

Exhibit No.: 126-P  
Issue(s): Rate Case Expense,  
Working Capital,  
Insurance Expense,  
Lobbying & Payroll,  
Advertising  
Witness: Caroline Newkirk  
Sponsoring Party: MoPSC Staff  
Type of Exhibit: Surrebuttal Testimony  
Case No.: WR-2017-0285  
Date Testimony Prepared: February 9, 2018

MISSOURI PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIVISION

AUDITING DEPARTMENT

SURREBUTTAL TESTIMONY

OF

CAROLINE NEWKIRK

MISSOURI-AMERICAN WATER COMPANY

CASE NO. WR-2017-0285

Jefferson City, Missouri  
February, 2018

\*\* Denotes Confidential Information \*\*

Exhibit No. 126-P  
Date 3/8/18 Reporter MA  
File No. WR-2017-0285

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OF  
CAROLINE NEWKIRK  
MISSOURI-AMERICAN WATER COMPANY  
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Rebuttal Testimony of  
Caroline Newkirk

1           A.     Yes. Staff has made a change to the calculation for the unamortized rate case  
2 expense from WR-2015-0301. After reviewing MAWC's witness Brian W. LaGrand's  
3 rebuttal testimony regarding Rate Case Expense (pages 37-39) and conducting further  
4 analysis, Staff found the amount used in Staff's direct and rebuttal testimonies was only  
5 inclusive of charges incurred before January 31, 2016, when the amount should have included  
6 all charges through the end of WR-2015-0301 case. Staff has corrected this error and added  
7 the rest of the invoices that occurred after that date with the exception of any invoice relating  
8 to a separate appeal case. The total allowed amount from the last rate case has been updated  
9 from \$171,373 to \$467,511. This increase in total allowed rate case expense from Case No.  
10 WR-2015-0301 has resulted in a revised unamortized amount of \$196,995 as of December 31,  
11 2017. Staff maintains the position that the appropriate period to amortize this balance is 30  
12 months, resulting in inclusion of an annual amount of \$78,798 for the unamortized rate case  
13 expense from Case No. WR-2015-0301.

14           Q.     Does Staff have any further clarifications in regard to rate case expense?

15           A.     Yes. In Brian LaGrand's surrebuttal testimony on page 37, lines 20 -21, he  
16 states, "Staff included \$786,529 of eligible costs in its calculation, which is amortized over 30  
17 months, resulting in \$307,412 of annual amortization expense." Staff wants to be clear that  
18 the only portion of rate case expense being amortized is the un-collected amount of rate case  
19 expense from Case No. WR-2015-0301. Staff has proposed that rate case expense incurred  
20 for Case No. WR-2017-0285 be *normalized* over 30 months- not amortized. The allowance  
21 for collection of the un-amortized amount from WR-2015-0301 was a special circumstance  
22 laid out by the Stipulation and Agreement of that case.

Rebuttal Testimony of  
Caroline Newkirk

1 Q. Who will be addressing the Company's position on the "sharing mechanism"  
2 explained on pages 41 through 47 of MAWC witness James M. Jenkins' testimony?

3 A. Staff witness Kim Bolin will address the issue of the rate case sharing  
4 mechanism in her surrebuttal testimony.

5 **CASH WORKING CAPITAL**

6 Q. Has Company witness Brian W. Lagrand's surrebuttal testimony changed  
7 Staff's opinion on the expense lag calculation for the Service Company?

8 A. No. As stated on page 53 of Staff's Cost of Service Report, Staff has taken  
9 issue with the American Water Works Service Company (Service Company or AWWSC)  
10 requiring payment from MAWC of invoice paid to the Service Company since Case No.  
11 WR-2003-0500. Affiliates of MAWC should not receive preferential treatment. Rather, the  
12 affiliate should be treated like other third-party vendors who supply services to the utility.  
13 Therefore, Staff has assigned a 56.74 day expense lag for AWWSC allocations that is  
14 consistent with MAWC's payment habits for the vast majority of the goods and services that  
15 it receives from its third-party vendors.

16 Q. Did Staff use two different expense lags - one for St. Louis and one for the rest  
17 of the state - as Brian W. LaGrand attests to on page 28, lines 4-8 of his rebuttal testimony?

18 A. No. Staff used the same expense lags for St. Louis as it did for the rest of the  
19 state. Since St. Louis utilizes quarterly billing while the rest of the state utilizes monthly  
20 billing, a separate revenue lag was created for St. Louis versus the rest of the state. Due to  
21 this differing revenue lag, net lag will also be different since it is calculated in the following  
22 way: Net Lag equals Revenue Lag minus Expense Lag. So, while revenue lag and net lag are  
23 different between St. Louis and the rest of the state, the expense lag is the same.

