


State of Missouri       )  
                                  ) ss  
County of St. Louis    )

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

Staff of the Missouri Public Service Commission,	)	
	)	
Complainant,	)	
vs.	)	Case No. WC-2002-146
	)	
St. Louis County Water Company,	)	
d/b/a Missouri-American Water Company,	)	
	)	
Respondent.	)	

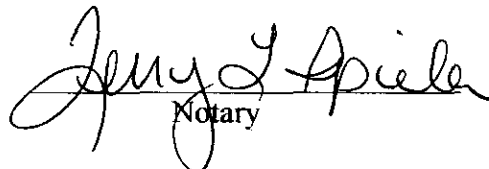
**AFFIDAVIT OF SENATOR WAYNE GOODE**

Senator Wayne Goode, being duly sworn upon his oath and being to me personally known, did state that his answers provided on the Rebuttal Testimony attached hereto and submitted in the above described case consisting of 7 pages plus an appendix are true to the best of his knowledge, information and belief.



Senator Wayne Goode

Subscribed and sworn to before me on this 9th day of January, 2002.

  
Notary



1 **Q. WILL YOU STATE YOUR NAME PLEASE?**

2 **A.** My name is Wayne Goode, and I live at 7231 Winchester Drive,  
3 Pasadena Hills, MO 63121.  
4

5 **Q. DO YOU HOLD ANY OFFICE IN THE GOVERNMENT OF THE**  
6 **STATE OF MISSOURI PRESENTLY?**

7 **A.** I am State Senator.  
8

9 **Q. WILL YOU PLEASE SUMARIZE YOUR POLITICAL HISTORY?**

10 **A.** I was elected to Missouri House of Representatives in 1962 and to the  
11 Missouri Senate in 1984. Additional information is attached hereto as an  
12 Appendix.  
13

14 **Q. THIS COMPLAINT IS WITH REGARD TO SECTION 66.450**  
15 **RSMo 2000. WHAT ROLE, IF ANY, DID YOU PLAY IN THE**  
16 **DEVELOPMENT OF THIS LAW?**

17 **A.** Over the last 20 years or so there has been a number of attempts to have  
18 St. Louis County Water Company cover the repair and replacement of  
19 water line laterals. For various reasons these attempts were unsuccessful.  
20 In 1999 I asked various parties to work with me to find a solution to the  
21 financial problems facing residential ratepayers in the event of a water  
22 lateral failure. The parties included St. Louis County, St. Louis County  
23 Municipal League, Missouri Department of Transportation, the Public  
24 Service Commission staff, the Office of Public Counsel and the St. Louis  
25 County Water Company. A number of years ago we enacted legislation  
26 that allows municipalities to establish a fund and levy a fee for the  
27 purpose of maintaining sewer laterals. Legislation also passed a few years  
28 earlier allowing the City of St. Louis, which has a municipal water  
29 department, to implement a similar approach for water line laterals. The  
30 working group decided to pursue that approach and I supervised the

1 drafting of the legislation and introduced Senate Bill 82 (finally passed as  
2 amended to HCS/SS/SCS/SBs 160 & 82).

3  
4 **Q. HOW DID YOU COME TO BE INVOLVED IN THE**  
5 **DEVELOPMENT OF THIS STATUTE?**

6 **A.** As indicated above, the problems associated with sewer lateral and water  
7 lateral failures have been around for a long time and have become more  
8 acute during the last 25 years as the housing and infrastructure in St. Louis  
9 County grows older. When a failure occurs most occupants are shocked to  
10 learn that the failures are their responsibility and not the responsibility of  
11 municipalities, St. Louis County or the water company. The repair costs  
12 are significant for most people and cause a real financial hardship.  
13 Needless to say, I have heard many sad tales from my constituents  
14 regarding this matter.

