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Issues:	Neosho Acquisition
Witness:	Stephen C. Kadyk
Exhibit Type:	Direct
Sponsoring Party:	Missouri-American Water Company
Case No.:	WA-2026-0072
Date:	April 7, 2026

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. WA-2026-0072**

**DIRECT TESTIMONY**

**OF**

**STEPHEN C. KADYK**

**ON BEHALF OF**

**MISSOURI-AMERICAN WATER COMPANY**

**AFFIDAVIT**

I, Stephen C. Kadyk, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am a Principal of Business Development for Missouri-American Water Company, 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.



\_\_\_\_\_  
Stephen C. Kadyk



\_\_\_\_\_  
Dated

**DIRECT TESTIMONY  
STEPHEN C. KADYK  
MISSOURI-AMERICAN WATER COMPANY  
CASE NO.: WA-2026-0072**

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**DIRECT TESTIMONY**

**STEPHEN C. KADYK**

**I. INTRODUCTION**

1

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

3 A. My name is Stephen C. Kadyk, and my business address is 727 Craig Road, St. Louis, MO,  
4 63141.

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

6 A. I am employed by Missouri-American Water Company (“MAWC”, “Missouri-American”  
7 or the “Company”) as a Principal of Business Development.

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

9 A. I received a bachelor’s degree in Civil Engineering from the University of Missouri – Rolla,  
10 now known as Missouri S&T, in 1999. After graduation, I have worked for both public  
11 and private agencies in the fields of development, planning, construction, and acquisitions.  
12 I have been a licensed professional engineer in both Missouri and Kansas for over two  
13 decades.

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

15 A. My responsibilities as Principal of Business Development include coordinating the  
16 application and transaction process for partner communities that are interested in joining  
17 Missouri-American and for divestitures of assets from the company to both public and  
18 private entities.

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

20 A. Yes, I previously provided testimony before the Missouri Public Service Commission

1 (“Commission”) in Case No. SM-2025-0067, which concerned Confluence Rivers Utility  
2 Operating Company, Inc. and MAWC.

3 **Q. What is the purpose of your Direct Testimony in this proceeding?**

4 A. The purpose of my direct testimony is to support MAWC’s application for a Certificate of  
5 Convenience and Necessity associated with the acquisition of the water and sewer systems  
6 of the City of Neosho, Missouri.

7 **Q. Are you sponsoring any schedules?**

8 A. Yes. I am sponsoring the Company’s *Application and Motion for Waiver* that was filed  
9 with the Commission on September 24, 2025. That document has been marked as  
10 **Schedule SCK-1** (the “Application”). Certain appendices within Schedule SCK-1 have  
11 been identified as confidential, pursuant to Commission Rule 20 CSR 4240-2.135 and the  
12 specific basis for such treatment is identified in the Application.

13 **II. NEOSHO SYSTEM**

14 **Q. How does MAWC plan to provide service to the Neosho area?**

15 A. MAWC proposes to purchase substantially all the water and sewer assets of the currently  
16 unregulated water and sewer systems of the City of Neosho, Missouri (“Neosho”)

17 **Q. Has MAWC agreed to a Purchase Agreement with Neosho?**

18 A. Yes. On August 19, 2025, MAWC entered in a Purchase Agreement with Neosho. A copy  
19 of the Purchase Agreement is included as **Appendix J** to the Application.

20 **Q. Please generally describe the Neosho water system.**

21 A. The Neosho systems were built by the United States government in 1942, to support Fort

1 Crowder during World War II. Neosho acquired the systems from the government on  
2 March 25, 1970. The Neosho water system serves approximately 5,400<sup>1</sup> customers and is  
3 supplied by a 3.6 MGD surface water treatment plant that was constructed in 1942 and  
4 draws its water supply from Shoal Creek. The City maintains two active wells for  
5 secondary supply and a third well that is inactive. The distribution system consists of two  
6 ground storage tanks, three elevated tanks, and approximately 750,000 feet of main that  
7 ranges in size from 1-inch to 20-inch. A majority of the main is constructed with PVC,  
8 cast iron or ductile iron, but small portions include copper, galvanized, or unknown  
9 materials. Neosho has had a significant problem with water loss for many years, and at  
10 times this loss has been as high as 60%. City Council minutes dating back to 1989 refer to  
11 the water loss problem in Neosho.