Rebuttal Testimony of  
Caroline Newkirk

1 INSURANCE EXPENSE

2 Q. Have there been any modifications to Staff's position on insurance other than  
3 group?

4 A. Yes.

5 Q. Does Staff agree with MAWC witness Nikole L. Bowen's position on the  
6 Special Contingency Risk coverage expense as explained on page 41, lines 3-11 of her  
7 testimony?

8 A. Yes. Staff has updated its workpapers to reflect the allowance of this expense.  
9 The annual amount for this policy is \$491.

10 Q. Does Staff agree with MAWC witness Nikole L. Bowen's position on the  
11 adjustment to insurance other than group for acquisitions as explained on page 41, lines 18-22  
12 through page 42, lines 1-5 of her testimony?

13 A. The order approving the tariffs for the Wardsville acquisition case (WA-2017-  
14 0181) was issued with an effective date of May 23, 2017. Since this date is prior to the end of  
15 the update period Staff agrees to include the adjustment for this acquisition. The adjustment  
16 for this allocation to Wardsville is \$15,452. This change has been made and is reflected in  
17 Staff's surrebuttal Workpapers. Since the tariffs for the Pevely Farms acquisition case (WA-  
18 2017-0278) weren't effective until after the update period, Staff will adjust for Pevely Farms  
19 in true-up.

20 Q. Does Staff agree with MAWC witness Nikole L. Bowen's position on the  
21 Directors & Officers premium as explained on pages 40 and 41 of her rebuttal testimony?

22 A. No. Ratepayers should not pay for costs associated with litigation or fines and  
23 penalties in the form of an insurance premium for MAWC board members who may become

1 involved in civil or criminal proceedings. Staff contends that if the American Water Works  
2 Company, Inc. (AWWC) or MAWC Board of Directors abides by the regulations of the  
3 Sarbanes-Oxley Act (SOX) and the U.S. Securities and Exchange Commission (SEC) and is  
4 competent in the performance of its duties, then there is no need for this type of insurance.

5 **LOBBYING AND PAYROLL**

6 Q. Have there been any modifications to the Staff member(s) responsible for the  
7 issues of payroll, payroll taxes, employee benefits, and lobbying?

8 A. Yes. As of February 1 2017, Staff witness Jennifer Grisham is no longer  
9 employed by the Commission, and her issues have been reassigned to other Staff members.  
10 Going forward, I will address the issues of payroll, payroll taxes, employee benefits, and  
11 lobbying.

12 Q. Does Staff agree with MAWC witness Nikole L. Bowen's position on the  
13 adjustment to staffing levels as explained on pages 4 through 7 of her rebuttal testimony?

14 A. Staff agrees to update the number of actual filled positions as of December 31,  
15 2017, during true-up. Staff agrees to further evaluate the inclusion of the two additional full  
16 time equivalent (FTE) employees who had not yet begun work as of December 31, 2017.

17 Q. Does Staff agree with MAWC witness Nikole L. Bowen's position on the use  
18 of 2,088 hours to calculate base wage expense for hourly employees as explained on pages 5  
19 through 6 of her rebuttal testimony?

20 A. Staff agrees to update the number of work hours from 2,080 to 2,088.  
21 Although there are only 2,080 work hours in the calendar year 2017, it is generally Staff's  
22 position to use the number of hours to be worked in the year immediately following the  
23 operation of law date to determine the appropriate level of annualized payroll.

Rebuttal Testimony of  
Caroline Newkirk

1 Q. On page 7, lines 1-4, Company witness Nikole L. Bowen states, "...MAWC  
2 was able to determine that while Staff claims to recommend disallowance of a percentage of  
3 seven employees, it actually removed a percentage of 10 employees' salaries and associated  
4 benefits." Does Staff agree with this statement?

5 A. Ms. Bowen is correct in her statement. The workpaper does mistakenly  
6 remove a lobbying percentage from ten employees. This error has been fixed. Now the  
7 workpaper reflects the fact that there are only four positions (five employees) that have a  
8 percentage of their salary and benefits removed. For clarification, the positions still affected  
9 are: (1) President, (2) Manager of External Affairs, (3) Manager – Government Relations, and  
10 (4) Director- Government Affairs.

11 Q. Does Staff agree with the remainder of MAWC witness Nikole L. Bowen's  
12 position on the adjustment to lobbying as explained on pages 7 through 14 of her rebuttal  
13 testimony?

14 A. No. In the past, Staff has taken a much broader view of what should be  
15 considered to be a "lobbying activity" when compared to the Company's position. Therefore,  
16 Staff generally will not agree with the very minor percentages calculated by the Company as  
17 an estimate for the time spent on lobbying related activities for various employees.

