

Exhibit No. _____
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Witness: Todd Thomas
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Sponsoring Party: Osage Utility Operating
Company, Inc.
File Nos.: WA-2019-0185 and SA-2019-0186
Date: September 4, 2019

Missouri Public Service Commission

Surrebuttal Testimony

of

Todd Thomas

On Behalf of

Osage Utility Operating Company, Inc.

September 4, 2019

Company Exhibit No. 7
Date 9-17-19 Reporter Bjb
File No. WA-2019-0185

TABLE OF CONTENTS

WITNESS INTRODUCTION 2

PURPOSE..... 2

 Testimony of OPC witness Keri Roth..... 2

 Review of PWSD #5 Non-Compliance with MDNR 4

 Review of MWA Non-Compliance with MDNR..... 6

 Review of LAWVA Non-Compliance with MDNR..... 10

 Testimony of Cedar Glen Association Witness Kenneth Hulett..... 13

 Testimony of PWSD #5 and Cedar Glen Witness David G. Krehbiel..... 17

CONCLUSION 25

**SURREBUTTAL TESTIMONY OF
TODD THOMAS
OSAGE UTILITY OPERATING COMPANY, INC.**

1 **WITNESS INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Todd Thomas. My business address is 500 Northwest Plaza Drive,
4 Suite 500, St. Ann, Missouri, 63074.

5 **Q. ARE YOU THE SAME TODD THOMAS WHO PREVIOUSLY FILED DIRECT**
6 **TESTIMONY IN THIS CASE ON BEHALF OF OSAGE UTILITY OPERATING**
7 **COMPANY, INC. (OUOC)?**

8 A. Yes.

9 **PURPOSE**

10 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

11 A. The purpose of my surrebuttal testimony is to respond to portions of the rebuttal
12 testimonies filed by of the Office of the Public Counsel (OPC), Cedar Glen
13 Condominium Owners Association, Inc. (Cedar Glen Association), Public Water
14 Supply District No. 5 of Camden County, Missouri (PWSD #5), and Reflections
15 Subdivision Master Association, Inc. (Reflections Association).

16 **Testimony of OPC witness Keri Roth**

17

18 **Q. HAVE YOU READ THE REBUTTAL TESTIMONY OF OPC WITNESS KERI**
19 **ROTH?**

20 A. Yes.

21 **Q. AT PAGE 14, LINES 8 THROUGH 12, MS. ROTH DISCUSSES THE JOINT**
22 **OFFER OF PWSD #5, MISSOURI WATER ASSOCIATION, INC. (MWA), AND**

1 THE LAKE AREA WASTEWATER ASSOCIATION, INC. (LAWWA) TO
2 PURCHASE THE OSAGE WATER COMPANY SYSTEMS. DOES MS. ROTH
3 STATE A POSITION AS TO WHETHER SHE BELIEVES OUOC'S PURCHASE
4 IS DETRIMENTAL TO THE PUBLIC INTEREST?

5 A. No, she does not. Ms. Roth only states at lines 10 through 11, that "OPC urges
6 the Commission to not ignore other available, and potentially cheaper, options."

7 Q. DO YOU AGREE WITH MS. ROTH THAT THE COMMISSION SHOULD
8 CONSIDER COMPETING OFFERS WHEN EVALUATING WHETHER IT
9 SHOULD APPROVE OUOC'S APPLICATION TO ACQUIRE THE OSAGE
10 WATER COMPANY SYSTEMS?

11 A. No, I do not agree with Ms. Roth's premise. Other offers for purchase have no
12 relevance to what I understand the standard to be for the Commission's decision
13 in this case—that is, whether OUOC is qualified to acquire, own, and operate the
14 systems at issue in this case and whether the sale of those utility systems by the
15 Chapter 11 Bankruptcy Trustee to OUOC would be detrimental to the public.

16 Q. IF THE COMMISSION WERE TO CONSIDER THE COMPETING OFFERS OF
17 PWSD #5, MWA, AND LAWWA IN THIS CASE, WHAT ELSE SHOULD THE
18 COMMISSION CONSIDER ABOUT THESE PROVIDERS OTHER THAN THEIR
19 CLAIMS THAT THEY ARE "POTENTIALLY CHEAPER OPTIONS"?

20 A. The Commission should also evaluate whether PWSD5, MWA, and LAWWA can
21 provide safe and adequate service at a level comparable to OUOC. Providing
22 safe and adequate service includes complying with environmental regulations
23 designed to protect the health and welfare of customers and the environment.

