representing residents of Cass County, Missouri. The Commission will also direct notice of the application to the General Counsel for the Missouri Department of Natural Resources and will further set a deadline for interested parties to intervene.

THE COMMISSION ORDERS THAT:

1. The Commission's Data Center shall provide a copy of this order and the Application to the County Commission of Cass County, Missouri, and to the General Counsel for the Missouri Department of Natural Resources.

2. The Commission's Public Information Outreach section shall provide a copy of this order and the Application to the media serving Cass County, Missouri, and members of the General Assembly representing residents of Cass County, Missouri.

3. Any person wishing to intervene in this matter shall file an application to intervene no later than May 25, 2021. The application shall be filed in the Commission's Electronic Filing and Information System ("EFIS") or with the Secretary of the Commission. Comments on the application can also be made in EFIS.

4. This order shall be effective when issued.

BY THE COMMISSION

Morris L. Woodruff
Secretary

Ronald D. Pridgin, Regulatory Law Judge,
by delegation of authority pursuant
to Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri
on this 10th day of May, 2021.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water Company for a Certificate of Convenience and Necessity Authorizing it to Install, Own, Acquire, Construct, Operate, Control, Manage and Maintain a Water System and Sewer System in and around the City of Garden City, Missouri.	)))))))	File No. _____

APPLICATION AND MOTION FOR WAIVER

COMES NOW Missouri-American Water Company ("MAWC") pursuant to Sections 393.140, and 393.170, RSMo, and 20 CSR 4240-2.060, 20 CSR 4240-3.305, 20 CSR 20 4240-3.600, and 20 CSR 4240-4.017(1)(D), and for its *Application and Motion for Waiver*, states as follows to the Missouri Public Service Commission:

BACKGROUND INFORMATION

1. This Application is being filed by MAWC to obtain a certificate of convenience and necessity to install, own, acquire, construct, operate, control, manage and maintain a water system and sewer system in and around the City of Garden City, Missouri ("Garden City") which is located in Cass County.

2. MAWC is a Missouri corporation, active and in good standing with the Missouri Secretary of State, with its principal office and place of business at 727 Craig Road, St. Louis, Missouri 63141. Pursuant to Commission regulation 20 CSR 4240-2.060(1)(G), MAWC incorporates by reference the certified copies of its articles of incorporation and its certificate of good standing previously filed in File No. WO -2020-0190.

3. MAWC currently provides water service to the public in and around the cities of St. Joseph, Joplin, Brunswick, Mexico, Warrensburg, Parkville, Riverside, Jefferson City, and

parts of Cole, St. Charles, Warren, Jefferson, Morgan, Pettis, Benton, Barry, Stone, Greene, Taney, Christian, Clay, Ray, Newton, and Platte Counties, and most all of St. Louis County, Missouri. MAWC currently provides water service to approximately 470,000 customers. MAWC provides sewer service to approximately 15,000 customers in Callaway, Jefferson, Pettis, Cole, Morgan, Platte, Taney, Stone, Christian, St. Louis, Clinton, Clay, Ray, and Warren Counties, Missouri. MAWC is a "water corporation," a "sewer corporation" and a "public utility" as those terms are defined in Section 386.020 and is subject to the jurisdiction and supervision of the Commission as provided by law. MAWC has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against MAWC from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Application.

4. Communications respecting this Application should be addressed to the undersigned counsel and:

Ms. Nikki Pacific
Manager Business Development - Proposal and Integration
Missouri-American Water Company
727 Craig Road
Creve Coeur, Missouri 63021
Direct Dial 314-996-2215
Nikki.pacific@amwater.com

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

5. MAWC proposes to purchase substantially all of the water and sewer assets of Garden City, Missouri, and requests permission, approval and a CCN to own, acquire, construct, operate, control, manage and maintain the water and sewer systems for the public in an area in and around Garden City, Missouri.

6. To provide service to the proposed area, MAWC will purchase the water and sewer systems from Garden City. Garden City is a Fourth-Class City located in Cass County. Garden

City serves about 611 water accounts and 655 sewer accounts. The City of Garden City has a population of approximately 1600.