18 Q. What does Staff mean by "a much broader view" in regards to a lobbying  
19 activity?

20 A. In Data Request No. 0095, the Company provided a chart of lobbying activities  
21 for the registered lobbyists. MAWC then used the time spent on those activities divided by  
22 total work hours to calculate the lobbying percentages which are cited in Ms. Bowen's  
23 testimony. Virtually all the "descriptions" of what the Company deems a "lobbying activity"



Rebuttal Testimony of  
Caroline Newkirk

1 contain the words "meeting," "testified," "event," etc. It is Staff's position that all these  
2 various meetings and events will undoubtedly have preparation work and follow-up work  
3 associated with them. Therefore, Staff has not used the understated percentages provided by  
4 MAWC and instead has used the employee's job description as the means for calculating the  
5 appropriate percentages for each employee.

6 Q. In Nikole L. Bowen's rebuttal testimony, on page 12, lines 2-3, she states that  
7 some of the positions "are not registered lobbyists and do not participate in lobbying  
8 activities." Does an individual have to be a registered lobbyist to engage in lobbying  
9 activities?

10 A. No, individuals do not have to be a registered lobbyist to engage in lobbying  
11 related activities. As mentioned above, Staff takes a broader approach to what is considered a  
12 "lobbying activity." Staff still takes the position that a portion of the employee's salary  
13 should be removed based on his/her job description.

14 Q. Please provide each job title and the job description duties for each individual  
15 that Staff has based its proposed disallowance.

16 A. The following table provides confidential information including job titles,  
17 Staff's proposed disallowance percentage, along with the respective quantification of that  
18 disallowance for each employee, which when added in total is \$230,192. Schedule CN-S1  
19 provides confidential job descriptions for each position noted below.

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21

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23 *continued on next page*

Rebuttal Testimony of  
Caroline Newkirk

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3

**ADVERTISING**

4

Q. Does Staff agree with the MAWC witness Nikole L. Bowen's position on advertising, customer education, and community relations as explained on pages 37 through 38 of her rebuttal testimony?

7

A. No.

8

Q. Did MAWC provide the detailed documentation for the Customer Education and Community Relation items asked for in Staff's Data Request No. 0113?

10

A. In Staff's Data Request No. 0113 Staff asked for "documentation including, but not limited to copies, transcripts, flyers, brochures, videos, or screenshots for each item." Out of the 178 line items for "Customer Education/Community Relations" expenses for 2016, only 28 had supporting documentation. The Data Request went on to say, "If such documentation is unavailable, please provide a detailed description which contains comparable evidentiary documentation of the nature of the item." With short descriptions like "Race to the Dome" and "T-shirts for Earth Day volunteers in St. Louis," Staff wasn't convinced that these expenses should be allowed. A large number of these items without detailed supporting documentation also noted "sponsorships" and "donations." As noble or charitable as the event may be, a sponsorship of thousands of dollars to an event is viewed by Staff to be "institutional" in nature (advertising used to improve MAWC's public image).

20

Rebuttal Testimony of  
Caroline Newkirk

1 | Also, as noted in Ms. Bowen's rebuttal testimony, Staff does group materials and events  
2 | related to water conservation under promotional advertising.

3 |       Q.     Does this conclude your surrebuttal testimony?

4 |       A.     Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of Missouri-American )  
Water Company's Request for Authority ) Case No. WR-2017-0285  
to Implement General Rate Increase for )  
Water and Sewer Service Provided in )  
Missouri Service Areas )

**AFFIDAVIT OF CAROLINE NEWKIRK**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

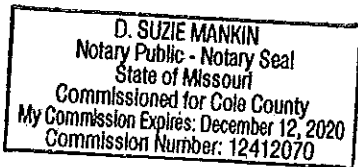
COMES NOW CAROLINE NEWKIRK and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Surrebuttal Testimony; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
CAROLINE NEWKIRK

**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 8<sup>th</sup> day of February, 2018.



  
Notary Public



AMERICAN WATER

**JOB DESCRIPTION**

<b>Job Title:</b>	<b>Job Title:</b> Mgr Govt & Regulatory Affairs	<b>Job ID:</b> 30200162
	<b>Grade:</b> 40	<b>FLSA:</b> Exempt
	<b>EEO:</b> 01 1st/Mid Level Officials & Mgrs	
<b>Job Family:</b>		

