

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF EVANSVILLE, )  
INDIANA, FOR AUTHORITY TO ISSUE )  
BONDS, NOTES, OR OTHER OBLIGATIONS, ) CAUSE NO. 45545  
FOR AUTHORITY TO INCREASE ITS RATES )  
AND CHARGES FOR WATER SERVICE, AND )  
FOR APPROVAL OF NEW SCHEDULES OF )  
WATER RATES AND CHARGES. )

PUBLIC'S EXHIBIT NO. 3

TESTIMONY OF SHAWN DELLINGER

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

SEPTEMBER 3, 2021

Respectfully submitted

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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## CERTIFICATE OF SERVICE

This is to certify that a copy of the *Public's Exhibit No. 3, Testimony of Shawn Dellinger* has been served upon the following counsel of record in the captioned proceeding by electronic service on September 3, 2021.

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**TESTIMONY OF OUCC WITNESS SHAWN DELLINGER**  
**CAUSE NO. 45545**  
**CITY OF EVANSVILLE**

**I. INTRODUCTION**

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

2   A:   My name is Shawn Dellinger, and my business address is 115 W. Washington St., Suite  
3       1500 South, Indianapolis, IN 46204.

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

5   A:   I am employed by the Indiana Office of Utility Consumer Counselor (“OUCC”) as a Utility  
6       Analyst for the OUCC’s Water/Wastewater division. My focus is on financial issues.

7   **Q:   Please describe your educational background and experience.**

8   A:   My educational background and experience are described in Appendix A.

9   **Q:   What is the purpose of your testimony?**

10  A:   The City of Evansville (“Petitioner” or “Evansville”) has requested authority to issue  
11       \$238,165,000 of long term debt through a combination of borrowing from one or more  
12       lenders on the Open Market (“OM”) and from the State Revolving Fund (“SRF”).  
13       (Evansville’s plan to capitalize interest may be quantified as \$14.4 million of the total  
14       borrowing.) I discuss and evaluate this proposal. Incorporating the opinions and  
15       recommendations of other OUCC witnesses as well as my own, I recommend a lower  
16       amount of borrowing authority and I recommend Evansville’s debt service revenue  
17       requirement be based on lower interest rates than what Evansville has proposed. My  
18       proposal results in a debt service revenue requirement of \$3,675,000 to be implemented  
19       beginning in 2024, and \$735,000 of debt service reserve annual revenue requirement,

1 which the OUCC includes in its 2023 revenue requirement. I discuss Evansville's previous  
2 bond issuances and its delay in spending those funds on the capital improvements used to  
3 support its authorized borrowing. I explain the short-term and long-term effects of  
4 Evansville's proposed practice of wrapping its debt. Finally, I recommend a true-up  
5 process so that rates will conform to the actual terms of the debt once issued.

6 **Q: What did you do to form the opinions in your testimony.**

7 A: I reviewed the Petition with a focus on the testimony of Mr. Baldessari, CPA who discusses  
8 the proposed borrowing authority. I created discovery questions and reviewed Petitioner's  
9 responses to discovery. To evaluate interest rates, I reviewed various documents from the  
10 SRF program, Value Line, Refinitiv, and other services. I reviewed previous Commission  
11 orders -- more specifically the final orders issued in Cause Nos. 44760 and 45073. I also  
12 participated in the Pre-Filing meeting with the Petitioner on March 19, 2021.

13 **Q: Are you sponsoring any attachments?**

14 A: Yes. I list those attachments below in my Appendix B.

## 15 **II. DEBT SERVICE REVENUE REQUIREMENTS**

16 **Q: Please describe the Petitioner's proposed debt issuance.**

17 A: Petitioner proposes to borrow \$238,165,000.<sup>1</sup> First, Evansville intends to issue  
18 \$63,185,000 of open market bonds around July 1, 2022, at an interest rate of approximately  
19 2.97% and maturing in 2049 (27-year term). Second, Evansville intends to issue  
20 \$174,980,000 of SRF bonds around October 1, 2022, at an interest rate of 2.85% and  
maturing in 2050 (28-year term).<sup>2</sup> Evansville plans to wrap both issuances to achieve a

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<sup>1</sup> This amount is found in Mr. Baldessari's Attachment DLB-1, page 3 of accountants report, "Schedule of Estimated Project Costs and Funding." There are discrepancies in the total projected construction costs for the water treatment plant found in other areas of Petitioners testimony that are addressed by OUCC witness Mr. Parks.

<sup>2</sup> The term length is given in Mr. Baldessari's testimony, page 12 lines 2 and 18.

1 more level amount of debt service expense for all of its debt through 2050.

2 **Q: Is this borrowing appropriate and necessary?**

3 A: I accept the broad outlines of the Petitioners request, but I propose to adjust both the amount  
4 financed and interest rate assumptions and the timing of the financing.

5 **Q: Does the OUCC agree that the full amount of borrowing Evansville proposes should**  
6 **be authorized?**

7 A: No. Based on the recommendations of OUCC witnesses including my own, Evansville  
8 should be authorized to borrow \$167 million with the opportunity to add up to an additional  
9 \$30 million through a sub-docketed proceeding as described by OUCC witness Scott Bell.  
10 The \$167 million consists of \$52 million of Open Market financing and \$115 million of  
11 SRF financing. The above are based on the maximum interest rate I believe should be  
12 authorized, which I discuss below. The revenue requirements are based on borrowings  
13 incorporating a more moderate interest rate and total to \$160.5 million, consisting of \$50  
14 million for the Open Market financing and \$110.5 million for SRF financing.

15 **Q: Please explain why you recommend a lower amount of financing be authorized.**

16 A: The OUCC's lowered recommended borrowing authority is based on (1) elimination of  
17 two line items in the total amount of \$1,100,000 used to justify the borrowing, which I  
18 discuss, (2) reduction of water treatment plant costs to reflect a smaller total plant capacity  
19 in the amount of \$28,175,000, which OUCC witness James Parks discusses; (3) removal  
20 of costs related to building the garage in the amount of \$9,700,000, which James Parks also  
21 discusses; (4) removal of the TSS/mercury project (also referred to as the residuals  
22 management or dewatering project) in the amount of \$30,000,000, which Evansville will  
23 not construct if it is successful in securing an exemption from the mercury limits it is  
24 seeking from IDEM, as discussed by OUCC witness Scott Bell; (5) elimination of \$8.5

1 million of capitalized interest<sup>3</sup> expense; and (6) flow through adjustments to the  
2 underwriters fees and IURC fee based on the total amount authorized. Overall, the  
3 OUCC's recommended borrowing authority is \$78 million less than Petitioner's with the  
4 opportunity for decreasing that difference to \$48 million as discussed by OUCC witness  
5 Scott Bell. These reductions are split between the proposed Open Market and SRF bond  
6 issuances. OUCC Attachment SD-1 shows in more detail the calculations for these  
7 amounts.<sup>4</sup>

**A. Borrowing Cost Line Items**

8 **Q: What two line items did you eliminate from the borrowing?**

9 A: I eliminated Evansville's estimated cost for preparing its Preliminary Engineering Report  
10 ("PER") (\$750,000) and the estimated WIFIA fees (\$350,000).<sup>5</sup>

11 **Q: Why did you eliminate PER expense of \$750,000 from borrowing authority?**

12 A: The PER has been completed, but Evansville has not been able to show that it has actually  
13 spent \$750,000 preparing its PER. The PER was filed as Petitioner's Supplemental  
14 Workpaper 1 on June 22, 2021, and according to its introduction was prepared by VS  
15 engineering.<sup>6</sup> Despite various discovery requests, the OUCC has never received any VS  
16 engineering invoices for this expense, only invoices from AECOM related to more general

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<sup>3</sup> Because Evansville plans to borrow roughly \$14.4 million as capitalized interest, this component of the proposed borrowing is affected by all other reductions to borrowing authority as well as when the borrowing closes, when debt service payments begin, and interest rates, which I discuss in coordination with Margaret Stull.

<sup>4</sup> For this attachment, Excel was set to run the circular reference 100 times.

<sup>5</sup> The Preliminary Engineering Report line item can be found in Accountants Report, page 3 (Petitioner Attachment DLB-1). The WIFIA fees are a components of the \$2,199,000 in "Allowance for legal, bond counsel, financial advisory, bond issuance costs and rounding", more details of which may be found in OUCC Attachment SD-2, which is part of Petitioner's response to Data Request 1-2.

<sup>6</sup> See Section "1.0 Introduction" for the PER, "This Water Treatment Plant Preliminary Engineering Report (PER) was organized by VS Engineering to follow the PER format required by SRF"

1 engineering expenses.<sup>7</sup>

2 **Q: Who did Petitioner indicate prepared the PER?**

3 A: In response OUCC DR 1-3, Petitioner represents that it has engaged AECOM Technical  
4 Services to complete the PER for the new Water Treatment Plant. There is language in the  
5 contract with AECOM that includes something called draft and final Preliminary  
6 Engineering Documents. However, if this is referring to the Supplemental Workpaper 1,  
7 that funding was provided under Cause No. 44760, and borrowed under bond series 2016A.

8 **Q: Does the fact that VS Engineering indicated it prepared the PER justify the expense?**

9 A: No. A cost of \$750,000 is a significant cost and no contract for that cost or service has been  
10 provided. (The contract provided with VS engineering includes no provision for the  
11 preparation of the PER for the water treatment plant.) Despite our efforts, no invoices have  
12 been provided from VS Engineering for the preparation of a PER. Finally, Supplemental  
13 Workpaper 1 totals 80 pages, many of which are for formatting purposes or are not yet  
14 filled out. A \$750,000 cost indicates a cost of nearly \$10,000 per page including title pages,  
15 tables of contents, etc. to primarily summarize work done by AECOM and previously  
16 submitted as the "Advanced Facility Plan Alternatives Report."

17 **Q: Are you surprised Evansville was not able to pinpoint the cost it incurred for**  
18 **preparation of the PER?**

19 A: Yes. The preparation of the PER needed to secure borrowing from SRF is one of the few  
20 estimated costs included in Evansville's \$238 million borrowing request that has already  
21 been incurred. Nailing down that cost for the benefit of the ratepayer should not have been

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<sup>7</sup> Per discovery, funding for AECOM engineering is available through \$2,506,000 (of which \$1,515,737 is still available as of May 30, 2021) for "Preliminary Engineering for Treatment Plant" via Series 2016A bond authorized under Cause No. 44760, and there is also \$7,494,000 of funding under this same bond issuance for "Preliminary Engineering for Treatment Plant" that has not been utilized or committed, which is anticipated to start a contract in January 2022. This is presumably the source of the AECOM funding and so should not be authorized under this present Cause.

1 difficult. The OUCC asked several data requests on the subject and used informal means  
2 to procure information to refine and verify that expense but to no avail. Relevant discovery  
3 and a portion of the VS contract is included in OUCC Attachment SD-4.

4 **Q: Why did you eliminate the WIFIA fees from the proposed borrowing?**

5 A: I subtracted the \$350,000 for WIFIA fees because it is uncertain Petitioner will even apply  
6 for WIFIA funding. (Petitioner indicates it *may* apply for WIFIA funding.<sup>8</sup>) If Petitioner  
7 does not apply for WIFIA funding, it does not need to borrow the \$350,000 from SRF as  
8 that expense will not be incurred. But if Evansville applies for WIFIA funds, the benefits  
9 in debt service savings, if it qualifies, would likely justify incurring that expense within the  
10 borrow authority recommended by the OUCC. WIFIA funding is obtained, these  
11 application fees would likely be included in the amount borrowed from WIFIA. Discovery  
12 related to this cost is included in OUCC attachment SD-5.

## **B. Interest Rates**

13 **Q: What interest rate did you estimate for purposes of setting Petitioner's debt service**  
14 **for the Open Market borrowing?**

15 A: For the Open Market borrowing, Petitioner assumes an interest rate of approximately  
16 2.97% (based on a weighted average of annual interest rates of 2.3% for debt maturing in  
17 2036 to 3.6% for debt maturing in 2049). I propose an interest rate of 2.38%, which I  
18 determined by calculating a weighted average of annual interest rates for an "A" rated  
19 borrower as of August 23, 2021, for debt maturing in the years 2036 through 2049. Before  
20 calculating the weighted average, I also added 75 basis points to each year's interest rate,

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<sup>8</sup> Please see Mr. Baldessari's testimony, page 14-15 for a discussion of the WIFIA program.



1 which was to account for any increase in interest rates before closing.<sup>9</sup> This is essentially  
2 the same methodology Petitioner used to calculate its proposed interest rate. The only  
3 differences are that I used a more recent interest rates than what Petitioner used in its case  
4 in chief, and I also was more explicit in the number of basis points I added to those rates  
5 to account for the possibility of increased interest costs before closing.

