

Exhibit No. 200

Exhibit No.:
Issues: CCN
Witnesses: Tom Ratermann
Exhibit Type: Rebuttal
Sponsoring Party: Boone County Regional
Sewer District
Case No.: SA-2021-2017
Date: February 23, 2021

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. SA-2021-0017

REBUTTAL TESTIMONY

OF

TOM RATERMANN

ON BEHALF OF

BOONE COUNTY REGIONAL SEWER DISTRICT

**REBUTTAL TESTIMONY
TOM RATERMANN
BOON COUNTY REGIONAL SEWER DISTRICT
CASE NO. SA-2021-0017**

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AFFIDAVIT

I, Tom Ratermann, under penalty of perjury, and under Section 509.030, RSMo, state that I am the General Manager of the Boone County Regional Sewer District, that if inquiries were made as to the facts in the accompanying testimony, I would respond as set forth; and that the aforesaid testimony is true and correct to the best of my knowledge and belief.


Tom Ratermann

Dated: February 23, 2021

REBUTTAL TESTIMONY

TOM RATERMANN

I. INTRODUCTION

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

2 A. Tom Ratermann. My business address is 1314 N. 7th Street, Columbia, MO 65201.

3 **Q. Where are you employed and in what capacity?**

4 A. I am the General Manager of the Boone County Regional Sewer District (“District”) and
5 have held this position since 2004.

6 **Q. What is your educational background and business experience.**

7 A. I hold a Bachelor of Science Degree in Civil Engineering and a Master of Science Degree
8 in Geology from the University of Missouri-Columbia. I have over 32 years of
9 engineering experience and previously worked for Missouri Department of
10 Transportation, Missouri Department of Natural Resources and Boone County Public
11 Works. A true and correct copy of my curriculum vitae is attached hereto as **Schedule**
12 **TR-4**.

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

14 A. I am responsible for all operations of the District, including working on long-range
15 planning for the District, working with staff on a day-to-day basis, and keeping up with
16 changes in the wastewater industry regarding regulations and technology.

17 **Q. Are you providing testimony on behalf of a party to this case?**

18 A. Yes. I am providing testimony on behalf of the Boone County Regional Sewer District.

1 **Q. Have you previously testified before the Commission?**

2 A. No.

3 **Q. What is the purpose of your rebuttal testimony?**

4 A. The purpose of my testimony is to oppose Missouri American Water Company's
5 ("MAWC") Application for a certificate of convenience and necessity to install, own,
6 acquire, construct, operate, control, manage and maintain a sewer system in and outside
7 of the corporate boundaries of the City of Hallsville, Missouri.

8 **II. THE DISTRICT**

9 **Q. What type of entity is the District?**

10 A. The District is a common sewer district organized pursuant to Chapter 204, RSMo and a
11 political subdivision of the State of Missouri. It is a public sewer utility.

12 **Q. How long has the District operated?**

13 A. The District has been operating since 1973 when it was formed by a countywide vote of
14 the citizens of Boone County.

15 **Q. Who controls the operation of the District?**

16 A. The District is controlled and operated by a five-member Board of Trustees who are
17 appointed by the Boone County Commission.

18 **Q. What is the purpose of the District?**

19 A. The District is charged with responsibility for long-range countywide planning,
20 responsibility for wastewater quality and the day-to-day operation of wastewater
21 treatment facilities in Boone County, Missouri. The District's mission is to eliminate

1 wastewater discharges to the waters of the State lying within Boone County and thereby
2 protect the public health and the environment.

3 **Q. What customers are served by the District?**

4 A. The District currently provides wastewater collection and/or treatment services on a
5 regional or watershed basis in incorporated and unincorporated areas of Boone County to
6 approximately 7,148 customers, including existing customers around and close to the
7 City of Hallsville, Missouri (“Hallsville”).

8 **Q. How many wastewater treatment facilities does the District own and operate?**

9 A. The District currently owns and operates 21 wastewater treatment facilities.

10 **III. CONTINUING AUTHORITY**

11 **Q. Does the District hold any approvals from the Missouri Clean Water Commission?**

12 A. Yes. On January 6, 2010, the Clean Water Commission (“CWC”) approved the District
13 as a Level 2 continuing authority under 10 CSR 20-6.010(2)(B) and (2)(F) for areas of
14 Boone County, Missouri not served by municipal sewer systems.

