

**ILLINOIS COMMERCE COMMISSION**

**CASE NO. 11-\_\_\_\_\_**

**DIRECT TESTIMONY OF**

**BRUCE T. HAAS**

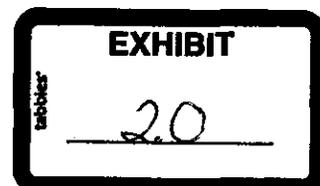
**ON BEHALF OF**

**KILLARNEY WATER CO.**

**RECEIVED**

JUN 29 2011

CHIEF CLERK'S OFFICE  
Illinois Commerce Commission



**DIRECT TESTIMONY OF  
BRUCE T. HAAS  
ON BEHALF OF KILLARNEY WATER CO.**

1 **Q1. PLEASE STATE YOUR NAME, PRESENT POSITION AND BUSINESS**  
2 **ADDRESS.**

3 My name is Bruce T. Haas and I am the Regional Director of Operations for the Midwest  
4 Region of Utilities, Inc. ("UI"), which includes Illinois, Indiana, Kentucky and  
5 Tennessee. My business address is 110 Queen Parkway, West Columbia, South Carolina  
6 29169.

7 **Q2. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?**

8 In my current position, I am responsible for making sure our customers receive adequate,  
9 efficient, reliable, environmentally safe and least-cost water and wastewater utility  
10 service. As such, I am responsible for all operations personnel, facilities, maintenance  
11 and capital projects as well as other operational issues. In addition, I am responsible for  
12 communications with state and federal regulators, including state utility commissions,  
13 public staffs in the states that have them, and environmental authorities.

14  
15 **Q3. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND.**

16 I first began my employment as a meter reader and maintenance worker in 1978 for Lake  
17 Holiday Utilities Corp., a subsidiary of Killarney Water Company's parent, Utilities, Inc.  
18 During the next several years, I was promoted to Operator and Operating Manager

1 positions for a number of Utilities, Inc. subsidiary systems, while earning various water  
2 and wastewater licenses in Illinois and Ohio, including the highest levels of water  
3 treatment and wastewater treatment licenses from the Illinois EPA. I eventually became  
4 the Area Manager for the Peoria, Illinois region, overseeing the water and wastewater  
5 facilities in this area. In 1989, I relocated to Charlotte, North Carolina taking on the  
6 position of Area Manager for several areas for Carolina Water Service, Inc. of North  
7 Carolina, a sister subsidiary under UI, along with the operations of two large UI-  
8 subsidiary systems located in York County, South Carolina. While in Charlotte, I was  
9 promoted to Regional Manager, during which time I also obtained various water and  
10 wastewater licenses in Water Treatment, Water Distribution, Wastewater Collection, and  
11 Backflow/Cross-Connection certifications from the State of North Carolina while taking  
12 night courses towards a degree in Civil Engineering Technology. I also earned the  
13 highest levels of water and wastewater certifications for Water Treatment, Water  
14 Distribution, Wastewater Treatment and Wastewater Collection from the State of South  
15 Carolina. Additionally, I have successfully completed the utility regulation seminar  
16 sponsored by NARUC. In 2002, I was promoted to my current position of Regional  
17 Director and given responsibility for the Company's systems in South Carolina and  
18 Georgia. Following a reorganization of various Regions within UI in mid-2010, I  
19 accepted the position as Regional Director for the Midwest Region.

20 **Q4. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE ILLINOIS COMMERCE**  
21 **COMMISSION ("COMMISSION")?**

22 Yes.

1 **Q5. HAVE YOU TESTIFIED BEFORE ANY OTHER PUBLIC UTILITY**  
2 **COMMISSIONS?**

3 Yes. I have testified before the commissions in North Carolina and South Carolina.

4 **Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

5 My testimony provides support for Killarney Water Co. (“KWC” or “Company”) request  
6 to adjust water rates. In particular, my testimony describes: (1) the Company’s service  
7 territory and its water system operations; (2) capital improvements made to the water  
8 system; (3) water quality; and (4) customer complaints.

9

10 **I. SYSTEM DESCRIPTION AND OPERATION**

11 **Q7. PLEASE GENERALLY DESCRIBE THE COMPANY’S SERVICE TERRITORY**  
12 **AND WATER SYSTEM.**

13 KWC provides water service in Algonquin Township, McHenry County, Illinois to 346  
14 water utility customers. The potable water is supplied from two ground water wells that  
15 are treated chemically with sodium hypochlorite and fluoride before flowing into the  
16 distribution system. Phosphate is also added to the finished water for the purpose of iron  
17 sequestration. The potable water distribution system pressure is maintained through a  
18 50,000 gallon elevated legged water tower. The KWC water distribution system is  
19 approximately 22,600 linear feet (LF) in length. KWC does not provide fire protection  
20 but has flushing hydrants located throughout the system for seasonal flushing and  
21 maintenance purposes.