1 **Review of PWSD #5 Non-Compliance with MDNR**

2 **Q. HOW MANY SYSTEMS DOES PWSD #5 OPERATE?**

3 A. PWSD # 5 operates two water and wastewater systems: Clearwater
4 Condominiums (Clearwater) and Cedar Heights.

5 **Q. HAS THE MISSOURI DEPARTMENT OF NATURAL RESOURCES (MDNR)**
6 **SENT COMMUNICATION TO PWSD #5 REGARDING THE COMPLIANCE, OR**
7 **NON-COMPLIANCE, OF THE CLEARWATER AND CEDAR HEIGHTS**
8 **SYSTEMS WITH THE MISSOURI SAFE DRINKING WATER LAW AND**
9 **MISSOURI CLEAN WATER LAW?**

10 A. Yes. In just the last four years, PSWD # 5 has received communication from
11 MDNR no less than 13 times for notices of violation, findings of non-compliance,
12 or letters of warning related to the compliance of Clearwater and Cedar Heights
13 with Missouri's Safe Drinking Water Law, Missouri Clean Water Law, and their
14 respective implementing regulations. I have included copies of the MDNR
15 communications as **Schedule TT-S1**. For ease of reference, I have also
16 included a table summarizing these issues as **Schedule TT-S2**.

17 **Q. HAVE YOU OPERATED SYSTEMS SIMILAR TO THE PWSD #5**
18 **CLEARWATER AND CEDAR HEIGHTS SYSTEMS?**

19 A. Yes, I have. As explained in my direct testimony, at one time I had responsibility
20 for operating water and wastewater systems serving approximately 64,000
21 residential connections. These systems included a variety of small and medium
22 sized water and wastewater plants. In addition, CSWR currently owns and
23 operates three similar sized plants within Raccoon Creek Utility Operating

1 Company; a similar sized water and waste water system in Hillcrest Utility
2 Operating Company; one water and 4 waste water systems that are similar sized
3 within Elm Hills Utility Operating Company; a water system in Indian Hills Utility
4 Operating Company; a similar sized water and wastewater system in Sebastian
5 Lake Utility Operating Company in Arkansas; 7 other similar sized wastewater
6 treatment plants in Arkansas; and 8 other similar sized waste water systems in
7 Kentucky that will be closed on in the next thirty days.

8 **Q. FROM YOUR EXPERIENCE AS AN OPERATOR, SHOULD PWSD #5'S**
9 **COMPLIANCE ISSUES BE A CONCERN?**

10 **A.** Yes. The number of violations these relatively small systems have incurred
11 seems to suggest a lack of basic operational capability by PWSD #5. Normal
12 reporting deadlines were missed several times. PWSD #5 failed to pay yearly
13 fees for both systems. Most concerning is that it took PWSD #5 over three years
14 to correct a simple compliance issue and install a sample tap prior to treatment to
15 allow the system to both collect and test source water samples as required by
16 MDNR Safe Drinking Water regulations. This issue of non-compliance was cited
17 by MDNR in its February 2, 2016, Report of Inspection for Clearwater, stating: "A
18 sample tap is needed to collect samples directly from the well prior to treatment
19 so that distribution and source problems can be distinguished from each other.
20 Samples collected before treatment and storage reveals the condition of the raw
21 source water." MDNR's January 15, 2019, Report of Inspection for Clearwater
22 found the facility not in compliance again for the same issue. It took until
23 February 13, 2019, after two findings of non-compliance by MDNR, for PSWD #5

1 to install a sample tap and report to MDNR its completions of the required
2 compliance action.

3 **Q. HAS THERE BEEN MORE RECENT COMMUNICATIONS FROM MDNR TO**
4 **PWSD #5 REGARDING COMPLIANCE?**

5 A. Yes. On May 14, 2019, MDNR sent a Report of Inspection to PWSD #5
6 regarding its Clearwater wastewater treatment facility. The Report stated the
7 facility was in Enforcement for delinquent permit fees. Included with the Report
8 was a Letter of Warning requiring PWSD #5 to pay its delinquent 2018 and 2019
9 delinquent fees by June 13, 2019.

10 Review of MWA Non-Compliance with MDNR

11 **Q. HOW MANY SYSTEMS DOES MWA OPERATE?**

12 A. MWA owns and/or operates 21 systems. I have included a table with the
13 systems names as Schedule TT-S3.

14 **Q. HAS THE MISSOURI DEPARTMENT OF NATURAL RESOURCES (MDNR)**
15 **SENT COMMUNICATION TO MWA REGARDING THE COMPLIANCE, OR**
16 **NON-COMPLIANCE, OF THE SYSTEMS WITH THE MISSOURI SAFE**
17 **DRINKING WATER LAW?**

18 A. Yes. In just the last five years, MWA has received communication from MDNR
19 regarding no less than 10 violations of Missouri's Safe Drinking Water Law and
20 implementing regulations. I have included copies of the MDNR communications
21 as Schedule TT-S4. For ease of reference, I have also included a table
22 summarizing these issues as Schedule TT-S5.

1 Q. HOW DID OUOC OBTAIN THE INFORMATION IN SCHEDULES TT-S4?

2 A. OUOC received the information from MWA in response to DRs 1.17 and 1.18.

3 Q. HAS MWA'S SYSTEMS EXPERIENCED INSTANCES OF NONCOMPLIANCE
4 WITH MDNR THAT WERE NOT INCLUDED IN RESPONSE TO DRS 1.17 AND
5 1.18?

