

Exhibit No.: _____
Issues: Rate Design/Class Cost of Service
Witness: Scott Moats
Type of Exhibit: Direct Testimony
Sponsoring Party: The City of Bolivar
File Nos.: WR-2024-0104 and SR-2024-0105

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI
FILE NOS. WR-2024-0104 and SR-2024-0105

DIRECT TESTIMONY

OF

SCOTT MOATS

ON BEHALF OF

THE CITY OF BOLIVAR

SEPTEMBER 10, 2024

1 **I. INTRODUCTION OF WITNESS AND TESTIMONY**

2 **Q. Please state your name, title, and business address.**

3 A. My name is Scott Moats. I am the Chief Business Officer | Executive Vice President for
4 Finance for Southwest Baptist University. My business address is 1600 University
5 Avenue, Bolivar Missouri 65613.

6 **Q. Please describe your professional background.**

7 A. Thirty-three years in higher education with the following credentials: BA, MDiv, MA,
8 MEd, MBA, and PhD. I also hold credentials with the Christian and Missionary Alliance
9 as an ordained minister.

10 **Q. On whose behalf are you testifying?**

11 A. I am testifying on behalf of the City of Bolivar, an intervenor in this proceeding.

12 **Q. Have you previously testified before the Missouri Public Service Commission?**

13 A. No.

14 **Q. What is the purpose of your testimony?**

15 A. In these two cases, Liberty proposed to more than double its rates to Bolivar water
16 customers, and to either reduce its rates to Bolivar sewer customers or pass along excess
17 Bolivar sewer revenues to Liberty's sewer customers in other service areas. Southwest
18 Baptist University is now a Liberty water and sewer customer in Bolivar. Because
19 Liberty's statements in these two cases are significantly different from its representations
20 and commitments to Southwest Baptist University during the 2019-2022 time period that
21 Liberty sought Southwest Baptist University's approval to buy Bolivar's water and sewer
22 systems, I offer my testimony so that this Commission will have a full and fair record of
23 factual evidence upon which to ground the final order it enters in these cases.

1 **Q. Please summarize your testimony.**

2 A. In 2020, Southwest Baptist University was told by Liberty – through its website and in
3 public meetings – that sewer rates would increase by 38% if the City continued to operate
4 the systems, but that Liberty wouldn't seek to raise its sewer rates until 2024, and then by
5 no more than 19%. All information and discussion was at that time focused on sewer
6 rates. Southwest Baptist University then supported the sale of Bolivar's water and sewer
7 systems to Liberty. Now, Liberty proposes to decrease our sewer rates, or share our
8 excess sewer revenue with Liberty's other customers, while more than doubling our water
9 rates. Such an increase in our water rates would be an unfair, unexpected and
10 extraordinary expense which would force the university to curtail or eliminate some
11 facilities and/or services. And, the university is concerned that Liberty intends to follow
12 these two cases with another rate case seeking extraordinary increases in our sewer rates.

13 **II. Liberty's Prior Representations to Southwest Baptist University**

14 **Q. Did Liberty make any statements or promises to Southwest Baptist University that**
15 **persuaded the university to support the sale of Bolivar's water and sewer systems to**
16 **Liberty?**

17 A. Liberty set up a website, and I understand that it is still operable, and the address is:
18 <https://betterwaterbolivar.com>. I have attached the print-out of that website's content as
19 Schedule SM-1, and I understand that Liberty produced this print-out in response to Data
20 Request 0005 of the Office of Public Counsel.

21 **Q. Did Liberty in its website make any statements about the water and sewer rates that**
22 **the university might expect if Bolivar's systems were kept by the City or instead sold**
23 **to Liberty?**

1 A. I understood that the sewer system needed repairs, and that the City would have to
2 increase sewer rates by 38%. The print-out of the website matches my understanding of
3 that statement, and also the statement that Liberty's sewer rates would be less than what
4 the City would have to charge because Liberty would spread the costs of repairing the
5 sewer system across more customers.

6 **Q. Was the university given any other information about the sale of Bolivar's water
7 and sewer systems to Liberty?**

8 A. Yes. There were public meetings held in early 2020 before the election. At those public
9 meetings, Liberty gave a slideshow presentation. I have attached a print-out of that
10 Liberty slideshow presentation as Schedule SM-2, and I understand this was produced by
11 Liberty in response to Bolivar's Data Requests BOL-11 and BOL-12.

12 **Q. Did Liberty in its slideshow presentation make any statements about the water and
13 sewer rates that the university might expect if Bolivar's water and sewer systems
14 were kept by the City or instead sold to Liberty?**

15 A. Yes, Liberty presented a table of Bolivar's engineers' estimated costs for repairs to the
16 City's sewer systems which were predicted to raise Bolivar's volumetric sewer rates so
17 that monthly bills would increase anywhere from \$48 to \$376. In the alternative, Liberty
18 promised to hold off on any rate increase until 2024 and said that it would then request a
19 monthly increase in the range of \$8.22 to \$9.52, or 19%.

20 **Q. Did Southwest Baptist University then support Bolivar's sale of its water and sewer
21 systems to Liberty?**

22 A. Yes.

1 **III. Liberty's Requests Regarding Water and Sewer Rates Will Harm**

2 **Southwest Baptist University**

3 **Q. Was the university surprised to learn that Liberty is in these two cases proposing to**
4 **more than double its water rates?**

5 A. Yes, very surprised. Just a little over a month ago, Liberty sent its "Notice of Public
6 Hearings in Liberty's Water and Wastewater Rate Cases" along with that month's bill.
7 That Notice included a chart (which I've attached to my testimony as Schedule SM-3)
8 that shows Bolivar's water rates will more than double if Liberty gets what it is asking for
9 in these two cases.

10 **Q. If Liberty succeeds in more than doubling its Bolivar water rates, what will be the**
11 **effect on the university's facilities and services?**

12 A. The increase will far exceed our budgeted amount. The University would need to
13 reforecast its FY25 budget approved by the Board of Trustees including any projected
14 increases.

15 **Q. Does this conclude your pre-filed direct testimony in this case?**

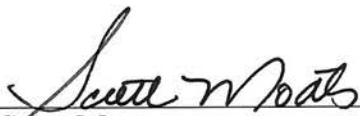
16 A. Yes. However, I wish to preserve the right to provide additional pre-filed testimony or at
17 the hearing to rebut the testimony of any other party.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

STATE OF MISSOURI)
) SS
COUNTY OF POLK)

AFFIDAVIT OF SCOTT MOATS

Scott Moats, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying direct testimony and schedules; that said testimony was prepared by him or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.



Scott Moats

Subscribed and sworn to before me this 29 day of AUGUST, 2024.



Notary Public

My commission expires: 5-2-2025

