

Exhibit No.:  
Issues: Basis for Rate Relief, Affordability  
and Value of Service, Improving  
Water and Wastewater Efficiency,  
Additional Ratemaking Proposals,  
Community Involvement  
Witness: Richard C. Svindland  
Exhibit Type: Direct  
Sponsoring Party: Missouri-American Water Company  
Case No.: WR-2026-0304  
SR-2026-0305  
Date: July 1, 2026

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. WR-2026-0304**

**CASE NO. SR-2026-0305**

**DIRECT TESTIMONY**

**OF**


**RICHARD C. SVINDLAND**

**ON BEHALF OF**

**MISSOURI-AMERICAN WATER COMPANY**

## AFFIDAVIT

I, Richard C. Svindland, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am President of Missouri-American Water Company and 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.



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Richard C. Svindland

July 1, 2026  
Dated

**DIRECT TESTIMONY  
RICHARD C. SVINDLAND**

**MISSOURI AMERICAN WATER COMPANY  
CASE NO.: WR-2026-0304  
CASE NO.: SR-2026-0305**

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**DIRECT TESTIMONY**

**RICHARD C. SVINDLAND**

**I. INTRODUCTION**

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

A. My name is Richard C. Svindland. My business address is 727 Craig Road, St. Louis, Missouri 63141.

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

A. I am employed by Missouri-American Water Company (“MAWC,” “Missouri-American” or the “Company”) as its President.

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

A. I received a Bachelor of Civil Engineering from the Georgia Institute of Technology in June of 1990. I received a Master of Science in Civil Engineering from the University of Kentucky in May 2005. I am a licensed Professional Engineer in Georgia and Kentucky.

My entire 36-year working career has been in the water and wastewater utility space both as a consultant and as a utility employee. Upon graduation from Georgia Tech in June of 1990, I started my engineering career as an Associate Civil Engineer with Wiedeman and Singleton in Atlanta, GA. In October of 1999, I started working for Kentucky American Water as an Operations Engineer based in Lexington, KY. After several intervening roles and promotions among various companies and jurisdictions with American Water, in October of 2021, I relocated after being promoted to the President of Missouri-American and now reside in the St. Louis, Missouri area.

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

A. I am responsible for all aspects of the Company’s business, including operations

1 (production, distribution, customer service, engineering, and capital investment planning),  
2 financial, employee relations, and environmental and regulatory affairs. As President, I am  
3 also ultimately responsible for assuring that the Company is delivering high quality water  
4 and wastewater services within its service territories in Missouri to its approximately  
5 509,200<sup>1</sup> customers, or approximately 1.7 million people. This includes ensuring that all  
6 MAWC activities comply with local, state, and federal laws and regulations and good  
7 business practices. I am able to do so through an executive management team that oversees  
8 the operations of systems throughout the state of Missouri, capital planning and  
9 implementation, business and finance plan development and execution, financial  
10 performance, staffing administration and management, regulatory and safety compliance,  
11 and asset management.

12 **Q. Have you provided testimony and/or appeared before regulatory commissions?**

13 A. Yes. I provided written testimony in the Company's last two general rate cases (WR-2022-  
14 0303 and WR-2024-0320) before the Missouri Public Service Commission  
15 ("Commission"). I have also provided testimony, responded to numerous data requests,  
16 and appeared before the Kentucky Public Service Commission as a part of a general rate  
17 case and a Certificate of Public Convenience and Necessity ("CPCN") case for a new water  
18 treatment plant. I have also prepared testimony and appeared before the California Public  
19 Utilities Commission in multiple general rate cases, as a part of a CPCN proceeding for a  
20 new water supply in Monterey, California and large asset retirement proceeding also in  
21 Monterey, California.

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

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<sup>1</sup> Customer count as of 12/31/25.