15 **Q. What process did the District undergo to obtain approval from the Clean Water
16 Commission as a Level 2 continuing authority?**

17 A. In 2009, the District submitted an application to the Clean Water Commission for
18 approval as a Level 2 continuing authority with regional sewer authority in Boone
19 County. This application outlined the District’s and the City of Columbia’s joint efforts to
20 regionalize wastewater collection and treatment in Boone County and federal, state and
21 local law authorizing these regionalization activities and authorizing the District (and the
22 City) with authority to function as Level 2 continuing authorities. *See, e.g.* 33 U.S.C. §

1 1288, § 644.027, RSMo, and Chapters 204 and 250, RSMo. The application was
2 supported by resolutions adopted by the District’s Board of Trustees and the Boone
3 County Commission. In furtherance of its application, the District also presented a
4 regional sewer plan and participated in public hearings.

5 **Q. What is the significance of the District’s approval as a Level 2 continuing authority?**

6 A. To explain, I will need to provide some background information. The Missouri
7 Department of Natural Resources (“DNR”), in tandem with the United States
8 Environmental Protection Agency, have regulatory authority over entities responsible for
9 wastewater treatment under the Missouri Clean Water Law and the federal Clean Water
10 Act. DNR has promulgated regulations to ensure the statewide coordination of the
11 provision of wastewater treatment services. Under DNR regulations, an entity may not
12 operate a sewer system without first applying for and obtaining an operating permit from
13 DNR that designates a continuing authority with responsibility for ensuring compliance
14 with permit conditions. This requirement must be fulfilled to transfer a permit from one
15 entity to another.

16 DNR regulations create a hierarchy among entities providing wastewater
17 treatment, known as “continuing authorities,” with Level 1 having the greatest
18 jurisdiction and power and Level 5 having the least. *See* 10 CSR 20-6.010(2)(B). DNR
19 regulation prohibits the issuance of an operating permit to an applicant that is or will use
20 a lower continuing authority when a higher continuing authority is available, and such
21 use would conflict with “any area-wide management plan” or where the applicant is
22 unable to submit a waiver from the higher authority. *See* 10 CSR 20-6.010(2)(C). The

1 reason for this hierarchy is that water quality is better protected by larger, better-staffed
2 wastewater treatment facilities with regional plans for the long-term management of
3 wastewater and operated by Level 1 and Level 2 continuing authorities over smaller
4 authorities that do not conduct such long-term planning. DNR has a stated goal of
5 ‘regionalization’ of wastewater treatment and the elimination of smaller treatment
6 facilities to promote protection of the waters of the State and public health. *See* **Schedule**
7 **JAB-d2, Page 8 of 25** to **MO PSC – DT – Busch**. Further, under sections 201 and 208
8 of the Federal Clean Water Act, 33 U.S.C § 1251 *et seq.* as amended, Level 2 continuing
9 authorities have the planning right to decide what entities and persons build and operate
10 wastewater treatment facilities within their service areas.

11 There is no Level 1 Continuing Authority in Boone County. Aside from the City
12 of Columbia whose territory is the portion of Boone County within the City’s corporate
13 boundaries, the District is the only Level 2 Continuing Authority in Boone County. This
14 means that the District is the highest level continuing authority in the rest of Boone
15 County and that the District is vested with exclusive regional jurisdiction and long-term
16 planning authority for the management and treatment of wastewater in all other portions
17 of Boone County not served by a municipal sewer system.

18 **Q. Why is planning jurisdiction important?**

19 A. It is very important because other than the City of Columbia the District is the
20 only entity in Boone County with the power to plan how to best protect the waters of the
21 State to promote the health and welfare of Boone County residents. Further, within the
22 boundaries of its service area, the District has a limited stream capacity in which to

1 discharge treated wastewater. Sewer systems upstream from the District's facilities use
2 and reduce the District's capacity. This reduction in stream capacity impacts the
3 District's ratepayers because it will result in the District having to spend more money on
4 wastewater treatment to meet the requirements of the Missouri State Operating Permits
5 for its wastewater treatment facilities.

