

Exhibit No. :
Witness : ROBERT F. RENNICK
Type of Exhibit : Direct Testimony
Party : CITY OF JEFFERSON
Issue : City of Jefferson Issues

Case No : WR-2011-0337

CITY OF JEFFERSON

Case No. WR-2011-0337

DIRECT TESTIMONY

OF

ROBERT F. RENNICK

Jefferson City, Missouri
December, 2011

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

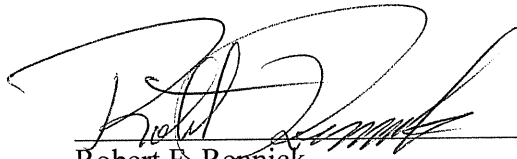
In the Matter of Missouri-American Water Company's)
Request for Authority to Implement a General Rate) Case No. WR-2011-0337
Increase for Water and Sewer Service Provided in)
Missouri Service Areas)

AFFIDAVIT OF ROBERT F. RENNICK

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

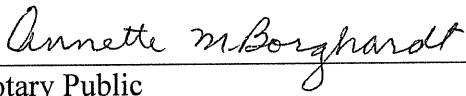
I, ROBERT F. RENNICK, of lawful age, being duly sworn, do hereby depose and state:

1. My name is ROBERT F. RENNICK. I am the Fire Chief for the Jefferson City Fire Department.
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.



Robert F. Rennick

Subscribed and sworn to before me, a Notary Public, this 12th day of December, 2011.



Notary Public

My Commission expires:



DIRECT TESTIMONY
ROBERT F. RENNICK

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Q. WHAT IS YOUR NAME, TITLE AND BUSINESS ADDRESS?

A. My name is Robert Frank Rennick, and I am the Fire Chief for the Jefferson City Fire Department. My business address is City Hall, 320 East McCarty, Jefferson City, Missouri.

Q. ON WHOSE BEHALF DO YOU APPEAR IN THIS PROCEEDING?

A. City of Jefferson.

Q. WHAT ARE YOUR RESPONSIBILITIES AS FIRE CHIEF OF THE CITY OF JEFFERSON?

A. I direct the Fire Department operation with regard to fire suppression, emergency medical response and prevention activities.

Q. HAVE YOU ATTACHED A SCHEDULE WHICH SUMMARIZES YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE?

A. Yes, it is attached as RFR Schedule 1.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. There are three subjects I intend to address in my testimony. The first is a report on Missouri American Water Company's (MAWC) progress in replacing small dimension water mains in the City of Jefferson. The second deals with improvements to MAWC's intake system. Last I will update the Commission on efforts by the City and MAWC to erect a 1.5 million gallon storage tower that will increase the Company's existing storage capacity for Jefferson City.

1 Q. PLEASE DESCRIBE FOR THE COMMISSION THE INTEREST YOU HAVE AS
2 THE FIRE CHIEF FOR THE CITY OF JEFFERSON IN THE WATER FLOW
3 CAPACITY AND DISTRIBUTION SYSTEM OF MISSOURI-AMERICAN.

4 A. I have explained to the Commission in the past that MAWC's water system in Jefferson
5 City is the essential component to fire suppression in the capital city. As the Fire Chief
6 for the City of Jefferson, my first concern is the ability of the water company to produce
7 the adequate flows needed for fire suppression. Additionally, part of our city-wide
8 insurance rating from the ISO is contingent upon the water company's capability of
9 producing water and adequately distributing and delivering that water to various locations
10 throughout the City.

11

12 **Main Replacement Program**

13 Q. PLEASE DESCRIBE THE MAIN REPLACEMENT PROGRAM

14 A. The Commission will recall that in connection with MAWC's rate case of 2003 (Case
15 No. WR-2003-0500), MAWC, Jefferson City and the Commission staff entered a
16 Stipulation and Agreement which required a joint report on a variety of issues. Case No.
17 WO-2004-0609 was created as a vehicle of the cooperative study. One of the subjects
18 addressed was main replacements in the City. In the Joint Report filed July 1, 2005 in
19 Case No. WO-2004-0609, MAWC agreed to continue a main replacement program in
20 Jefferson City at a \$100,000 funding level per year, plus an additional 3% per year
21 inflation adjustment, as a minimum, for the next 10 years. The same parties revisited the
22 main replacement program during meetings held toward the filing of a Joint Report in

1 Case No. WO-2008-0167. There are approximately four more years of the program. I
2 understand that the funding level for years 2008 and subsequent years has been in the
3 range of \$110,000 or slightly above.

4 Q. HAS MAWC MADE PROGRESS ON REPLACEMENT OF THE SMALL WATER
5 MAINS IN THE CITY?

6 A. Yes. I last testified about the program in my testimony filed in Case No. WR-2007-
7 0217. Since that time, MAWC continues to make good progress in replacing the small
8 water mains (mains that are 4" to 6" or less in diameter) that are in the downtown area
9 and vicinity. Most recently, undersized mains were replaced by the Company along
10 Adams Street in advance of the construction of the new Cole County Jail.

11 Q. DO YOU MEET WITH THE COMPANY PERIODICALLY TO DISCUSS MAIN
12 REPLACEMENTS AND OTHER MATTERS.

13 A. As the parties told the Commission in the Joint Report filed in Case No. WO-2004-0609,
14 MAWC and the Fire Department have met annually toward prioritizing main replacement
15 projects. The Fire Department and the Company continue to meet annually to discuss
16 under sized water main and fire hydrant replacements.