6 A. Yes. OUOC requested the same information from MDNR through a Sunshine
7 Records Request as it requested from MWA in DRs 1.17 and 1.18. However, it
8 has become clear in our review of the Sunshine records that MWA failed to
9 produce all documents related to findings of non-compliance and violations in
10 systems owned and/or operated by MWA as required by the DRs. MDNR
11 provided the Sunshine records to OUOC on August 27, 2019. Due to the large
12 volume of Sunshine records provided by MDNR, OUOC could only review a
13 sample of the records prior to this surrebuttal filing. Specifically, OUOC looked
14 for documents on systems that MWA had provided documents for and in the
15 same time frame as the systems' other violations. These limitations were applied
16 to the review to avoid inappropriately linking violations to MWA that could have
17 occurred prior to MWA acquisition of the systems. The MDNR records supporting
18 the violations undisclosed by MWA are included in Schedule TT-S6. A summary
19 of the undisclosed violations identified to date is provided in Schedule TT-S7. It
20 is likely that with more time OUOC's review of the Sunshine records will reveal
21 additional violations that MWA failed to disclose.

22 Q. HAVE YOU OPERATED SYSTEMS SIMILAR TO MWA'S SYSTEMS?

1 A. Yes. As I explained above in the PWSD # 5 discussion, I have been responsible
2 for the operations of small and medium sized water systems. Additionally,
3 CSWR currently owns 4 similarly sized water systems to those of MWA in
4 Missouri, and several similarly sized systems in other states.

5 **FROM YOUR EXPERIENCE AS AN OPERATOR, SHOULD MWA'S**
6 **COMPLIANCE ISSUES BE A CONCERN?**

7 A. Yes. MWA's compliance issues should be of concern to the Commission and
8 call into question whether MWA can provide safe and adequate service to the
9 customers of the systems it seeks to serve in this case.

10 **Q. PLEASE EXPLAIN.**

11 A. As an example, MDNR cited MWA twice in 2017, and again in 2019, for failure to
12 establish cross connection control programs on multiple drinking water systems
13 MWA operates. Repeated violations of similar type suggest MWA operators do
14 not complete a comprehensive review of all systems when it receives a violation
15 from MDNR. A comprehensive system review allows operators to identify similar
16 compliance issues and proactively implement the corrective measures system
17 wide.

18 **Q. WHY IS A CROSS CONNECTION CONTROL PROGRAM IMPORTANT FOR A**
19 **DRINKING WATER SYSTEM?**

20 A. MDNR regulation 10 CSR 60-11.010 requires that a public water system be
21 designed and maintained to prevent contamination from being introduced into the
22 drinking water system from back-pressure or back-siphonage at customer
23 connections.

1 Q. AS AN OPERATOR, DO YOU HAVE ANY OTHER CONCERNS ABOUT THE
2 TYPES OF VIOLATIONS CITED BY MDNR ON SYSTEMS OPERATED BY
3 MWA?

4 A. Yes I do. Over the last five years, MWA has received violations on systems it
5 operates for:

- 6 • failure of drinking water system to have a permit to dispense;
- 7 • drinking water system construction without approval by MDNR;
- 8 • failure to send the annual Consumer Confidence Report to
9 customers;
- 10 • failure to install backflow prevention devices at customer
11 connections and maintain test records;
- 12 • failure to maintain a well house free of rodent activity and possible
13 contaminants; and
- 14 • failure to plug abandoned wells.

15 The first three types of violations are basic operational bookkeeping, permitting
16 and reporting requirements. The last three types of violations are types of
17 operational deficiencies that have the capability of introducing contaminants into
18 customers' drinking water. Both types of deficiencies suggest MWA lacks the
19 basic operational capability to operate the systems it now has, let alone, take on
20 additional non-viable systems that require improvements.

21 Q. WAS MR. GOSS AWARE OF THESE VIOLATIONS AT MWA SYSTEMS?

22 A. MDNR addressed its communications regarding the violations at both Seven
23 Trails West and Lakeside at Cross Creek systems to Mr. Goss. MDNR also

1 identified Mr. Goss as the co-owner on its communications regarding the
2 violations at Park Place on the Lake system.

3 **Q. HAS THERE BEEN MORE RECENT COMMUNICATION FROM MDNR TO**
4 **MWA REGARDING COMPLIANCE?**

5 A. Yes. In May 2019, MWA's Brentwood system had a loss of pressure due to a
6 well pump failure. See Schedule TT-S8. Then in June 2019, the system had
7 repeat samples test Total Coliform Positive with zero chlorine residual
8 disinfectant in the drinking water. See Schedule TT-S9.

9 Review of LAWWA Non-Compliance with MDNR

10 **Q. HOW MANY SYSTEMS DOES LAWWA OPERATE?**

11 A. LAWWA owns and/or operates 57 systems. I have included a table with the
12 systems names as Schedule TT-S10.

13 **Q. HAS THE MISSOURI DEPARTMENT OF NATURAL RESOURCES (MDNR)**
14 **SENT COMMUNICATION TO LAWWA REGARDING THE COMPLIANCE, OR**
15 **NON-COMPLIANCE, OF THE SYSTEMS WITH THE MISSOURI CLEAN**
16 **WATER LAW?**

17 A. Yes. In just the last five years, LAWWA has received communication from
18 MDNR regarding no less than 86 violations of Missouri's Clean Water Law and
19 implementing regulations. I have included copies of the MDNR communications
20 as Schedule TT-S11. For ease of reference, I have also included a table
21 summarizing these issues as Schedule TT-S12.

