

# Exhibit No. 18

Exhibit No.:  
Issues: Lead Line Replacement Funding  
Witness: Matthew Lueders  
Exhibit Type: Rebuttal  
Sponsoring Party: Missouri-American Water Company  
Case No.: WR-2022-0303  
Date: January 18, 2023

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. WR-2022-0303**

**REBUTTAL TESTIMONY**

**OF**

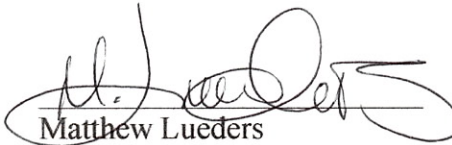
**MATTHEW A. LUEDERS**

**ON BEHALF OF**

**MISSOURI-AMERICAN WATER COMPANY**

## AFFIDAVIT

I, Matthew Lueders, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Deputy Director of Engineering for Missouri American Water, 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.



Matthew Lueders

January 18, 2023

Dated

**REBUTTAL TESTIMONY  
MATTHEW A. LUEDERS  
MISSOURI-AMERICAN WATER COMPANY  
CASE NO.: WR-2022-0303**

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## **REBUTTAL TESTIMONY**

**MATTHEW A. LUEDERS**

### **I. INTRODUCTION**

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**Q. Please state your name and business address.**

A. My name is Matthew A. Lueders. My business address is 727 Craig Road, Creve Coeur, MO 63141.

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

A. I am employed by Missouri-American Water Company (MAWC or the Company) as Deputy Director of Engineering.

**Q. Please summarize your educational background and business experience.**

A. I received a Master of Science Degree in Environmental Engineering in 2008, and a Bachelor of Science in Engineering Management in 2004, from the Missouri University of Science and Technology. I am registered as a professional engineer in Missouri and Indiana. I have more than 14 years of experience in water and wastewater system engineering.

From 2008 to 2011, I worked as an engineer for Indiana American Water, and from 2011 to 2019, I worked as an engineer for MAWC. In these two roles I authored or co-authored more than 10 comprehensive planning studies, which guided the capital program for more than 60 water and wastewater systems and developed numerous targeted studies supporting engineering design and operations. In 2019, I was promoted to Engineering Manager for Capital Asset Planning at MAWC, where I was responsible for all water and wastewater capital planning. In 2022, I was promoted to Deputy Director of Engineering for MAWC.

**Q. What are your current employment responsibilities?**

1 A. As Deputy Director of Engineering, I oversee and manage the activities and groups  
2 supporting comprehensive water and wastewater planning, geographic information  
3 systems (GIS) and mapping, supervisory control and data acquisition (SCADA) systems,  
4 developer related services, and new system acquisitions. My responsibilities include  
5 maintaining compliance with state and federal requirements related to the planning of the  
6 capital investment program; providing comprehensive system planning for use in  
7 developing system needs and projecting capital spending; supporting MAWC operations  
8 staff in performing plant/system troubleshooting and supporting the proper implementation  
9 and maintenance of the SCADA system. I am also responsible for the acquisition and  
10 integration process for new water and wastewater systems. As a Deputy Director of  
11 Engineering, I am familiar with the facilities and operations of the Company in each of its  
12 operating areas.

13 **Q. Did you provide Direct Testimony in this case?**

14 A. No, I did not.

15 **Q. Are you adopting any Direct Testimony in this case?**

16 A. Yes. I am adopting portions of the Direct Testimony of Rebecca Losli, including Section  
17 II “Capital Investment Program”, Section IV “Water Storage Tank Rehabilitation” and  
18 Section V “Risk of Providing Public Water and Wastewater Services”.

19 **Q. If you were asked the same questions as those asked in Ms. Losli’s Direct Testimony,**  
20 **would your responses be the same?**

21 A. Yes.

22 **Q. What is the purpose of your Rebuttal Testimony?**

1 A. The purpose of my Rebuttal Testimony is to respond to Office of the Public Counsel (OPC)  
2 witness Geoff Marke regarding lead line replacement funding.

