

Exhibit No. _____
Issue: Job Title and Maintenance and Repair
Witness: Todd Thomas
Type of Exhibit: Surrebuttal Testimony
Sponsoring Party: Indian Hills
Case No.: WR-2017-0259
Date: November 13, 2017

Missouri Public Service Commission

Surrebuttal Testimony

of

Todd Thomas

On Behalf of

Indian Hills Utility Operating Company, Inc.

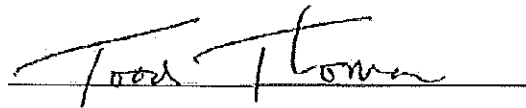
November 13, 2017

IH Exhibit No. 9
Date 11-27-17 Reporter KF
File No. WR-2017-0259

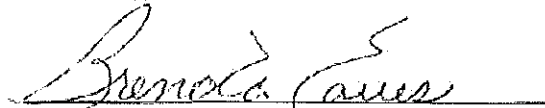
AFFIDAVIT

STATE OF MISSOURI)
)
) ss
COUNTY OF SAINT LOUIS)

I, Todd Thomas, state that the answers to the questions posed in the attached Surrebuttal Testimony are true to the best of my knowledge, information and belief.



Subscribed and sworn to before me this 13th day of November, 2017.


Notary Public

My Commission Expires: 01/31/2021

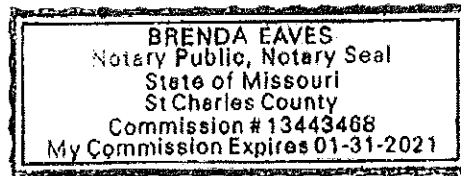


TABLE OF CONTENTS

WITNESS INTRODUCTION.....1
PURPOSE.....1
JOB TITLE.....1
AMORITIZATION OF REPAIRS.....5

**SURREBUTTAL TESTIMONY OF
TODD THOMAS
INDIAN HILLS UTILITY OPERATING COMPANY, INC.**

1 **WITNESS INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Todd Thomas. My business address is 500 Northwest Plaza Drive
4 Suite 500. St. Ann MO, 63074

5 **Q. ARE YOU THE SAME TODD THOMAS THAT PROVIDED DIRECT AND**
6 **REBUTTAL TESTIMONY IN THIS MATTER?**

7 A. Yes.

8 **PURPOSE**

9 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

10 A. To respond to rebuttal testimony provided by Staff witness Ashley Sarver, and
11 Office of the Public Counsel (OPC) witness Keri Roth, with respect to Staff's
12 assessment of MERIC salary levels and position titles, and to respond to rebuttal
13 testimony provided by OPC witness John Robinett, Staff witness Jennifer
14 Grisham, and OPC witness Keri Roth in regard to the booking of leak repairs.

15 **JOB TITLE**

16 **Q. BASED ON MERIC'S METHODOLOGY, HOW SHOULD CSWR'S JOB TITLES**
17 **AND EXPERIENCE LEVELS BE CATEGORIZED?**

1 A. Based on MERIC's methodology, CSWR's actual job responsibilities should be
2 used to determine job titles and salary ranges would be utilized to determine
3 experience level.

4 **Q. DO MS. SARVER AND MS. ROTH USE MERIC'S METHODOLOGY OF JOB**
5 **TITLE AND EXPERIENCE LEVEL TO EVALUATE CSWR EMPLOYEE**
6 **SALARIES?**

7 A. Yes. Both Ms. Sarver and Ms. Roth use MERIC methodology to establish
8 salaries based on experience level and job titles.

9 **Q. HOW DO MS. SARVER AND MS. ROTH APPLY MERIC IN THEIR REBUTTAL**
10 **TESTIMONY WITH REGARD TO EXPERIENCE LEVEL?**

11 A. They both assign an "experience" level based on their own view of that term.

12 **Q. DO YOU AGREE WITH THEIR APPROACH?**

13 A. No. As stated in my rebuttal testimony, MERIC "experience" level encompasses
14 the average of the top two-thirds of salaries in a given job description. Both Ms.
15 Sarver and Ms. Roth establish their own "NON MERIC" definition for experience
16 level. and neither Ms. Sarver nor Ms. Roth classified me as an experience level
17 employee (or in the top two-thirds of experience for my position). As I described
18 in my direct testimony, I have a Bachelor of Science in Civil Engineering from the
19 Missouri University of Science and Technology and a Masters in Business
20 Administration from Washington University, I have over 20 years of experience in
21 the water and waste water industry with at one time being responsible for over
22 64,000 water and waste water customers. My role with CSWR is Senior Vice
23 President and my main responsibilities include utility operations along with the

1 acquisition, development, and rate stabilization of CSWR utilities. These duties
2 include operations, maintenance, capital planning, and regulatory compliance for
3 all CSWR facilities. I am responsible for the management of all operations and
4 maintenance service providers, customer service and billing service providers,
5 and engineering firms.