1 A. The purpose of my Direct Testimony is to provide an overview of MAWC’s filing and  
 2 demonstrate how our proposals in this case will continue to support the long-term best  
 3 interest of our customers, the communities we serve and our Company. First, I explain the  
 4 major drivers of MAWC’s request for rate relief in this proceeding, the primary of which  
 5 is the significant capital investments that the Company has made and that it plans to make  
 6 through May 31, 2028. Next, I address the affordability of Missouri-American’s water and  
 7 wastewater service notwithstanding that significant level of capital investment. Third, I  
 8 explain Missouri-American’s ongoing efforts to improve water and wastewater efficiency,  
 9 which efforts further contribute to the affordability of the services that the Company  
 10 provides. Next, I provide an overview of Missouri-American’s key ratemaking proposals  
 11 in this proceeding. Finally, I discuss the Company’s corporate citizenship and community  
 12 outreach efforts, which are emblematic of Missouri-American.

13 **Q. Who will testify on behalf of the Company and what subjects will they address?**

14 A. In addition to my Direct Testimony, the following witnesses provide testimony in support  
 15 of the Company’s filing:

Witness Name	Title	Subject of Testimony
Ather, Deba	Principal, Regulatory Services American Water Works Service Company, Inc (“AWWSC”)	Affordability
Bulkley, Ann E.	Principal, The Brattle Group	Return on Equity, Capital Structure
Carlson, Jody	Vice President, Operations, MAWC	Operations & Facilities, Water Quality, Safety, Non-Revenue Water, Water Efficiency, Employee Levels, Total Market Based Compensation

Furia, Nicholas	Vice President, Treasurer, AWWSC	Capital Structure, Overall Rate of Return
Grisham, Jennifer M.B.	Senior Manager of Regulatory Services, AWWSC	Rate Base, Depreciation Expense, Amortization Expense, Customer Accounting, Uncollectibles, PSC Assessments, Maintenance Supplies and Services, Insurance Other Than Group
Komenda, Brittany J.	Lead, Regulatory Analyst AWWSC	Advertising, Customer Education, Miscellaneous Expense, Telecommunications, Postage, Printing and Stationary
LaGrand, Brian W.	Director of Rates and Regulatory Support, AWWSC	Company Accounting Schedules, Minimum Filing Requirements, Revenue Requirement, Future Test Year, PFAS Tariff, Acquisitions, Rate Case Expense
Lueders, Matthew A.	Senior Director of Engineering, MAWC	Risks in Providing Water & Sewer Service, Capital Investments, Descriptions of Plant Additions, Lead Service Lines
Mason, Matthew S.	Senior Manager of Regulatory Services, AWWSC	Production Costs, Transportation, Support Services, Office Supply and Services, Employee Expenses, Rents, Building Maintenance and Services, Property Taxes, Pension & OPEB Expense and Trackers
McClellan, Max W.	Senior Manager of Regulatory Services, AWWSC	Revenues, Class Cost of Service, Declining Use, Cost Allocation, Customer Usage, Rate Design, Current Rate Structure, Consolidated Pricing, RSM
Mustich, Robert	Senior Managing Director Willis Towers Watson	Compensation Study
Nori, Amanda	Assistant Vice President, Concentric Energy Advisors, Inc.	Depreciation Study
Pallies, Courtney	Senior Regulatory Analyst, AWWSC	Labor & Related, Contract Services
Weiss, Joseph	Vice President, Concentric Energy Advisors, Inc.	Service Company Costs

1 **II. BASIS FOR RELIEF REQUESTED**

2 **Q. When were Missouri-American’s current rates approved?**

3 A. The Commission approved Missouri-American's current base rates by its *Report and Order*  
4 issued May 7, 2025, in Case No WR-2024-0320. The rates were subsequently implemented  
5 by the Commission’s *Order Approving Tariffs*, issued May 16, 2025, which was effective  
6 May 28, 2025. Those rates were based on costs that reflected a December 31, 2023,  
7 historical test year with certain updates through December 31, 2024.

