

*Exhibit No.:*  
*Issue(s):* Annual Water Loss  
Report, Non-Revenue  
Water Actions,  
Revisions of Maps and  
Legal Descriptions, and  
Venice on the Lake  
Status Reports  
*Witness:* Daronn A. Williams  
*Sponsoring Party:* MoPSC Staff  
*Type of Exhibit:* Surrebuttal Testimony  
*Case No.:* WR-2024-0104  
*Date Testimony Prepared:* October 24, 2024

**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**WATER, SEWER & STEAM DEPARTMENT**

**SURREBUTTAL TESTIMONY**

**OF**

**DARONN A. WILLIAMS**

**LIBERTY UTILITIES (Missouri Water), LLC,  
d/b/a Liberty**

**CASE NO. WR-2024-0104**

*Jefferson City, Missouri  
October 2024*

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DARONN A. WILLIAMS  
LIBERTY UTILITIES (Missouri Water), LLC,  
d/b/a Liberty  
CASE NO. WR-2024-0104**

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1 submitting status reports concerning Venice on the Lake distribution system projects and the  
2 well, wellhouse and storage tank projects.

3 **ANNUAL WATER LOSS REPORT**

4 Q. In Mr. Penna's rebuttal testimony,<sup>1</sup> he states,  
5 Liberty agrees with Mr. Williams' recommendation to track  
6 unaccounted-for-water by individual water system...However, Liberty  
7 does not believe that monthly reports will have great benefit to this issue.  
8 Instead, Liberty believes that the issue would be better addressed by  
9 either semi-annual or annual meetings with Liberty Operations  
10 Management and Staff to discuss unaccounted-for-water and overall  
11 system operations.

12 What is Staff's position regarding this statement?

13 A. Staff is asking for monthly and annual water production and water sales, because  
14 this is how Staff evaluated water loss earlier in this rate case<sup>2</sup> and wants to continue this  
15 practice. Staff wants to continue to evaluate water loss on a monthly basis, because this is how  
16 the previous data for 2022 and 2023 was gathered and the issues with water loss was discovered  
17 on a monthly basis, not on an annual basis. It is important to understand that Staff is requesting  
18 one annual report for each individual system, broken down by monthly water production, usage,  
19 and the resulting water loss. Staff is not requesting that Liberty Water submit this data every  
20 month. This data should be submitted in an executable Microsoft Excel document similar to  
21 Liberty Water's responses to Staff Data Request No. 0024 and Staff Data Request No. 0025 in  
22 this rate case. Staff does not object to an annual meeting with Liberty Water operations  
23 management to discuss unaccounted-for-water and overall system operations. However, given  
24 the significant challenges Liberty Water faces with determining how much water loss is actually

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<sup>1</sup> Beginning on line 19, page 10.

<sup>2</sup> Staff Witness Daronn Williams' direct testimony, line 5, page 14.

1 occurring, and the variety of other issues Liberty Water has, Staff feels a written report filed in  
2 the docket for this case is an important step in ensuring progress and transparency.

3 **NON-REVENUE WATER ACTIONS**

4 Q. In Mr. Penna’s rebuttal testimony, he quotes my direct testimony,<sup>3</sup> where I state,  
5 For any system experiencing NRW equal to or greater than 20%,  
6 [Liberty Water should] deploy leak detection equipment to locate and  
7 correct leaks and broken mains, and generate summary reports of such  
8 leak detection efforts. These reports should be filed with the water loss  
9 studies filed in this rate case docket annually.

10 Mr. Penna responds by stating in his rebuttal testimony,<sup>4</sup> “Liberty agrees with  
11 Mr. Williams’ recommendation to investigate non-revenue water (NRW)...Liberty does not  
12 feel an annual report is necessary, but rather, recommends semi-annual or annual meetings with  
13 Liberty Operations Management and Staff to discuss NRW and overall system operations.”  
14 What is Staff’s position regarding this statement?

15 A. Staff appreciates that Liberty Water is willing to investigate and mitigate high  
16 NRW concerns when the NRW is equal to or greater than 20%. Staff does not object to an  
17 annual meeting with Liberty Water’s operations management to discuss NRW concerns and  
18 overall system operations; however, Staff still recommends a report be filed in this case docket  
19 with the proposed annual water loss report that list systems with NRW equal to or greater than  
20 20%, with Liberty Water’s completed or proposed actions to address/investigate the causes.

21 In addition, Staff suggests Liberty Water submit an annual report because:

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<sup>3</sup> Beginning on line 16, page 17.

<sup>4</sup> Beginning on line 7, page 11.

- 1           1. Staff expects that such a report on NRW should be prepared internally by Liberty  
2           Water anyway, for their management to see and understand progress on  
3           this issue.
- 4           2. Liberty Water would most likely generate a PowerPoint presentation or hand out  
5           documents for the proposed in-person meeting that could be submitted in the  
6           form of a report.
- 7           3. Meetings require more time, energy and efforts compared to submitting a  
8           concise report. Staff is not requesting a voluminous document.
- 9           4. Overall, Staff's proposal is the simplest way for all parties to see progress on  
10          this issue.

11          **REVISIONS OF MAPS AND LEGAL DESCRIPTIONS**

12           Q.     Mr. Penna shares concerns regarding revising certain legal descriptions to use  
13          plain language and to update references as requested in Schedule DAW-d2, found in my direct  
14          testimony for this rate case. Specifically, Mr. Penna states in his rebuttal testimony,<sup>5</sup> “this  
15          rewriting may be more of a challenge as there is no authority to expand such [certificate of  
16          convenience and necessity (“CCN”)] areas through a tariff filing.” What is Staff's position  
17          regarding this statement?