12 **Q. Please generally describe the Neosho sewer system.**

13 A. The Neosho sewer system serves approximately 5,400<sup>1</sup> customers and is treated by a 3.0  
14 MGD oxidation ditch wastewater treatment plant that was constructed in 1985 and  
15 discharges to Shoal Creek. The collection system consists of five lift stations,  
16 approximately 575,000 feet of gravity main, and 47,000 feet of force main. The gravity  
17 main ranges in size from 8-inch to 48-inch and is constructed of VCP, PVC, CIPP, and  
18 RCP. The force main ranges in size from 10-inch to 16-inch and is constructed of ductile  
19 iron pipe.

20 **Q. Does MAWC plan any investments in regard to the Neosho water and sewer systems?**

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<sup>1</sup> Application, p. 2, para. 4

1 A. Yes. If the transaction is approved, MAWC will review and evaluate the operational  
2 function of both the water and sewer systems. MAWC will then determine which  
3 improvements are higher priority for the first five years post-purchase. At this time, the  
4 following items have been identified as initial needs for the water system; 1) Address and  
5 reduce water loss (to include creating new metering zones that can be monitored and  
6 targeted for main replacement and replacement of water mains that are aged or in high  
7 frequency break zones), 2) Eliminate the use of gaseous chlorine, and 3) Maintain  
8 compliance with the Lead & Copper Rule requirements. The following items have been  
9 identified as initial needs for the sewer system; 1) Address excessive inflow and infiltration  
10 (I/I) (to include lining and point repairs of sewer mains that have been targeted for I/I  
11 removal), and 2) Evaluate the operation of the Crowder Wastewater Treatment Plant.

### 12 III. MAWC QUALIFICATIONS

13 **Q. Please describe MAWC.**

14 A. MAWC is a Missouri corporation, active and in good standing with the Missouri Secretary  
15 of State, with its principal office and place of business at 727 Craig Road, St. Louis,  
16 Missouri 63141.

17 **Q. Does MAWC currently provide water and/or sewer service in Missouri?**

18 A. Yes. MAWC currently provides water service to approximately 485,000 customers and  
19 sewer service to approximately 24,000 customers in several counties throughout the state  
20 of Missouri. MAWC is a "water corporation," a "sewer corporation," and a "public utility"  
21 as those terms are defined in Section 386.020, RSMo and is subject to the jurisdiction and  
22 supervision of the Commission as provided by law.

1 **Q. Do you have any examples of the quality of service provided by MAWC?**

2 A. In 2025, MAWC was ranked 2<sup>nd</sup> highest in the Midwest Large segment for customer  
3 satisfaction in the J.D. Power US Water Utility Residential Customer Satisfaction Study.  
4 MAWC’s parent, American Water Works Company, consistently ranks in the top quartile  
5 of independent customer service surveys when compared to other utilities. Missouri-  
6 American has participated in the Partnership for Safe Water for over 20 years. This  
7 program is sponsored by the American Water Works Association (AWWA) and the United  
8 States Environmental Protection Agency (EPA) as well as other organizations to recognize  
9 commitment to superior water quality.

10 **IV. CERTIFICATE OF CONVENIENCE AND NECESSITY (“CCN”)**

11 **Q. For what area does MAWC seek CCNs in this case?**

12 A. Maps of the areas sought to be certified for the water and sewer systems are included as  
13 **Appendix B1** and **Appendix B2** to the Application. Legal descriptions for each of those  
14 areas are included as **Appendix A1** and **Appendix A2**. By its proposed description,  
15 MAWC intends to cover the city limits of Neosho and any customers and assets currently  
16 served by Neosho that are outside the city limits.