6 **Q. How does the District's Level 2 Continuing Authority compare to that of Hallsville
7 and MAWC?**

8 A. Under DNR regulation 10 CSR 20-6.010(2)(B)3, both Hallsville and MAWC are Level 3
9 Continuing Authorities.

10 **Q. What type of sewer system is currently owned and operated by Hallsville?**

11 A. Hallsville is a municipality within Boone County. Hallsville's system is classified as a
12 municipal wastewater system so long as it is owned by Hallsville.

13 **Q. What impact would a sale of Hallsville's sewer system to MAWC have on the
14 system's classification as a municipal wastewater system?**

15 A. If Hallsville sells its sewer system to a private entity like MAWC, the sewer system will
16 no longer be owned by a municipality and will no longer be a municipal wastewater
17 system.

18 **Q. Does the District have a position on the effect of a sale of Hallsville's sewer system to
19 MAWC on the District's jurisdiction over the system?**

20 A. Yes. Hallsville's wastewater treatment facility and the leased land application fields are
21 located in unincorporated Boone County so it is the District's position that if Hallsville's

1 sewer system is sold to MAWC or any other private entity, the system will be within the
2 District's jurisdiction as a Level 2 continuing authority.

3 **Q. Has the District exercised the long-term planning authority granted it as a Level 2**
4 **Continuing Authority under federal and state law?**

5 A. Yes. The District has developed multiple facility plans for defined areas of Boone County
6 that are approved by the Missouri Department of Natural Resources. These plans are
7 designed to address the wastewater treatment needs within Boone County over the next
8 twenty years and beyond in a manner that meets the current and proposed laws. A major
9 goal of the plan is to eliminate existing wastewater treatment facilities within Boone
10 County and thereby protect the public health and the environment in an organized,
11 planned, and efficient manner deemed best for Boone County by the District and County
12 Commission.

13 **Q. Is the District required to develop facility plans?**

14 A, Yes. In order to obtain state and federal funding for use in water infrastructure projects
15 like the construction of wastewater treatment facilities that promote high priority, water
16 quality activities, the District must develop facility plans.

17 **Q. Is the public involved in facility plan development?**

18 A. Yes. The District is required to hold public hearings to allow citizens of Boone County to
19 raise environmental issues and provide input concerning user rates and the citizens must
20 vote to approve bonding used to pay for wastewater projects in the District's facility
21 plans.

1 **Q. Is there any governmental involvement in the development of the District’s facility**
2 **plans?**

3 A. Yes. The District is required to coordinate its activities with various state agencies and
4 the U. S. Army Corps of Engineers. The District also coordinates its planning with the
5 Boone County Commission.

6 **Q. Does the District have a long-term facility plan for the portion of Boone County that**
7 **includes Hallsville and its surrounding areas?**

8 A. Yes. The District has adopted a long-term facility plan for the portion of Boone County
9 that includes Hallsville and the surrounding areas (“Facility Plan”). This Facility Plan
10 was last amended on December 10, 2020. A copy of the District’s *Facility Plan,*
11 *Amendment 1 dated December 10, 2020* is attached hereto as **Schedule TR-1, Parts 1, 2,**
12 **3, 4, and 5.** The Facility Plan states, “This Facility Plan includes District receiving
13 wastewater flows from the City of Hallsville and conveying them to the District’s
14 sanitary sewer collection system.” **Schedule TR-1, Part 1, Pages 10-11 of 229.** The
15 District has labeled maps to illustrate its plan for wastewater flows from the Hallsville
16 system. A true and correct copy of these maps is attached as **Schedule TR-5.**

17 **Q. Why did the District include the Hallsville system and area in this Facility Plan?**

18 A. Ultimately, the District included the Hallsville system’s service area to fulfill its mission
19 to eliminate wastewater discharges to the waters of the State lying within Boone County
20 and thereby protect the public health and the environment. **Schedule TR-1, Part 1, Pages**
21 **6, 24-28 of 229.** At least two permitted features of Hallsville’s sewer system are upstream
22 from the District’s existing facilities such that the operation and management of it