8 **Q. What amount of rate relief is the Company seeking in this case?**

9 A. Missouri-American’s proposed revenue requirement for water and wastewater service is  
10 approximately \$806 million, which is a \$226 million increase over the \$580 million  
11 revenue requirement authorized by the Commission in Case No. WR-2024-0320. This  
12 request is based on a proposed rate of return of 7.64%, with a capital structure that includes  
13 an equity component of 50.34% and a return on equity of 10.50%. The proposed increase  
14 will provide the Company with the opportunity to recover its reasonable cost of service  
15 and earn a reasonable return on the capital invested in its water and wastewater systems.  
16 See also the Direct Testimony of Company witnesses Nicholas Furia and Ann E. Bulkley.  
17 Missouri-American is fully committed to continued investment in MAWC’s operations in  
18 a manner and at a level that will allow the Company to continue to provide its customers  
19 with safe and reliable service over the long term and is simply seeking the revenues to  
20 support doing so.

21 **Q. Why is Missouri-American seeking to increase base rates at this time?**

22 A. Our customers rely on the Company to provide them with safe and reliable water and  
23 wastewater service. We take very seriously our obligation to meet our customers’ needs

1 and expectations, but water and wastewater service is not without cost. It requires us to  
2 incur a substantial amount of O&M expense, as well as make ongoing, significant capital  
3 investments, all while experiencing continuing declining use by residential customers as  
4 Company witness Max W. McClellan discusses in his Direct Testimony. This filing,  
5 however, is primarily driven by the investments we are making to maintain and improve  
6 our infrastructure, which, as Company witness Brian W. LaGrand explains, accounts for  
7 approximately 84% of our total requested rate increase. As Company witness Matthew A.  
8 Lueders explains, the Company's investments in water and wastewater utility plant and  
9 equipment from June 1, 2025, through the end of the future test year in this case (12 months  
10 ending May 31, 2028), total approximately \$1.57 billion.

11 **Q. The basis of this case, then, is fundamentally about investment in Missouri**  
12 **infrastructure, is that correct?**

13 A. Yes. As with our previous rate filings and as explained above, the Company's proposed  
14 revenue increase is driven by investment in Missouri's infrastructure. MAWC has  
15 managed its operations responsibly and effectively and will continue to uphold its  
16 commitment to make the investments needed to continue to provide safe and reliable water  
17 and wastewater services to our customers at reasonable rates. The benefits of our  
18 infrastructure investment are not only vital to the health and welfare of our customers and  
19 the state, but they improve our economy and provide much needed jobs because every \$1  
20 million we spend in capital is expected to create or sustain nearly 16 jobs in Missouri.<sup>2</sup>  
21 These investments include improving the resiliency of the Company's distribution system

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<sup>2</sup> For every \$1 million spent, 15.5 jobs are created (6.1 direct jobs and 9.4 indirect jobs).  
[https://uswateralliance.org/wp-content/uploads/2023/09/Economic-Impact-of-Investing-in-Water-Infrastructure\\_VOW\\_FINAL\\_pages\\_0.pdf](https://uswateralliance.org/wp-content/uploads/2023/09/Economic-Impact-of-Investing-in-Water-Infrastructure_VOW_FINAL_pages_0.pdf)

1 and treatment plants, treatment changes to maintain regulatory compliance, technology  
2 investments that will integrate with and enhance existing systems to enhance service to  
3 customers, and management of source of supply and system demands. As noted, the  
4 Company will have invested over \$1.57 billion in capital improvements since the end of  
5 the historical test year in the last rate case. By doing so, the Company has created or  
6 sustained over 25,000 jobs during that time period.

7 **Q. Are there other factors contributing to the requested rate relief in this case?**

8 A. Yes, there are, but none approaches the magnitude of our capital investment program as a  
9 driver to file this case. In the area of O&M expense, the Company has been quite successful  
10 in controlling our costs in the past. However, there are limits to such efforts and, as  
11 explained by Company witness Jody L. Carlson, the Company is requesting an increase in  
12 its O&M expense to support the Company's efforts to continue providing high quality  
13 water service in the most cost-effective way to our customers in the long-term. The  
14 Company must seek its prudently incurred and reasonable O&M costs which reflect,  
15 among other things, increases in employee-related expenses and production costs as  
16 supported by Company witnesses Matthew S. Mason and Courtney Pallies and the full  
17 recognition in rates of the total market-based compensation the Company pays its  
18 employees to attract and keep a highly-skilled and qualified work force as supported by  
19 Company witnesses Carlson and Robert Mustich. As Mr. Carlson and Mr. Mustich  
20 demonstrate, the Company's total market-based employee compensation is a reasonable,  
21 prudently incurred expense designed to keep the organization focused on delivering safe,  
22 reliable, and affordable water and wastewater service while improving performance at all  
23 levels of the organization.