6 **Q: What interest rate did you estimate for purposes of setting Petitioner's debt service**  
7 **for the SRF borrowing?**

8 A: Petitioner proposed an interest rate of 2.85% for the SRF debt issuance. The OUCC  
9 proposes an interest rate of 2.25% subject to true-up, which I derived by adding 75 basis  
10 points to the AAA interest rate, which SRF uses for its pooled financing interest rate. As  
11 of August 23, 2021, the AAA interest rate was 1.50% for debt maturing in 2051.<sup>10</sup>

12 **Q: Are the interest rates you recommend the maximum that should be permitted under**  
13 **this debt authorization?**

14 A: No. The interest rates I recommend are efforts to estimate likely interest rates for the debt  
15 that will be incurred. If at the time of borrowing interest rates are a little higher than the  
16 interest rates I have proposed, Petitioner should still be permitted to incorporate those  
17 higher rates in its true-up. I recommend a maximum interest rate of 4.75%, which is  
18 approximately double the interest rates on which initial rates should be based. If Petitioner  
19 cannot secure funding at that rate, the Commission should have an opportunity to re-  
20 evaluate these projects in light of these increased costs. The total recommended debt  
21 authorization in this case is based upon interest rates of 4.75%.

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<sup>9</sup> In determining the 75 basis points, I also considered that Evansville would be issuing revenue bonds, which may have slightly higher interest rates than the general obligation bonds used in the indexes.

<sup>10</sup> Interest Rates are sourced from The Municipal Market Monitor (TM3) by Refinitiv, dated 8/23/21.

**C. Capitalized Interest and the timing of the debt issuances**

1 **Q: What reduction to capitalized interest did you make for the borrowings?**

2 A: Capitalized Interest is reduced by \$8.5 million in my proposal. Three factors affect this  
3 reduction -- (1) the OUCC's proposed decrease in borrowing, (2) the OUCC's proposed  
4 lower interest rates; and (3) reduction in the amount of time that the interest must be  
5 capitalized based on the OUCC's recommendation that debt payments not be included in  
6 the revenue requirement until 2024. This last factor reduces the amount capitalized interest  
7 Petitioner would need to include in its borrowing (from 36 months to 21 months for the  
8 Open Market Issuance and from 21 months to 18 months for the SRF issuance). Petitioner  
9 proposes to issue debt in July 2022 (for Open Market Issuance) and October 2022 (for SRF  
10 Issuance). The OUCC accepts those issuance dates.

**D. Effects of Borrowing in Advance of Spending**

11 **Q: How does borrowing in advance of the needed spending affect rates?**

12 A: Generally, having the borrowing occur as close to the needed spending as reasonably  
13 possible decreases the costs that will ultimately be borne by the ratepayers. Once money  
14 is borrowed, interest expense is incurred.<sup>11</sup> While interest income may be earned on unused  
15 balances, it is most typically at a lower interest rate than the interest expense incurred.  
16 Therefore, it only slightly mitigates the real cost of premature borrowing. Evansville, in  
17 particular, has had exceptionally large restricted balances over the past few years. It is

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<sup>11</sup> This would not be the case in a draw loan, but the loans we are discussing are not draw loans but are deposited in full at the closing date.

1 important to align the timing of borrowings with the ability to spend those funds.

2 **Q: How large are Evansville's restricted balances.**

3 A: Petitioner had a restricted account balance of \$102,340,066 as of September 30, 2020.<sup>12</sup>

4 Unspent restricted account balances in recent prior years were also significant<sup>13</sup>:

**Table SD-1**  
**Balance of Restricted Construction Funds**

Account	Dec. 31			Sept. 30
	2017	2018	2019	2020
Restricted Construction Fund, current	\$ 11,257,253	\$ 74,967,986	\$ 71,491,676	\$ 83,293,652
Restricted Constructon Fund, noncurrent	\$ 21,450,000	\$ 15,999,999	\$ 45,807,763	\$ 19,046,414
Total	\$ 32,707,253	\$ 90,967,985	\$ 117,299,439	\$ 102,340,066

5 Petitioner has provided more detail on the spending from recent bond issuance via  
6 discovery. These responses may be found in OUCC Attachment SD-6.<sup>14</sup> The table below  
7 shows the spending from recent bond issuances.

<sup>12</sup> Please see Petitioner Testimony of Mr. Baldessari, Attachment DLB-1, page 37, "Comparative Statement of Net Position". Balance was \$83,293,652 for "Construction fund cash and cash equivalents" and \$19,046,414 for Noncurrent Assets, Restricted Assets, "Construction Fund Investments", total of these two numbers is \$102,340,066.

<sup>13</sup> Source document for this summary is page 33 of accountants report, "Comparative Statement of Net Position".

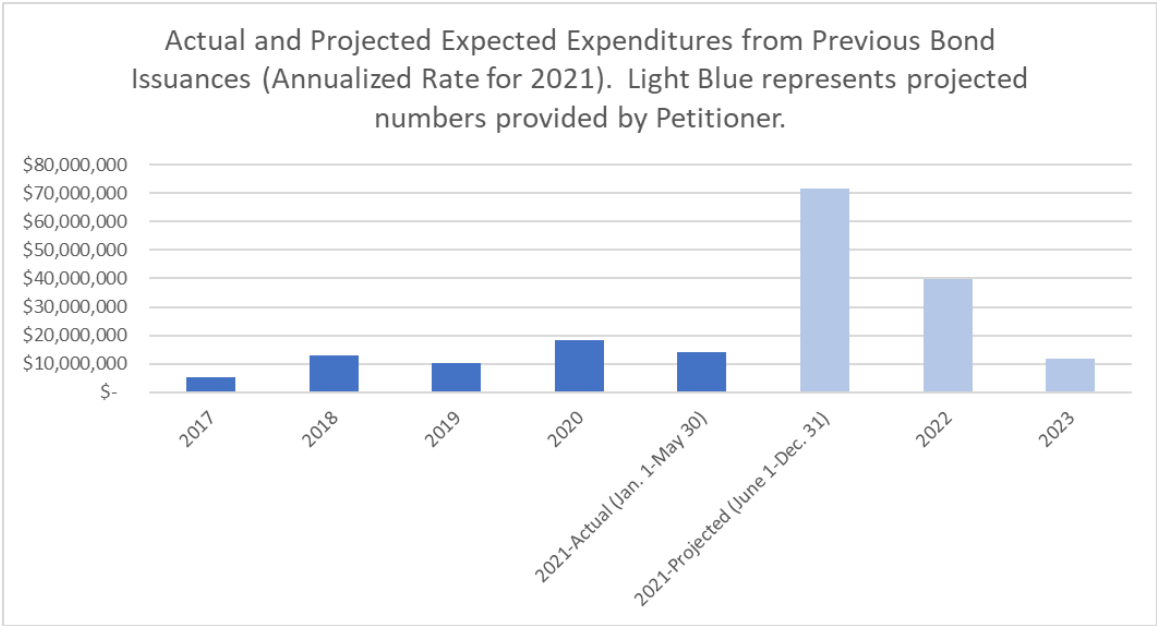
<sup>14</sup> Attachment SD-6 includes discovery responses and two pages of a single attachment which show a portion of the most recent bill from AECOM.

**Table SD-2**  
**Annual Projected or Actual Expenditures from Recent Bond Issues**

	2016A	2018A2	2019A	Total
2017	\$ 5,293,626.00		\$ -	\$ 5,293,626.00
2018	\$ 12,701,230.00	\$ 367,257.00	\$ 40,010.00	\$ 13,108,497.00
2019	\$ 5,778,381.00	\$ 4,183,199.00	\$ 363,907.00	\$ 10,325,487.00
2020	\$ 971,048.00	\$ 13,243,342.00	\$ 4,244,847.00	\$ 18,459,237.00
2021	\$ 5,007,021.00	\$ 27,246,170.00	\$ 15,329,495.00	\$ 47,582,686.00
2021-Actual (Jan. 1-May 30)	\$ 2,086,258.75	(1) \$ 519,351.00	\$ 3,226,150.00	\$ 5,831,759.75
2021-Projected (June 1-Dec. 31)	\$ 2,920,762.25	(1) \$ 26,726,819.00	(2) \$ 12,103,345.00	\$ 41,750,926.25
2022	\$ 5,484,467.00	\$ 17,499,372.00	\$ 16,869,390.00	\$ 39,853,229.00
2023	\$ 900,000.00	\$ 9,372,660.00	\$ 1,617,708.00	\$ 11,890,368.00
<b>Total</b>	<b>\$ 36,135,773.00</b>	<b>\$ 71,912,000.00</b>	<b>\$ 38,465,357.00</b>	<b>\$ 146,513,130.00</b>

(1) No further information provided in DR-13-7. Assumed 5/12 and 7/12 for breakdown  
(2) Information from DR-13-7. This conflicts with data from DR-13-6. Please see OUCC Attachment SD-6

1 Without incorporating new balances from proposed debt, we can see the annual spend from  
2 these bonds is projected to increase significantly. The source data for the below graph may  
3 be found in OUCC Attachment SD-6. If annualized spending continued at a rate of  
4 approximately \$20 million (an increase on the highest actual annual expenditure of \$18.46  
5 million), it would take until approximately the end of 2025 to exhaust the existing funding.



1 **Q: What should Petitioner do to avoid this kind of cost?**

2 A: This cost may be avoided or reduced if Petitioner issued its debt more contemporaneously  
3 with anticipated spending. Without adding any new projects, and based on its own  
4 projections, Petitioner will already have a significant number of projects to complete  
5 between now and the end of 2023. Since 2017, the annual spend of money from recent  
6 bond issuances has not exceeded 2020's \$18.5 million per year. However, Petitioner  
7 projects its annual pace of spending will increase from approximately \$18.5 million in  
8 2020, to an annualized rate of over \$70 million for the last seven months of 2021, and  
9 Petitioner also projects it will spend nearly \$40 million in 2022.<sup>15</sup> This is a very ambitious  
10 target that Evansville has not yet shown it can attain. When combined with management  
11 also being involved with a new water treatment plant in this same time period, this goal  
12 will be even more difficult to meet. The logical solution would be for Evansville to delay  
13 borrowings, where practicable, until the balances from previous issuances are generally  
14 spent.

### III. DEBT SERVICE RESERVE

15 **Q: Do you agree with Petitioner's proposed debt service reserve?**

16 A: No. With a revised interest rate as well as reduction in amount financed due to changes in  
17 fees, projects finances, and timing, the amount required for fully funding the debt service

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<sup>15</sup> The actual spend from January to May of 2021 is approximately \$5.8 million, Petitioner did not provide actual data for the 2016A Bond issuance, so this assumes the spending is equally spread over each month. The projected spend provided by Petitioner in Discovery for June-December of 2021 is \$41.75 million, since this is for 7 months, the annualized pace of spending is \$71.5 million.

1 reserve will change.

2 **Q: What is the correct debt service reserve revenue requirement?**

3 A: Based on the OUCC's proposal, the total additional amount that needs to be funded is  
4 \$3,675,000, or \$735,000 annually over five years.<sup>16</sup> According to Petitioner's case , the  
5 total additional amount of debt service reserve that needs be funded is \$6,863,840.40.<sup>17</sup>

6 **Q: Should there be any restrictions on Petitioner's proposed debt service reserve?**

7 A: Yes. Petitioner's debt service reserve should be placed in a restricted account, and  
8 Petitioner should provide notice if it spends any funds from its debt service reserves for  
9 any reason other than to make the last payment on its current or proposed debt issuances.  
10 Petitioner should be required to provide a report to the Commission and the OUCC within  
11 five (5) business days of any such transaction. The report should state how much Petitioner  
12 spent from its debt service reserve, explain why it spent funds from its debt service reserve,  
13 provide a cite to any applicable loan documents that allow it to spend funds from its debt  
14 service reserve, describe its plans to replenish its debt service reserve, and describe any  
15 cost-cutting it has implemented to forestall spending funds from its debt service reserve.

#### **IV. EFFECT OF EVANSVILLE'S WRAPPING OF DEBT**

16 **Q: Petitioner plans to wrap its debt issuances. What does this mean?**

17 A: Wrapping is a used to level over time the payments associated with an entity's various  
18 debts. It requires adjusting the principal amount paid in any given year to ensure that the

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<sup>16</sup> Due to software/programming limitations, I cannot model the precise effect of the principal reduction on the wrapped payments. Therefore, the above is based only on the interest component reduction. This is, however, broadly consistent with Petitioners numbers (See Mr. Baldessari page 40, line 21 which is equal to interest expense found on page 7 of the accountants report, and Mr. Baldessari page 41 line 1, which is substantially equal to annual interest expense found in Amortization tables in Accountants Report page 8). The actual amount will be determined at the time of the true-up.

<sup>17</sup> Schedule of Combined Bond Amortization, Attachment DLB-1, Accountants Report Page 48. Total maximum payment from existing debt is \$17,531,817.36 in 2030. Per page 10 of same accountants report, new maximum payment would be \$24,395,657.72 in 2028. Total Debt Service Reserve Funding required would be \$6,863,840.40.