**APPROVALS**

Approved:  Date: 01/01/2010      Job Content Reviewed:  Date: 03/27/2006

<b>Primary Role:</b>	<p>Improve business climate for the Company through positive interactions with legislators and regulators and external opinion formers.                  Influence at state level to promote initiatives that support Company and other stakeholder goals and objectives.</p>
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<b>Key Accountabilities:</b>	<p>Understand and articulate in a compelling way the Company position on key legislative issues. (10%)                  Shape and influence legislative programs and other critical business issues in alignment with Company goals and objectives. (10%)                  Establish constructive relationships with elected and appointed officials on a federal, state and local level and invest considerable time and energy in prioritized networking activity. (10%)                  Prepare briefing documents that can be cascaded to key stakeholders (employees, public officials, etc.) to communicate pertinent issues (legislative, Company investment projects, business change, etc.) (10%)                  Apprise senior management relative to pertinent legislative issues and other external facts which impact on the business. (10%)                  Work cooperatively with affiliated industry, trade or consumer groups to accomplish company goals and benefit our stakeholders. (10%)                  Track and monitor legislative bills and trends which will have an impact on our current business.                  Support our business development projects as required and provide potential new business leads to developers.                  Build knowledge and skills (external communication and influence) with the Senior Management team to build their capabilities.                  Contribute to effective communication by listening and providing constructive feedback; supporting the creation of an open and honest work environment; cascading and sharing knowledge and information</p>
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JOB DESCRIPTION	
<b>Job Title:</b> Mgr Govt & Regulatory Affairs	<b>Job ID:</b> 30200162
	relevant to other members of the team and colleagues across the business. (40%)
<b>Education:</b>	B.S. Degree, preferably in Communications, Political Science, Business Administration.
<b>Skills:</b>	
<b>Knowledge:</b>	Knowledge of water industry issues and trends. Good knowledge of local and state legislative and political functioning. Broad business knowledge (operational, financial, regulatory).
<b>Experience:</b>	BLANK
<b>Certifications &amp; Licenses:</b>	
<b>Scope:</b>	Supv Exempt        0 Supv Non-Exempt    0 Direct Budget     \$0.00 Indirect Budget    \$0.00 Direct Revenue     \$0.00 Indirect Revenue   \$0.00
<b>Work Environment:</b>	BLANK
<b>Travel Requirements:</b>	BLANK
<b>Key Interfaces/ Relationships:</b>	Employees Elected and appointed public officials at federal, state and local level Regulators Business leaders Chambers of Commerce Economic development councils Special interest groups
<b>Other:</b>	BLANK



AMERICAN WATER

**JOB DESCRIPTION**

<b>Job Title:</b>	<b>Job Title:</b> Dir Govt Affairs (State)	<b>Job ID:</b> 30200054
	<b>Grade:</b> 45	<b>FLSA:</b> Exempt
	<b>EEO:</b> 01 1st/Mid Level Officials & Mgrs	
<b>Job Family:</b>		

Approved:  Date: 01/01/2010Job Content Reviewed:  Date: 10/31/2007**Primary Role:**

The primary role of this position is to provide senior-level strategic government affairs counsel to the state president and the state senior management team. This role establishes and manages a comprehensive and effective state and local best practice government affairs program to advance and support the company's overall business plan and state-specific objectives. This role also tracks all legislation with the potential to impact the company, either positively or negatively, and provides strategy recommendations and tactical implementation regarding how to employ government affairs activities in support of legislative objectives.

This role is the senior government relations professional responsible for establishing, nurturing and maintaining relationships with elected and appointed individuals at the state, county and municipal levels of government, for ensuring that the state president and state leadership team are properly and effectively positioned with key elected/appointed individuals, and that the company is effectively positioned as a trusted and expert resource.

The Manager of Government Affairs reports directly to the State President and indirectly to the Director of Government Affairs at corporate and indirectly to their respective Vice President Corporate Communications and External Affairs. This role interfaces and aligns government relations activities at the state level with the Director of Government Relations at the corporate and national level to ensure the company is advancing an integrated and effective government relations strategy across the business.

**JOB DESCRIPTION**

**Job Title:** Dir Govt Affairs (State)

**Job ID:** 30200054

**Key Accountabilities:**

Leads and directs the effective development, implementation and assessment of an integrated government affairs program at the state and local level, to enhance the company's reputation, and position American Water as the trusted expert and industry leader relative to water and wastewater issues.

Establishes regular proactive communication outreach strategies and tactics in the state and local political arena to ensure state and local political relationships are solidified and American Water is looked upon across all service territories with respect and positioned as the industry leader and trusted expert.

Proactively meets with state and local government officials on a regular basis to create strong relationships, mitigate emerging or potential problems, and establish a level of trust between American Water, mayors and other appointed and elected officials.

Is poised as the lead state lobbyist for the company charged with helping to change or support key legislation on water, wastewater or utility/business issues that may have an adverse or positive affect on the company.

