

Exhibit No.:
Issues: Eureka Acquisition
Witness: Jeffrey T. Kaiser
Exhibit Type: Surrebuttal
Sponsoring Party: Missouri-American Water Company
Case No.: WA-2021-0376
Date: December 17, 2021

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WA-2021-0376

SURREBUTTAL TESTIMONY

OF

JEFFREY T. KAISER

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY

AFFIDAVIT

I, Jeffrey T. Kaiser, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Vice President of Operations for Missouri American Water Company, that the accompanying testimony has been prepared by me or under my direction and supervision; that if inquiries were made as to the facts in said testimony, I would respond as therein set forth; and that the aforesaid testimony is true and correct to the best of my knowledge and belief.


Jeffrey T. Kaiser

December 17, 2021
Dated

**SURREBUTTAL TESTIMONY
JEFFREY T. KAISER
MISSOURI AMERICAN WATER COMPANY
CASE NO.: WA-2021-0376**

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SURREBUTTAL TESTIMONY

JEFFREY T. KAISER

I. INTRODUCTION

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Q. Please state your name and business address.

A. My name is Jeffrey T. Kaiser and my business address is 727 Craig Road, Creve Coeur MO.

Q. Are you the same Jeffrey T. Kaiser who previously submitted direct testimony in this proceeding?

A. Yes.

II. EUREKA APPLICATION

Q. On Page 8 of Staff witness Curt B. Gateley’s Rebuttal Testimony, he states that “Mr. Kaiser asserts that once MAWC completes construction of new water main to Eureka, the City’s existing wells will be used only as an emergency back-up water supply.” Is this accurate?

A. While it is true the that actual wells will remain in service only as an emergency back-up to the proposed transmission main, this statement does not accurately reflect my testimony on the issue. As I discuss on page 7 of my Direct Testimony, the actual wells are only a small part of the existing water supply infrastructure, and my testimony also includes discussions regarding the use of other assets at the well sites such as the storge tanks and booster pump stations, chlorine storage and feed systems, pressure monitors, SCADA controls, and standby power generators which will remain in day-to-day use as critical portions of the distribution systems. The wells are only a small portion of the well site investments.

1 **Q. Did your Direct Testimony also include a discussion of the most cost-effective long-**
2 **term water supply solution for the City of Eureka?**

3 A. Yes, it did.

4 **Q. What was the conclusion of that discussion?**

5 A. Based on the evaluation of the engineering report by Bartlett and West Engineers, the cost
6 to upgrade the City's well water treatment systems to improve the water quality would be
7 approximately \$1 million higher than the estimated cost of the proposed transmission main.
8 In addition to the cost of these improvements, the ongoing operational costs of the wells
9 would exceed those of supplying water from MAWC's St. Louis County system. Therefore,
10 as stated on page 5 of my Direct Testimony, the pipeline supply approach "is the lowest
11 long term cost approach to meeting the water needs of the City."

12 **III. OTHER TOPICS**

13 **Q. The Staff Recommendation presented in Mr. Gateley's Rebuttal Testimony (Sched.**
14 **CBG-r2) includes on page 5 a list of perceived "deficiencies," the first of which is that**
15 **"The report is not signed, sealed, and dated, rendering the report improper to use for**
16 **these proceedings." Do you agree with this statement?**

17 A. No, I do not. As detailed in my responses to the Staff's Data Requests (DR) 65 and 66
18 (attached as **Schedule JTK-2** and **JTK-3** respectively), the report provided by Flinn
19 Engineering provides a high-level review of the condition of the system and estimates the
20 construction costs and depreciated book value of the assets. It does not include any
21 technical engineering analysis or evaluation of the capacity or integrity of the infrastructure
22 in question, nor does it include recommendations for improvements that would require
23 engineering evaluation or judgement. Therefore an engineering seal would not be required

1 for this type of report.

2 **Q. Are you a professional engineer?**

3 A. Yes. My opinion is based upon my understanding of such requirements after being a
4 practicing Professional Engineer for over thirty years.

5 **Q. For what type of report would you expect to see a signed/sealed report?**

6 A. A good example is found in the Bartlett and West report, about which Staff inquired in DR
7 66. That report includes “An evaluation of membrane treatment” and “Concept level RO
8 membrane equipment requirements”. The Bartlett and West report also states, “The main
9 purpose of this report is to develop a set of conceptual design criteria for adding RO
10 membrane treatment”. These are the engineering type activities for which I would expect
11 to see a signed and sealed report.

12 **Q. What was Staff’s basis for the allegation that the Flinn Report need to be signed and
13 sealed?**

14 A. Information provided by Staff in response to MAWC DR 71 (attached as Schedule JTK-
15 4) cited a single e-mail response from the Missouri Board for Architects, Professional
16 Engineers, Professional Land Surveyors and Professional Landscape Architects, (the
17 Board) regarding the need to seal a “technical report” as the basis for such allegation. The
18 Board response cited 20 CSR 2030-3.060 regarding the use of a professional engineering
19 seal on “technical submissions”.

20 **Q. Did that e-mail change your opinion?**

21 A. No. As explained above, the Flinn Report is not the type of report addressed by 20 CSR
22 2030-3.060. The information provided in the Flinn Report is a compilation of data,

1 construction cost and depreciation calculations, and a general high level assessment of the
2 overall condition of the facilities in question. This report could have been prepared by
3 anyone with similar experience in the water and wastewater field and the fact that the report
4 was prepared by someone who is also an engineer, does not make it a technical submission
5 as described in 20 CSR 2030-3.060 or require it to be sealed, signed, and dated by an
6 engineer. As I previously stated, I do not believe the Flinn Report requires a professional
7 engineering seal based on my understanding of the requirements of 20 CSR 2030-3.060
8 and my personal experience of more than 30 years as a professional engineer Licensed in
9 the State of Missouri.