1 total payments for all debt are substantially the same in every year. Evansville's existing  
2 debt has already been wrapped. Total debt payments were designed to be around \$17  
3 million from 2021 through 2034, and then total debt payments would fall until 2040.<sup>18</sup> In  
4 Petitioner's current proposal, the new debt payments vary over time from \$1,876,015 to  
5 \$5,781,065 for the open market issuance and from \$2,493,465 to \$23,843,132.25 for the  
6 SRF issuance. This allows debt payments for the totality of bond issuances to be around  
7 \$24 million annually from 2025 through 2050.

8 **Q: How does Evansville's decision to wrap its newest debt affect rates now and in the**  
9 **future?**

10 A: In order to ensure level payments into the future, debts will have their principal payments  
11 delayed, sometimes significantly. In this case, Petitioner is proposing interest only  
12 payments until 2035.<sup>19</sup> What this means is that the ratemaking effect of these projects is  
13 significantly higher for ratepayers in the future (years 2036-2050) than is being  
14 experienced by more current ratepayers (the years 2022-2035).<sup>20</sup> The actual effect on rates  
15 caused by these financings over time is not immediately experienced, obscuring the true  
16 effect on rates of these projects. If Evansville relied on level payments over the life of the  
17 debt rather than wrapping of debt, current rates would be \$9,369,313 higher (\$7,807,704  
18 for debt payments and \$1,561,541 for additional debt service reserve).<sup>21</sup> OUCC  
19 Attachment SD-7 shows details on these calculations. Through wrapping, ratepayers will  
20 avoid paying this cost in the short-term, and the reduced debt service reserve is a true

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<sup>18</sup> See page 48 of accountants report "Schedule of Combined Bond Amortization", Petitioners attachment DLB-1.

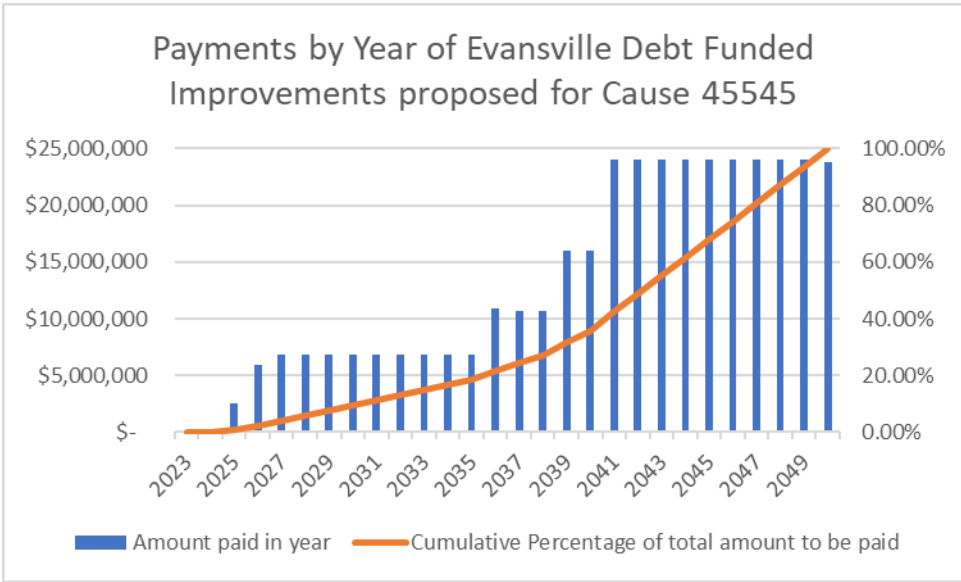
<sup>19</sup> SRF principal payments are only \$1,000 per year, which for practical purposes on a debt offering of this size is only a nominal principle payment.

<sup>20</sup> This is separate from the more explicit cost shifting that is caused by capitalizing interest.

<sup>21</sup> For purposes of this segment of my testimony and for clarity, all numbers are based on Petitioners original proposal with no adjustments for interest rates, principal reductions, timing allowances, etc. The debt service reserve analysis assumes the year ending Jan 1 2028 is the maximum payment.

1 savings that will be benefit the ratepayers. However, most of the cost of the debt issuance  
2 at issue in this cause will be paid by ratepayers between 2036 and 2050, and the true cost  
3 of these improvements will not be felt by ratepayers for the next 15 years. In terms of total  
4 payments, including interest on the borrowing, as of 2035 only 18.7% of the total costs to  
5 ratepayers will have been paid. This is the slightly less than the total of any three-year  
6 period from 2041-2050.

**Table SD-3**



7 To summarize, current revenue requirements understate the true cost of these investments,  
8 which may lead to a misperception on the part of various stakeholders as to the costs  
9 involved with these investments.

**V. TRUE-UP AND REPORTING REQUIREMENTS**

10 **Q: Should Petitioner be required to true-up its proposed annual debt service once the**  
11 **interest rates on its proposed debt are known?**

12 **A:** Yes. The precise interest rates and annual debt service will not be known until Petitioner's



1 debt is issued; therefore, Petitioner's rates should be trued-up to reflect the actual cost of  
2 the debt. I recommend the Commission require Petitioner to file a report within thirty (30)  
3 days of closing on each of its long term debt issuances explaining the terms of the new  
4 loan, the amount of debt service reserve and an itemized account of all issuance costs. The  
5 report should include a revised tariff, amortization schedule and also calculate the rate  
6 impact in a manner similar to the OUCC's schedules.

7 **Q: The debt service reserve is anticipated to be fully funded in October 2027. Do you**  
8 **recommend any actions at this time?**

9 A: Once the Debt Service Reserve is fully funded, the expenses associated with this reserve are  
10 eliminated. At this point, in order to balance revenues and expenses it is appropriate to reduce  
11 annual revenue by the amount of the Debt Service Reserve annual funding amount. This should  
12 be accomplished by a reduced tariff reflecting the reduced expenses. Alternatively, this  
13 revenue should be placed in a restricted account to be utilized to pre-fund a future debt service  
14 reserve fund, or lower amounts required to be borrowed in a future rate case. This would avoid  
15 the need for a revised tariff and would still ensure that this additional revenue would ultimately  
16 benefit ratepayers. It is appropriate for the Commission to determine which of these two  
17 approaches is more appropriate in this case.

18 **Q: Are there any other reports that should be submitted?**

19 A: There are many timing issues with this cause, uncertainties regarding the method of bidding  
20 and the timing of any bids, as well as presumably a significant potential for excess funds after  
21 the project is complete, since the water treatment plant is being proposed to be bid as a  
22 maximum guaranteed price, which implies that the price may be lower. Due to all of these  
23 reasons, as well as historical inefficiencies in spending the borrowed funds in a timely manner,  
24 annual reports should be sent until the funds from the bond issues contemplated in this cause

1 are exhausted. These reports should consist of a list of projects funded, and the status of  
2 each of those projects, including bid date (actual or anticipated), completion date (actual  
3 or anticipated), bid tabulations and soft costs.

4 **Q: How should disputes regarding Petitioner's true up report be identified?**

5 A: The OUCC should have no less than fourteen (14) days after service of the true-up to  
6 challenge Petitioner's proposed true-up. Petitioner should similarly have fourteen (14)  
7 days to file a response to the OUCC. Thereafter, the Commission should resolve any issue  
8 raised through a process it deems appropriate. Any true-up report should state the time  
9 frames for objections or responses.

10 **Q: Should there be any exceptions to the requirement for a true-up?**

11 A: Yes. If both parties state in writing that the increase or decrease indicated by the report  
12 need not occur because the increase or decrease would be immaterial, the true-up need not  
13 be implemented.

14 **Q: What other conditions should be placed on Petitioner's proposed debt issuance?**

15 A: Financing authority should not continue indefinitely. Petitioner is expected to complete  
16 its requested borrowing by October of 2022. Any financing authority not used by  
17 Petitioner should expire 2 years after a final order has been issued in this cause.

## VI. OUCC RECOMMENDATIONS

18 **Q: Please summarize your recommendations to the Commission in this cause.**

19 A: I recommend the following:

- 20 1. The Commission grant Petitioner the authority to borrow up to \$167,000,000, at interest  
21 rates of up to 4.75%. The authorization consisting of \$52,000,000 for the open market

1 borrowing and \$115,000,000 for the SRF borrowing.

2 2. The Commission approve a Debt Service Annual Revenue Requirement of \$3,675,000.

3 3. The Commission approve a Debt Service Reserve Annual Revenue Requirement of  
4 \$735,000.

5 4. The Commission establish true-up procedures consistent with my testimony above.

6 **Q: Does this conclude your testimony?**

7 **A: Yes.**

**Appendix A**

1 **Q: Please describe your educational background.**

2 A: I graduated from Indiana University with a degree in Biology, a minor in Economics and  
3 a certificate from the Liberal Arts and Management Program (LAMP) which is an honors  
4 certificate program through the Kelley School of Business and the College of Arts and  
5 Sciences, at the time restricted to twenty five (25) students per year. I received my MBA  
6 from Indiana University with a concentration in finance. I am a member of Phi Beta Kappa  
7 honor society for my undergraduate studies and Beta Gamma Sigma honor society for my  
8 masters program. Although not specifically related to my educational background, I have  
9 been a member of Mensa for a number of years.

10 **Q: Please describe your work experience.**

11 A: My first jobs after graduating with my undergraduate degree were in New York in finance  
12 at Grant's Interest Rate Observer, which is a financial newsletter and Lebenthal and Co.,  
13 which was a municipal bond brokerage. I worked at RCI Sales in Indianapolis, which was  
14 a manufacturers representative/distributor in the commercial and institutional plumbing  
15 space, as the owner for a number of years, leaving when I sold the company and merged it  
16 into a competitor. After receiving my MBA, I worked at Amazon as a financial analyst in  
17 their fulfillment division.

18 **Q: How long have you been at the OUCC?**

19 A: I have been a Utility Analyst II in the water division at the OUCC since December of 2019.  
20 My focus is financial issues, such as ROE's, Capital Structures, etc.

21 **Q: Have you previously testified before the Indiana Utility Regulatory Commission?**

22 A: Yes, I have testified before the commission regarding various aspects of finance.

**Appendix B**

**Schedule of Attachments**

**SD-1 Loan Payments**

**SD-2 Costs of Issuance**

**SD-3 Interest Rates and Rating**

**SD-4 PER Fees**

**SD-5 WIFIA Fees**

**SD-6 Prior Bond Spending**

**SD-7 Level Payments vs. Wrapped Payments**

Line #	Open Market			
1	<b>Interest Rates of 2.38 % (Weighted Rates as of 8/23/21, Including 75 bp timing/credit allowance)</b>			
2	Principal	\$	49,764,952.41	
3	Annual Interest Rate		2.38%	
4	Bi-Annual Interest Rate		1.19%	
5	Term (Years)		23	
6	Term (Payments)		46	
7	Original Principal	\$	63,185,000.00	
8	OUCC Reductions-Principal	\$	(9,700,000.00)	
9	Fee's			
10	Petitioners Underwriters Discount	\$	631,800.00	Given, or Line 7 * .01
11	OUCC Underwriters Discount	\$	497,649.52	Line 2 * .01
12	Delta for Underwriters Discount	\$	(134,150.48)	Line 11-Line 10
13	Petitioners Capitalized Interest	\$	5,628,100.00	Given
14	OUCC Capitalized Interest	\$	2,075,753.01	Line 24 * Line 22
15	Delta for Capitalized Interest	\$	(3,552,346.99)	Line 14 - Line 13
16	Petitioners IURC bond issue Fee	\$	157,962.50	Given, or Line 7 * .0025
17	OUCC IURC Bond Issue Fee	\$	124,412.38	Line 2 * .0025
18	Delta for IURC bond Issue Fee	\$	(33,550.12)	Line 17 - Line 16
19	Term of Capitalized Interest-Years		1.75	
20	Revised Principal	\$	49,764,952.41	Line 7 + Line 8, 12, 15, 18
21	Payment-if Level		\$1,411,617.79	Using PMT Function, excel
22	Annual Payment-If Level	\$	2,823,235.58	Line 21 * 2
23	Debt Service Reserve-Annual Cost-If Level	\$	564,647.12	Line 22/5
24	Interest-Annual	\$	1,186,144.57	Line 2 * Line 3
25	Debt Service Reserve-Petitioner	\$	375,203.00	Given
26	Debt Service Reserve-OUCC	\$	237,228.91	Line 24/5