15  
16 **Q. WHO DRAFTED THE LANGUAGE OF THIS STATUTE AND**  
17 **WHAT IF ANY INSTRUCTIONS WERE PROVIDED TO THE**  
18 **DRAFTERS?**

19 **A.** As with most legislation, the actual final draft was prepared by the Senate  
20 Research Staff. However, as mentioned above, the working group  
21 recommended the concept based upon the sewer lateral law and the  
22 experience of the St. Louis water department.

23  
24 **Q. WHERE DID THE CONCEPT OF BILLING CUSTOMERS FOR**  
25 **SERVICE LINE REPAIRS COME FROM?**

26 **A.** The assumption from the beginning was that the funding for the water  
27 lateral repair and replacement program would come from the  
28 customer/ratepayer utilizing a service fee, which would appear as a  
29 separate item on the water bill. This was the approach used in the City of

1 St. Louis and, to my knowledge, no other funding approach was  
2 considered or raised by any member of the working group.

3  
4 **Q. WAS IT YOUR UNDERSTANDING THAT EITHER OF THESE**  
5 **PROGRAMS IS LIMITED TO REAL ESTATE OWNERS AS**  
6 **OPPOSED TO CUSTOMERS?**

7 **A.** No, to the best of my knowledge there was never any discussion other than  
8 the costs being borne by the customer/ratepayer. There was some  
9 discussion as to the merits of including the cost under the normal tariff  
10 process as opposed to a separate fee being placed on the water bill. The  
11 issue of billing the actual real estate owner directly was never raised.

12  
13 **Q. WHY DIDN'T THE LEGISLATURE IMPLEMENT THIS**  
14 **PROGRAM AS A PROPERTY TAX IMPOSED AGAINST REAL**  
15 **ESTATE?**

16 **A.** As indicated above, the process for billing the real estate owner was not  
17 discussed by the working group and as best I can remember never came up  
18 during committee or floor debate in the Senate. All Senators, and I  
19 believe, a substantial majority of House members were familiar with the  
20 sewer lateral legislation. In addition, SB 82 applied only to St. Louis  
21 County where 90 percent of water users received service either from St.  
22 Louis County Water Company or from four or five of the 97  
23 municipalities within the county. With a water user billing system in  
24 place, there was no reason to establish a new billing system to reach the  
25 property owner as opposed to the water customer/ratepayer. Obviously,  
26 there is a benefit to the real estate owner as well as the customer/ratepayer  
27 and the issue of who ultimately pays for water line repair or replacement  
28 would depend on the provisions of the lease agreement. Perhaps the most  
29 practical consideration was that if we attempted to establish a new system

1 of billing the property owner as opposed to the water customer/ratepayer  
2 the legislation probably would never have passed.

3  
4 **Q. IF A NON-OWNER THINKS THIS IS INEQUITABLE, DOES**  
5 **THAT CUSTOMER HAVE ANY RECOURSE?**

6 **A.** Just as in the matter of who pays for the general maintenance of the  
7 property, the sewer lateral issue can be determined in the lease agreement.  
8 The issue of who ultimately bears the cost of sewer or water lateral  
9 protection can be likewise discussed and determined by the parties.

10  
11 **Q. THE STAFF OF THE COMMISSION IS TAKING THE POSITION**  
12 **THAT THE WORDS "A FEE UPON WATER SERVICE LINES"**  
13 **MEANS THAT THE STATUTE ONLY AUTHORIZES**  
14 **COLLECTION OF A FEE BY THE RESPONDENT FROM THE**  
15 **INDIVIDUALS OR ENTITIES THAT OWN SERVICE LINES AS**  
16 **OPPOSED TO IMPOSITION OF THE CHARGE ON ALL**  
17 **CUSTOMERS. DO YOU HAVE AN OPINION WITH RESPECT**  
18 **TO THIS INTERPRETATION OF THE STATUTORY LANGUAGE**  
19 **AND THE LEGISLATIVE INTENT IN THE DEVELOPMENT OF**  
20 **THAT LANGUAGE?**

21 **A.** My first reaction is--why is this of concern to the commission staff or to  
22 the commission? In my view, using a fee approach takes the issue outside  
23 of the rate and tariff process and is a separate statutory provision enacted  
24 by the Legislature. In addition, the commission staff was involved as I  
25 have indicated from the very beginning and they had the opportunity to  
26 raise this issue if they saw it as a problem. I don't believe that the  
27 Legislature ever intended for the Public Service Commission to be  
28 involved in deciding an issue such as this once the legislation passed.