10 **Q. Does this conclude your surrebuttal testimony?**

11 **A. Yes.**

PSC 0065

DATA INFORMATION REQUEST
Missouri-American Water Company
WA-2021-0376/SA-2021-0377
Eureka Acquisition

Requested From: Nikki Pacific

Date Requested: 10/19/2021

Information Requested:

Does MAWC require any technical engineering reports provided by consulting engineers to be signed and sealed by a Professional Engineer? If yes, please identify the types of reports and provide an explanation as to why they are required to be signed and sealed.

Requested By: Mark Johnson

Information Provided:

Yes. Technical engineering reports such as design memorandums, preliminary design reports, and reports related to engineering analysis such as hydraulic or structural calculations, modeling of engineered systems, or treatment process evaluations would typically be signed and sealed by a professional engineer as required by 20 CSR 2030-3.060.

Reports that happen to be from engineers that are non-technical in nature and do not present engineering analysis, do not proceed engineering design, or that simply summarize field observations or data gathering and non-engineering analysis related calculations would not necessarily be signed and sealed as this is not required by 20 CSR 2030-3.060.

Responsible witness: Jeffrey T Kaiser, P.E.

PSC 0066

DATA INFORMATION REQUEST
Missouri-American Water Company
WA-2021-0376/SA-2021-0377
Eureka Acquisition

Requested From: Nikki Pacific

Date Requested: 10/19/2021

Information Requested:

Bartlett & West technical engineering reports prepared for the City of Eureka are signed and sealed by a Professional Engineer. Please provide an explanation for the differences in technical nature of the engineering reports that would lead to a decision for the Flinn report to not be signed and sealed.

Requested By: Mark Johnson

Information Provided:

The difference in these reports is pointed out in the Executive Summary of the Bartlett and West Report. Among other statements, page 1-1 of the Executive Summary states:

“An evaluation of membrane treatment was complete for each of the City’s treatment Facilities”

“Concept level RO membrane equipment requirements for well 1,5,6,8 and 10 were developed”

On page 1-2 of the Executive Summary the report states;

“The main purpose of this Report is to develop a set of conceptual design criteria for adding RO membrane treatment and any associated work resulting from the addition. A regulator-approved pilot study is required before advancing the design.”

The Bartlett and West report is of a technical nature that involved engineering analysis and is related to design of public works facilities. Its development required engineering calculations, analysis of water quality data to determine appropriate treatment methodologies, recommendations for upgrading electrical and pumping systems, and the development of preliminary design drawings. These are the type of engineering activities specifically addressed by 20 CSR 2030-3.060. This information may also constitute a basis of design that would be included in permit applications submitted to the Missouri Department of Natural Resources that would require a professional seal and signature.

By contrast, the Flinn Report states:

“The purpose of the engineering report is to provide a high-level review of the condition of the system, estimate the 2019 installation cost, and estimate the depreciated book value of assets.”

This type of work is often completed by individuals without engineering licenses or engineering education such as contractors, estimators, and accountants or financial professionals. It is important to note that there is no requirement for a technical report by a professional engineer in Missouri House Bill 142 which established the process under which this acquisition has been developed.

This is my understanding of such requirements after being a practicing Professional Engineer for over thirty years.

Responsible witness: Jeffrey T Kaiser, P.E.

WA-2021-0376

Response to DR 0071:

From: Kempker, Judy <judy.kempker@pr.mo.gov>
Sent: Wednesday, September 15, 2021 11:59 AM
To: Harris, Andrew <Andrew.Harris@psc.mo.gov>
Subject: FW: Engineer's seal inquiry

Andy,

Please be advised that Board Rule 20 CSR 2030-3.060(3) requires the licensee to affix his/her signature and place the date when the document was originally sealed, at the minimum, to the original of each sheet in a set of all final technical submissions that include, but are not limited to, **...reports...**"

Paragraph (4) of that same rule states, "When revisions are made the licensee who made the revisions, or under whose immediate personal supervision the revisions were made, shall sign, seal, and date each sheet and provide an explanation of the revisions..."

For your ease of reference, here is the link to that rule: <https://www.sos.mo.gov/cmsimages/adrules/csr/current/20csr/20c2030-3.pdf>

If I can be of further assistance, please do not hesitate to contact me.

Judy Kempker
Executive Director
Missouri Board for Architects, Professional Engineers, Professional Land Surveyors and Professional Landscape Architects
Missouri Department of Commerce & Insurance
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From: Harris, Andrew <Andrew.Harris@psc.mo.gov>
Sent: Wednesday, September 15, 2021 8:15 AM
To: moapeplspla@pr.mo.gov
Cc: Gateley, Curtis <Curtis.Gateley@psc.mo.gov>; Buttig, David <David.Buttig@psc.mo.gov>
Subject: Engineer's seal inquiry

This question is in regards to professional engineering work and a requirement to seal a final engineering report.

If a professional engineer prepares a technical report that assesses, and provides a professional engineering opinion, covering the condition and value of a municipal water and sewer system(s), shall

that report require an affixed seal, signature and date? Further, shall revision of that report require seal and explanation of the revision(s)?

Thank you,

Andy Harris

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Senior Professional Engineer
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