18           A.     Staff is not asking for Liberty Water to expand any service areas, but to clarify  
19          some of the legal descriptions in its water and sewer tariffs. Many of the descriptions in  
20          question reference landmarks and items that change over time or are not easily defined, such as  
21          lot numbers, terms like “old stone” and “stone pile,” plat book page numbers, subdivision lines,

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<sup>5</sup> Beginning line 2, page 12.

1 and more. Other water and sewer utilities have revised their legal descriptions to use “plain  
2 language” and removed references that are not permanent. If these companies were capable,  
3 so is Liberty Water. If needed, Staff does not object to Liberty Water submitting a CCN  
4 application to revise legal descriptions and maps.

5 **VENICE ON THE LAKE STATUS REPORTS**

6 Q. Regarding Liberty Water completing distribution system projects for Venice on  
7 the Lake via the Department of Natural Resources (“DNR”) Owner Supervised Program  
8 (“OSP”), Mr. Penna stated in his rebuttal testimony,<sup>6</sup>

9 Liberty plans to proceed in a prudent manner to replace pipeline in the  
10 time allocated by the DNR program...Liberty does not feel that written  
11 status reports will be helpful to providing service improvements.  
12 However, Liberty would be willing to participate in semi-annual or  
13 annual meetings with Liberty Operations Management and Staff to  
14 discuss progress, tour the system and discuss overall system operations.

15 What is Staff’s position regarding this statement?

16 A. Liberty Water has owned the Venice on the Lake water system since April 2018  
17 and waited almost six years (February 2024) to request the OSP. During this six-year period,  
18 severe leaks in the distribution system caused the storage tank to empty during routine evening  
19 system demand, resulting in consistent water outages causing the water system to become  
20 unreliable and its customers being unable to bathe, flush toilets and have water for consumption  
21 and other typical uses. This is simply unacceptable.

22 Staff understands that Liberty Water has a five-year period to complete distribution  
23 system projects (main replacements and extensions) for Venice on the Lake via the DNR OSP.  
24 With the five years given by DNR, Liberty Water would be expected to complete the approved

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<sup>6</sup> Beginning line 22, page 12.

1 distribution upgrades by February 27, 2029. Spending five years to complete replacement of  
2 the distribution system will create additional costs from pumping additional water lost to leaks  
3 and breaks, repeated mobilization costs for the construction crews, increased costs of materials  
4 and labor due to inflation, and repeated repairs of pipes which are scheduled for eventual  
5 replacement. More importantly, beyond the prudence of these costs, customers will continue  
6 to experience outages associated with breaks during this period, and could experience an  
7 excessive number of outages due to water being shut off repeatedly as lines are slowly replaced.  
8 Staff believes a more aggressive and comprehensive construction schedule is appropriate.  
9 As mentioned in my direct testimony, Staff suggests that Liberty Water use as many resources  
10 as possible, including hiring more contractors, to complete these projects on a more expedited  
11 schedule, by December 31, 2027, with a status report filed in the docket for this rate case at  
12 least every six months (on June 30 and December 31 of each year). This date was chosen as a  
13 reasonable compromise to give Liberty Water sufficient time to extend and replace DNR  
14 approved water main projects while being considerate of customers' needs and to keep water  
15 outages to a minimum. Because of severity of the issue, and Liberty Water's failure to address  
16 it in a timely manner before Commission involvement, it is Staff's position that a report filed  
17 twice a year is the least burdensome option that is reasonable. Staff would also consider  
18 quarterly reports reasonable.

19 Q. Does DNR consider the failure to provide reliable water service to be a violation  
20 of DNR statutes or regulations?

21 A. No. DNR enforces water quality requirements, but it is up to the Commission  
22 to ensure that utilities provide safe and adequate service to customers.



Surrebuttal Testimony of  
Daronn A. Williams

1 Q. Regarding the Venice on the Lake well, wellhouse and storage tank projects,  
2 Mr. Penna states in his rebuttal testimony<sup>7</sup> that Liberty Water agrees with the need to install a  
3 new well, wellhouse and storage tank at the Venice on the Lake water system, however, Liberty  
4 Water “does not feel that written status reports are necessary, but rather, recommends  
5 semi-annual or annual meetings with Liberty Operations Management and Staff to discuss  
6 project progress, tour the system and discuss overall system operations.” What is Staff’s  
7 position regarding this statement?

8 A. Once again, Staff does not object to an annual meeting with Liberty Water  
9 operations management to discuss project progress, tour the system and discuss overall system  
10 operations, but still finds value in written progress reports. Pictures and a short, concise written  
11 report are all that is needed. The customers served by this system, and the other parties to this  
12 case, deserve this level of transparency.

13 Q. Does this conclude your surrebuttal testimony?

14 A. Yes it does.

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<sup>7</sup> Beginning on line 13, page 13.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of the Request of Liberty Utilities )  
(Missouri Water) LLC d/b/a Liberty for )  
Authority to Implement a General Rate )  
Increase for Water and Wastewater Service )  
Provided in its Missouri Service Areas )


Case No. WR-2024-0104

**AFFIDAVIT OF DARONN A. WILLIAMS**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW DARONN A. WILLIAMS** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony of Daronn A. Williams*; and that the same is true and correct according to his best knowledge and belief.


Further the Affiant sayeth not.

  
**DARONN A. WILLIAMS**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 21<sup>st</sup> day of October 2024.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

  
Notary Public