1 **Q. WHAT WAS THE INTENDED PURPOSE OF THE PROGRAM?**

2 **A.** The purpose was to relieve water customer/ratepayer from bearing the cost  
3 of water lateral failures. The situation in St. Louis County is somewhat  
4 unusual because the water company only owns the mains and not the  
5 laterals. It is my understanding that in most of the state as well as  
6 elsewhere water companies whether they be privately owned or  
7 municipals generally own the water lines up to or into the structure that is  
8 being served. In most cases the customer/ratepayer is paying for the  
9 maintenance of the water laterals as it is part of the tariff rate. Our intent  
10 was to allow customer/ratepayer to pay a fee into a fund providing water  
11 lateral repair and maintenance so that they have the same protection as  
12 water customers elsewhere.

13  
14 **Q. WHO WERE THE INTENDED BENEFICIARIES?**

15 **A.** Everyone involved becomes a beneficiary under SB 82. Local  
16 governments benefit because they don't have the unpleasant task of  
17 requiring occupants to vacate a house when they cannot afford to replace a  
18 broken water lateral in a timely manner. The water company or  
19 municipality providing the water service benefits because they are no  
20 longer placed in a very unpleasant position of trying to explain to the  
21 customer/ratepayer that the water service provider does not own the water  
22 lateral that broke. This legislation is a WIN-WIN for everyone, which is  
23 evidenced by the fact that I have not received a single complaint regarding  
24 this legislation since it has been implemented.

25  
26 **Q. THE STAFF IMPLIES THAT THERE IS A DISPROPORTIONATE**  
27 **BENEFIT TO THE OWNER OF SERVICE LINES AS COMPARED**  
28 **TO NON-OWNER CUSTOMERS. WAS THERE**  
29 **CONSIDERATION TO THE CONCEPT OF**

1       **DISPROPORTIONATE BENEFIT IN THE DEVELOPMENT OF**  
2       **THIS STATUTE?**

3       **A.**     As indicated above, this issue was never raised by any of the parties,  
4               including the PSC staff involved during development of the legislation.  
5               Making it an issue now is, at the very least, untimely. It is also not an  
6               issue over which the Legislature intended the Public Service Commission  
7               involvement. The bottom line is that St. Louis County citizens had a  
8               problem that they brought to the Legislature. We solved the problem and  
9               we don't need the Public Service Commission staff involved in trying to  
10              decide equity issues involving tenants and property owners.

11  
12      **Q.**     **HAS IT EVER BEFORE BEEN SUGGESTED TO YOU IN YOUR**  
13               **COMMITTEE WORK ON THIS BILL, THE DRAFTING, THE**  
14               **NEGOTIATION OR ANY OTHER ASPECT OF THE**  
15               **DEVELOPMENT OF THIS STATUTE, THAT THIS FEE WAS TO**  
16               **BE COLLECTED ONLY FROM REAL ESTATE OWNERS**  
17               **RATHER THAN ALL CUSTOMERS?**

18      **A.**     Never.

19  
20      **Q.**     **WAT THE COMMISSION OR THE COMMISSION STAFF**  
21               **INVOLVED IN THE DEVELOPMENT OF THIS STATUTE?**

22      **A.**     They were invited to participate and did participate and certainly had  
23               access to the legislative process. In addition to their staff members  
24               involved in the discussion, the PSC employs personnel to monitor all  
25               legislation that may involve utilities, utility customers, etcetera.

26  
27      **Q.**     **WERE THEY AWARE OF THE STATUTORY LANGUAGE?**

28      **A.**     They were aware from the very beginning and the legislative process is  
29               extremely open to their involvement.