1 In addition to declining use and increasing O&M expenses discussed above, the  
2 Company's cost of capital has increased due to the current economic conditions, as Ms.  
3 Bulkley explains in more detail, which has increased the cost of debt and equity.

4 As Company witnesses Carlson and Lueders testify, our investments have helped to contain  
5 costs and, as Company witness Deba Ather explains, kept our services affordable. Without  
6 appropriate rate relief in this proceeding, MAWC will not have a meaningful opportunity  
7 to earn a reasonable return on its investments, which will negatively impact MAWC's  
8 ability to attract capital at reasonable rates and in turn, negatively impact customers.

9 **Q. Has MAWC worked to attract capital at reasonable rates?**

10 A. Yes. Missouri-American has worked to obtain funding for investments that support the  
11 safety and integrity of our systems for the protection of customers, employees, and  
12 operations. We continue to maintain adequate sources of supply, treatment, pumping,  
13 transmission and distribution facilities, as well as comply with applicable laws and  
14 regulations. That is our public service obligation. But the funding to maintain the safety  
15 and integrity of the systems is not the same as the funding levels that best serve the long-  
16 term interests of our customers. From the perspective of long-term sustainable customer  
17 service and pricing, the Company's goal is to continue providing high quality water and  
18 wastewater service in the most cost-effective way through the replacement, operation,  
19 maintenance, and rehabilitation of assets for present and future customers

20 **Q. Has the Company utilized access to different funds through the State of Missouri?**

21 A. Yes. MAWC has applied for and was approved for State Revolving Fund ("SRF") loans as  
22 further supported by Company witness Nicholas Furia. MAWC has a State Revolving  
23 Fund ("SRF") loan for \$10.7 million with a coupon of 0.74%. MAWC has been awarded

1 an estimated \$295 million SRF loan for a project at its Central Water Treatment Plant.<sup>3</sup>,  
2 with \$206 million of this financing included in the future test year through May 2028. The  
3 Commission approved the SRF loan borrowing authority in Case No. WF-2024-0353, and  
4 funding is expected to occur over a 36-month period between 2026 and 2029. MAWC has  
5 additionally been awarded a \$5 million SRF loan for Lead Service Line Replacements.  
6 MAWC has applied for a \$25 million SRF loan to build a transmission line under the  
7 Missouri river in St. Charles, and a \$42 million SRF loan for chemical and facility upgrades  
8 at the St. Louis South Water Treatment Plant.

9 **Q. Is Missouri-American proposing a future test year in this proceeding?**

10 A. Yes. As discussed further in the Direct Testimony of Company witnesses LaGrand,  
11 Missouri-American is requesting a future test year reflecting the 12 months ending May  
12 31, 2028, in this application as a result of the Missouri Legislature passing Senate Bill 4 in  
13 2025, which is now codified as Section 383.150 RSMo. Missouri American is filing its  
14 rate case the first day a utility is eligible to file a future test year in Missouri, July 1, 2026.  
15 We look forward to utilizing a future test year to further support the Company's ability to  
16 attract capital at reasonable rates.

17  
18 **VI. AFFORDABILITY AND VALUE OF SERVICE**

19 **Q. In general, why is MAWC's proposed rate increase reasonable?**

20 A. MAWC's proposed rate increase is reasonable because, as I discussed, it is driven primarily  
21 by the need to make investments to keep our water and wastewater service safe and reliable.

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<sup>3</sup> On June 26, 2026, MAWC closed on the SRF loan for a total of \$289 million at a coupon rate of 1.50% with an additional 50 basis point loan administrative fee.