17 Q. YOU REFERRED TO ISO RATINGS. COULD YOU BRIEFLY TELL THE
18 COMMISSION WHAT AN ISO RATING IS?

19 A. An ISO rating is the reference to the Insurance Service Office's (or Organization) review
20 of a municipality for fire protection. That rating is contingent upon basically three items.
21 One is the Fire Department's ability to deliver fire protection within the community. A
22 second is the communications network that supplements the receipt of alarms and

1 distribution of those alarms to the Fire Department. The third component is the water
2 system's ability to supply water to the Fire Department.

3 Q. THE ISO RATING THAT IS GIVEN AFFECTS RESIDENTS IN WHAT WAY?

4 A. The ISO rating affects the premiums that an insurance company charges for home owners
5 insurance. The insurance cost will be higher or lower depending on the ISO rating.

6 Q. HAS THE ISO CONDUCTED ANY RECENT REVIEWS OF THE WATER SYSTEM
7 IN JEFFERSON CITY.

8 A. An ISO review was conducted in October, 2011. The review indicated that fire flows
9 had improved in areas that had water main replacements or were tied to an improved grid.
10 At this time the ISO data has not been processed and no report has yet been issued on the
11 findings.

12

13 **Intake System Improvements**

14 Q. HAVE YOU BEEN CONCERNED ABOUT THE COMPANY'S INTAKE SYSTEM IN
15 THE PAST?

16 A. Yes, I have. In previous summers, when we experienced very little rainfall, and in turn
17 the river level was at the four to five foot stage, the Company's low service pump intakes
18 were only marginally equipped to reliably pump the water demanded without the
19 additional assurance of an additional emergency pump on standby. The intake system
20 is a critical point in the Company's provision of adequate fire flows.

21 Q. HAVE THERE BEEN IMPROVEMENTS TO THE COMPANY'S INTAKE SYSTEM.

1 A. The Company has recently completed the boring of intake tunnels under the river bed that
2 are connected to specially designed intake screens and valves. These improvements are
3 not operational at the time this testimony is being prepared. I understand the “cut over”
4 date for the new facilities is scheduled for December 19, 2011.

5 Q. WHAT BENEFITS ARE DERIVED FROM THE NEW INTAKE FACILITIES.

6 A. Very briefly, I anticipate that the Company will no longer need to dispatch standby
7 emergency pumping equipment to Jefferson City when river levels drop to dangerous
8 minimums. The new intake system should enable the Company to maintain a constant
9 pumping capacity that will not vary with the water level of the Missouri River.

10

11 **Storage Tower**

12 Q. WAS A TASK FORCE RECRUITED TO CONSIDER MAWC’S STORAGE
13 FACILITIES IN JEFFERSON CITY.

14 A. A task force was formed out of the Company’s rate case in 2007 (Case No. WR-2007-
15 0216) to address several issues related to the Company’s facilities in the City, one of
16 which was storage capacity.

17 Q. WHY IS STORAGE A CONCERN.

18 A. Perhaps these events are not of recent memory but in July 2005 and again in August of
19 2006, the Mayor of the City exercised rights conferred by ordinance to curtail water
20 usage in the City because MAWC’s water system pumping could not keep up with
21 demand. The conservation measures were required until air temperatures returned to

1 more moderate summer levels and demand subsided. These events are indeed an
2 inconvenience to customers in the City and do pose a threat to fire protection.

3 Q. DID THE TASK FORCE ARRIVE AT ANY RECOMMENDATIONS CONCERNING
4 ADDITIONAL STORAGE.

5 A. The Joint Report of the task force was filed on October 20, 2008 and sets out the details
6 of the recommendations. There was consensus on adding storage to the Company's
7 system in Jefferson City. Regarding the storage issue generally, the parties explored,
8 and the City and the Company have pursued, a project involving erection of a 1.5 Million
9 gallon elevated tank in which both the City and the Company are participants. Since the
10 filing of the Joint Report, the City and the Company have discussed the terms of the
11 project, including the location of the site of the new tower, financing of the same, and the
12 ownership of the tower. Regarding the financing of the facility, the City has offered to
13 use its bonding authority and the benefits of lower debt service for the installation and
14 erection costs. A resolution stating the City's intention to issue Industrial Development
15 Revenue Bonds for the water tower project was considered by the City Council at its
16 regular meeting on December 6, 2011.

17 Q. WOULD OTHER FACILITIES BE NEEDED FOR THE TOWER?

18 A. Approximately a mile of 20" main needs to be installed first to improve pressure for
19 commercial customers in the vicinity of the expected site of the new tank, and also to link
20 the Company's plant with the elevated tower. It is not certain but under consideration is
21 using the City's bonding authority to finance the installation of this segment of water
22 main.

1 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY.

2 A. Yes.

RFR Schedule 1
EDUCATIONAL AND PROFESSIONAL EXPERIENCE
FOR
ROBERT F. RENNICK

Education:

Earned an Associate of Arts Degree from Columbia College

Attended numerous fire training courses offered by the University of Missouri

Attended numerous courses offered by the National Fire Academy

Attended numerous continuing education courses

Teaching:

Associate Faculty Instructor for the Missouri Fire and Rescue Training Institute

Fire Service Instructor II Certification by Missouri State Fire Marshal Office

Professional:

Washington, Missouri, Volunteer Fire Company, 1964 to 1965

Boone Country Fire Protection District, 1965 to 1979

Positions: Firefighter, Property Officer, Fire Lieutenant, Fire Captain,
Battalion Chief

Columbia Fire Department, October 1970 to November 1979

Positions: Firefighter, Fire Engineer, Fire Inspector, Fire Lieutenant, Training
Officer

Jefferson City Fire Department, November 1979 to present

Position: Fire Chief