3 **II. LEAD LINE REPLACEMENT FUNDING**

4 **Q. Dr. Marke indicates his belief that MAWC has not taken a proactive effort in securing**  
5 **federal funding to provide least cost service to its captive ratepayers for lead line**  
6 **service remediation.<sup>1</sup> Do you agree with this statement?**

7 A. No. MAWC has submitted multiple applications to obtain federal funding.

8 **Q. Dr. Marke stated that “MAWC should provide a detailed response in rebuttal as to**  
9 **how it plans to secure federal funding, identify and inform customers moving**  
10 **forward, and other tangible actions.”<sup>2</sup> How do you respond to this statement?**

11 A. MAWC actively reviews opportunities for state and federal funding to assist with the cost  
12 of infrastructure replacement. MAWC is engaged in applying for applicable funds.  
13 MAWC’s commitment to this issue is demonstrated by the following:

- 14 • MAWC was awarded more than \$11.2 million in financial assistance from the Missouri  
15 Department of Natural Resources for upgrades to its water treatment plant in Jefferson  
16 City. The project included the replacement of a below-grade clearwell and high-service  
17 pumping facility and routing discharge to a new finished water line connected to the  
18 distribution system. Other improvements included a new reinforced concrete duct bank,  
19 a new generator and other electrical system upgrades. The project's funding consists of  
20 a Drinking Water State Revolving Fund loan. This funding is estimated to save  
21 Missouri American customers approximately \$2.1 million in interest during the loan's

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<sup>1</sup> Marke DT, p. 18.

<sup>2</sup> Marke DT, p. 22.

1           20-year term.

2           • MAWC and American Water have advocated, and will continue to advocate, for  
3           Congress to expand the eligibility of Clean Water State Revolving Fund loans for  
4           wastewater projects so that it has access to low-interest loans for wastewater systems.  
5           Currently, investor-owned utilities are only eligible for SRF loans for drinking water  
6           projects.

7           • MAWC has applied for the maximum amount of \$200,000 in grant assistance under  
8           the American Rescue Plan Act 2021 (ARPA) to support the lead service line  
9           inventory. However, MAWC’s grant application was not selected for funding. The  
10          response from the Missouri Department of Natural Resources ARPA Team is  
11          included herein as **Schedule-MAL-1 RT**.

12          • MAWC has applied but was not selected for the maximum amount of \$5,000,000 in  
13          ARPA grant assistance for drinking water projects to support upgrades to its water  
14          treatment plant in Jefferson City. The project included replacement of the existing  
15          secondary clarification basins, which were constructed in 1927, with new secondary  
16          clarification basins along with integral primary and secondary re-carbonation basins.  
17          The response from the Missouri Department of Natural Resources ARPA Team is  
18          included herein as **Schedule-MAL-2 RT**.

19          • MAWC has applied for but was informed that it was not selected for the maximum  
20          amount of \$5,000,000 in ARPA grant assistance for wastewater projects to support  
21          upgrades to its wastewater treatment facilities near Wardsville, MO. This project  
22          included a new treatment plant at the Wardsville NW site, as well as lift stations and



1           forcemain to replace multiple satellite treatment facilities and meet upcoming  
2           regulatory requirements. The response from the Missouri Department of Natural  
3           Resources ARPA Team is included herein as **Schedule-MAL-3 RT**.

4           MAWC will continue to advocate for programs that provide loan assistance to investor-  
5           owned water and wastewater systems. MAWC will also continue to apply for available  
6           funds from state and federal resources when applicable.

7   **Q.   Does this conclude your Rebuttal Testimony?**

8   A.   Yes.

**From:** [Rebecca Losli](#)  
**To:** [Rich C Svindland](#)  
**Subject:** FW: State ARPA Grant Application Status Update  
**Date:** Friday, November 18, 2022 10:49:11 AM

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**From:** Department of Natural Resources ARPA Team <DNRARPA@dnr.mo.gov>  
**Sent:** Friday, November 18, 2022 10:13 AM  
**To:** Rebecca Losli <Rebecca.Losli@amwater.com>; Christopher M Parrish <Christopher.Parrish@amwater.com>  
**Subject:** State ARPA Grant Application Status Update

**EXTERNAL EMAIL:** The Actual Sender of this email is [DNRARPA@dnr.mo.gov](mailto:DNRARPA@dnr.mo.gov) "Think before you click!".

## The status of your application has been updated.

Entity Name : Missouri American Water

Application Number: DNR-LI-8A0ECF9783CB

Grant Name: Lead Service-Line Inventories

Your application score is 20.00. Your application rank is 157 out of 171.

This message is to inform you that your application was not accepted for State American Rescue Plan Act (ARPA) funding. This funding program received a large volume of applications for well-designed projects from qualified communities across the state. Unfortunately, this resulted in a very competitive application environment. Your early planning efforts for this project, possibly including the development of an engineering report, represent a significant and often challenging first step toward completing an infrastructure project. While this application was not accepted for ARPA funding, the Missouri Department of Natural Resources does offer other financing programs that communities like yours can utilize to capitalize on the efforts that you have already put forth to complete a project. The State Revolving Fund program can finance most of the same projects that are eligible for ARPA funding and can offer grant funds for qualifying communities. If you are

interested in learning more about these opportunities, please reach out to the Department's Financial Assistance Center at 573-751-1192 or [FAC@dnr.mo.gov](mailto:FAC@dnr.mo.gov). Please note that this message only pertains to the specific application listed above and has no bearing on other applications that you may have submitted to this or other state ARPA programs. You will be notified about the status of any other applications separately.