1 Such investments cannot be avoided and are in the long-term best interests of our  
2 customers. If MAWC does not make such investments, our customers will be adversely  
3 impacted in the long run as costs will increase even more. For example, when mains are  
4 not replaced in a timely fashion, or maintenance of equipment is deferred for too long, our  
5 costs rise, as unanticipated main breaks create water quality issues, unexpected expenses,  
6 and disruption to our communities. Similarly, equipment in need of replacement makes  
7 workers less efficient and can create safety issues.

8 **Q. Has Missouri-American evaluated the impact of the proposed rate increases on its**  
9 **customers?**

10 A. Yes, we have. We know our water and wastewater service is critical, and we know how  
11 important it is for that service to remain affordable. A residential customer using 180  
12 gallons of water per day would pay approximately \$1,120 per year for water under our rate  
13 proposal. Put another way, under the Company's proposed rates, an annual residential bill  
14 of \$1,120 equates to approximately \$3.00 per day. Therefore, for about \$3.00 per day an  
15 average residential customer has all the water they and their family need to drink, cook,  
16 wash, and maintain their general health and well-being.

17 **Q. Has the Company performed an analysis of the affordability of its water and**  
18 **wastewater service under the proposed rates?**

19 A. Yes. Company witness Ather has conducted a detailed analysis of the affordability of the  
20 Company's historical and proposed rates and relates the median household income  
21 ("MHI") for customers in our service territory to our utility bills over time. Ms. Ather's  
22 analysis demonstrates that our water service, overall, has been, is, and is expected to  
23 continue to be affordable for the majority of its residential customers, including under the

1 rates proposed in this case. As demonstrated in Ms. Ather's Direct Testimony, the bill-to-  
2 income ("BTI") ratios for water service have held steady and increased very slightly from  
3 0.74% in 2024 to 0.77% in 2025, with an average BTI from 2012 to 2025 of approximately  
4 0.65%, meaning that on average MAWC's customers in total have steadily paid around  
5 0.65% of their household income over the last 14 years for water service for Missouri-  
6 American. And even with the proposed rate using a future test year, the expected BTI  
7 remains reasonable at 1.01%. As Ms. Ather explains, the results of the affordability study  
8 for wastewater service shows that BTI ratios have held steady and increased slightly from  
9 0.73% in 2024 to 0.74% in 2025, falling from 1.36% in 2012 to 0.74% in 2025. And here  
10 again, even with the proposed rates using a future test year, the BTI remains reasonable at  
11 1.04%. This is a tangible demonstration that our customer bills have been consistently  
12 affordable and will remain affordable even with MAWC's requested rate increase.

13 **Q. Is this trend in affordability reflective of the value of service that Missouri-**  
14 **American's customers enjoy from the Company?**

15 A. Yes. This trend in affordability is a result of the long-term investment and management  
16 practices of the Company and is a positive reflection of the fact that the investment  
17 strategies the Company has undertaken over time and the way that the Company has  
18 proactively managed the system is in the long-term best interests of our customers. As  
19 Company witness Lueders explains, the Company has or will invest over \$1.57 billion  
20 since its last rate case through the future test year. Nevertheless, the Company's service  
21 will remain affordable, largely due to the Company's ability to manage its O&M expense  
22 and its targeted and timely infrastructure investments. The combination of proactive  
23 investment, O&M expense management, and strong affordability demonstrates that the

1 Company's management of the business and investment in the business delivers a high-  
2 value service to customers at affordable rates, which is in the long-term best interest of our  
3 customers.

4 **Q. How does MAWC maintain the affordability of its water service?**

5 A. An important way that we maintain affordability is by continuously seeking to improve our  
6 business processes and make investments that improve operational efficiencies, and we  
7 have been very successful in doing so. As Company witnesses Lueders and Carlson  
8 explain, we use targeted investments that permit us to work smarter and more efficiently,  
9 and we leverage the power of our organization to purchase equipment and supplies at  
10 advantageous terms. All of these efforts help us better manage our cost structure and  
11 mitigate cost increases.

