

Exhibit No.:  
Issues: System Operations  
Witness: Martin L. Hummel  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Rebuttal Testimony  
Case No.: WA-2002-65  
Date Testimony Prepared: November 21, 2001

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**REBUTTAL TESTIMONY**

**OF**

**MARTIN L. HUMMEL**

**ENVIRONMENTAL UTILITIES, LLC**

**CASE NO. WA-2002-65**

**Jefferson City, Missouri  
November 2001**

**REBUTTAL TESTIMONY**

**OF**

**MARTIN HUMMEL**

**CASE No. WA-2002-65**

**ENVIRONMENTAL UTILITIES, LLC**

Q. Please state your name and business address.

A. My name is Martin Hummel, and my business address is P.O. Box 360, Jefferson City, Missouri 65102.

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Public Service Commission (Commission) as an Engineer in the Water & Sewer Department (W/S Dept) of the Utility Operations Division.

Q. How long have you been employed by the Commission?

A. I have been employed by the Commission since February 1989.

Q. What is your educational background?

A. I received a Bachelor of Science degree in Education-Science and a Bachelor of Science degree in Engineering from the University of Missouri-Columbia.

Q. What is your employment experience?

A. Prior to my employment at the Commission, I worked with the Missouri Department of Natural Resources (DNR) in the Water Pollution Control Program for two years; I worked as a Research Associate on water-related projects with Louisiana State University-Baton Rouge for two years; and I was

1 employed by a consulting engineering firm as Project Engineer primarily on  
2 wastewater treatment projects for three years.

3 Q. What is the purpose of your testimony?

4 A. The purpose of this testimony is to comment on prospective  
5 operation of utility plant for the proposed area.

6 Q. Will the operation of EU be a "stand-alone" operation?

7 A. No. EU will not have enough customers and revenue to be a  
8 stand-alone operation. In order to be feasible, it must share labor and equipment  
9 resources with an affiliated company, Osage Water Company (OWC).

10 Q. Does EU have a certified operator for the proposed water system?

11 A. Not to my knowledge. EU (and OWC) has an employee who  
12 serves as an operator but is not adequately licensed. Mrs. Williams refers to this  
13 issue on page 8 of her testimony. Although the Missouri Department of Natural  
14 Resources (DNR), the licensing agency, has a "grandfather provision, my  
15 understanding after discussing the matter with DNR personnel is that this would  
16 not apply to a new water system such as that proposed by EU. The individual  
17 operating OWC facilities may be eligible for a grandfathered certificate for  
18 operating other older systems which he has been operating for over a year. I  
19 have seen a proposed contract with an outside certified operator, but it was not  
20 signed by both parties.

1           Q.     Does EU/OWC presently have adequate staff to operate all of the  
2     OWC facilities and the new Golden Glade facility?

3           A.     There is only one person employed by OWC operating the  
4     systems, reading meters, and responding to customer complaints while also  
5     doing construction. Prior to July 2001, one of the partners in OWC, Mr. Mitchell,  
6     did a large portion of this work, his absence created a major void. While the Staff  
7     cannot specifically innumerate the operator-hours needed at this time, adequate  
8     technical capability and operator time is lacking. I must also mention that the  
9     proposed contract with a licensed operator only provided for two visits to the  
10    facility per month. The facility should be visited several times per week, although  
11    it does not necessarily need to be the contract licensed operator to personally  
12    conduct all routine checks. The OWC employee could do much of the routine  
13    work, with the operator supervising the work and making decisions regarding  
14    operational problems and making changes to operation routines.

15          Q.     Will the operation of the proposed well and system proceed  
16    regardless of whether the Commission grants a certificate in this case?

17          A.     Yes, if EU is not certificated and/or does not commence providing  
18    service, water will be delivered to the homes in Golden Glade subdivision under  
19    the auspices of a homeowner's association set up by the developers of Golden  
20    Glade. The developers are also the principals of EU. The well and well house  
21    are already in place and ready to deliver water to homes as soon as DNR issues a  
22    "permit to dispense" to the developer. Apparently there are some requirements

1 of DNR that are not complete yet. All permits, property rights, etc. would need to  
2 be transferred to EU if the certificate is granted.

3 Q. What effect does the operation of this well by EU have upon OWC's  
4 provision of water utility service to the Eagle Woods subdivision per Case # WA-  
5 99-437?

6 A. The Eagle Woods certificated area was premised upon the well that  
7 is located in EU's proposed service area, though at the time it was contemplated  
8 that OWC would be the owner and operator. This is noted in Case # WA-99-  
9 437 Exhibit D-2 of the Application, WATER AND SEWER CONTRACT, item 2. "  
10 Water Supply. OWC agrees to construct and install a water main from OWC's  
11 water well site located in Golden Glade Subdivision on Lake Road KK-33....". So  
12 my conclusion is that since apparently EU rather than OWC intends to own and  
13 operate the well, at least a wholesale contract between EU and OWC is  
14 necessary.

15 In the event EU is not granted a certificate, then either the homeowners  
16 association in Golden Glade would need to enter into some wholesale agreement  
17 with OWC, or OWC would need to do something else to provide service in Eagle  
18 Woods, such as assume ownership of wells owned by others that are apparently  
19 in use now.

20 Q. On page 4 of Mrs. Williams's testimony, she references a problem  
21 at Cimarron Bay of treated wastewater surfacing in a couple backyards, has this  
22 been corrected.

1           A.     While the homeowners were pleased that some effort was made to  
2     at least evaluate the problem, no evaluation has been concluded, much less a  
3     solution implemented.

4           Q.     On page 7 of Mrs. Williams's testimony, she states the EU owns a  
5     miniexcavator and a bobcat. Are these units of equipment also mentioned in  
6     Case No. WA-99-437 (Eagle Woods) as being owned by OWC?

7           A.     Yes, that is stated in the first paragraph on page 3 of the feasibility  
8     study of the Application in Case No. WA-99-437. It is not clear who owns this  
9     equipment nor to what extent they are used for development construction vs.  
10    utility maintenance.

11          Q.     Does this conclude your pre-filed rebuttal testimony?

12          A.     Yes, it does.

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

In The Matter Of The Application Of )  
Environmental Utilities, LLC For )  
Permission, Approval, And A Certificate Of )  
Convenience and Necessity Authorizing It )  
To Construct, Install, Own, Operate, )  
Control, Manage and Maintain A Water )  
System For The Public Located In )  
Unincorporated Portions Of Camden )  
County, Missouri (Golden Glade )  
Subdivision). )

Case No. WA-2002-65

**AFFIDAVIT OF MARTIN L. HUMMEL**

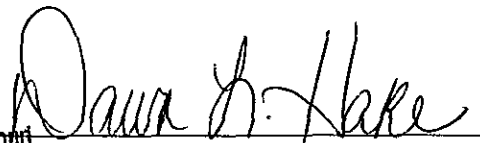
STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE        )

Martin L. Hummel, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal testimony in question and answer form, consisting of 5 pages of Rebuttal testimony to be presented in the above case, that the answers in the foregoing Rebuttal testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

  
Martin L. Hummel

Subscribed and sworn to before me this 21<sup>st</sup> day of November, 2001.

DAWN L. HAKE  
Notary Public - State of Missouri  
County of Cole  
My Commission Expires Jan 9, 2005

  
Notary Public

My commission expires \_\_\_\_\_