22 **Q. HOW DID OUOC OBTAIN THE INFORMATION IN SCHEDULES TT-S11?**

23 A. OUOC received the information from LAWWA in response to DRs 1.17 and 1.18.

1 Q. HAS LAWVA'S SYSTEMS EXPERIENCED INSTANCES OF
2 NONCOMPLIANCE WITH MDNR THAT WERE NOT INCLUDED IN
3 RESPONSE TO DRS 1.17 AND 1.18?

4 A. Yes. OUOC requested the same information from MDNR through a Sunshine
5 Records Request as it requested from LAWVA in DRs 1.17 and 1.18. However,
6 it has become clear in our review of the Sunshine records that LAWVA also
7 failed to produce all documents related to findings of non-compliance and
8 violations in systems owned and/or operated by LAWVA as required by the DRs.
9 MDNR provided the Sunshine records to OUOC on August 27, 2019. Due to the
10 large volume of Sunshine records provided by MDNR, OUOC could only review a
11 sample of the records prior to this surrebuttal filing. Specifically, OUOC looked
12 for documents on systems that LAWVA had provided documents for and in the
13 same time frame as the systems' other violations. These limitations were applied
14 to the review to avoid inappropriately linking violations to LAWVA that could
15 have occurred prior to LAWVA's acquisition of the systems. The MDNR records
16 supporting the undisclosed violations identified to date is provided in Schedule
17 TT-S6. A summary of the undisclosed violations identified to date is provided in
18 Schedule TT-S7. It is likely that with more time OUOC's review of the Sunshine
19 records will reveal additional violations that LAWVA failed to disclose.

20 Q. HAVE YOU OPERATED SYSTEMS SIMILAR TO LAWVA'S SYSTEMS?

21 A. Yes. As I explained above in the PWSD # 5 discussion, I have been responsible
22 for the operations of small and medium sized wastewater systems. Additionally,

1 CSWR currently owns similarly sized wastewater systems to those of MWA in
2 Missouri, and several similarly sized systems in other states.

3 **FROM YOUR EXPERIENCE AS AN OPERATOR, SHOULD LAWWA'S**
4 **COMPLIANCE ISSUES BE A CONCERN?**

5 B. Yes. LAWWA's compliance issues should be of concern to the Commission and
6 call into question whether LAWWA can provide safe and adequate service to the
7 customers of the systems it seeks to serve in this case.

8 **Q. AS AN OPERATOR, DO YOU HAVE ANY OTHER CONCERNS ABOUT THE**
9 **TYPES OF VIOLATIONS CITED BY MDNR ON SYSTEMS OPERATED BY**
10 **LAWWA?**

11 A. Yes I do. LAWWA's violations span nearly every category of MDNR violation,
12 ranging from failure to submit basic testing results, failure to maintain facilities,
13 and failure to meet MDNR permitted effluent limits at many of their plants. Many
14 of these violations are recurring issues. For example, LAWWA has 8 MDNR
15 cited violations over the course of 5 years at 5 different wastewater facilities for
16 failing to use required signage for marking outfall locations and warning the
17 public away from wastewater facilities. Ignoring these simple compliance
18 requirements should not happen at all. But after receiving a violation for failing to
19 post this basic, inexpensive and easy to install signage this should have become
20 standard practice and resolved at all their facilities rather than requiring additional
21 violations at 4 other facilities to fix the issue system-wide. This speaks to
22 LAWWA's failure to implement even basic requirements in operating practices
23 throughout its organization.

1 Q. OTHER THAN SIGNAGE VIOLATIONS, WHAT OTHER VIOLATIONS HAS
2 MDNR CITED FOR SYSTEMS OPERATED BY LAWVA?

3 A. There are many violations for failure to submit required Discharge Monitoring
4 Reports (DMR). As an operator, this reporting failure does not inspire confidence
5 in operations, as DMRs are the most basic regulatory requirement for wastewater
6 facilities. Repeated and ongoing failures to submit these reports points to either
7 organizational incompetence, or intentional disregard for completing effluent
8 sampling to avoid reporting effluent exceedances. Either explanation would
9 represent poor operational standards. LAWVA facilities have numerous
10 violations for exceedances of permitted effluent limits, both on samples submitted
11 for DMRs and on samples taken by MDNR employees during facility inspections.
12 LAWVA's systems are not consistently meeting minimum treatments standards.
13 Also included in violations discovered during inspections on LAWVA facilities are
14 several violations for failure to maintain facilities to minimum standards for safety
15 and operation, and at least two instances of sanitary sewage overflows allowing
16 raw or partially treated sewage to enter the environment.