12 **Q. Notwithstanding the overall affordability of MAWC's rates, are there customers who**  
13 **might face affordability issues?**

14 A. Yes, some of our customers face challenging economic circumstances. Company witness  
15 Ather also examined the affordability of our rates for our more vulnerable customers. Her  
16 assessment compares annualized bills for "basic water service" (i.e., service that is  
17 necessary and reasonable to meet basic household needs for drinking, cooking, sanitation,  
18 and general health service that does not include seasonal discretionary water use) to  
19 measures of household income for lower income groups. The Company estimates that there  
20 are approximately 62,056 residential water customers and 5,749 wastewater customers that  
21 will see bills for Basic Water Service above 2% of their household income,<sup>4</sup> which is

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<sup>4</sup> As Ms. Ather explains, bills that are in the range of 2.0% to 4.5% of household income for combined water/wastewater are considered "affordable" by some. (U.S. EPA. (2024) Water Affordability Needs Assessment: Report to Congress. (Report No. 830-R-24-015). Pages 33 - 36)

1 approximately 14% and 21% of the total customer population for water and wastewater  
2 service, respectively. For these more vulnerable customers, the Company continues to  
3 offer various assistance programs, which I describe below.

4 **Q. What customer assistance programs does MAWC currently offer its low-income**  
5 **customers to maintain the affordability of its service?**

6 A. MAWC offers several customer assistance programs to help our low-income customers.  
7 The Company supports low-income customers through MAWC's H2O Help to Others  
8 Program™ ("H2O"). The H2O program offers direct financial assistance of up to \$250  
9 per year to customers that are struggling to pay their water or wastewater bill and meet the  
10 low-income guidelines established by the local community action agency.

11 In addition, the Company offers both residential and non-residential customers flexible  
12 payment arrangements through enhanced installment plans if they are financially unable to  
13 pay a water and/or wastewater service bill when due. The enhanced installment plan  
14 spreads payments over a period of up to 12 months, in many cases with no up-front  
15 payment required. The Company also offers residential customers the option of paying  
16 bills under its budget billing plan. For customers electing budget-billing, the Company  
17 estimates the customer's total billed amount for service during a succeeding twelve-month  
18 period and, for that period, issues monthly bills based on one-twelfth of the twelve-month  
19 estimate.

20 Missouri-American participates in a Critical Needs Program, which is administered by the  
21 United Way of Greater St. Louis. It is a program designed to promote and finance a  
22 community-based information resource network that will identify and direct customers  
23 with critical medical needs to resources that will help customers receive utility bill payment

1 assistance. We also partner with the Salvation Army to assist customers who are trying to  
2 reestablish housing by providing resources to pay off delinquent past due water and sewer  
3 bills.

### 4 **III. IMPROVING WATER AND WASTEWATER EFFICIENCY**

5 **Q. Please explain the concept of water and wastewater efficiency?**

6 A. Water and wastewater efficiency means using improved practices and technologies to  
7 deliver water and wastewater service more efficiently. The Company's water and  
8 wastewater efficiency efforts include supply-side practices, such as more accurate meter  
9 reading and leak detection, asset replacement and repair programs, as well as demand-side  
10 strategies, such as rate design and public education programs to encourage the wise use of  
11 water. Improving water efficiency reduces or helps mitigate increases to operating costs  
12 (e.g., pumping and treatment) and reduces the need to spend capital developing new  
13 supplies and expanding our infrastructure. It also reduces withdrawals from limited  
14 freshwater supplies, leaving more water for future use and improving the ambient water  
15 quality and aquatic habitat. Improving water and wastewater efficiency saves customers  
16 money in the long run, protects the environment, supports integrated resource planning,  
17 and enhances the economy.

18 **Q. How is the concept of water efficiency relevant to this case?**

19 A. Improving water and wastewater efficiency requires achieving a cost-effective mix of  
20 prudent investments and improved operations and maintenance management capabilities  
21 targeting safety, customer satisfaction, environmental compliance, sustainability, asset  
22 performance and operational efficiency. Missouri-American continually strives to develop  
23 and implement efficiency measures that deliver steady or improved levels of service to