1 **Q. DID THE COMMISSION OR COMMISSION STAFF EVER**  
2 **INDICATE THAT IT WAS THEIR BELIEF THAT CHARGES**  
3 **COULD ONLY BE IMPOSED ON REAL ESTATE OWNERS?**

4 **A.** No.  
5

6 **Q. WOULD YOU HAVE SPONSORED A BILL THAT WOULD ONLY**  
7 **PERMIT CHARGES AGAINST REAL ESTATE OWNERS?**

8 **A.** I would have been willing to discuss and review any issue that was raised  
9 by the involved parties. If this issue had been raised and if there was a  
10 practical way to apply the fee to property owners as opposed to water  
11 customers and that was the consensus of the working group, we may have  
12 taken that course. However, as I have indicated throughout this document,  
13 that issue or approach was never raised, never discussed and in all  
14 likelihood probably would never have been determined to be practical.  
15

16 **Q. DO YOU HAVE ANY FURTHER COMMENT?**

17 **A.** The water lateral program enacted under SB 82 benefits the citizens of St.  
18 Louis County and it is working well. I would hope that the commission  
19 staff would withdraw their complaint. If that does not happen I am  
20 confident that the Public Service Commission will not seek to become  
21 further involved in this issue.

22 **Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?**

23 **A.** Yes.



**SENATOR WAYNE GOODE**

**PUBLIC SERVICE** Wayne Goode first was elected to the Missouri Legislature in November 1962. He was elected to the Senate in 1984 after serving 22 years in the House of Representatives. A Democrat, he represents the 13th Senatorial District in St. Louis County.

**COMMITTEES** Senator Goode currently serves as a member of the Appropriations Committee, is a member of the Senate Committee on Commerce and Environment and a member of the Civil and Criminal Jurisprudence Committee as well the State Budget Control Committee.

He has served on a number of other panels, including the following: Chairman, Education Finance Committee-Governor's Conference on Education; Co-Chairman, Governor's Advisory Council on Local Government Law; Education Commission of the States; member, National Education Finance Center Advisory Council; member, Advisory Committee on Environmentally Sustainable Development of the Center for Policy Alternatives; Chairman, Environment Committee of the National Conference of State Legislatures; Vice-Chairman, Federal Taxation Committee of the National Conference of State Legislatures; and member, Energy Committee and the Science and Technology Committee of the National Conference of State Legislatures, a member of the National Conference of State Legislators Executive Committee; and Vice-Chairman of the Fair Elections Commission, and the Governor's Advisory Committee on Chip Mills.

In the House, he served as Chairman of the House Appropriations and Education Committees.

**PERSONAL  
BACKGROUND**

Born August 20, 1937, in St. Louis, Missouri, Senator Goode attended Normandy public schools. He received a bachelor of science degree in banking and finance from the University of Missouri-Columbia. In 1963, he married Jane Margaret Bell. They have two children: Peter Wayne III and Jennifer Jacquelyn.

Senator Goode formerly served on the Board of Directors of the St. Louis Art Museum and the Dean's Council of the University of Missouri School of Business and Public Administration. He is currently a member of the Board of Directors of the St. Louis Historical Society.

In addition, he has held memberships in many community and national organizations including: the Wilderness Society, Alpha Kappa Psi, Sierra Club, Audubon Society, Kiwanis International, Sigma Alpha Epsilon, Confluence-St. Louis, and the Conference on Education.

**LEGISLATIVE  
ACHIEVEMENTS**

Senator Goode takes a special interest in environmental legislation. He has sponsored the state's first hazardous waste law in 1977 as well as many revisions and improvements in the solid waste law, including the 1990 omnibus solid waste bill (SB 530). He has also successfully sponsored legislation in the areas of groundwater protection, drinking water standards, cleaning up waste disposal sites and requiring that State agencies monitor radiation use and waste disposal more closely.