7. The Garden City water system consists of one surface water treatment plant, two elevated storage tanks, two lakes for water source and twenty miles of distribution piping. The sewer system consists of a three-cell lagoon system, three lift stations and fourteen miles of collection system.

8. On August 24, 2020, the Garden City Board of Aldermen passed Ordinance No. 2020-742, *An Ordinance Submitting To The Qualified Voters Of The City Of Garden City A Question Concerning The Sale Of City Water and Wastewater Utilities ("Ordinance").* A copy of the *Ordinance* and the *Board of Alderman Minutes for August 24, 2020* are attached hereto as **Appendix A.** The *Ordinance* provided notice of an election to be held on November 3, 2020, to vote on Proposition S - whether the water and wastewater utility owned by the City of Garden City should be sold. The question on the ballot was as follows:

> ***Proposition S***
> ***Shall the City of Garden City be authorized to sell its Water and Wastewater (sewer) Utilities to Missouri American Water for the sum of $3,000,000.00 (Three Million Dollars)?***

9. There were virtual Town Hall Meetings held on September 23, 2020, and October 27, 2020, to discuss the proposed sale. MAWC representatives attended the virtual Town Hall Meetings and were available to answer any questions. Notifications of the Town Hall Meetings sent to the residents are attached hereto as **Appendix B.** The election was held on November 3, 2020, with over 86% of the votes in favor of Proposition S. There were 836 total votes cast with regard to Proposition S, of which 726 voted "yes" and 110 voted "no".

10. On March 2, 2021, MAWC entered into a *Purchase Agreement* with Garden City. A copy of the *Purchase Agreement* is attached as **Appendix C.** The schedules and exhibits to

the *Purchase Agreement* have not been created at this time. In most cases, they are prepared if, and when, approval is received from the Commission to proceed with the transaction since these items are part of the closing process.

11. MAWC proposes to purchase all the water and sewer utility assets of Garden City, as specifically described in, and under the terms and provisions of the *Purchase Agreement.* A description of the area sought to be certificated is the "City of Garden City, and the surrounding area." A legal description of the area sought to be certified is attached as **Appendix D**. A map of the area sought to be certified is attached to this Application as **Appendix E**. MAWC proposes that the area to be certificated for water and sewer service be described as: "The City of Garden City and thesurrounding area."

12. Attached hereto and marked as **Appendix F-C** is a list of ten residents or landowners within the proposed service area. **Appendix F-C** has been identified as Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(l), as it contains customer-specific information.

ADDITIONAL INFORMATION

13. Attached hereto and marked as **Appendix G-C** is the feasibility study for the water system. Atatched hereto and marked **Appendix H-C** is the feasibility study for the sewer system. The feasibility studies contain estimated cost of the utility systems during the first three (3) years of ownership; proposed rates and charges; and estimates of the number of customers and estimated expenses and revenues during the first three years of operation by MAWC. No external financing is anticipated. To provide service to the proposed area, MAWC will purchase existing water and sewer systems and will not construct systems. Thus, the Company asks for a waiver of any requirement to provide plans and specifications related to the construction of the distribution and collection systems. **Appendix G-C** and **Appendix H-C** have been identified

as "Confidential" in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(3) and (6) as they contain market specific information and information representing strategies employed in contract negotiations.

14. Attached hereto and marked as **Appendix I** is an Integration Appendix which includes information relevant to the integration process of this proposed acquisition.

15. MAWC will receive a franchise from Garden City as called for by the *Purchase Agreement.*

TARIFFS/RATES

16. MAWC proposes to provide water service pursuant to the rates charged by Garden City at the time of closing and to utilize the rules governing rendering of water service currently found in MAWC's water tariff P.S.C. MO No. 13 until such time as the rates and rules are modified according to law. MAWC proposes to provide sewer service pursuant to the rates charged by Garden City at the time of closing and to utilize the rules governing rendering of sewer service currently found in MAWC's sewer tariff P.S.C. MO No. 26, until such time as the rates and rules are modified according to law.