17 Testimony of Cedar Glen Association Witness Kenneth Hulett

18 Q. HAVE YOU READ THE TESTIMONY OF CEDAR GLEN ASSOCIATION
19 WITNESS KENNETH HULETT?

20 A. Yes, I have.

21 Q. AT PAGE 6, LINES 22-23, THROUGH PAGE 7, LINES 1-2, MR. HULETT
22 CITES PWSD #5 WITNESS STONE'S ESTIMATE OF \$39,000 TO UPDATE
23 CEDAR GLEN AND CONCLUDES PWSD #5 CAN IMPROVE CEDAR GLEN

1 **WATER AND WASTEWATER FACILITIES TO ACHIEVE COMPLIANCE**
2 **STANDARDS AT A MUCH LOWER COST THAN OUOC. DO YOU AGREE**
3 **WITH THIS ESTIMATE?**

4 A. No, I do not. One only needs to review the testimony of Mr. Krehbiel, PWSD #5's
5 engineer, to see that even Mr. Krehbiel discusses improvements that will far
6 exceed \$39,000.

7 **Q. PLEASE EXPLAIN.**

8 A. At page 3, lines 1-14 of Mr. Krehbiel's rebuttal testimony, he quotes paragraph
9 7.1.2.b of DNR's Minimum Design Standards for Missouri Community Water
10 Systems ("Design Standards") that states:

11 Provide ground level finished water storage with nominal capacity
12 equal to or greater than one day's average demand. Duplex or
13 variable speed high service pumps shall be provided with this
14 option. The high service pumps shall have a capacity capable of
15 meeting design instantaneous peak flow and of maintaining a
16 minimum pressure of 35 PSIG throughout the service area with
17 the largest pump out of service. Emergency power generation
18 facilities shall be provided to assure that water outages or low
19 water pressures do not occur. Note the volume above low level
20 withdrawal pump shut down is counted as nominal capacity.

21 This minimum design standard references the need for ground water storage and
22 high capacity redundant pumps, both of which the Cedar Glen system currently
23 lacks. Additionally, on page 2, lines 17-19, Mr. Krehbiel estimates 800 people
24 are being served by the Cedar Glen system. Per Section 3.2.1.2, Part b of the
25 Design Standards, "all public water systems that require continuous service and
26 serve 500 or more people shall have more than one well and shall be capable of
27 meeting design average day demand with the largest producing well out of

1 service or an alternate approved source of water capable of meeting the design
2 or actual average day demand." Additionally, Paragraph 7.1.2.b states that
3 booster stations provided without elevated storage and serving more than 100
4 connections shall have permanent power generation installed to serve the
5 pumping station. The Cedar Glen system lacks a second well, a ground storage
6 tank, a duplex pumping station, and onsite permanent power generation. The
7 estimated cost for drilling a new well and associated piping is an unknown. All of
8 these deficiencies cannot be addressed for \$39,000.

9 **Q. ARE THERE OTHER ISSUES WITH THE CEDAR GLEN SYSTEM RAISED BY**
10 **THE DESIGN STANDARDS?**

11 A. Yes. The Design Standards also specify that "Hydropneumatic storage
12 (conventional tanks or bladder tanks) shall not be used as the only storage
13 facilities for community public water systems serving more than 50 connections
14 or living units." The current system's sole source of storage is hydropneumatic
15 storage that serves 216 living units, which exceeds this guideline. The
16 referenced Design Standards also indicate that ground storage is necessary, and
17 no such ground storage is provided at the site.

18 **Q. WHAT WOULD BE NECESSARY TO PROVIDE GROUND STORAGE?**

19 A. In order to provide ground storage, a booster station will also be necessary. This
20 station will include at least two pumps to meet the response above and also
21 consistent with an additional guideline that "Each booster pumping station shall
22 contain not less than two pumps with capabilities such that peak demand and fire
23 flow, if provided, can be satisfied with the largest pump out of service."

1 Q. ARE THERE ANY FURTHER ISSUES?

2 A. Yes. The Design Standards also specify that "Emergency power generation" is
3 also required, which the system does not currently provide. This generator will
4 need to be able to supply power to the mentioned booster station pumps and the
5 lone system deep well. Costs of such a generator can range anywhere from
6 \$40,000 to \$50,000.

7 Q. AT PAGE 5, LINES 2-4 OF MR. KREHBIEL'S REBUTTAL TESTIMONY, HE
8 STATES THAT INTERCONNECTION OF PWSD #5'S SYSTEM WITH CEDAR
9 GLEN'S SYSTEM MAY TAKE MORE THAN 24 MONTHS TO COMPLETE.
10 DOES MR. KREHBIEL PROVIDE AN ESTIMATE FOR THE COST OF THE
11 INTERCONNECTION?

12 A. No, Mr. Krehbiel does not provide an estimate for the cost of the interconnection.
13 It does not appear that Mr. Hulett takes these costs into consideration either.

14 Q. WHAT STEPS WOULD BE REQUIRED TO MAKE THAT CONNECTION?

15 A. A number of steps are necessary to complete this task. The first step being the
16 acquisition of easements. This can be a lengthy process. There will likely be
17 costs incurred to pay a firm to negotiate those easements, as well as an
18 unknown cost to pay the owners for the easements. Meeting with the Missouri
19 Department of Transportation ("MoDOT") would also occur during this time to
20 evaluate the location to cross the highway. MoDOT will commonly require a bore
21 and encasement to cross the highway, as they typically do not allow open cutting
22 of their pavement for utilities. After the route for the water main is chosen, an

1 engineer will need to work through topographic surveying, water system design,
2 hydraulic analysis, permitting, and construction.