1 **Q8. PLEASE DESCRIBE THE DUTIES OF THE STAFF AT KWC.**

2 Staff collects and tests water samples at the point of entry and distribution system on a  
3 daily basis. The staff also completes daily operations, equipment repairs and  
4 maintenance of assets. They are responsible for submitting complete and accurate  
5 monthly reports to the Illinois Environmental Protection Agency (“IEPA”) and maintain  
6 compliance with all IEPA regulations. They maintain the distribution system, order and  
7 safely store and identify necessary chemicals, and complete field activities as well as  
8 respond to customer inquiries. Finally, the staff is responsible for reading water meters  
9 every two months.

10 **II. CAPITAL IMPROVEMENTS**

11  
12 **Q9. PLEASE DESCRIBE THE IMPROVEMENTS MADE BY THE COMPANY TO**  
13 **ITS WATER SYSTEM.**

14 Since the last rate case in 1995, KWC has invested nearly \$600,000.00 in total net plant  
15 additions, which includes the capital projects listed below.

16 **Table 1 – Summary of Capital Projects**

<b>No</b>	<b>Project ID</b>	<b>Description</b>
1	1150601	ENGINEERING TO REHAB WATER TOWER
2	1150602	WELL 2 INSPECTION
3	1150603	KILLARNEY NEW WELL 2
4	1150604	REPLACE ELECTRIC SERVICE AT WELL HOUSE 2
5	1150701	ABANDON HYDRO TANK BY WELL 3

17

1 **Q10. PLEASE BRIEFLY DESCRIBE EACH OF THE CAPITAL PROJECTS LISTED**  
2 **IN TABLE 1.**

3 (1) Engineering to Rehab Water Tower – The water tower at KWC is showing signs  
4 of deterioration. An engineering study and inspection of the tower was conducted to  
5 produce a report of the necessary repairs needed and a cost analysis of the rehabilitation.

6 (2) Well 2 Inspection – Well 2 drastically lost water production. An inspection of the  
7 well was conducted to offer an opinion as to whether the well was a candidate for  
8 rehabilitation or abandonment.

9 (3) Killarney New Well 2 -- After the inspection of well two revealed that the cost to  
10 rehabilitate this well was beyond the cost of drilling a new well on site, the decision was  
11 made to abandon well 2 and drill a new Well #3 to have the ability to continue providing  
12 the customers of KWC with adequate water service.

13 (4) Replace Electric Service at Well House 2 – The electric service at this location  
14 did not possess a service disconnect, placing the service non-compliant with current  
15 electric codes. The electric service had to be disconnected by the electric company every  
16 time the well needed to be serviced and the electric company had refused to reconnect  
17 service in the past due to the non-compliant service connection. The service was  
18 upgraded and replaced with a service disconnect.

19 (5) Abandon Hydro Tank by Well 3 – The hydro-pneumatic tank that resided in the  
20 building next to the Water Tower and Well #3 location was in disrepair and unsafe  
21 condition. This hydro tank was abandoned and removed from the building.

22 **Q11. DOES THE COMPANY CURRENTLY HAVE ANY PRO FORMA PROJECTS**  
23 **UNDERWAY THAT WILL BE INCLUDED IN THIS RATE CASE?**

1 Yes. The Company currently has plans for modifications and rehabilitation and  
2 sandblasting/painting of the exterior of the elevated storage tank. The anticipated costs of  
3 this work is \$170,000, including the shrouding and encapsulating of the structure during  
4 sandblasting work in order to capture and remove the existing lead-based paint.  
5 Completion of this work will help extend the life of this asset. Funding of this project has  
6 been approved by management and the completion date will occur in the fourth quarter of  
7 2011.

8 **Q12. DOES THE COMPANY CURRENTLY HAVE ANY ISSUES REGARDING ITS**  
9 **WATER QUALITY?**

10 No. The water at KWC is compliant with IEPA standards for safe drinking water.

11 **Q13. PLEASE SUMMARIZE ANY CUSTOMER COMPLAINTS RECEIVED WITHIN**  
12 **THE LAST 12 MONTHS.**

13 The customer complaints received from KWC in the past twelve months have been  
14 minimal. The summary is as follows: 5 water quality issues, 2 water pressure issues, and  
15 2 follow up calls regarding landscaping issues after repairs had been made.

16 **Q14. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?**

17 Yes it does.