1 consumers while mitigating cost increases. As discussed in the Direct Testimony of  
2 Company witnesses Lueders and Carlson, the investments we are making to better serve  
3 our customers are primarily in non-revenue producing investments – replacing aging  
4 infrastructure, maintaining compliance with environmental regulations and improving  
5 efficiency. Mr. Lueders, for example, discusses how replacing aging infrastructure can  
6 improve efficiencies (e.g., installing a new raw water intake at the St. Louis County South  
7 Treatment Plant, which allows for more efficient pumping and optimized use of electricity  
8 and pumped water). Mr. Carlson notes how the Company’s use of GIS technology and  
9 MapCall makes our employees more efficient, also helping to contain costs and improve  
10 customer satisfaction. He also explains how we propose to optimize our workforce by  
11 bringing in temporary employees and interns to not only help mitigate labor costs but  
12 develop talent as we face the challenges associated with an aging and retiring work force.  
13 As we plan our investments, however, we know how important it is to balance the need for  
14 system improvements while maintaining affordable water and wastewater service.  
15 Consequently, the Company continually strives to find more efficient and cost-effective  
16 ways to operate and maintain its business. Our intense focus on controlling expenses  
17 produces direct benefits to our customers.

18 **Q. Can regulation support Missouri-American’s efforts to improve water and**  
19 **wastewater efficiency?**

20 **A.** Yes, it can. Our ratemaking proposals are intended to support efforts to improve water and  
21 wastewater efficiency. As mentioned above, MAWC is requesting approval of new rates  
22 that reflect the Company’s total market-based employee compensation costs and the  
23 recognition of its capital investment through a future test year period. The Company’s

1 ratemaking proposals support the more efficient use of water, more effective maintenance  
2 of our system, and more efficient investment in our system. Ultimately, it is our customers  
3 who will benefit because these ratemaking tools will: allow Missouri-American to  
4 anticipate and plan for consistency in regulatory oversight necessary to attract capital;  
5 properly match cost incurrence with cost recovery; support the Company's continued  
6 efforts to use market-based total compensation to drive efficiencies and improve our  
7 service to customers; and support more consistent planning and deployment of the most  
8 efficient resources. Removing barriers to improving efficiency and needed investment is  
9 also in our customers' interests because, over time, it reduces the cost of providing water  
10 and wastewater service to customers and promotes the sustainability of our natural  
11 resources.

12 **Q. What is the Company's ultimate goal in improving water efficiency?**

13 A. Our goal is to provide quality water and wastewater services as efficiently as possible today  
14 and into the future, and by doing so, to increase the value of the services that we provide  
15 to our customers.

16 **Q. How does the Company assess the value of the services it provides its customers?**

17 A. One way is to use outside resources to determine the value we provide our customers. J.D.  
18 Power conducts a yearly Water Utility Residential Customer Satisfaction Study by region  
19 across the country. In 2026, MAWC ranked first in the Midwest Large Region.

20 **Q. Are there other examples of the determining the value of service it provides its customers?**

21 A. Yes. On June 22, 2026, the Company received a longevity award from the American Water  
22 Works Association ("AWWA") recognizing 25 years of participation in the Partnership for  
23 Safe Water program at its St. Louis and Joplin treatment plants. This partnership and its

1 longevity is one example of our Company coordinating, and often leading, the discussion  
2 around safe water, which benefits our customers.

## 3 4 **VII. ADDITIONAL RATEMAKING PROPOSALS**

5 **Q. Please briefly discuss the additional ratemaking proposal MAWC is requesting in this**  
6 **case.**

7 A. The Company is requesting the implementation of a revenue stabilization mechanism.

8 **Q. Please provide an overview of the Revenue Stabilization Mechanism (“RSM”)**  
9 **proposed in this case.**

10 A. A RSM is an accounting and ratemaking tool that is designed to align the Company’s  
11 revenues going forward (i.e., beyond the conclusion of this proceeding) with the level of  
12 authorized revenue ultimately approved by the Commission. As explained further by  
13 Company witness McMellan, this mechanism stabilizes changes in revenues resulting from  
14 changes in volumes of water sold to customers on an ongoing basis due to factors largely  
15 beyond the control of the Company. Notably, the Missouri legislature supports such  
16 adjustments based on its adoption of Section 386.266.4, RSMo.