<u>Line #</u>	<u>SRF</u>			
1	<b>Interest Rates of 2.25 % (AAA rate as of 8/23/21 of 1.5%, plus 75 bp timing allowance)</b>			
2	Principal	\$	110,547,808.04	
3	Annual Interest Rate		2.25%	
4	Bi-Annual Interest Rate		1.13%	
5	Term (Years)		23	
6	Term (Payments)		46	
7	Original Principal	\$	174,980,000.00	
8	OUCC Reductions-Principal	\$	(59,275,000.00)	
9	Fee's			
10	Petitioners Capitalized Interest	\$	8,727,100.00	Given
11	OUCC Capitalized Interest	\$	3,730,988.52	Line 21 * Line 16
12	Delta for Capitalized Interest	\$	(4,996,111.48)	Line 11 - Line 10
13	Petitioners IURC bond issue Fee	\$	437,450.00	Given, or Line 7 * .0025
14	OUCC IURC Bond Issue Fee	\$	276,369.52	Line 2 * .0025
15	Delta for IURC bond Issue Fee	\$	(161,080.48)	Line 14 - Line 13
16	Term of Capitalized Interest-Years		1.50	
17	Revised Principal	\$	110,547,808.04	Line 7 + Line 8, 12, 15
18	Payment-if Level		\$3,091,637.10	Using PMT Function, excel
19	Annual Payment-If Level	\$	6,183,274.20	Line 18 * 2
20	Debt Service Reserve-Annual Cost-If Level	\$	1,236,654.84	Line 19/5
21	Interest-Annual	\$	2,487,325.68	Line 2 * Line 3
22	Nominal Principal Payment	\$	1,000.00	Given
23	Annual Cost	\$	2,488,325.68	Line 21 + Line 22
24	Debt Service Reserve-Petitioner	\$	997,534.70	Given
25	Debt Service Reserve-OUCC	\$	497,665.14	Line 23/5

**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**  
**ESTIMATED ALLOWANCE FOR COSTS OF ISSUANCE**  
**Proposed Waterworks District Revenue Bonds (Multiple Series)**

Service	Vendor	Amount
<u>Legal</u>		
Bond counsel (BANs/Bonds) *	Barnes & Thornburg	\$200,000
IURC counsel	Barnes & Thornburg	110,000
Local counsel *	Zeimer, Stayman, Wetzel & Shoulders, LLP	50,000
SRF counsel - SRF Issue	Bingham Greenebaum Doll LLP	16,820
SRF counsel -WIFIA	Bingham Greenebaum Doll LLP	50,000
Sub-total		<u>426,820</u>
<u>Financial</u>		
IURC rate case	Baker Tilly	200,000
Accounting financial advisory; disclosure document and related *	Baker Tilly	225,000
Sub-total		<u>425,000</u>
<u>Other</u>		
IURC bond issue fee (par amount divided by 100 times \$0.25)	State	595,413
IURC rate case fee	State	60,860
WIFIA fees	WIFIA	350,000
Rating fee	S&P	25,500
Trustee and RP&A services:		
Acceptance Fee	ONB	350
Annual Fee	ONB	500
Construction Fund	ONB	2,000
Official Statement Printing	Pacesetter Press	1,000
Parity Report *	Baker Tilly	9,500
Parity @ Electronic Bid Submission	Parity	1,500
CUSIP and service bureau fees	DTC	400
Legal advertising and misc.		500
General project contingencies and rounding		299,657
Sub-total		<u>1,347,180</u>
Total Estimated Costs of Issuance		<u><u>\$2,199,000</u></u>

\* Assumes two bond issues.



EVANSVILLE (INDIANA) WATERWORKS DISTRICT

Open Market

**SCHEDULE OF AMORTIZATION OF \$63,185,000 PRINCIPAL AMOUNT OF  
PROPOSED WATERWORKS DISTRICT REVENUE BONDS, SERIES 2022**

Principal payable on January 1st, beginning January 1, 2036.

Interest payable on January 1st and July 1st, beginning January 1, 2023.

Assumes Bonds dated July 1, 2022.

(Open Market)

Payment Date	Principal Balance (----- In \$1,000's-----)	Interest Rates			Assumed Interest Rates (%)	Interest	Capitalized Interest	Total	Bond Year Total
		Principal	"A" From TM3 8/23/21	Adder in %					
1/1/2023	\$63,185					\$753,011.25	(\$753,011.25)	\$ -	\$ -
7/1/2023	63,185	Interest Rate is 2.3835%. Calculated by taking				753,011.25	(753,011.25)	-	-
1/1/2024	63,185	\$1,506,022.50/\$63,185,000				753,011.25	(753,011.25)	-	-
7/1/2024	63,185					753,011.25	(753,011.25)	-	-
1/1/2025	63,185					753,011.25	(753,011.25)	-	-
7/1/2025	63,185					753,011.25	(753,011.25)	-	-
1/1/2026	63,185					753,011.25		753,011.25	753,011.25
7/1/2026	63,185					753,011.25		753,011.25	753,011.25
1/1/2027	63,185					753,011.25		753,011.25	1,506,022.50
7/1/2027	63,185					753,011.25		753,011.25	753,011.25
1/1/2028	63,185					753,011.25		753,011.25	1,506,022.50
7/1/2028	63,185					753,011.25		753,011.25	753,011.25
1/1/2029	63,185					753,011.25		753,011.25	1,506,022.50
7/1/2029	63,185					753,011.25		753,011.25	753,011.25
1/1/2030	63,185					753,011.25		753,011.25	1,506,022.50
7/1/2030	63,185					753,011.25		753,011.25	753,011.25
1/1/2031	63,185					753,011.25		753,011.25	1,506,022.50
7/1/2031	63,185					753,011.25		753,011.25	753,011.25
1/1/2032	63,185					753,011.25		753,011.25	1,506,022.50
7/1/2032	63,185					753,011.25		753,011.25	753,011.25
1/1/2033	63,185					753,011.25		753,011.25	1,506,022.50
7/1/2033	63,185					753,011.25		753,011.25	753,011.25
1/1/2034	63,185					753,011.25		753,011.25	1,506,022.50
7/1/2034	63,185					753,011.25		753,011.25	753,011.25
1/1/2035	63,185					753,011.25		753,011.25	1,506,022.50
7/1/2035	63,185					753,011.25		753,011.25	753,011.25
1/1/2036	63,185	\$3,570	1.41	0.75	2.16	753,011.25		4,323,011.25	5,076,022.50
7/1/2036	59,615					714,455.25		714,455.25	714,455.25
1/1/2037	59,615	3,515	1.44	0.75	2.19	714,455.25		4,229,455.25	4,943,910.50
7/1/2037	56,100					675,966.00		675,966.00	675,966.00
1/1/2038	56,100	3,560	1.48	0.75	2.23	675,966.00		4,235,966.00	4,911,932.00
7/1/2038	52,540	1,970	1.48	0.75	2.23	636,272.00		2,606,272.00	2,606,272.00
1/1/2039	50,570	1,995	1.52	0.75	2.27	614,306.50		2,609,306.50	5,215,578.50
7/1/2039	48,575	2,010	1.52	0.75	2.27	591,663.25		2,601,663.25	2,601,663.25
1/1/2040	46,565	2,040	1.58	0.75	2.33	568,849.75		2,608,849.75	5,210,513.00
7/1/2040	44,525	2,175	1.57	0.75	2.32	545,083.75		2,720,083.75	2,720,083.75
1/1/2041	42,350	2,200	1.6	0.75	2.35	519,853.75		2,719,853.75	5,439,937.50
7/1/2041	40,150	2,235	1.6	0.75	2.35	494,003.75		2,729,003.75	2,729,003.75
1/1/2042	37,915	2,260	1.63	0.75	2.38	467,742.50		2,727,742.50	5,456,746.25
7/1/2042	35,655	2,295	1.63	0.75	2.38	440,848.50		2,735,848.50	2,735,848.50
1/1/2043	33,360	2,330	1.66	0.75	2.41	413,538.00		2,743,538.00	5,479,386.50
7/1/2043	31,030	2,360	1.66	0.75	2.41	385,461.50		2,745,461.50	2,745,461.50
1/1/2044	28,670	2,395	1.69	0.75	2.44	357,023.50		2,752,023.50	5,497,485.00
7/1/2044	26,275	2,435	1.69	0.75	2.44	327,804.50		2,762,804.50	2,762,804.50
1/1/2045	23,840	2,470	1.72	0.75	2.47	298,097.50		2,768,097.50	5,530,902.00
7/1/2045	21,370	2,510	1.72	0.75	2.47	267,593.00		2,777,593.00	2,777,593.00
1/1/2046	18,860	2,555	1.75	0.75	2.50	236,594.50		2,791,594.50	5,569,187.50
7/1/2046	16,305	2,600	1.75	0.75	2.50	204,657.00		2,804,657.00	2,804,657.00
1/1/2047	13,705	2,645	1.75	0.75	2.50	172,157.00		2,817,157.00	5,621,814.00
7/1/2047	11,060	2,690	1.75	0.75	2.50	139,094.50		2,829,094.50	2,829,094.50
1/1/2048	8,370	2,740	1.76	0.75	2.51	105,469.50		2,845,469.50	5,674,564.00
7/1/2048	5,630	2,790	1.76	0.75	2.51	71,082.50		2,861,082.50	2,861,082.50
1/1/2049	2,840	2,840	1.79	0.75	2.54	36,068.00		2,876,068.00	5,737,150.50
Totals	\$63,185					\$31,005,411.00	(\$4,518,067.50)	\$89,672,343.50	\$89,672,343.50

**OUCC DR 9-17**

**DATA REQUEST  
City of Evansville**

**Cause No. 45545**

**Information Requested:**

What debt service coverage ratio does Petitioner consider necessary for its proposed open market debt?

**Information Provided:**

In order to sell bonds on the open market, debt service coverage needs to be in excess of 125%. The historical debt service coverage shown to the rating agency (“S&P Global Rating”) for the twelve months ended September 30, 2020 was 167%. This strong debt service coverage is a significant factor in Evansville’s A+ ratings from S&P Global Rating. Any significant reduction in debt service coverage could negatively impact the current A+ rating which would result in additional interest costs to Evansville in future open market debt issuances. This in turn would result in higher annual debt service which would lead to higher water utility rates for Evansville’s customers.

**OUCS DR 1-2**

**DATA REQUEST**  
**City of Evansville**

**Cause No. 45545**

**Information Requested:**

Please identify and quantify all inputs and show the calculation for “Total Estimated Non-Construction Costs”, \$17,936,000, as reported on page 3 of the “Accounting Report On Proposed Improvement Project and Increase In Rates and Charges” (Attachment DLB-1). Please provide supporting documentation for the inputs.

**Information Provided:**

The total Estimated Non-Construction Costs of \$17,936,000 are made up of the following components: a 1% Underwriter’s Discount, a preliminary engineering report, capitalized interest on the Open Market bond issue, capitalized interest on the SRF bond issue and an allowance for legal, bond counsel, financial advisory, bond issuance costs. The basis of each component is detailed below:

- The underwriter’s discount is based on 1% of the assumed \$63,185,000 par amount of the proposed open market bond issue.
- The Preliminary Engineering Report allowance of \$750,000 is based on information provided by Utility Management. Supporting documentation for this component is provided in responses to OUCS DR 1-3 and 1-4.
- As shown on page 7 of “Accounting Report On Proposed Improvement Project and Increase In Rates and Charges” (Attachment DLB-1), capitalized interest on the open market bond issued is based on the interest payments due January 1, 2023 through July 1, 2025 being capitalized. These interest payments are being capitalized to assist with the phase-in of the proposed rates and to limit the upfront rate impact on customers.
- As shown on page 8 of “Accounting Report On Proposed Improvement Project and Increase In Rates and Charges” (Attachment DLB-1), capitalized interest on the SRF bonds is based on the interest payments due January 1, 2023 through July 1, 2024 being capitalized. These interest payments are being capitalized to assist with the phase-in of the proposed rates and limit the upfront rate impact for customers.

*(Continued on next page)*

45545, Evansville  
DR 1, 05/24/2021

OUCG DR 1-2  
*(Continued from previous page)*

- Please reference OUCG DR 1-2\_Attachment 1 for a detailed breakdown of the allowance for legal, bond counsel, financial advisory, bond issuance costs. Available supporting documentation is provided in response to OUCG DR 1-5.

**Attachment:**

OUCG DR 1-2\_Attachment 1.xlsx

**OUCC DR 1-3**

**DATA REQUEST**  
**City of Evansville**

**Cause No. 45545**

**Information Requested:**

Please identify the entity Petitioner has engaged to complete the “Preliminary Engineering Report”. Please provide any agreement or other document establishing compensation or scope of services.

**Information Provided:**

Petitioner has engaged HNTB Corporation to complete any Preliminary Engineering Reports pertaining to the Water Distribution projects. See Attachment OUCC DR 1-3\_Attachment 1 for the HNTB contract.

Petitioner has engaged AECOM Technical Services, Inc. to complete the Preliminary Engineering Report for the new Water Treatment Plant. See Attachment OUCC DR 1-3\_Attachment 2 for AECOM contract.

**Attachments:**

OUCC DR 1-3\_Attachment 1.pdf  
OUCC DR 1-3\_Attachment 2.pdf

**OUCR DR 1-4**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545**

**Information Requested:**

Please identify and quantify all inputs and show the calculation for “Preliminary engineering report”, \$750,000, as reported on page 3 of the “Accounting Report On Proposed Improvement Project and Increase In Rates and Charges” (Attachment DLB-1). Please provide supporting documentation for the inputs.