3 **Q. GENERALLY, IS THERE SIGNIFICANT EXPENSE ASSOCIATED WITH**
4 **INTERCONNECTIONS OF THE TYPE YOU JUST DESCRIBED?**

5 A. There can be. The expense is tied to the number of easements required, the
6 length of the main, any solid rock excavation, and boring and encasement
7 necessary. After the connection, the system would have to deal with cost of
8 decommissioning the existing well site and components. I feel this would be a
9 significant expense for the system. The expense including engineering, permits,
10 easements and construction could easily exceed \$150,000.00.

11 **Q. DO YOU AGREE WITH MR. HULETT'S RECOMMENDATION ON PAGE 7,**
12 **LINES 4-8 THAT, IF APPLICATION WERE MADE, THE COMMISSION**
13 **SHOULD APPROVE A SALE OF OSAGE WATER COMPANY'S SYSTEMS TO**
14 **PWSD #5, MWA, AND LAWVA?**

15 A. No, I do not. As discussed above, the systems owned and operated by PWSD
16 #5, MWA, and LAWVA have long histories of non-compliance with MDNR's safe
17 drinking water and clean water regulations, including the most basic of
18 compliance requirements. A sale of Osage Water Company's systems to such
19 entities cannot be in the public interest.

20 Testimony of PWSD #5 and Cedar Glen Witness David G. Krehbiel

21 **Q. ON PAGE 3, LINES 25-27, MR. KREHBIEL CONCLUDES THAT "HIGH**
22 **QUALITY MAINTENANCE IS BEING PERFORMED ON THE [CEDAR GLEN**

1 **WASTEWATER TREATMENT FACILITY].” DO YOU AGREE WITH MR.**
2 **KREHBIEL’S CONCLUSION?**

3 A. No, I do not. Samples were taken by a third party as a part of the CSWR due
4 diligence process to confirm current the quality of maintenance of wastewater
5 facilities.

6 **Q. WHEN WERE SAMPLES TAKEN?**

7 A. An effluent sample was taken by a third party on April 23, 2019 and tested by
8 Ozark Testing. The chain of custody forms and testing reports are contained in
9 **Schedule TT-S13.**

10 **Q. WHAT WAS DETERMINED BY THE TESTING?**

11 A. This sample had a discharge result of 5.90 mg/L for Ammonia and 63.2 mg/L for
12 Total Suspended Solids. The MDNR operating permit lists the “Final Effluent
13 Limitations” for both Ammonia and Total Suspended Solids (TSS). The permitted
14 Ammonia limit has a monthly average of 1.3 mg/L and a daily maximum of 5.0
15 mg/L. Thus, the sample collected on April 23, 2019, violated the facility’s
16 operating permit. Additionally, the permitted TSS limit has a monthly average of
17 20 mg/L and weekly average of 30 mg/L. The sample collected on April 23, 2019,
18 violated both these standards as well.

19 **Q. WHAT CONCERNS ARE RAISED BY THESE RESULTS?**

20 A. These results raise concerns that current demands exceed capabilities of the
21 facility, the facility is poorly managed, or both.

22 **Q. WAS THERE ALSO AN OPPORTUNITY TO VISUALLY INSPECT THE**
23 **FACILITIES ON APRIL 23, 2019?**

1 A. Yes.

2 Q. WHAT CAN YOU TELL FROM A VISUAL INSPECTION OF WATER AND
3 SEWER FACILITIES?

4 A. Our experience has shown that if the level of cleanliness of a facility is poor, the
5 level of operational control and monitoring is very often also poor, which is
6 consistent with the failed sample on April 23, 2019. Signs of poor system
7 maintenance include debris being scattered across the site, among other
8 deficiencies.

9 Q. AS TO THE CEDAR GLEN WASTEWATER SYSTEM, DO YOU HAVE ANY
10 PICTURES OF WHAT WAS OBSERVED THROUGH THE COURSE OF THE
11 DUE DILIGENCE PROCESS?

12 A. Yes. The following pictures and descriptions show some of the maintenance
13 issues that were observed.



14



1

2 Empty chemical supply containers left behind that should be hauled to trash
3 disposal. The edges of the bed are caked with leaf debris and a bush is growing
4 out of the center of the far bed pictured. Also, note the leaves and rocks that are
5 getting into the contact chamber contaminating effluent, which should be
6 maintained and better protected for maintenance purposes. Leaves and
7 construction repair material left on the bed can lead to premature failure of sand
8 media.



9

10 Construction and repair materials were left behind that should be removed from
11 the site. The wire grate is not properly fitted. Note the leaves and rocks that are
12 getting into the contact chamber and contaminating effluent, which should be

1 maintained and better protected for maintenance purposes.



2

3 Unorthodox lid with rock holding it in place. This makeshift lid should be replaced with a
4 proper lid. Also, construction and repair materials were left onsite that should be
5 removed.