1 directly impacts the District's plans for wastewater treatment, the cost to the District for
2 wastewater treatment, and the rates charged to the District's ratepayers. Hallsville's
3 system, as acknowledged by MAWC and Commission Staff, has a long history of
4 violations cited by DNR for a variety of reasons, including the type of facility, age of
5 facility, and the fact that Hallsville does not own any of the land on which its wastewater
6 is land applied or have control over the landowners. See MAWC – DT – Horan, Pages
7 6-7. See also Schedule JAB-d2, Page 11 of 25 to MO PSC – DT - Busch.

8 Based on the studies commissioned by the District, the Hallsville's system is
9 antiquated and the only viable, long-term solutions are to build a new treatment plant or
10 transport the wastewater from the system's storage lagoon to a different treatment
11 facility. The District believes that the best long-term plan for the waters of the State and
12 the residents of Boone County is to transport the wastewater from Hallsville's sewer
13 system to the District's Rocky Fork Wastewater Treatment Facility. See Schedule TR-1,
14 Part 1, Pages 6, 24-28 of 229.

15 **Q. Does the District have a position as to whether approval of MAWC's Application**
16 **would conflict with the District's area-wide management plan for Boone County?**

17 A. Yes. It is the District's position that MAWC's Application unlawfully conflicts with the
18 District's long-term Facility Plan for Boone County such that the Commission should
19 deny the Application.

20 **Q. Will the District waive its Level 2 Continuing Authority to allow for approval of**
21 **MAWC's Application or any application for a state operating permit for Hallsville's**
22 **sewer system submitted to DNR by MAWC.**

1 A. No. Consequently, MAWC lacks authority to purchase and operate Hallsville’s sewer
2 system.

3 **IV. PUBLIC INTEREST**

4 **Q. Do you believe that MAWC’s purchase and operation of Hallsville’s sewer system is**
5 **in the public interest?**

6 A. No. I believe it would be detrimental to the public interest. The District was formed by
7 the citizens of Boone County, and for decades now, has expended public funds to develop
8 and refine an overarching plan for wastewater collection and/or treatment services in
9 Boone County that promotes the protection of the environment and is as cost effective as
10 possible. The District, for more than a decade, has been a Level 2 Continuing Authority
11 with regional planning authority granted by the state and federal governments. The
12 District’s Facility Plan provides for elimination of Hallsville’s sewer system to protect
13 the environment and the citizens of Boone County in the long-term. A private entity like
14 MAWC lacks allegiance to Boone County, lacks interest in coordinating public works
15 projects, and is not required to involve the public in its planning and decision-making
16 processes. Allowing the sale of Hallsville’s sewer system to MAWC directly contravenes
17 the District’s Facility Plan for the Hallsville area and usurps the District’s authority as a
18 Level 2 continuing authority. Accordingly, the Commission should not facilitate
19 MAWC’s attempt to interfere with the District’s right and ability to protect the public and
20 waters of the State contrary to the law.

21 **Q. Are there other reasons that you believe it would be detrimental to the public**
22 **interest for MAWC to purchase and operate Hallsville’s sewer system?**

1 A. Yes. As noted above, Hallsville’s sewer system has a history of violating environmental
2 laws and is obsolete. MAWC plans to continue to operate the system long-term even
3 though continued operation of the system is not feasible for reasons related to the land
4 application fields and system capacity.

5 **Q. What issues are posed by the land application fields?**

6 A. The Hallsville sewer system requires the land application of wastewater and MAWC will
7 not own any land application fields. The lands currently used by Hallsville are leased
8 from two third party owners. *See Schedule JAB-d2, Page 10 of 25 to MoPSC Staff–*
9 **DT - Busch**. These leases pose significant issues that are discussed in Dennis Stith’s
10 rebuttal testimony filed concurrently by the District.

11 **Q. Why is system capacity an issue?**

12 A. The sewer system’s existing lagoon and land application system is rapidly reaching
13 maximum capacity due to population growth in and around Hallsville and will exceed its
14 design flow. *See Schedule TR-1, Part 1, Pages 8, 10 and 13 of 229*. *See also Schedule*
15 **JAB-d2, Page 9 of 25 to MO PSC – DT - Busch**. The rebuttal testimony of the District’s
16 expert, engineer Dennis Stith, provides additional detail.