Manages local contract lobbyists and maximizes effectiveness. Holds regular meetings with the contract lobbyist(s) to ensure they are kept abreast of services needed and that they understand they are not just "bill trackers", but rather are additional eyes and ears for the company and are expected to help identify business development opportunities, as well as other opportunities for the company.

Establishes and maintains an effective bill tracking program and takes full advantage of opportunities for the company to be out front on industry-related issues. Provides oversight and strategic input on bills that are being tracked to ensure they are beneficial to the state operations and aligned and integrated with the overall corporate government affairs strategy and the overall strategic plan for American Water. Builds effective alliances and coalitions to advance the company's position on key legislative initiatives.

Helps identify business development opportunities through established relationships and through relationships that the company's contract lobbyist and other employees may have. (35%)

Meets regularly with mayors and other local officials to ensure a strong and effective working relationship is in place. Mitigates issues and provides information for problem resolution. Ensures local government



**JOB DESCRIPTION**

**Job Title:** Dir Govt Affairs (State)

**Job ID:** 30200054

	<p>officials are kept updated when problems such as main breaks and other water-related emergencies occur.</p> <p>with mayors and other local officials during rate cases and other</p> <p>Develops the communications strategy/approach and schedules meetings capital investment program events, ensuring that appropriate company personnel is available to meet elected officials and answer specialized questions and that relationships are firmly established and key company leadership is properly positioned. Represents the company at mayoral, municipal and regulatory trade show events, ensuring that booths are properly staffed with appropriate personnel.</p> <p>Works closely with and regularly communicates with the Customer Communications Manager supporting the state and the External Affairs</p> <p>Prepares and manages the development of legislative testimony.</p> <p>Testifies on behalf of the company and/or prepares the state president to derive maximum benefit from PAC-related expenditures. (15%)</p> <p>Works closely with an array of political, utility, industry and business-related state organizations to create strategic alliances and wastewater industry. Works with key political, industry and business organizations to solidify relationships and foster business development</p> <p>Represents the company at key business organization functions, political participate.</p> <p>Works directly with government affairs specialist staff to build capacity and ensure the development of professional capabilities and Manager supporting the state to obtain communications counsel, support and all necessary materials to ensure the company is effectively aligned and positioned to develop and sustain key relationships with community leaders, government and regulatory authorities, as well as elected and appointed officials. (30%)</p> <p>Implements and directs all lobbying activities on behalf of the company. or other members of the state senior management team to provide legislative testimony, as appropriate.</p> <p>Creates and manages a state-focused PAC and ensures all Election Law Enforcement rules, regulations and other reporting requirements are met. Ensures the senior management team is aware of PAC-related opportunities issue-oriented coalitions on key issues affecting the water and opportunities for American Water.</p> <p>Is active and visible at various state and national conferences to ensure American Water is properly and effectively positioned. fundraisers, etc. and ensures senior management is poised to</p> <p>Assists in regulatory relationship building, making sure regulators are kept abreast of key issues within the company. Works with senior management to ensure coverage at Commissioner and other regulatory events. (10%)</p> <p>expertise. Works closely with the Director of Government Affairs at the corporate level to ensure state presidents have clear knowledge of how a best practice model for government affairs should be designed, implemented and assessed. (10%)</p>
<p><b>Education:</b></p>	<p>Bachelor's degree in public administration, government, journalism, communications, public relations or related field preferred, or demonstrated experienced commensurate with the requirements of the position.</p>
<p><b>Skills:</b></p>	

**JOB DESCRIPTION****Job Title:** Dir Govt Affairs (State)**Job ID:** 30200054

<b>Knowledge:</b>	<p>Must be knowledgeable of the federal, local and state government and legislative processes.</p> <p>Must possess an excellent working knowledge of the legislative process at all levels, and understand the hierarchy of government officials so the company has access to the right people, at the right time, in the right departments, for the right purpose.</p> <p>Has a thorough understanding of PAC laws, Election Law Enforcement Laws (ELEC) for the state, where applicable, and a knowledge of the various reporting requirements.</p> <p>Demonstrated ability to testify before legislative audiences and knows when and how to bring senior management and other departments into the process so that political officials have the benefit of the full expertise of the company.</p> <p>Must know how to access information and gain knowledge of issues in the business arena, as well as in the political arena, that may impact the company.</p> <p>Must be a registered lobbyist.</p> <p>Demonstrated ability to manage budget resources efficiently in order to maximize benefits to company.</p> <p>Able to manage/coach people to develop potential and build capabilities.</p>
<b>Experience:</b>	Seven to ten years of experience in government relations or lobbying, preferably within the utility sector.
<b>Certifications &amp; Licenses:</b>	
<b>Scope:</b>	<p>Supv Exempt 1</p> <p>Supv Non-Exempt 0</p> <p>Direct Budget \$0.00</p> <p>Indirect Budget \$0.00</p> <p>Direct Revenue \$0.00</p> <p>Indirect Revenue \$2,200,000,000.00</p>
<b>Work Environment:</b>	Located in a state supporting the full array of local/state government affairs activities.
<b>Travel Requirements:</b>	20% within the state and in the United States
<b>Key Interfaces/ Relationships:</b>	<p>State President and state senior management team</p> <p>Vice President of Communications and External Affairs</p> <p>Customer Communications Manager</p> <p>Internal Communications Manager</p> <p>External Affairs Manager</p> <p>Director of Government Affairs</p> <p>Corporate Communications Department</p> <p>Business Development</p>