6

7 Trees are falling over the exterior fencing. All trees should be removed to
8 maintain security of the wastewater facility.

9 Piping is exposed and should be buried. Exposed piping leaves the system
10 vulnerable to freezing and a sewage discharge and/or sanitary sewer overflow
11 that a system is required to report to DNR. With the lake body so close,

1 discharged sewage could make it into the lake water and be a concern for a fish
2 kill.



3
4 Failed dosing pumps and construction debris are left scattered over the site.
5 Minimal maintenance and effort is being made at this facility.

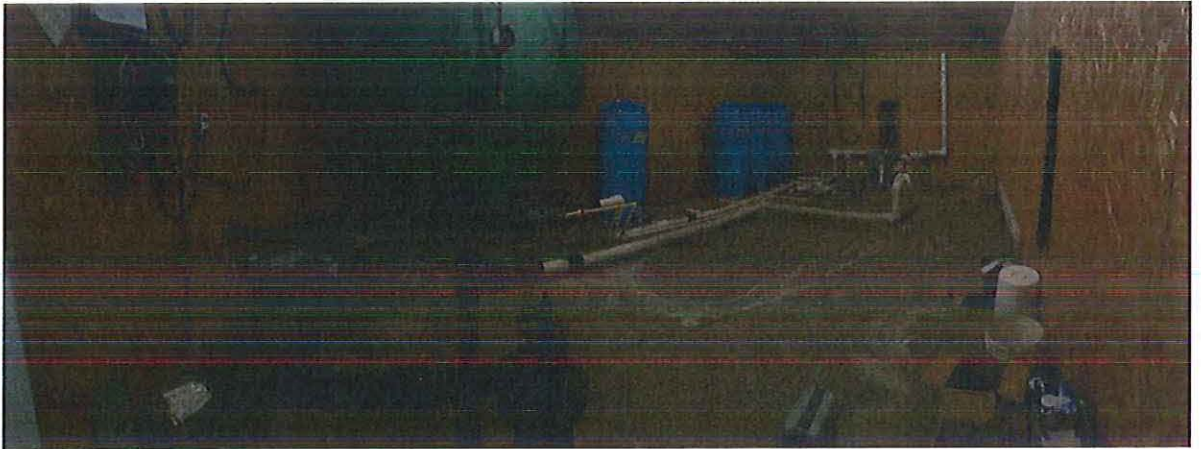
6 The operator informed us during our visit that a number of the dosing pumps that
7 send sewage to the sand beds have failed and therefore, are not capable of
8 loading all the sand bed zones.

9 **Q. WHAT IS THE IMPACT FAILURE OF THESE PUMPS?**

10 A. From this occurring, some of the sand zones can be overloaded by the extra
11 sewage sent for treatment. This will lead to premature failure of the sand media,
12 increased cost for repairs, and the plant will exhibit reduced treatment
13 capabilities if portions of the treatment process are overloaded. Measures
14 should be taken immediately to remedy this action including replacing the failed
15 pumps. The operators should be taking these steps necessary to protect the
16 environment and health of the people that utilize the Lake of the Ozarks.

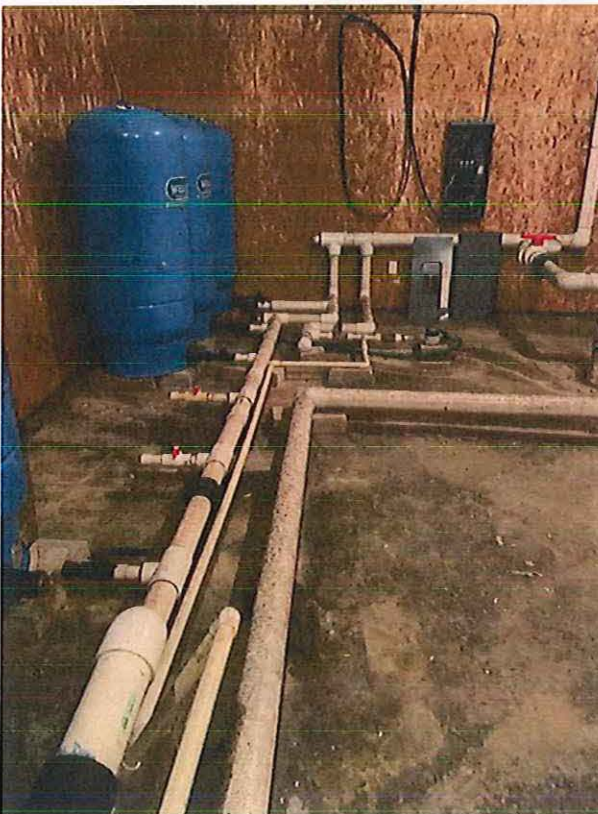
17 **Q. AS TO THE CEDAR GLEN WATER SYSTEM, DO YOU HAVE ANY PICTURES**
18 **OF WHAT WAS OBSERVED THROUGH THE COURSE OF THE DUE**
19 **DILIGENCE PROCESS?**

1 A. Yes. Those pictures follow:



2

3 The well house has excessive clutter. Boxes, buckets, and repair materials
4 should be removed from the well house.



5

6 Electrical control panels should always be closed when not being serviced.
7 Panels are sitting on the ground below the electrical box and should be installed.