To access the ARPA Grant Management Portal, please click here: <https://moarpagrants.mo.gov/>

Thank you.

Department of Natural Resources  
Financial Assistance Center  
[DNRARPA@dnr.mo.gov](mailto:DNRARPA@dnr.mo.gov) or 573-751-1192 (toll free 800-361-4827)

**From:** [Rebecca Losli](#)  
**To:** [Rich C Svindland](#)  
**Subject:** FW: State ARPA Grant Application Status Update  
**Date:** Friday, November 18, 2022 10:48:54 AM

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**From:** Department of Natural Resources ARPA Team <DNRARPA@dnr.mo.gov>  
**Sent:** Friday, November 18, 2022 10:19 AM  
**To:** Rebecca Losli <Rebecca.Losli@amwater.com>; Tim Southards <Tim.Southards@amwater.com>  
**Subject:** State ARPA Grant Application Status Update

**EXTERNAL EMAIL:** The Actual Sender of this email is [DNRARPA@dnr.mo.gov](mailto:DNRARPA@dnr.mo.gov) "Think before you click!".

## The status of your application has been updated.

Entity Name : Missouri American Water

Application Number: DNR-DW-C89A7840A46F

Grant Name: Drinking Water Infrastructure

Your application score is 30.00. Your application rank is 298 out of 370.

This message is to inform you that your application was not accepted for State American Rescue Plan Act (ARPA) funding. This funding program received a large volume of applications for well-designed projects from qualified communities across the state. Unfortunately, this resulted in a very competitive application environment. Your early planning efforts for this project, possibly including the development of an engineering report, represent a significant and often challenging first step toward completing an infrastructure project. While this application was not accepted for ARPA funding, the Missouri Department of Natural Resources does offer other financing programs that communities like yours can utilize to capitalize on the efforts that you have already put forth to complete a project. The State Revolving Fund program can finance most of the same projects that are eligible for ARPA funding and can offer grant funds for qualifying communities. If you are interested in learning more about these opportunities, please

reach out to the Department's Financial Assistance Center at 573-751-1192 or [FAC@dnr.mo.gov](mailto:FAC@dnr.mo.gov). Please note that this message only pertains to the specific application listed above and has no bearing on other applications that you may have submitted to this or other state ARPA programs. You will be notified about the status of any other applications separately.

To access the ARPA Grant Management Portal, please click here: <https://moarpagrants.mo.gov/>

Thank you.

Department of Natural Resources  
Financial Assistance Center  
[DNRARPA@dnr.mo.gov](mailto:DNRARPA@dnr.mo.gov) or 573-751-1192 (toll free 800-361-4827)

**From:** [Rebecca Losli](#)  
**To:** [Rich C Svindland](#)  
**Subject:** FW: State ARPA Grant Application Status Update  
**Date:** Friday, November 18, 2022 10:49:01 AM

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**From:** Department of Natural Resources ARPA Team <DNRARPA@dnr.mo.gov>  
**Sent:** Friday, November 18, 2022 10:18 AM  
**To:** Rebecca Losli <Rebecca.Losli@amwater.com>; Tim Southards <Tim.Southards@amwater.com>  
**Subject:** State ARPA Grant Application Status Update

**EXTERNAL EMAIL:** The Actual Sender of this email is [DNRARPA@dnr.mo.gov](mailto:DNRARPA@dnr.mo.gov) "Think before you click!".

## The status of your application has been updated.

Entity Name : Missouri American Water

Application Number: DNR-WW-93259AA3EA0F

Grant Name: Wastewater Infrastructure

Your application score is 0.00. Your application rank is 321 out of 328.

This message is to inform you that your application, was not accepted for State American Rescue Plan Act (ARPA) funding due to ineligibility of either the project or the applicant. Information about project and applicant eligibility can be found in the Notice of Funding Opportunity document located at <https://moarpa.mo.gov/wp-content/uploads/notice-of-funding-opportunity-arpa-water-grants.pdf>. Please note that this message only pertains to the specific application listed above and has no bearing on other applications that you may have submitted to this or other state ARPA programs. You will be notified about the status of any other applications separately.

To access the ARPA Grant Management Portal, please click here: <https://moarpagrants.mo.gov/>

Thank you.

Department of Natural Resources  
Financial Assistance Center  
[DNRRARPA@dnr.mo.gov](mailto:DNRRARPA@dnr.mo.gov) or 573-751-1192 (toll free 800-361-4827)