**JOB DESCRIPTION**

**Job Title:** Dir Govt Affairs (State)

**Job ID:** 30200054

	Divisional Management Senior Management External Interfaces/Relationships articulated in job description
<b>Other:</b>	3(MO/IL/IN/IA/MI) \$337K 4(CA/AZ/HI/NM/TX/WA) \$1.0M Direct Revenue: AVG 1 - 4 1(NJ/NY/PA/OH) \$112M 2(KY/TN/VA/WV/MD) \$59M 3(MO/IL/IN/IA/MI) \$132M 4(CA/AZ/HI/NM/TX/WA) \$83M



AMERICAN WATER

**JOB DESCRIPTION**

<b>Job Title:</b>	<b>Job Title:</b> President (Large States)	<b>Job ID:</b> 30200204
	<b>Grade:</b> ML4	<b>FLSA:</b> Exempt
	<b>EEO:</b> 00 Exe/Snr Level Officials & Mgrs	

**Job Family:**

**APPROVALS**

**Approved:**  **Date:** 01/01/2010      **Job Content Reviewed:**  **Date:** 10/31/2007

**Primary Role:** Lead the regulated utility business in designated large state(s), driving business strategy, financial performance, growth, and excellent regulatory and customer relationships. Establish and maintain effective state government and community relations, and support business development within the state. Provide leadership and direction to staff within the state to ensure effective operations, customer satisfaction, and employee growth and development.

**Key Accountabilities:**

- Develop and lead regulatory/legislative relationships in the state to protect and enhance operating business interests, influence legislature, and support acquisition approvals. Develop proactive governmental and community relations strategies to promote American Water and facilitate the growth of the business. (25%)
- Develop business strategies, plans and key performance indicators. Deliver financial results as measured by operating income within the state. Prosecute rate cases and negotiate outcomes to ensure acceptable rates of return, testifying at utility commission hearings as needed. (25%)
- Ensure effective liaison occurs with the customer and shared services centers, to deliver service levels that meet or exceed business requirements in the state. Ensure customer and regulatory agency expectations are met regarding water and wastewater environmental and quality standards. (20%)
- Provide organizational leadership to staff within the state, including direct leadership of service delivery, engineering, business development, and regulatory and governmental affairs staff. Establish goals and motivate staff at all levels to achieve desired results for the business. (20%)
- Work with functional leaders within the matrix organization to ensure best operating practices are followed, and that all functional policies and practices are implemented within the state. Ensure all processes under the direction of the State President are Sarbanes Oxley compliant. (10%)

**Education:** Bachelor's Degree in business, management or related field;  
Master's degree preferred.

**JOB DESCRIPTION**

**Job Title:** President (Large States)

**Job ID:** 30200204

<b>Skills:</b>	
<b>Knowledge:</b>	Business and financial acumen; In-depth knowledge of water utility and industry trends and issues (national and worldwide); "Vision" (i.e., global perspective, understanding of corporate mission, goals and objectives and how to achieve them); knowledge of company operations, the rate making process and regulatory relationships.
<b>Experience:</b>	More than 15 years management experience in water or another regulated utility or other relevant experience.
<b>Certifications &amp; Licenses:</b>	
<b>Scope:</b>	Supv Exempt            0 Supv Non-Exempt    0 Direct Budget        \$0.00 Indirect Budget      \$0.00 Direct Revenue       \$0.00 Indirect Revenue    \$0.00
<b>Work Environment:</b>	BLANK
<b>Travel Requirements:</b>	Up to 25%, depending on state.
<b>Key Interfaces/ Relationships:</b>	Regulators and other government officials Senior management and state company Board of Directors Functional management Employees at all levels Customers and other external stakeholders
<b>Other:</b>	State residency required. Job Scope: \$50M to \$250M Revenues; 200 - 1,000 Employees