**Information Provided:**

The \$750,000 amount was created as a placeholder for Preliminary Engineer Report efforts based on the previous rate case. Task Nos. 4 & 5 of the VS, Engineering Inc. contract (attached as Attachment OUCC DR 1-4\_Attachment 1) for Distribution System projects totals \$1,004,000, which exceeds the placeholder before the cost of the treatment plant PER is even considered.

**Attachment:**

OUCC DR 1-4\_Attachment 1.pdf

## EXHIBIT A – ENGINEER’S SERVICES

This is EXHIBIT A, consisting of 5 pages, referred to in and part of the Agreement between Board and Engineer for Engineering Services dated April 17, 2018.

### ENGINEER’S SERVICES

Engineer shall provide Basic and Additional Services as set forth below.

#### PART I -- BASIC SERVICES

In fulfillment of this Contract, the Engineer shall comply with the requirements of the appropriate regulations and requirements of the City of Evansville Water and Sewer Utility (UTILITY)

The Engineer shall be responsible for performing the following activities:

#### Project Intent

Engineer shall provide engineering services necessary to prepare a systemwide Preliminary Engineering Report (PER) for various infrastructure projects within the UTILITY’s to the Indiana Finance Authority, State Revolving Fund (SRF), Drinking Water Program. In addition to preparing the PER, services will include the submission of an application to SRF, preparing for and conducting a public hearing where the PER will be presented to the public, responding to questions and comments from SRF and ensuring a complete set of documents as necessary for the UTILITY to secure Drinking Water Funding from SRF.

The Engineer shall complete the follow tasks:

#### Task #1 – SRF Drinking Water Application

1. Assist the UTILITY in determining eligibility of future projects, as described above, for SRF funding and prepare a SRF Drinking Water Application as follows:
  - a. Obtain a database of future projects and corresponding scopes-of-work and begin classifying each project in accordance with SRF requirements.
  - b. Coordinate with UTILITY’s Program Management Consultant to determine the need for each future project, how the scope of work for each future project will address that need and estimated construction costs. Engineer shall not be responsible for providing detailed needs statements or scopes of work address future project needs as part of the preparation of the application.

- c. Determining if each proposed project incorporates green components and if yes, preparing a SRF Green Project Reserve Checklist.
  - d. Coordinate with UTILITY's Program Management Consultant and UTILITY as necessary to complete application.
  - e. Develop a draft SRF Drinking Water Application and submit to UTILITY for review and comment.
  - f. Submit final SRF Drinking Water Application to SRF for approval.
2. Task #2 – Scoping Report - \$2M+ Distribution System Projects for 2022 Construction Year.
- a. Review proposed water main replacement projects and develop specific project requirements including total lineal feet, trenchless installation requirements, approximate number of fire hydrants, approximate number of valves and approximate number of service connections.
  - b. Prepare preliminary figure showing water main segments to be replaced for item 2.a including any specific requirements for the project such as directional drilling or jack and bore.
  - c. Prepare cost estimates for items 2.a and 2.b.
  - d. Summarize results in scoping report (2 to 3 page summary) for each project.
  - e. Prepare compiled summary report and review draft with the UTILITY for review.
  - f. Finalize scoping report to include UTILITY's comments and submit for review.
3. Task #3 – Preliminary Engineering Report – Lincoln Booster Station
- a. Plan, Coordinate and Monitor PER preparation activities including:
    - i. Attend a pre-planning meeting with IDEM and SRF staff.
    - ii. Coordinating with the UTILITY as required to complete PER.
    - iii. Implementing internal QA/QC procedures to ensure completeness of document
    - iv. Submittal of PER to UTILITY, SRF or Consultant for review.
    - v. Responding to review comments from UTILITY, SRF or Consultant.
  - b. Prepare a PER consistent with the requirements of the SRF Drinking Water Program. A PER generally consists of providing analysis and commentary for each of the following items as they relate to the individual projects in accordance with published SRF guidance:
    - i. Executive Summary
    - ii. Project Location
    - iii. Current Needs



- iv. Future Needs
- v. Alternatives Analysis – Including the analysis of two technically feasibility alternatives in addition to the no-build alternative.
- vi. Environmental Impacts
- vii. Proposed Project and Rationale for Selection
- viii. Legal, Financial and Managerial Capabilities
- ix. Public Participation – Including participating in one public hearing in Evansville, IN.

All technical computations required to obtain SRF approval of the PER shall be provided as part of the preparation of the PER.

4. Task #4 – Preliminary Engineering Report – HSPS 4, Clearwell and Transmission Mains

- a. Plan, Coordinate and Monitor PER preparation activities including:
  - i. Attend a pre-planning meeting with IDEM and SRF staff.
  - ii. Coordinating with the UTILITY as required to complete PER.
  - iii. Implementing internal QA/QC procedures to ensure completeness of document
  - iv. Submittal of PER to UTILITY, SRF or Consultant for review.
  - v. Responding to review comments from UTILITY, SRF or Consultant.
- b. Prepare a PER consistent with the requirements of the SRF Drinking Water Program. A PER generally consists of providing analysis and commentary for each of the following items as they relate to the individual projects in accordance with published SRF guidance:
  - i. Executive Summary
  - ii. Project Location
  - iii. Current Needs
  - iv. Future Needs
  - v. Alternatives Analysis – Including the analysis of two technically feasibility alternatives in addition to the no-build alternative.
  - vi. Environmental Impacts
  - vii. Proposed Project and Rationale for Selection
  - viii. Legal, Financial and Managerial Capabilities
  - ix. Public Participation – Including participating in one public hearing in Evansville, IN.

All technical computations required to obtain SRF approval of the PER shall be provided as part of the preparation of the PER.

5. Task #5 – Preliminary Engineering Reports – \$1M+ Distribution System Projects for 2019 thru 2021 Construction Years.

- a. Plan, Coordinate and Monitor PER preparation activities including:
  - i. Attend a pre-planning meeting with SRF staff.
  - ii. Coordinating with the UTILITY as required to complete PER.
  - iii. Implementing internal QA/QC procedures to ensure completeness of document
  - iv. Submittal of PER to UTILITY, SRF or Consultant for review.
  - v. Responding to review comments from UTILITY, SRF or Consultant.
  
- b. Prepare a maximum of 25 individual PER's consistent with the requirements of the SRF Drinking Water Program. A PER generally consists of providing analysis and commentary for each of the following items as they relate to the individual projects in accordance with published SRF guidance:
  - i. Executive Summary
  - ii. Project Location
  - iii. Current Needs
  - iv. Future Needs
  - v. Alternatives Analysis – Including the analysis of two technically feasibility alternatives in addition to the no-build alternative.
  - vi. Environmental Impacts
  - vii. Proposed Project and Rationale for Selection
  - viii. Legal, Financial and Managerial Capabilities
  - ix. Public Participation – Including participating in one public hearing in Evansville, IN.

All technical computations required to obtain SRF approval of the PER shall be provided as part of the preparation of the PER.

6. Task #6 – Preliminary Engineering Reports – \$2M+ Distribution System Projects for 2022 Construction Years.

- a. Plan, Coordinate and Monitor PER preparation activities including:
  - i. Attend a pre-planning meeting with SRF staff.
  - ii. Coordinating with the UTILITY as required to complete PER.
  - iii. Implementing internal QA/QC procedures to ensure completeness of document
  - iv. Submittal of PER to UTILITY, SRF or Consultant for review.
  - v. Responding to review comments from UTILITY, SRF or Consultant.

- b. Prepare a maximum of 25 individual PER's consistent with the requirements of the SRF Drinking Water Program. A PER generally consists of providing analysis and commentary for each of the following items as they relate to the individual projects in accordance with published SRF guidance:
- i. Executive Summary
  - ii. Project Location
  - iii. Current Needs
  - iv. Future Needs
  - v. Alternatives Analysis – Including the analysis of two technically feasibility alternatives in addition to the no-build alternative.
  - vi. Environmental Impacts
  - vii. Proposed Project and Rationale for Selection
  - viii. Legal, Financial and Managerial Capabilities
  - ix. Public Participation – Including participating in one public hearing in Evansville, IN.

All technical computations required to obtain SRF approval of the PER shall be provided as part of the preparation of the PER.

## **PART 2 -- ADDITIONAL SERVICES**

A. If authorized in writing by Board, Engineer shall furnish or obtain from others Additional Services not otherwise provided for in this Agreement. These services will be paid for by Board using the Engineer's standard hourly rates, given in Appendix 1 of Exhibit C.

**EXHIBIT C – PAYMENTS TO ENGINEER FOR SERVICES AND  
REIMBURSABLE EXPENSES**

This is EXHIBIT C, consisting of 2 pages, referred to in and part of the Agreement between Board and Engineer for Professional Services dated April 17, 2018.

**PAYMENTS TO ENGINEER FOR SERVICES**

A. Board shall pay Engineer for Basic Services set forth in Exhibit A on an hourly, not-to-exceed basis, distributed as follows:

Task	Not-To-Exceed Amount
1 SRF Drinking Water Application	\$8,900.00
2 Scoping Reports - \$2M + Distribution System Projects for 2022 Construction Year	\$67,000.00
3 Preliminary Engineering Report – Lincoln Booster Station	\$56,000.00
4 Preliminary Engineering Report – HSPS 4, Clear Well and Transmission Mains	\$134,000.00
5 Preliminary Engineering Reports - \$1M+ Distribution System Projects for 2019 thru 2021 Construction Years	\$392,200.00
6 Preliminary Engineering Reports - \$2M+ Distribution System Projects for 2022 Construction Years	\$346,300.00
<b>Total Not to Exceed Contract Amount =</b>	<b>\$1,004,400.00</b>

The amount paid shall be equal to the cumulative hours charged to the project times the Engineer’s Standard Hourly Rates (given in Appendix 1 of Exhibit C) for each applicable employee classification plus reimbursable expenses for mileage, lodging, and per diem

**APPENDIX 1 (EXHIBIT C)  
STANDARD HOURLY RATE SCHEDULE**

This is Appendix 1 to EXHIBIT C, consisting of 1 page, referred to in and part of the Agreement between BOARD and ENGINEER for Professional Services dated *April 17*, 2018.

**STANDARD HOURLY RATES SCHEDULE**

Current agreements for engineering services stipulate that the standard hourly rates are subject to review and adjustment per Exhibit C. Hourly rates for services performed on the date of the Agreement are:

Classification	Current Hourly Rate
Project Manager II	\$200.00
Project Manager I	\$155.40
Engineer III	\$136.50
Engineer II	\$116.55
Engineer I	\$94.50
Project Scientist II	\$123.90
Project Surveyor II	\$140.70
Project Surveyor I	\$98.70
Survey Technician II	\$75.60
Survey Technician I	\$67.20
Survey Party Chief	\$100.80
CAD Technician II	\$87.15
CAD Tech I	\$67.20

Expense	Current Rate
Mileage	At Current IRS Rate
Subconsultants	At Cost
Other Direct Expenses	At Cost

Rates effective through completion of described scope of services.

**OUCC DR 1-7**

**DATA REQUEST**  
**City of Evansville**

**Cause No. 45545**

**Information Requested:**

Has the PER referenced on page 3 of Attachment DLB-1 been completed? If so, please provide the PER. If not, please provide the latest draft of the PER.

**Information Provided:**

The PER has not been completed for the new Water Treatment Plant. The most recent report prepared for the new Water Treatment Plant (the Water Treatment Plant Advanced Facility Plan or “WTPAFP”) was submitted with Petitioner’s case-in-chief as Attachment SMB-1 to the Direct Testimony of Simon M. Breese. The information included in the WTPAFP will largely drive the development of the PER.

PERs for Distribution System projects have not been started. At this time, no distribution system projects are anticipated to require SRF financing. The completed scoping reports for all Distribution System projects were submitted with Petitioner’s case-in-chief as Attachment ML-2 to the Direct Testimony of Michael Labitzke.

**OUCC DR 6-2**

**DATA REQUEST  
City of Evansville**

**Cause No. 45545**

**Information Requested:**

In response to OUCC Data Request 1-4, petitioner provided OUCC DR 1-4 Attachment 1 VS Engineering Contract. Please answer the following questions about the contract.

1. Please provide all invoices received and payments made pursuant to this contract. If not clear from the invoices, please detail what task each of these invoices was for.
2. Please advise the status (complete/open/not started) of each task listed in the contract. If open or not started, please indicate an anticipated completion date for each task.

**Information Provided:**

1. Please see Attachment OUCC DR 6-2, Attachments 1-5, for supporting invoices.
2. Tasks No. 5 and No. 6 represent the PER development for Distribution System projects with NTE amounts of \$392,200 and \$346,300, respectively.

Task No. 1 is complete.

Task No. 2 is complete

Task No. 3 is complete

Task No. 4 is complete

Task No. 5 is complete

Task No. 6 is complete

Task No. 7 is a task amended to the contract. It is the work required to assess a location for the City Garage relocation. This task is still open with an anticipated completion date of September 30, 2021.