17 **Q. Has MAWC performed a feasibility study associated with the Neosho systems?**

18 A. Yes. The studies for the water and sewer systems are included in the Application as revised  
19 **Appendix G-1C** and revised **Appendix G-2C**. These studies that were filed in this  
20 proceeding on December 18, 2025, as during the review of the Application, the Staff of the  
21 Commission (“Staff”) identified a calculation error within the originally filed studies. The  
22 revised studies have been identified as “Confidential” in accordance with Commission

1 Rule 20 CSR 4240-2.135(2)(A)(d) and (6) as they contain market specific information and  
2 information representing strategies employed in contract negotiations.

3 **Q. Were there opportunities for public input prior to the filing of the Application?**

4 A. Yes. Multiple city council meetings included agenda items relating to the various steps  
5 leading up to the signing of the Purchase Agreement. Public input was encouraged and  
6 given during these council sessions. Neosho also held a Town Hall Meeting on August 12,  
7 2025, regarding Neosho's water and sewer systems. The Town Hall Meeting facilitated  
8 discussion related to the potential sale of the Neosho water and sewer assets to MAWC.  
9 The presentation materials provided by the Neosho Mayor are included in the Application  
10 as **Appendix E2**. MAWC President, Rich Svindland, presented materials on the proposed  
11 capital investment for the Neosho water and sewer facilities. Mr. Svindland's presentation  
12 is included in the Application as **Appendix E3**. Additionally, informational materials were  
13 provided to the attendees at the Town Hall Meeting. These materials are included in the  
14 Application as **Appendix E4**. Mr. Svindland and several other representatives from  
15 MAWC were present at the Town Hall Meeting to answer questions. Also in attendance  
16 was a Commission Staff member.

17 **V. SERVICE**

18 **Q. How does MAWC plan to provide service to Neosho?**

19 A. Neosho customers will be temporarily served from MAWC operations located at the Shoal  
20 Creek Water Treatment Plant until a permanent office is located in Neosho. The same  
21 customer service team that takes care of existing MAWC customers will also take care of  
22 Neosho customers. Customer service hours are from 7:00 am-7:00 pm, Monday through

1 Friday, with 24/7 coverage for emergencies.

2 **Q. Does MAWC have a process for transitioning customers from Neosho into its system?**

3 A. Yes. A Customer Service Transition plan is included in the Application as **Appendix L**.

4 **Q. What benefits are associated with MAWC's purchase of the Neosho systems and**  
5 **MAWC's provision of water and sewer service to the Neosho area?**

6 A. Neosho water and sewer customers will benefit from this acquisition in a variety of ways.  
7 Neosho has a need for investment to replace aging infrastructure, a need for investment to  
8 maintain compliance with existing and new regulations, and faces the responsibility of  
9 operating and maintaining systems in the face of ever-increasing complexity and liability  
10 while balancing the desire to maintain affordability. MAWC will be able to invest in the  
11 systems to replace the aging infrastructure and to maintain compliance with existing and  
12 new regulations. MAWC also provides the expertise to address operations, maintenance,  
13 and affordability while continuing to provide safe and adequate service

## 14 **VI. APPRAISAL**

15 **Q. Was an appraisal process of the Neosho systems conducted?**

16 A. Yes. A Valuation Report prepared by three certified appraisers is provided as **Appendix C**  
17 to the Application. The appraisal is further discussed in the Direct Testimony of the three  
18 appraisers.

## 19 **VII. CONCLUSION**

20 **Q. Please summarize your testimony.**

21 A. The City of Neosho and its citizens have shown their desire to sell the water and sewer

1 systems to MAWC. The Company has expertise in providing both water and sewer  
2 services across Missouri which provides economies of scale and a high level of efficiency.  
3 The Company's nationwide affiliations and mass purchasing power give it the ability to  
4 gain significant savings on necessary equipment. MAWC has the workforce resources  
5 available to improve and maintain the Neosho water and sewer systems and provide best  
6 in class service. The Commission should approve MAWC's Application.

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

8 A. Yes.