Other areas in which Senator Goode has introduced and supported legislation including utility and telecommunications regulation, public and private education, appropriations, revenue issues, and management and financial procedures for governmental bodies. He authored the Omnibus Mental Health law, a complete revision and

recodification of the mental health laws. In addition, he authored such other bills as the Public School Foundation legislation, the first comprehensive revision of the Guardianship Code since 1921, and Campaign Finance Reform. In his first term in the house, 1963, he sponsored legislation establishing the University of Missouri at St. Louis.

## **RECOGNITION**

Senator Goode has received many awards and special recognition for this legislative service, including:

V.I.P Award-Advertising Club;

Conservation Legislator of the Year-Missouri Conservation Federation;

Recognition of Meritorious Service-St. Louis Industrial Relations Association;

First Annual "Friend of Education Award"-Missouri National Education Association;

Distinguished Service Award-Missouri Association for Children with Learning Disabilities;

Outstanding Legislator Award-Missouri Association of Public Employees;

Outstanding Contribution in Improving Mental Health Care-Mental Health Association;

Distinguished Achievement in the Promotion of Good Government and Efficient Public Service-Assembly of Governmental Employees;

Recognition as One of the Ten Best Legislators-St. Louis Magazine;

Recognition for Special Contribution to the Field of  
Counseling and Guidance-St. Louis Personnel and  
Guidance Association;

Distinguished Service Award-St. Louis League of  
Chambers of Commerce;

Included among the Best and the Brightest-Columbia  
Daily Tribune;

Public Service Award-Missouri Optometric Association

1979 recipient, University of Missouri-St. Louis Alumni  
Award;

1979 recipient, University of Missouri-Columbia  
Alumni Award;

Recognition Award- Missouri Vocational Association;

Recognition for Helping Insure Quality Nursing Home  
Care-Missouri Health Care Association;

Legislative Leadership-Department of Mental Health;

Outstanding Missouri Legislator-Missouri Association  
of Public Employees;

1980 Globe Democrat Award;

Assisting Citizens of our State by Strengthening  
County Government-Missouri Association of Counties;

Recognition for Establishing Higher Education Loan  
Authority-Missouri Higher Education Loan Authority;

1983 Ten Best Legislators-Missouri Times;

Furthering the Interest of Family Planning-Missouri  
Family Planning Association;

Recognition of Guardianship Code Revision-Missouri  
Planning Council for Developmental Disabilities;

Outstanding Service Award-Missouri Community  
Education Association;

Outstanding Leadership Award-State Highway  
Employee's Association of Missouri;

Achievement Award-Missouri Waste Control Coalition;

Recognition of Dedication to the Rights of Missouri  
Utility Consumers-Citizen/Labor/Energy Coalition;

Sustained Outstanding Leadership 1962-1984-  
Missouri Mental Health Commission;

Recognition of Supporting the Sheltered Workshop  
Program-Missouri Association of Sheltered Workshop  
Managers;

Recognition of dedication to citizens of Missouri-  
Missouri Citizen Labor Coalition;

Special Legislative Award-Missouri Association of  
Counties;

International Property Tax Achievement Award-  
International Association of Assessing Officers;

Commitment to and Exemplary Leadership on behalf  
of the "Parents as Teachers" Program-Committee on  
Parents as Teachers;

Recognition for Interest and Support of University of  
Missouri-Alliance of Alumni Association of the  
University of Missouri;

Recognition of Solid Waste Legislation-Confluence-St.  
Louis 1991;

Appreciation of Outstanding Efforts to Improve the  
Administration of Justice; The Missouri Bar;

Recognition for efforts leading to telecommunications  
reform; Missouri Telephone Association;

Recognition for support of the University of Missouri;  
Alliance of Alumni Associations of the University of  
Missouri, 20<sup>th</sup> anniversary;

Recognition of support for law enforcement; Missouri  
Police Chiefs Association;

Missouri Municipal League; 1<sup>st</sup> Annual Award;

Martin Luther King Award in recognition of efforts to  
keep Dr. Kings' memory alive; Dr. Martin Luther King  
St. Louis County Committee;

Chancellor's Medallion, distinguished service award;  
presented by Chancellor Blanche M. Touhill, University  
of Missouri St Louis;

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