*(Continued on next page)*

OUCS DR 6-2  
*(Continued from previous page)*

**Attachments:**

OUCS DR 6-2, Attachment 1.pdf  
OUCS DR 6-2, Attachment 2.pdf  
OUCS DR 6-2, Attachment 3.pdf  
OUCS DR 6-2, Attachment 4.pdf  
OUCS DR 6-2, Attachment 5.pdf



**OUCS DR 6-3**

**DATA REQUEST  
City of Evansville**

**Cause No. 45545**

**Information Requested:**

Please provide all invoices related to the preparation of the PER presented as Supplemental Workpaper 1. Please indicate if further invoices are anticipated for PER fees, and an expected timeline of any anticipated invoices.

**Information Provided:**

Please see Attachment OUCS DR 6-3, Attachments 1-5, for supporting invoices. Additional invoices for PER fees are expected over the next three months to address the following items:

1. Edits/Modifications based on review
2. Public Hearing efforts

**Attachments:**

OUCS DR 6-3, Attachment 1.pdf  
OUCS DR 6-3, Attachment 2.pdf  
OUCS DR 6-3, Attachment 3.pdf  
OUCS DR 6-3, Attachment 4.pdf  
OUCS DR 6-3, Attachment 5.pdf



**M/WBE UTILIZATION REPORT**  
(Submit With All Payment Requests)  
(FORM D)

CONTRACTOR NAME:	AECOM Technical Services Inc.	CONTRACT AMOUNT:	\$ 2,506,000.00
CONTACT NAME:	John Krinks	PAYMENT PERIOD:	4/24/2021 thru 6/4/2021
CONTACT EMAIL:	John.Krinks@aecom.com	SUBCONTRACTORS:	\$ 37,987.27
PROJECT NAME:	Water Filtration Plant Advanced Preliminary Planning	SUPPLIERS:	\$ -
PURCHASE ORDER NO:	20195184	AMOUNT PAID THIS PERIOD:	\$ 266,993.52

PRIMARY CONTRACTOR	MBE (Y/N)	WBE (Y/N)	DESCRIPTION OF WORK	INVOICED THRU DATE	CONTRACTOR AMOUNT	AMOUNT PAID THIS PERIOD	AMOUNT PAID TO DATE	% PAID TO DATE		
AECOM	N	N	Prime Design Consultant	6/4/2021	\$ 1,357,900.00	229,006.25	1,134,113.93	83.5%		
SUBCONTRACTORS / SUPPLIERS	SUB / SUP	*VEN (Y/N)	MBE (Y/N)	WBE (Y/N)	DESCRIPTION OF WORK	INVOICED THRU DATE	SUBCONTRACTOR AMOUNT	AMOUNT PAID THIS PERIOD	AMOUNT PAID TO DATE	% PAID TO DATE
HNTB	SUB	Y	N	N	Site Needs Analysis/design, hydrogeological evaluation	6/26/2020	\$ 420,100.00	-	81,620.93	19.4%
Powers Engineering	SUB	Y	N	Y	30% Site/Civil Design	6/30/2020	\$ 185,250.00	-	135,260.71	73.0%
VS Engineering, Inc.	SUB	Y	Y	N	Surveying / bypass site-civil design	3/31/2021	280,250.00	37,987.27	37,987.27	13.6%
Carollo	SUB	Y	N	N	Water Quality Assessment	3/31/2021	187,500.00		19,337.97	10.3%
CTL	SUB	Y	Y	N	Geotechnical Engineering Services	3/20/2021	75,000.00		13,966.50	18.6%
	Please Select									0.0%
	Please Select									0.0%
	Please Select									0.0%
	Please Select									0.0%
	Please Select									0.0%
					<b>TOTALS</b>	<b>2,506,000.00</b>	<b>266,993.52</b>	<b>1,422,287.31</b>	<b>56.8%</b>	

Does the Contractor believe it will not achieve the stated participation goals?  No

If Yes, please provide details: \_\_\_\_\_

I hereby affirm, under the penalties of perjury, that the information provided with this report is true and accurate. I acknowledge that the owner, or its designees, may verify any of the information provided.

Verified By: John Krinks

Name (Printed): John Krinks

\* All Subcontractors / Suppliers must register as a Vendor with the City of Evansville.

MBE/WBE PARTICIPATION (based on Labor Costs)					
	Subcontract Amount	% of Contract	Amount Paid this Period	Amount Paid to Date	% Paid of Contract
MBE	355,250.00	14.2%	37,987.27	51,953.77	14.6%
WBE	185,250.00	7.4%	-	135,260.71	73.0%
<b>Totals:</b>	<b>540,500.00</b>	<b>21.6%</b>	<b>37,987.27</b>	<b>187,214.48</b>	<b>34.6%</b>

**STATEMENT OF QUANTITY (SOQ)**

**PAGE 1 OF 3 PAGES**

Project Name: Preliminary Engineering for Water Filter Treatment Plant AFP 30% Vendor Name: AECOM Technical Services, Inc.

Item #	Item Description	Item Value	Total Value of Completed Work		Materials Presently Stored	Total Completed	% [G/C]	Balance to Finish	Retainage Release Amount	Total Retainage Held
			From Previous	This Period						
001	Design Kickoff and Workshop	\$ 27,858.00	\$ 20,977.82	\$ 0.00	\$0.00	\$ 20,977.82	75.30%	\$ 6,880.18	\$ .00	\$ .00
002	Design Condition, Performance, & Vulnerability Assessment	\$ 82,121.00	\$ 169,119.10	\$ 0.00	\$0.00	\$ 169,119.10	205.94%	-\$ 86,998.10	\$ .00	\$ .00
003	Design Site Investigation	\$ 505,745.00	\$ 13,966.50	\$ 37,787.27	\$0.00	\$ 51,753.77	10.23%	\$ 453,991.23	\$ .00	\$ .00
004	Design Draft Alternatives	\$ 362,277.00	\$ 481,766.11	\$ 200.00	\$0.00	\$ 481,966.11	133.04%	-\$ 119,689.11	\$ .00	\$ .00
005	Design Workshop 2, IDEM Review & Final Assessment	\$ 47,995.00	\$ 61,170.00	\$ 6,048.00	\$0.00	\$ 67,218.00	140.05%	-\$ 19,223.00	\$ .00	\$ .00
006	Design Draft 30% Design	\$ 1,362,032.00	\$ 347,207.33	\$ 54,375.00	\$0.00	\$ 401,582.33	29.48%	\$ 960,449.67	\$ .00	\$ .00
007	Design Workshop 3 & Final 30% Preliminary Design	\$ 117,972.00	\$ 61,086.93	\$ 168,583.25	\$0.00	\$ 229,670.18	194.68%	-\$ 111,698.18	\$ .00	\$ .00
<b>GRAND TOTALS:</b>		<b>\$2,506,000.00</b>	<b>\$1,155,293.79</b>	<b>\$ 266,993.52</b>	<b>\$ .00</b>	<b>\$1,422,287.31</b>		<b>\$1,083,712.69</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**OUCC DR 17-12**

**DATA REQUEST  
City of Evansville**

**Cause No. 45545**

**Information Requested:**

In its case-in-chief, Evansville estimated the cost to complete the PER was \$750,000 (p. 3, Accountant's Report). The PER was subsequently submitted as Supplemental Exhibit No. 1.

- a. What is the total cost incurred to prepare the PER.
- b. Please provide any engagement letter or contract with VS Engineering for preparation of the PER.
- c. Please identify all invoiced costs for the preparation of the PER. Please provide all invoices for those costs and, if any such invoice includes costs that are not for the preparation of the PER, please identify which line items on the invoice are for the cost of preparing the PER.

**Objection:**

Petitioner objects to the request on the grounds and to the extent it seeks a compilation, analysis or study Petitioner has not performed and which it objects to performing.

**Information Provided:**

Subject to and without waiver of the foregoing objection, Petitioner responds as follows:

- a. See invoices attached. These invoices include the invoices previously provided in response to OUCC DR 6-3 and are all invoices received from AECOM for engineering services in connection with the Water Treatment Plant Project to date. Petitioner has not analyzed each of the invoices received from AECOM to determine which costs are specifically for preparation of the PER. All of the costs included on the invoices are necessary to complete the Project and are costs that EWSU owes to AECOM in connection with the Project. These costs will ultimately be included as part of the bond issuance requested in this Cause and will be trued-up through that process.
- b. The VS Engineering Contract was provided in response to OUCC DR 1-4.
- c. See response to part a.

**Attachment:**

OUCG DR 17-12.zip

**OUCG DR 1-2**

**DATA REQUEST**  
**City of Evansville**

**Cause No. 45545**

**Information Requested:**

Please identify and quantify all inputs and show the calculation for “Total Estimated Non-Construction Costs”, \$17,936,000, as reported on page 3 of the “Accounting Report On Proposed Improvement Project and Increase In Rates and Charges” (Attachment DLB-1). Please provide supporting documentation for the inputs.

**Information Provided:**

The total Estimated Non-Construction Costs of \$17,936,000 are made up of the following components: a 1% Underwriter’s Discount, a preliminary engineering report, capitalized interest on the Open Market bond issue, capitalized interest on the SRF bond issue and an allowance for legal, bond counsel, financial advisory, bond issuance costs. The basis of each component is detailed below:

- The underwriter’s discount is based on 1% of the assumed \$63,185,000 par amount of the proposed open market bond issue.
- The Preliminary Engineering Report allowance of \$750,000 is based on information provided by Utility Management. Supporting documentation for this component is provided in responses to OUCG DR 1-3 and 1-4.
- As shown on page 7 of “Accounting Report On Proposed Improvement Project and Increase In Rates and Charges” (Attachment DLB-1), capitalized interest on the open market bond issued is based on the interest payments due January 1, 2023 through July 1, 2025 being capitalized. These interest payments are being capitalized to assist with the phase-in of the proposed rates and to limit the upfront rate impact on customers.
- As shown on page 8 of “Accounting Report On Proposed Improvement Project and Increase In Rates and Charges” (Attachment DLB-1), capitalized interest on the SRF bonds is based on the interest payments due January 1, 2023 through July 1, 2024 being capitalized. These interest payments are being capitalized to assist with the phase-in of the proposed rates and limit the upfront rate impact for customers.

*(Continued on next page)*

OUCG DR 1-2  
*(Continued from previous page)*

- Please reference OUCG DR 1-2\_Attachment 1 for a detailed breakdown of the allowance for legal, bond counsel, financial advisory, bond issuance costs. Available supporting documentation is provided in response to OUCG DR 1-5.

**Attachment:**

OUCG DR 1-2\_Attachment 1.xlsx

**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**  
**ESTIMATED ALLOWANCE FOR COSTS OF ISSUANCE**  
Proposed Waterworks District Revenue Bonds (Multiple Series)

OUCG DR-1-2 Attachment  
1.xlsx

Service	Vendor	Amount
<u>Legal</u>		
Bond counsel (BANS/Bonds) *	Barnes & Thornburg	\$200,000
IURC counsel	Barnes & Thornburg	110,000
Local counsel *	Zeimer, Stayman, Wetzel & Shoulders, LLP	50,000
SRF counsel - SRF Issue	Bingham Greenebaum Doll LLP	16,820
SRF counsel - WIFIA	Bingham Greenebaum Doll LLP	50,000
Sub-total		426,820
<u>Financial</u>		
IURC rate case	Baker Tilly	200,000
Accounting financial advisory; disclosure document and related *	Baker Tilly	225,000
Sub-total		425,000
<u>Other</u>		
IURC bond issue fee (par amount divided by 100 times \$0.25)	State	595,413
IURC rate case fee	State	60,860
WIFIA fees	WIFIA	350,000
Rating fee	S&P	25,500
Trustee and RP&A services:		
Acceptance Fee	ONB	350
Annual Fee	ONB	500
Construction Fund	ONB	2,000
Official Statement Printing	Pacesetter Press	1,000
Parity Report *	Baker Tilly	9,500
Parity @ Electronic Bid Submission	Parity	1,500
CUSIP and service bureau fees	DTC	400
Legal advertising and misc.		500
General project contingencies and rounding		299,657
Sub-total		1,347,180
Total Estimated Costs of Issuance		\$2,199,000

\* Assumes two bond issues.



**OUCG DR 6-1**

**DATA REQUEST  
City of Evansville**

**Cause No. 45545**

**Information Requested:**

In response to OUCG Data Request 1-2 petitioner provided OUCG DR 1-2 Attachment

1. Please answer the following questions regarding the attachment.
  1. Costs of \$50,000 are estimated for SRF counsel-WIFIA. Are these costs contingent upon securing WIFIA financing? If no, please explain why these costs will be incurred if Evansville does not borrow money from the WIFIA program.
  2. Costs of \$350,000 are included under "Other" for WIFIA fees. Are these costs contingent upon securing WIFIA financing? If no, please explain why these costs will be incurred if Evansville does not borrow money from the WIFIA program.