6 **Q. HOW DOES MS. SARVER APPLY MERIC IN HER TESTIMONY WITH
7 REGARD TO JOB TITLE?**

8 A. Ms. Sarver implies a hypothetical job category for me, rather than using actual
9 job responsibilities for classifying my job title. Ms. Sarver states that my job title
10 should be Construction Manager instead of General and Operations Manager.

11 **Q. DO YOU AGREE WITH HER?**

12 A. No, I have been with CSWR for nearly a full year. I have spent the vast majority
13 of my time managing the operations of the CSWR regulated utilities. As reflected
14 in my direct testimony, "*As Senior Vice President, my main responsibilities
15 include utility operations along with the acquisition, development, and rate
16 stabilization of CSWR utilities. These duties include operations, maintenance,
17 capital planning, and regulatory compliance for all CSWR facilities. I am
18 responsible for the management of all operations and maintenance service
19 providers, customer service and billing service providers, and engineering firms."*

20 Nowhere in the MERIC job title description of "Construction Manager" does it
21 mention responsibility for operations. See below:

22 Occupational Employment and Wages, May 2016

23 11-9021 Construction Managers

1 Plan, direct, or coordinate, usually through subordinate supervisory personnel, activities
2 concerned with the construction and maintenance of structures, facilities, and systems.
3 Participate in the conceptual development of a construction project and oversee its
4 organization, scheduling, budgeting, and implementation. Includes managers in
5 specialized construction fields, such as carpentry or plumbing.

6 The job title of General and Operations Manager on the other hand specifically references
7 the management of operations.

8 Occupational Employment and Wages, May 2016

9 11-1021 General and Operations Managers

10 *Plan, direct, or coordinate the operations of public or private sector organizations.*

11 Duties and responsibilities include formulating policies, managing daily operations, and
12 planning the use of materials and human resources, but are too diverse and general in
13 nature to be classified in any one functional area of management or administration, such
14 as personnel, purchasing, or administrative services. Excludes First-Line Supervisors.

15 In Ms. Sarver's rebuttal testimony, she states that my actual hours were utilized
16 by staff in calculations for Indian Hills. None of these hours or any other hours
17 worked by me have been spent in construction management.

18 **Q. WHAT IS THE APPROPRIATE TREATMENT OF CSWR SALARIES FOR**
19 **INDIAN HILLS?**

20 A. The Commission should utilize the Staff's job titles, with the exception of my job
21 title, where the Commission should utilize my actual accurate job
22 titles/responsibilities -- General and Operations Manager. The Commission
23 should use the MERIC designation of experience level for MERIC based salary
24 determinations.

25

AMORTIZATION OF REPAIR EXPENSE

1

2 **Q. DID YOU READ MR. ROBINETT'S, MS. GRISHAM'S, AND MS. ROTH'S**
3 **RECOMMENDATION FOR THE TREATMENT OF COST OF LEAK REPAIRS**
4 **IN THEIR REBUTTAL TESTIMONIES?**

5 A. Yes, I did.

6 **Q. DO MR. ROBINETT, MS. GRISHAM, AND MS. ROTH DISAGREE WITH THE**
7 **COMPANY'S ASSESSMENT OF THE QUANTITY AND FREQUENCY OF**
8 **LEAKS AT INDIAN HILLS?**

9 A. No, they do not.

10 **Q. WHAT IS MR. ROBINETT'S, MS. GRISHAM'S, AND MS. ROTH'S POSITION**
11 **ON TREATMENT OF COSTS OF THE LEAKS?**

12 A. In her rebuttal testimony, Ms. Roth does not go into detail as to her position other
13 than to say that she agrees with Mr. Robinett. Mr. Robinett along with Ms.
14 Grisham state that the leaks should not be expensed because they believe it is
15 more prudent to replace service connections versus repairing leaking service
16 connections.

17 **Q. DO YOU AGREE WITH MR. ROBINETT'S, MS. GRISHAM'S, AND MS.**
18 **ROTH'S POSITION?**

19 A. No, I do not.

20 **Q. WHY NOT?**

21 A. As previously stated in my rebuttal testimony, at Indian Hills there have been
22 approximately 300 leaks in the past 12 months. With this frequency of leaks, it
23 is impractical to believe that the vast majority of leaks could be addressed by

1 replacing the service without causing a delay of repairs and impacting customer
2 service. It takes approximately 3 to 4 times as long to replace a service than it
3 does to repair a leak. If a replacement only approach was to be implemented,
4 this would extend the delays significantly. The leaks that are occurring also
5 include main leaks. A replacement approach on mains is also highly impractical
6 because a full replacement approach would require the crew to spend 9 to 10
7 times the amount of time it would take to complete a repair. This is possible at
8 times as we have demonstrated in the past, but at the current frequency of leaks,
9 completing a full replacement would delay the speed at which most leaks would
10 be repaired and create additional dissatisfaction on the part of the residents with
11 leaks that are impacted by the delay.

12 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

13 **A.** Yes, it does.