



1 **Witness Background and Experience**

2 Q1. Please state your name, business address, and telephone number.

3 A. Jonathon Sprague, 2350 Market Street, St. Louis, Missouri 63103-2555,  
4 (314) 768-6261

5 Q2. What is your occupation?

6 A. I am the Director of Operations for the Metropolitan St. Louis Sewer District (District).

7 Q3. How long have you been associated with the District?

8 A. I have been with the District continuously since May of 2005

9 Q4. What is your professional experience?

10 A. I have spent the last 15 years working in the water/wastewater industry. I came to the  
11 District in 2005 as Assistant Director of Operations, and became Director of Operations  
12 in July of 2007. Prior to working for the District, I held a number of progressively  
13 responsible utility positions in the Richmond, Virginia area. I started as a Project  
14 Engineer for the City of Richmond and my last position before coming to MSD was  
15 Assistant Chief of Operations for Henrico County, Virginia. Before this I was a senior  
16 engineer involved with the controls of Nuclear Aircraft Carriers.

17 Q5. What is your educational background?

18 A. I have an undergraduate degree in electrical engineering from the University of Akron. I  
19 also have a Masters in Business Administration from the College of William and Mary in  
20 Virginia.

21 Q6. Are you registered as a Professional Engineer?

22 A. Yes, I am a registered Professional Engineer in the state of Missouri.

23

**Criteria Governing Rate Change**

Q7. Please explain why the Proposed Rate Change set forth in the Rate Change Notice is necessary, fair and reasonable.

A. Rate increases are necessary to ensure the District continues to meet Federal and State regulations, requirements and mandates of the Clean Water Act and customer health, safety and welfare needs. The Proposed Rate Change is fair because it will be charged based on each customer's contribution to the system and has been designed to minimize impact to the ratepayer while addressing regulatory and customer issues.

Q8. How will the Proposed Rate Change enhance the District's ability to provide adequate sewer and drainage systems and facilities or related services?

A. The Proposed Rate Change will provide needed funds to continue to deliver wastewater services to the St. Louis region.

**Wastewater Services**

Q9. What makes up the wastewater services within the District?

A. Wastewater services are comprised of the effective collection, transport and treatment of wastewater within the District. This requires the Operations and maintenance of over 6500 miles of sewers, over 270 pump stations and 7 wastewater treatment plants.

Q10. What is the purpose of the District's wastewater operations and maintenance program?

A. To maintain the wastewater system in a proactive and efficient manner that meets all State and Federal requirements and minimizes disruptions to customers.

Q11. What are the key components of the WW O&M Program?

A. The Districts' operations and maintenance ("O&M") program takes an Asset Management approach. That is, the program is designed to most cost effectively maintain the District's assets while maintaining required levels of wastewater service.

1 This requires finding the correct balance between proactive and reactive maintenance that  
2 efficiently meet the set levels of wastewater service. Within the collection system, O&M  
3 focuses on cleaning, inspecting and rehabbing pipe to assure adequate capacity. In pump  
4 stations and plants, asset management consists of performing equipment maintenance and  
5 repairs to assure permit and regulatory issues are met.

6 Q12. Does the District measure the performance of providing wastewater services?

7 A. Yes it does. The District employs a number of measures and surveys to assure its  
8 program is effective. These measures range from high level goals that are aligned around  
9 the District's strategic plan, down to tactical and crew level goals that assure levels of  
10 wastewater service are being met. Examples of high level measures include: percent  
11 regulatory compliance; percent on-time response and overall customer satisfaction.  
12 Tactical goals include measures such as miles of pipe cleaned, annual basement backups.

13 Q13. Can you provide any supporting documentation that the District's wastewater services are  
14 being operated efficiently and making the best use of ratepayer monies?

15 A. In the past few years the District has made significant strides in improving its measured  
16 wastewater services levels, and this has been reflected positively in both customer survey  
17 responses and awards. Some measures worth noting include: In 2010 the District  
18 received Six National Clean Water Agency gold awards and one silver award for  
19 regulatory compliance in District treatment plants, and since 2006 all District treatment  
20 plants have received National Clean Water Agency awards. Missouri small plant of the  
21 year award in 2010 for the Fenton treatment plant. Record high levels of exceeding 80%  
22 overall customer satisfaction in 2010 customer surveys. Recent focus on pipe cleaning  
23 and rehabilitation in the collection system have brought basement backup levels down

1 60% over the past two years. Additionally, dry weather overflows are down 40%,  
2 particularly significant in a period in which the District has experienced record  
3 precipitation.

4 **Asset Management**

5 Q14. What is Asset Management as it applies to the wastewater industry?

6 A. Utilities throughout the world are faced with the challenge of how best to manage their  
7 existing asset stock to provide satisfactory customer service with limited funds. Asset  
8 Management is a maintenance management process that guides the acquisition, use and  
9 disposal of infrastructure assets to optimize service delivery and minimize costs over the  
10 asset's entire life. What that means is with limited funds you focus your efforts on  
11 meeting wastewater service level goals such as regulatory requirements and customer  
12 service goals. To do this the District has to understand the condition of its infrastructure,  
13 and prioritize maintenance efforts on those assets that pose the greatest risk to District  
14 goals. If goals are being met, the District then engages the public to determine the  
15 balance between expectations of wastewater service levels of and minimizing  
16 maintenance costs.

17 Q15. Does the District have an Asset Management program?

18 A. Yes. The District has a core asset management program in place. Through this program,  
19 the District has gained understanding of all its assets in terms of general condition. In  
20 addition the use of risk assessment models are used to identify critical assets. The  
21 District's wastewater service level goals are then focused on meeting strategic objectives  
22 such as regulatory compliance and cost efficiency.

23 Q16. What are the benefits of an asset management program?

1 A. The benefits are numerous. First an understanding of the District's assets and their  
2 condition provides benefits such as capital deferment; prioritization and accountability on  
3 capital investments, improved asset failure forecasting and financial reporting compliant  
4 with changing generally accepted accounting principles. These benefits play a key role in  
5 maintaining the District currently solid bond ratings. The use of risk assessment models  
6 allows the District to focus on assets critical to meeting wastewater service level goals.  
7 This, in turn, prioritizes the use of limited resource and minimizes the risk of wastewater  
8 service disruption, thereby increasing and maintaining customer and regulators  
9 confidence. Lastly using wastewater service level goals gives the District objective  
10 measures to judge performance and provide stakeholders evidence of progress. In  
11 combination this approach minimizes life cycle costs, maximizes asset life while meeting  
12 the District's Charter defined wastewater responsibilities and keeping the public's trust.

13 Q17. Is the District's asset management program impacted by State and Federal requirements?

14 A. Yes. Federal requirements create mandatory levels of wastewater service that must be  
15 met by the District through its O&M program. These requirements come at a cost. First  
16 they no longer function as goals, but rather required wastewater service levels that must  
17 be met to avoid fines and other enforcement actions. Often meeting these requirements  
18 require additional resources or diversion of resources from other goals. Additionally, the  
19 time frames required by requirements do not allow for optimization.

20 Q18. How does an Asset Management program enable the District to meet State and Federal  
21 requirements?

22 A. One of the strengths of an Asset Management Program is its focus on meeting levels of  
23 wastewater service. High level strategic goals are focused on meeting these

1 requirements. These strategic and Asset Management goals become a focus and  
2 expectation that is communicated through the organization. These high level goals in  
3 turn are broken into tactical and O&M specific goals that help the workforce understand  
4 the purpose of their efforts and their impact on meeting the requirements.

5  
6 Q19. Does this conclude your prepared direct testimony in this matter?

7 A. Yes, it does.