**Information Provided:**

1. No. Any SRF counsel fees associated with the WIFIA financing incurred through the date Petitioner determines it does not want to move forward with the WIFIA financing, would be due to SRF to pay for their consultants for services provided.
2. Yes, unless Petitioner decides after it is selected (if selected) that it no longer wants to pursue WIFIA financing due to significant changes in the market. In that case, it would likely have to pay a portion of the WIFIA fees.

**OUCG DR 6-5**

**DATA REQUEST**  
**City of Evansville**

**Cause No. 45545**

**Information Requested:**

On page 42 of Attachment DLB-1 is a chart comparing account balances with minimum balances required. Please answer the following questions about the regarding the balance of \$102,340,066 in "Construction Fund".

1. For all projects completed since September 30, 2020:
  - a. Please provide a list of projects that have been completed.
  - b. The actual final costs for each project completed.
  - c. The source of funding for each project (by Bond issuance and Cause No.).
  - d. A completion date for each project.
  
2. For all projects bid but not yet completed:
  - a. Please provide a list of projects have been bid but not yet completed.
  - b. The bid costs and anticipated contractor for each project.
  - c. The source of funding for each project (by Bond issuance and Cause No.).
  - d. The bid date for each project.
  - e. An anticipated completion date for each project.
  
3. For all projects not yet bid:
  - a. Please provide a list of projects have not yet bid but are included in this balance.
  - b. The anticipated costs for each project.
  - c. The source of funding for each project (by Bond issuance and Cause No.).
  - d. An anticipated completion date for each project.
  
4. If the balance of the lists provided in response to questions above does not equal \$102,340,066, please explain what anticipated use the remaining balance will be put towards.

**Information Provided:**

To be provided.

**OUCC DR 6-5 (Supplemental)**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545**

**Information Requested:**

On page 42 of Attachment DLB-1 is a chart comparing account balances with minimum balances required. Please answer the following questions about the regarding the balance of \$102,340,066 in "Construction Fund".

1. For all projects completed since September 30, 2020:
  - a. Please provide a list of projects that have been completed.
  - b. The actual final costs for each project completed.
  - c. The source of funding for each project (by Bond issuance and Cause No.).
  - d. A completion date for each project.
2. For all projects bid but not yet completed:
  - a. Please provide a list of projects have been bid but not yet completed.
  - b. The bid costs and anticipated contractor for each project.
  - c. The source of funding for each project (by Bond issuance and Cause No.).
  - d. The bid date for each project.
  - e. An anticipated completion date for each project.
3. For all projects not yet bid:
  - a. Please provide a list of projects have not yet bid but are included in this balance.
  - b. The anticipated costs for each project.
  - c. The source of funding for each project (by Bond issuance and Cause No.).
  - d. An anticipated completion date for each project.
4. If the balance of the lists provided in response to questions above does not equal \$102,340,066, please explain what anticipated use the remaining balance will be put towards.

**Original Information Provided:**

To be provided.

*(Continued on next page)*

OUCC DR 6-5 (Supplemental)  
(Continued from previous page)

**Supplemental Information Provided:**

1. Projects completed since September 30, 2020 are listed in attachment OUCC DR 6-5 – Projects Completed.xlsx. Ten (10) contracts are listed across several funding sources representing \$3,682,476 of “Construction Fund” dollars from the September 30, 2020 project list.
2. Projects not yet completed from the September 30, 2020 project list are listed in attachment OUCC DR 6-5 – Projects Not Yet Completed.xlsx. Fifty (50) contracts are listed across several funding sources representing \$45,318,734 of “Construction Fund” dollars from the September 30, 2020 project list.
3. Projects not yet bid from the September 30, 2020 project list are listed in attachment OUCC DR 6-5 – Projects Not Yet Bid.xlsx. Twenty-four (24) contracts are listed across several funding sources representing \$35,987,354 of “Construction Fund” dollars from the September 30, 2020 project list.
4. Projects not yet bid as of September 30, 2020 project list are also listed in attachment OUCC DR 6-5 – Projects From Remaining Balance. Eighteen (18) contracts are listed across several funding sources representing \$17,813,153. These projects are part of the Cause No. 45073 rate case, but have been prioritized as the rate case implementation has progressed. These projects will be completed in order as listed until the funding sources are exhausted. The total of the four tables is \$102,801,717.

**Attachments:**

- OUCC DR 6-5 Attachment 1.xlsx (provided with original response)
- OUCC DR 6-5 Attachment 2.xlsx (provided with original response)
- OUCC DR 6-5 Attachment 3.xlsx (provided with original response)
- OUCC DR 6-5 Attachment 4.xlsx (provided with original response)

Cause No. 45545  
OUCC DR 6-5, Attachment 1, Projects Completed Tab

**A-6-5.1**

Funding Source Bond & SRF Statements as of 09/30/2020

Cause No. 44760								
2016A Water Bond	Project	Contractor	Contract Amt	Amt Paid	Bal Due 9/30/2020	Actual Final Cost	Completion Date	Status (OUCC)
	2017 Annual Program Mgmt for Capital Distribution	HNTB Corp	\$895,000	\$792,104	\$102,896	\$102,896		Completed
	Approve Interlocal Agreement to Relocate Baseline Rd Waterline	Vanderburgh County	\$9,780		\$9,780	\$9,780		Completed
		Totals	\$904,780	\$792,104	\$112,676	\$112,676		

Cause No. 45073								
2018A2 Pooled SRF	Project	Contractor	Contract Amt	Amt Paid	Bal Due 9/30/2020	Actual Final Cost	Completion Date	Status (OUCC)
	Covert Ave - Phase II and Wedge Ave - Design	United Consulting	\$258,900	\$258,020	\$880	\$258,020	June 18, 2020	Completed
	Schmitt Lane, Whetstone Lane, Bexley Court - Design	Crawford, Murphy & Tilly	\$157,190	\$149,346	\$7,844	\$150,254	October 6, 2020	Completed
23	Columbia - Phase I, Fares, Columbia to Morgan CES/RPR	Three I Engineering	\$324,100	\$286,698	\$37,402	\$287,132	November 10, 2020	Completed
		Totals	\$740,190	\$694,064	\$46,126	\$647,938		

Cause No. 45073								
2018A2 Equity SRF	Project	Contractor	Contract Amt	Amt Paid	Bal Due 9/30/2020	Actual Final Cost	Completion Date	Status (OUCC)
	Loan amount \$44,839,752							
		Totals	\$0	\$0	\$0	\$0		

Cause No. 45073								
2019A Water Bond	Project	Contractor	Contract Amt	Amt Paid	Bal Due 9/30/2020	Actual Final Cost	Completion Date	Status (OUCC)
	Waterworks Road Relocation - Watermain Portion	Blankenberger Brothers	\$2,625,669		\$2,625,669	\$2,625,669	August 26, 2020	Completed
	Bartels Lane, Evergreen Rd to Dead End - Design	Clark Dietz - Amendment no. 2	\$90,000	\$53,379	\$36,621	\$90,000	February 17, 2021	Completed
	Kerth Ave, St George to Christ, Christ Rd Extension to Fares - Design	Clark Dietz - Amendment no. 4	\$93,500	\$42,359	\$51,141	\$93,500	March 17, 2021	Completed
	Rosewood Dr, Weaver to Hermann - Design	Clark Dietz - Amendment no. 3	\$126,800	\$73,559	\$53,241	\$126,800	February 17, 2021	Completed
1	Southeast Side Neighborhood - Design	Crawford Murphy & Tilly - Amend no. 2	\$264,400	\$109,210	\$155,190	\$257,793	April 27, 2021	Completed
		Totals	\$3,200,369	\$278,507	\$2,921,862	\$2,921,862		

Bond total \$36,847,649

\$3,682,476

Cause No. 45545  
 OUCC DR 6-5, Attachment 2, Projects Not Yet Completed Tab  
**A-6-5.2**

Funding Source Bond & SRF Statements as of 09/30/2020

Cause No. 44760								
2016A Water Bond								
Project	Contractor	Contract Amt	Bal Due 9/30/2020	Bal Due 5/30/2021	Anticipated Completion Date and Comments			
Preliminary Engineering for Treatment Plant	AECOM	\$2,506,000	\$1,835,460	\$1,515,737	Contract Start Date, January 2022. Anticipated Completion Date March 2023			
PER Preparation for 2018 SRF Loans	VS Engineering	\$1,004,400	\$168,505	\$143,212	Anticipated Completion Date, March 31, 2022. Services Retained and To Be Performed As Needed.			
Gibson Water Meter Vault Easement Acquisition	Parcel 1 - Kent & Melissa Rexing	\$1,000	\$1,000	\$1,000	112718 Approval to extend offer. (Settling Busler Relief First)			
	Parcel 2 - Rexing Interstate Enterprises	\$18,975	\$18,975	\$18,975	061119 Approve Revised Offer			
Eichel, Fares to US 41 Replace Main	BMB, Inc	\$335,370	\$335,370	\$325,402	Contract or NTP Date, 03/13/2020. Anticipated Completion Date, 09/03/2020.			
Bellaire Rd, Oakhill to Weinbach	Koberstein Contracting	\$254,200	\$254,200	\$286,157	Contract or NTP Date, 05/03/2021. Anticipated Completion Date, 06/29/2021. Anticipated Change, -\$10,153.00			
Bartels Drive, Evergreen Rd to Dead End	Infrastructure Systems, Inc.	\$246,700	\$246,700	\$259,518	Contract or NTP Date, 01/25/2021. Anticipated Completion Date, 06/16/2021. Anticipated Change, \$6,818.45			
Kansas Rd, Petersburg to Baldwin - Phase I	Vanderburgh County Commission	\$732,195	\$732,195	\$785,396	Contract or NTP Date, 07/14/2020. Anticipated Completion Date, 04/22/2022. Anticipated Change, \$53,201.10			
Totals		\$5,098,840	\$3,592,406	\$3,329,397				