1 Q. WHY IS THE CONDITION OF THE WELL HOUSE SIGNIFICANT?

2 A. This is dangerous for anyone entering the well house for inspection or
3 maintenance work. Wiring is stapled to the walls and ceiling. Wiring should be
4 enclosed in electrical grade conduit to protect the system and public from
5 electrocution.

6 Q. ARE THESE ALL MATTERS THAT WOULD BE CORRECTED BY OUOC IF IT
7 WERE TO PURCHASE THE OSAGE WATER COMPANY ASSETS?

8 A. Yes.

9 Q. ON PAGE 4, LINES 5-7, MR. KREHBIEL STATES THAT HE IS "OF THE
10 OPINION THAT THE CEDAR GLEN RECIRCULATING SAND FILTER
11 WASTEWATER TREATMENT FACILITY HAS THE CAPABILITY TO MEET
12 THE PERMIT LIMITS WITHOUT THE INSTALLATION OF A MBBR." DO YOU
13 AGREE WITH MR. KREHBIEL?

14 A. Not with what is known today. As previously mentioned, the most recent effluent
15 sample taken on April 23, 2019, shows that discharged effluent exceeded
16 operating permit limits for Ammonia and for Total Suspended Solids. Mr.
17 Krehbiel's response above suggests the facility has the capabilities to meet these
18 limits, but he provided no testing data or facility analysis to confirm his opinion.

19 Q. WHAT IS YOUR EXPERIENCE WITH SAND FILTERS IN REGARD TO
20 AMMONIA LIMITS?

21 A. Sand filters historically do not meet ammonia limits consistently. Thus, the fact
22 that this facility was violating the permit limits did not surprise me.

23 Q. WHAT DO THE RESULTS AS TO TSS INDICATE?

1 A. A TSS result of this level on a sand filter typically indicates that the sand bed is
2 being overloaded with solids. When this occurs, the system is not being
3 maintained well and will lead to premature failure of the sand media. This would
4 require removal and replacement of the sand media, which often requires
5 replacement of all the piping in the upper 12" of media due to low cost piping
6 often used.

7 **Q. IS THERE A BETTER SOLUTION?**

8 A. In our experience, we have found it to be a more economical, robust, and long-
9 term solution to utilize a Moving Bed Bio Reactor ("MBBR") process as a cost-
10 effective solution to facilities of this type. Not only will it reduce ammonia levels
11 and be able to treat ammonia more consistently, it will decrease the contaminant
12 levels discharging to the sand bed and extend the life of the entire facility.

13 **CONCLUSION**

14 **Q. WHAT DOES OUOC NEED FROM THE COMMISSION TO PROVIDE SERVICE**
15 **TO WATER AND SEWER SYSTEMS OF OSAGE WATER COMPANY?**

16 A. As requested in the Amended Application, OUOC asks the Commission to allow
17 it to acquire the CCNs of Osage Water Company, or grant OUOC new CCNs to
18 provide water and sewer service in the area now served by Osage Water
19 Company, and cancel the certificates of Osage Water Company. OUOC also
20 requests the Commission authorize Osage Water Company and OUOC to
21 execute and perform in accordance with the terms described in the *Agreement*
22 *For Sale of Utility System between OUOC and the Trustee of Osage Water*
23 *Company* attached to the direct testimony of Mr. Cox and to take any and all

1 other actions which may be reasonably necessary and incidental to the
2 performance of the acquisitions.

3 **Q. WHAT DOES OUOC NEED FROM THE COMMISSION TO PROVIDE SERVICE**
4 **TO THE WATER AND SEWER SYSTEMS OF REFLECTIONS?**

5 A. As requested in the Amended Application, OUOC asks the Commission to grant
6 it Certificates of Convenience and Necessity authorizing it to install, acquire,
7 build, construct, own, operate, control, manage and maintain a water and sewer
8 system for the public within the area currently served by Reflections, as set forth
9 on the legal description attached to Mr. Cox's direct testimony. OUOC also
10 requests the Commission authorize Great Southern Bank, Reflections
11 Subdivision Master Association, Inc., and Reflections Condominium Owners
12 Association, Inc. and OUOC to execute and perform in accordance with the
13 terms described in the *Amended and Restated Agreement For Sale of Utility*
14 *System* attached to the Direct Testimony of Mr. Cox and to take any and all other
15 actions which may be reasonably necessary and incidental to the performance of
16 the acquisitions.

17 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

18 A. Yes, it does.

AFFIDAVIT

STATE OF MISSOURI)
)
COUNTY OF St. Louis) ss

I, Todd Thomas, state that I am the Senior Vice President of Central States Water Resources, Inc.; that the Surrebuttal Testimony and schedules attached hereto have been prepared by me or under my direction and supervision; and, that the answers to the questions posed therein are true to the best of my knowledge, information and belief.

Todd Thomas

Subscribed and sworn to before me this 4th day of September, 2019.

Brenda Eaves
Notary Public

My Commission Expires:

01-31-2021
(SEAL)