## 17 **IX. COMMUNITY INVOLVEMENT**

18 **Q. Please describe Missouri-American’s outreach efforts in the communities that it**  
19 **serves.**

20 A. Missouri-American is a responsible corporate citizen and is known for its community  
21 involvement. We understand that it takes more than a one-time grant or volunteer effort to  
22 make a lasting difference, so we seek out and support organizations that can best meet the  
23 needs of our communities. On average, Missouri-American contributes roughly \$500,000

1 per year to communities and organizations to support programs and events that improve  
2 the health and safety, quality of life, and education of our customers. Community support  
3 is primarily provided at the local level, with Missouri-American teams identifying the  
4 needs and priorities of their communities and providing support accordingly.

5 MAWC employees and their families are also passionate about giving back in the  
6 communities we live in and serve, both financially and through volunteerism. In 2025,  
7 Missouri-American employees, in partnership with the American Water Charitable  
8 Foundation, contributed more than \$113,000 to 215 nonprofit organizations through the  
9 Employee Matching Gift Program, as reported in the Company's MyGiving platform.  
10 This does not include special employee-led donation drives. Employees also participate in  
11 river and park clean-ups, days of service, and volunteer at community events throughout  
12 the year.

13 Many of our employees also serve their communities by being active members of  
14 organizations, often holding leadership positions, including boards of directors and  
15 committees for state and local chambers of commerce, economic development  
16 organizations, rotary clubs, United Ways, hospitals, the arts, and environmental  
17 organizations.

18 Missouri-American provides support to those in need in our communities, including, but  
19 not limited to: The Covering House, the Samaritan Center in Jefferson City, and the United  
20 Way of Greater St. Louis. In 2025, Missouri-American provided more than \$140,000 to  
21 local community action agencies to fund the Company's H2O program that provides  
22 financial assistance to customers struggling to pay their bills. We also support programs  
23 for the youth in our communities, including but not limited to: Boys and Girls Club, STL

1 Artworks, St. Louis Youth Sports Outreach, Bright Futures, Fostering Hope and Mexico  
2 Area Family YMCA and Jaycees.

3 Missouri-American also provides support for local emergency responders and fire  
4 department through its annual Firefighter Grant Program. In 2025 the Company provided  
5 over \$40,000 to support 46 fire and rescue organizations. Funding provided was used for  
6 training, equipment and tools, and community fire prevention programs. Since this  
7 program launched in 2016, more than 200 grants have been awarded in the communities  
8 we serve.

9 Supporting environmental organizations that improve, protect and/or restore drinking  
10 water supplies and surrounding watersheds is another key focus area of our community  
11 involvement and support. This not only aligns well with our core business of water and  
12 wastewater service, but it also provides an opportunity to work with community partners  
13 to educate our customers and develop sustainable solutions to local environmental issues.  
14 Environmental organizations we support include Missouri River Relief, Forest Releaf of  
15 Missouri, St. Louis Audubon Society, Wildcat Glades Friends Group in Joplin, Open Space  
16 Council, and the St. Louis Earth Day festival. Missouri-American also sponsors the World  
17 Bird Sanctuary's presence at local community and environmental events and in schools.  
18 Bird handlers teach children and adults about the importance of keeping local watersheds  
19 clean, both for drinking water purposes and for the health and well-being of the birds.

20 **Q. Are there other community related efforts MAWC is making?**

21 A. Yes. We also offer speakers and plant tours to schools and civic organizations to help  
22 educate our customers on how river water and/or groundwater is transformed into drinking  
23 water that consistently meets or surpasses state and federal regulations. Operations team

1 members collaborate with local schools to educate students on career opportunities and  
2 issues relevant to the water industry, including watershed protection, conservation, and the  
3 importance of clean water to their daily lives. In addition, as funding for field trips in  
4 school district budgets continues to decrease, we offer an online, 360-degree tour of our  
5 Central Plant, the largest water treatment plant in the American Water family, which allows  
6 students to learn virtually about aspects of the water treatment process. It provides the  
7 ability to digitally explore the water treatment plant, with pop-up bubbles, videos and  
8 photos offering information about the treatment process and the plant itself.

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

10 A. Yes.