AMERICAN WATER

**JOB DESCRIPTION**

<b>Job Title:</b>	<b>Job Title:</b> Mgr Ext Affairs (State)	<b>Job ID:</b> 30200152
	<b>Grade:</b> L07	<b>FLSA:</b> Exempt
	<b>EEO:</b> 01 1st/Mid Level Officials & Mgrs	
<b>Job Family:</b>		

**Approved:**  **Date:** 01/01/2010

**Job Content Reviewed:**  **Date:** 10/31/2007

**Primary Role:**

The primary role of this position is to provide senior-level communications counsel to the state president and the state senior management team and to develop, coordinate, implement and manage all external communications activities to support the success of the state business plan and operating objectives. The primary areas of responsibility include media relations, public relations, community relations, corporate social responsibility and local support to government relations activities and meeting the information needs of customers. This professional is poised to respond rapidly and tactically to unanticipated events and critical issues such as main breaks and other critical incidents, and is equally focused on providing proactive and strategic communications counsel and advise to the state senior management team. This role is focused on anticipating and managing local communications issues and effectively positioning the company with key opinion leaders and key constituencies.

The External Affairs Manager is the critical communications resource maximizing the company's communications effectiveness, flexibility and responsiveness within the communities we serve. This professional has a comprehensive depth of communications knowledge and experience with demonstrated expertise in implementing integrated, strategic communications programs. While not directly responsible for customer communications or internal communication, the External Affairs Manager is an active and vital component of an integrated communications team operating through a matrix management model that is responsible for functional excellence reaching all audiences with a full array of internal and external communications messages, tactics and activities.

This role is responsible for identifying, developing, nurturing and sustaining strong and enduring relationships with the media not only during unanticipated events but also to proactively to leverage media coverage. This function ensures that American Water is aligned with key community groups and organizations and well regarded and respected as a "good corporate citizen". Leads and directs all communications activities to reflect American Water's commitment to its customers and communities. Working closely with the State President and the state senior management team, the manager ensures that the company is effectively aligned and positioned to develop and sustain key relationships with community leaders, government and regulatory authorities, as well as elected and appointed officials.

The External Affairs Manager will report to the Director of

**JOB DESCRIPTION**

**Job Title:** Mgr Ext Affairs (State)

**Job ID:** 30200152

	<p>Communications and External Affairs and Indirectly to the State President and to the Director of External Affairs at corporate.</p>
<p><b>Key Accountabilities:</b></p>	<p>Directly supports the strategic communications needs of a state and the state senior management team. Provides senior-level communications counsel and ensures the effective implementation of external affairs and related communications activities. Assists in strategy development and the proactive development of communications materials/tactics that produce cost, time and resource efficiencies across the business as well as ensures consistent messaging for all audiences. Ensures wise budget management.</p> <p>Works directly and closely with the State President to equip the state management team to develop and sustain key relationships - with community leaders, the media, elected/appointed officials, regulators and their staff members, and to manage and advance important communications objectives to these target constituencies. Employs a keen awareness and knowledge of community resources and contacts; understands the attitudes and concerns of the community. Implements communications strategies, tactics and activities to ensure ongoing, consistent and targeted communications before, during and after rate case filings (20%)</p> <p>Develops, manages and directs comprehensive strategic communications plans and supporting materials for public communications including media relations, conference participation, community relations/events, local government relations and sponsorship/memberships and executes in a proactive manner. Interacts and provides communications counsel on communications-related issues, challenges and opportunities. Develops effective crisis plans, crisis communications and serves as a spokesperson in a crisis situation. Is highly effective when developing messages for American Water during a crisis.</p> <p>Effectively manages internal and external resources, such as public relations agencies and other communications consultants, and adheres to all budget management requirements.</p> <p>Monitors internal/external business developments, as well as identifies connections between business activities and industry trends, that may pose a threat or benefit to the company's reputation. Works closely with the Customer Communications Manager, the Internal Communications Manager and the Customer Service Center Communications Manager to ensure that materials are anticipated, planned for and developed on a timely basis to meet the needs of state operations. Provides communications support to business development activities, when needed. (20%)</p> <p>Effectively establishes and maintains relationships with key media outlets and educates the media on issues of interest to American Water.</p> <p>Develops, executes and measures the effectiveness of media relations strategies in support of the state's capital investment program.</p> <p>Predicts and anticipates the needs of the news media/reporters and is cognizant of meeting these needs. Plans and manages large press and community events.</p>