17 **Q. MAWC indicates that it anticipates adding some form of treatment to Hallsville’s**
18 **sewer system. Is this a viable long-term solution to the system’s ongoing DNR**
19 **compliance issues?**

20 A. No. Adding treatment alone will not resolve the capacity issue or ongoing violations. The
21 only viable long-term solutions are to construct a new treatment facility or to transport
22 the waste to a different treatment facility. MAWC has indicated in response to the

1 District's data requests that other than its feasibility study, it has done no study,
2 evaluation or analysis of Hallsville's system long-term needs or viability, the associated
3 cost or the impact of the cost of a long-term solution on customer rates. A true and
4 correct copy of MAWC's responses to the District's Data Requests 3 and 4 are attached
5 hereto as Schedule TR-6. Compounding this issue is that MAWC indicates it will not
6 increase the rates charged to customers of the Hallsville system *initially* even though this
7 will result in significant losses to MAWC during that increase throughout the first three
8 years of operation. *See* Schedule JAB-d2, Page 13 of 25 to MO PSC – DT – Busch. *See*
9 *also* Schedule MH-4C to MAWC – DT – Horan.

10 **Q. Has the District estimated the cost of constructing a new treatment facility in**
11 **Hallsville or the infrastructure necessary to transport the wastewater flow from the**
12 **Hallsville system?**

13 A. Yes. The District, with the assistance of outside engineering consultants, has estimated
14 minimum costs for both options and these costs are significant. The estimated minimum
15 cost to build a new treatment system is \$6,300,000, which includes \$4,500,000 in
16 construction costs, \$900,000 in engineering costs, and \$900,000 in contingencies. A true
17 and correct copy of the calculation of the cost to build a new treatment system is attached
18 hereto as Schedule TR-7. This figure does not include any land acquisition costs.

19 The estimated minimum cost to transport wastewater from the Hallsville storage
20 lagoon to the District's Rocky Fork Wastewater Treatment Facility ("Rocky Fork") is
21 \$5,003,710. This figure includes \$3,535,000 (from the District's current Facility Plan) to
22 construct a force main and associated pump stations from the District's Cedar Gate

1 Wastewater Treatment Facility (“Cedar Gate”) to the Rocky Fork, \$694,500 associated
2 with pumping the flow from the Hallsville storage lagoon to Cedar Gate, and \$774,210
3 associated with constructing additional wastewater treatment capacity at Rocky Fork to
4 enable Rocky Fork to receive the flow. A true and correct copy of my calculation of the
5 cost to pump wastewater from the Hallsville storage lagoon to Cedar Gate is attached
6 hereto as **Schedule TR-2**. A true and correct copy of McClure Engineering Company’s
7 calculation of the cost to expand Rocky Fork is attached hereto as **Schedule TR-3**. *See*
8 *also* **Schedule TR-1, Part 3, Page 153 of 229**. Regardless of which option is chosen, the
9 associated cost is millions of dollars. These costs and their impact on rates should have
10 been addressed in MAWC’s Application, but were not.

11 **Q. Are there any other reasons that you believe granting MAWC’s Application would**
12 **be detrimental to the public interest?**

13 A. Yes. The District has two Cooperative Agreements with Hallsville that obligate Hallsville
14 to provide sewer services to District customers in Sunnyslope and Silver Creek
15 subdivisions through 2039. MAWC indicated in its objection to the District’s application
16 to intervene that it is not bound by these agreements if it purchases Hallsville’s sewer
17 system. *See* **Schedule JAB-d2, Page 16 of 25**. Thus, granting MAWC’s Application
18 could result in a service disruption to District’s customers and Hallsville’s breach of its
19 agreements with the District.

20 **V. CONCLUSION**

21 **Q. What do you ask the Missouri Public Commission to do in this case?**

22 A. Disapprove MAWC’s Application.

1 Q. **Does this conclude your rebuttal testimony?**

2 A. Yes.