PUBLIC INTEREST

17. The grant of the requested CCN (and approval of the underlying transaction) is in the public interest and will result in the provision of regulated water and sewer service to the current and future residents of the service area. The water and sewer assets of Garden City would be acquired by MAWC, a Missouri public utility, and be subject to the jurisdiction of the Commission. MAWC has considerable expertise and experience in providing water and sewer utility services to residents of the State of Missouri and is fully qualified, in all respects, to own and operate the water and sewer systems currently being operated in and around the City of Garden

City.

18. The City of Garden City water and sewer customers will benefit from this acquisition for various reasons, which include the need for investment to replace aging infrastructure, the need for investment to maintain compliance with existing and new regulations, to relieve the responsibility of operating and maintaining systems in the face of ever-increasing complexity and liability and the desire to maintain affordability.

MOTION FOR WAIVER

19. Commission Rule 20 CSR 4240-4.017(1) provides that "(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." A notice was not filed 60 days prior to the filing of this Application. As such, and to the extent required, MAWC seeks a waiver of the 60-day notice requirement.

20. Rule 20 CSR 4240-4.017(l)(D) provides that a waiver may be granted for good cause. In this regard, MAWC declares (as verified below) that it has had no communication with the Office of the Commission (as defined by Commission Rule 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed for record. Accordingly, for good cause shown, MAWC moves for a waiver of the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) and acceptance of this Application at this time.

WHEREFORE, MAWC requests the Commission issue an order:

1. Granting MAWC permission, approval and a Certificate of Convenience and Necessity authorizing MAWC to install, acquire, build, construct, own, operate, control, manage and maintain water and sewer systems for the public within the area referred to above;

2. Granting MAWC permission to acquire the water and sewer assets identified herein

of the City of Garden City, Missouri; and,

3. Authorizing MAWC to take such actions as may be deemed necessary and appropriate to accomplish the purposes of the *Purchase Agreement* and the Application and to consummate related transactions in accordance with the *Purchase Agreement.*

Respectfully submitted,

Dean L. Cooper Mo. Bar #36592
BRYDON, SWEARENGEN & ENGLAND P.C.
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Jefferson City, MO 65102-0456
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Timothy W. Luft, Mo. Bar #40506
Corporate Counsel
MISSOURI-AMERICAN WATER COMPANY
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St. Louis, MO 63141
(314) 996-2279 telephone
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timothy.luft@amwater.com

ATTORNEYS FOR MISSOURI-AMERICAN WATER COMPANY

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 7th day of May, 2021, to:

General Counsel's Office
staffcounselservice@psc.mo.gov

Office of the Public Counsel
opcservice@opc.mo.gov

VERIFICATION

State of Missouri)
) ss
County of St. Louis

I, Timothy W. Luft, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Vice-President - Legal of Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of MAWC, that I have knowledge of the matters stated herein, and that said matters are true and correct to be best of my knowledge and belief. Additionally, no representative of MAWC has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the immediately preceding 150 days regarding the subject matter of this Application.

List of Appendices

Appendix A	City of Garden City Ordinance 2020-742 and Board of Alderman Minutes for August 24, 2020.
Appendix B	Notices of Town Hall Meetings
Appendix C	Purchase Agreement
Appendix D	Legal description
Appendix E	Map
Appendix F-C	List of Ten Residents
Appendix G-C	Feasibility Study - water system
Appendix H-C	Feasibility Study - sewer system
Appendix I	Integration

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 10th day of May, 2021.

Morris L. Woodruff
Secretary

Digitally signed by MOPSC
DN: CN=MOPSC, O=MOPSC, OU=", E=kim.happy@psc.mo.gov, C=US
Reason: I attest to the accuracy and integrity of this document
Location: Cole County, Missouri
Date: 2021.05.10 13:59:17-05'00'
Foxit PhantomPDF Version: 10.1.1

MISSOURI PUBLIC SERVICE COMMISSION

May 10, 2021

File/Case No. WA-2021-0391 and SA-2021-0392

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

Morris L Woodruff

Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.