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	<p>Develops talking points and corresponding media materials, invitations to the media, media pitching and coaches the State President and the state senior management team on how to convey key messages effectively when dealing with the media (during an interview or when attending an editorial board meeting) or when speaking before community groups, elected or municipal leaders, or other target audiences. (35%)</p> <p>Works collaboratively to develop strategic communications plans and time lines. Develops plans that anticipate and deliver ahead of needs. Develops plans and oversees implementation of activities and communications tactics in support of the company's Corporate Responsibilities (CR) initiatives. Works with state and corporate legal teams to ensure consistent and appropriate language is in all materials.</p> <p>Works closely, collaboratively and seamlessly with peer communications professionals supporting the state including Customer Communications Manager, the Internal Communications Manager, the Director of Communications and External Affairs, the Customer Service Center Communications Manager and the entire Corporate Communications team in corporate to ensure communication integration and maximum effectiveness. Regularly communicates and discusses best practices with peer communications positions. Works in a seamless and integrated manner to ensure the effective strategic alignment and coordination of all communications, both internal and external, within each state and between each state and corporate. (15%)</p> <p>Works closely with the state government relations lead to provide communications counsel, support and all necessary materials. Interfaces with local elected officials and develops and sustains strong working relationships with these targets. (10%)</p>
<b>Education:</b>	Bachelor's degree in journalism, communications, public relations, English, advertising or related field preferred, or demonstrated experienced commensurate with the requirements of the position.
<b>Skills:</b>	



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<p><b>Knowledge:</b></p>	<p>Has a thorough knowledge of strategic communications. Extensive experience in developing, implementing and measuring all related tactics and activities in support of effective integrated communications strategies.</p> <p>Displays a thorough knowledge and understanding of the media and the ability to assess a reporter's focus/beat. Is highly adept at developing and placing media materials including press releases, letters to the editor, and op-eds. Confident and experienced in arranging and conducting editorial boards.</p> <p>Possesses strong written and verbal communication skills.</p> <p>Is knowledgeable of community-based organizations, the political background and agendas of these groups, and other grassroots initiatives. Understands local and state political issues and is knowledgeable about the key players.</p> <p>Understands Reg FD disclosure requirements pertaining to publicly-traded companies and understands the difference between material and non-material information.</p> <p>Demonstrated ability to handle multiple tasks and produce quality materials while achieving results and meeting deadlines.</p> <p>Demonstrated ability to prioritize and re-prioritize quickly. Ability to multi-task and meet strict deadlines.</p> <p>Has excellent and efficient working knowledge of PowerPoint, Word, Excel and Access databases.</p> <p>Is familiar with project management work and has experience managing vendors and vendor contracts.</p> <p>Has experience planning and executing trade show and client hospitality events.</p>
<p><b>Experience:</b></p>	<p>Seven to ten years of experience in public relations, media relations, media reporting, marketing and community relations in a fast-paced corporate and/or agency environment.</p>
<p><b>Certifications &amp; Licenses:</b></p>	
<p><b>Scope:</b></p>	<p>Supv Exempt            1  Supv Non-Exempt    0  Direct Budget        \$0.00  Indirect Budget      \$0.00  Direct Revenue       \$0.00  Indirect Revenue    \$0.00</p>
<p><b>Work Environment:</b></p>	<p>Located in a state supporting the full array of external affairs and communications needs of the company's operations within that state.</p>
<p><b>Travel Requirements:</b></p>	<p>20% within the state and in the United States</p>

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**Key Interfaces/ Relationships:**

**Internal Interfaces/Relationships:**

State President and state senior management team  
Director of Communications and External Affairs  
Customer Communications Managers  
Internal Communications Managers  
Government Relations Manager  
Customer Service Center Communications Manager  
Corporate Communications Department (specifically the External Affairs Department)  
Business Development  
Division Management  
Senior Management

External Interfaces/Relationships articulated in job description.

**Other:**

	Equiv Pop Svd	Communs Svd	Emps
Area 1 (NJ/NY/PA/OH)	5.9 M	668	2999
Area 2 (KY/TN/VA/WV/MD)	1.8 M	342	586
Area 3 (MO/IL/IN/IA/MI)	4.7 M	432	2341
Area 4 (CA/AZ/HI/NM/TX/WA)	2.3 M	120	576

Direct Budget:  
AVG 1 - 4

1(NJ/NY/PA/OH) \$508K  
2(KY/TN/VA/WV/MD) \$300K  
3(MO/IL/IN/IA/MI) \$337K  
4(CA/AZ/HI/NM/TX/WA) \$1.0M

Direct Revenue:  
AVG 1 - 4

1(NJ/NY/PA/OH) \$112M  
2(KY/TN/VA/WV/MD) \$59M  
3(MO/IL/IN/IA/MI) \$132M  
4(CA/AZ/HI/NM/TX/WA) \$83M