Cause No. 45073								
2018A2 Pooled SRF								
Project	Contractor	Contract Amt	Bal Due 9/30/2020	Bal Due 5/30/2021	Anticipated Completion Date and Comments			
25 Waterworks Rd 30" Main Relocation Effl. Pump Station	Skanska \$4.6M on Sewer SRF	\$5,271,767	\$1,196,102	\$1,377,821	Contract or NTP Date, 01/08/2019. Anticipated Completion Date, 08/30/2021.			
Covert Ave - Phase II and Wedge Ave	Deig Brothers	\$966,503	\$798,277	\$419,912	Contract or NTP Date, 07/22/2019. Anticipated Completion Date, 11/12/2020.			
Presidents Neighborhood - East	Infrastructue Systems	\$1,089,849	\$212,208	\$48,459	Contract or NTP Date, 10/20/2019. Anticipated Completion Date, 04/02/2020.			
Presidents Neighborhood - West	Infrastructue Systems	\$2,654,837	\$611,345	\$113,412	Contract or NTP Date, 07/29/2019. Anticipated Completion Date, 02/24/2020.			
Sweetser Rotherwood Area	Infrastructue Systems	\$3,377,707	\$1,859,151	\$295,734	Contract or NTP Date, 03/23/2020. Anticipated Completion Date, 12/18/2020. Anticipated Change, \$10,065.48			
2019 Annual Capital On-Call SRF CES/RPR	American Structurepoint	\$1,686,000	\$1,002,363	\$802,742	Contract or NTP Date, 05/14/2019. Anticipated Completion Date, 12/31/2023.			
2020 Annual Capital On-Call SRF CES/RPR	American Structurepoint	\$1,970,200	\$1,877,095	\$1,600,403	Contract or NTP Date, 03/17/2020. Anticipated Completion Date, 12/31/2023.			
7 Hogue Road	Infrastructure Systems	\$1,760,888	\$1,760,888	\$1,760,888	Contract or NTP Date, 07/26/2021. Anticipated Completion Date, 02/21/2022.			
7 Harmony Way	Miller Pipeline	\$3,051,027	\$3,051,027	\$3,051,027	Contract or NTP Date, 03/17/2021. Anticipated Completion Date, 04/12/2022.			
7 New Harmony Road	Debra-Kuempel	\$577,391	\$577,391	\$609,377	Contract or NTP Date, 03/08/2021. Anticipated Completion Date, 08/05/2021. Anticipated Change, \$25,985.50			
Claremont, Bosse and Craig Avenues	Clark Dietz Inc	\$355,200	\$355,200	\$177,145	Contract or NTP Date, 09/29/2020. Anticipated Completion Date, 11/13/2021.			
11 Upper Mt Vernon - Phase I, Red Bank Rd & New Harmony Rd	Miller Pipeline	\$4,176,877	\$4,176,877	\$4,176,877	Anticipated NTP Date, 08/23/2021. Anticipated Completion Date, 09/17/2022.			
Upper Mt Vernon - Phase I, Red Bank Rd & New Harmony Rd 2019 On Call	United Consulting	\$456,200	\$358,080	\$187,542	Contract or NTP Date, 02/18/2020. Anticipated Completion Date, 08/23/2021.			
Maryland Street, Harmony to Wessel	Three I Engineering	\$109,400	\$109,400	\$15,240	Contract or NTP Date, 10/13/2020. Anticipated Completion Date, 09/20/2021.			
13 Allens Lane - Phase I	Infrastructure Systems	\$543,537	\$543,537	\$543,537	Contract or NTP Date, 05/20/2021. Anticipated Completion Date, 10/17/2021.			
14 Grove Street	Miller Pipeline	\$469,723	\$469,723	\$469,723	Contract or NTP Date, 03/08/2021. Anticipated Completion Date, 07/09/2021. Anticipated Change, \$11,516.40			
Grove Street	Three I Engineering	\$89,960	\$89,960	\$4,125	Contract or NTP Date, 04/28/2020. Anticipated Completion Date, 03/08/2021.			
Charlotte and Russell Avenues	Beam Longest Neff	\$147,400	\$147,400	\$147,400	Contract or NTP Date, 12/08/2020. Anticipated Completion Date, 06/10/2022.			
US 41, St George to Lynch Road	Commonwealth Engineers	\$196,250	\$112,441	\$54,007	Contract or NTP Date, 11/26/2019. Anticipated Completion Date, 07/30/2022.			
19 Schmitt Lane, Whetstone Lane, Bexley Court - Construction	Miller Pipeline	\$916,262	\$916,262	\$972,706	Contract or NTP Date, 09/08/2020. Anticipated Completion Date, 04/30/2021. Anticipated Change, \$56,473.23			
Senate Ave, Petersburg Rd, Feltman Dr and Campground Rd	Commonwealth Engineers	\$203,450	\$203,450	\$203,450	Contract or NTP Date, 10/27/2020. Anticipated Completion Date, 12/17/2021.			
21 First Ave, Pigeon Creek to Booster Station	HNTB	\$430,000	\$519	\$40,000	Contract or NTP Date, 11/13/2018. Contract Amendment Date 1/26/2021. Anticipated Completion Date, 03/28/2022.			
21 First Ave, Pigeon Creek to Booster Station	Mac Construction	\$8,043,000	\$8,043,000	\$8,226,875	Contract or NTP Date, 11/26/2020. Anticipated Completion Date, 03/28/2022. Anticipated Change, \$457,000.00			
Morgan Ave - Phase III, Fares to Heidelbach	Beam Longest Neff	\$256,700	\$256,700	\$256,700	Contract or NTP Date, 12/08/2020. Anticipated Completion Date, 05/10/2022.			
Columbia - Phase I, Fares, Columbia to Morgan	Ragle Inc	\$3,645,615	\$3,289,593	\$1,265,014	Contract or NTP Date, 05/26/2020. Anticipated Completion Date, 05/07/2021.			
24 Fendrich Neighborhood	Deig Brothers	\$1,179,127	\$1,179,127	\$1,184,535	Contract or NTP Date, 03/29/2021. Anticipated Completion Date, 10/25/2021. Anticipated Change, \$5,408.00			
Fendrich Neighborhood	Beam Longest Neff	\$231,300	\$126,379	\$19,114	Contract or NTP Date, 03/17/2020. Anticipated Completion Date, 03/29/2021.			
Lincoln Booster Station	HNTB Corp	\$710,000	\$710,000	\$619,680	Contract or NTP Date, 10/27/2020. Anticipated Completion Date, 12/31/2022.			
Totals		\$44,566,169	\$34,234,412	\$28,259,445				

Cause No. 45073								
2018A2 Equity SRF								
Project	Contractor	Contract Amt	Bal Due 9/30/2020	Bal Due 5/30/2021	Anticipated Completion Date and Comments			
			\$0	\$0				
Totals		\$0	\$0	\$0				

Cause No. 45073								
2019A Water Bond								
Project	Contractor	Contract Amt	Bal Due 9/30/2020	Bal Due 5/30/2021	Anticipated Completion Date and Comments			
Harmony Way, Franklin Heights Replace Water Main	Black & Veatch Corp - Amendment no. 2	\$81,705	\$81,705	\$81,705	Contract or NTP Date, 10/27/2020. Anticipated Completion Date, 07/26/2021.			
Frey Rd and Broadway Replace Mains	BMB	\$2,711,923	\$607,431	\$607,431	Contract or NTP Date, 09/26/2019. Anticipated Completion Date, 06/19/2020.			
Walnut Water Main, Phase 1 US 41 to Weinbach	BPW Interlocal Agreement	\$590,291	\$11,096	\$28,393	Contract or NTP Date, 03/03/2020. Anticipated Completion Date, 09/07/2021. Anticipated Change, \$28,393.02			
Kerth Ave, St George to Christ, Christ Rd Extension to Fares	BMB	\$328,755	\$328,755	\$328,755	Contract or NTP Date, 04/05/2021. Anticipated Completion Date, 08/01/2021. Anticipated Change, -\$1,882.00			
13 Allens Lane - Phase I	Three I Engineering	\$111,950	\$21,460	\$2,855	Contract or NTP Date, 03/05/2019. Anticipated Completion Date, 05/20/2021.			
Rosewood Dr, Weaver to Hermann	BMB	\$433,475	\$433,475	\$433,475	Contract or NTP Date, 02/22/2021. Anticipated Completion Date, 06/12/2021. Anticipated Change, -\$19,019.00			
9 Peerless Rd, Upper Mt Vernon to Moya	Crawford Murphy & Tilly	\$206,000	\$206,000	\$84,523	Contract or NTP Date, 10/27/2020. Anticipated Completion Date, 02/02/2022.			
1 Southeast Side Neighborhood	Miller Pipe Line	\$1,720,732	\$1,720,732	\$1,720,732	Contract or NTP Date, 03/22/2021. Anticipated Completion Date, 02/15/2022.			
Schroeder Rd, US 41 to Volkman Tank	Clark Dietz	\$202,730	\$38,596	\$33,589	Contract or NTP Date, 10/29/2019. Anticipated Completion Date, 10/04/2021.			
2021 Annual Capital on-Call Non-SRF CES/RPR	American Structurepoint	\$817,406	\$817,406	\$814,907	Contract or NTP Date, 03/09/2021. Anticipated Completion Date, 03/09/2023.			
Water Refresh Program Planning Services	HTNB	\$1,623,900	\$1,396,274	\$1,112,706	Contract or NTP Date, 08/06/2019. Anticipated Completion Date, 12/31/2021.			
Water Treatment Plant Switchgear Improvements	Black & Veatch Corp	\$283,783	\$80,387	\$97,634	Contract or NTP Date, 03/17/2020. Contract Amendment Date 03/09/2021. Anticipated Completion Date, 12/22/2021			
Water Treatment Plant Switchgear Improvements	Industrial Contractors/Skanska	\$1,621,900	\$1,621,900	\$1,662,266	Contract or NTP Date, 10/14/2020. Anticipated Completion Date, 12/22/2021. Anticipated Change, \$40,366.00			
Evans Ave & Louisiana Water Main Replacement	Crawford Murphy & Tilly	\$126,700	\$126,700	\$36,582	Contract or NTP Date, 10/27/2020. Anticipated Completion Date, 03/08/2022.			
Totals		\$10,861,250	\$7,491,916	\$7,045,553				

Bond total \$36,847,649

Cause No. 45545  
OUCC DR 6-5, Attachment 3, Projects Not Yet Bid Tab

**A-6-5.3**

Funding Source Bond & SRF Statements as of 09/30/2020

Cause No. 44760						
2016A Water Bond						
Project	Contractor	Contract Amt	Amt Paid	Bal Due	Anticipated Completion Date	
Preliminary Engineering for Treatment Plant	Reserve - Design	7,494,000.00		7,494,000.00	Contract to start Jan, 2022 and be complete March, 2023	
Bond total \$36,135,773						
Totals		7,494,000.00	-	7,494,000.00	Balance to be used for easement needs for various water projects	

Cause No. 45073						
2018A2 Pooled SRF						
Project	Contractor	Contract Amt	Amt Paid	Bal Due	Available for Encumbrance	
8 Claremont, Bosse and Craig Avenues	Reserve Construction	3,358,612.00		3,358,612.00	Contract to start Feb, 2022 and be complete Sept, 2022	
Speaker Rd, James Ave and Nolan Ave	Reserve Engineering	85,986.00		85,986.00	Contract to start Nov, 2022 and be complete March, 2023	
12 Maryland Street, Harmony to Wessel	Reserve Construction	1,077,884.00		1,077,884.00	Contract to start Oct, 2021 and be complete April, 2022	
15 Charlotte and Russell Avenues	Reserve Construction	1,110,000.00		1,110,000.00	Contract to start Feb, 2022 and be complete July, 2022	
18 US 41, St George to Lynch Road	Reserve Construction	2,086,353.00		2,086,353.00	Contract to start Sept, 2022 and be complete March, 2023	
20 Senate Ave, Petersburg Rd, Feltman Dr and Campground Rd	Reserve Construction	2,240,386.00		2,240,386.00	Contract to start Feb, 2022 and be complete Aug, 2022	
22 Morgan Ave - Phase III, Fares to Heidelberg	Reserve Construction	2,182,839.00		2,182,839.00	Contract to start June, 2022 and be complete Dec, 2022	
Lincoln Booster Station	Reserve Construction	3,169,600.00		3,169,600.00	Contract to start Oct, 2021 and be complete Dec, 2022	
Loan amount \$27,072,248						
Totals		15,311,660.00	-	15,311,660.00		

Cause No. 45073						
2018A2 Equity SRF						
Project	Contractor	Contract Amt	Amt Paid	Bal Due	Cash at Bank	Available for Encumbrance
2021 Annual Capital On-Call SRF CES/RPR	Reserve	562,735.00		562,735.00		Contract to start Oct, 2021 and be complete Dec, 2022
Loan amount \$44,839,752						
Totals		562,735.00	-	562,735.00		

Cause No. 45073						
2019A Water Bond						
Project	Contractor	Contract Amt	Amt Paid	Bal Due	Available for Encumbrance	
Walnut Water Main, Phase 2 Weinbach to Vann	Reserve - Construction 2021	1,550,000.00		1,550,000.00	Contract to start Sept, 2021 and be complete Sept, 2021	
Road VC Baseline, Korff to Old State RD	Reserve - Construction 2021	1,140,000.00		1,140,000.00	Contract to start July, 2022 and be complete July, 2022	
Road VC Oak Hill Rd Improvements, St. George to Eastwood	Reserve - Construction 2021	1,533,000.00		1,533,000.00	Contract to start Oct, 2021 and be complete Oct, 2021	
9 Peerless Rd, Upper Mt Vernon to Moya	Reserve - Construction 2022	1,937,400.00		1,937,400.00	Contract to start June, 2022 and be complete Dec, 2022	
Landbridge Way, First Ave to Cross Valley	Reserve - Construction 2021	82,597.00		82,597.00	Contract to start Aug, 2022 and be complete Aug, 2022	
Mesker Park - Phase I	Reserve - Design 2021	78,120.00		78,120.00	Contract to start Oct, 2021 and be complete Sept, 2022	
Mesker Park - Phase I	Reserve - Construction 2022	781,200.00		781,200.00	Contract to start Oct, 2022 and be complete April, 2023	
Schutte Rd, Broadway to USI tank	Reserve - Design 2021	164,300.00		164,300.00	Contract to start Nov, 2021 and be complete May, 2022	
Schutte Rd, Broadway to USI tank	Reserve - Construction 2022	1,643,000.00		1,643,000.00	Contract to start June, 2022 and be complete Dec, 2022	
Schroeder Rd, US 41 to Volkman Tank	Reserve - Construction 2021	1,990,000.00		1,990,000.00	Contract to start Oct, 2021 and be complete May, 2023	
Kansas Rd, Petersburg to Baldwin - Phase II	Reserve Construction	754,702.00		754,702.00	Contract to start July, 2021 and be complete July, 2021	
Evans Ave & Louisiana Water Main Replacement	Reserve - Construction 2021	548,000.00		548,000.00	Contract to start July, 2022 and be complete Dec, 2022	
Sonntag Avenue, Golfmoor to Maryland	Reserve - Design 2021	44,640.00		44,640.00	Contract to start July, 2022 and be complete Sept, 2022	
Sonntag Avenue, Golfmoor to Maryland	Reserve - Construction 2021	372,000.00		372,000.00	Contract to start Jan, 2023 and be complete June, 2023	
Bond total \$36,847,649						
Totals		12,618,959.00	-	12,618,959.00		

Cause No. 45545  
OUCC DR 6-5, Attachment 4, Remaining Balance Tab  
A-6-5.4

Funding Source Bond & SRF Statements as of 09/30/2020

Cause No. 44760		Contractor	Contract Amt	Amt Paid	Bal Due	Anticipated Completion Date
2016A Water Bond	Project					
Bond total \$36,135,773	Unencumbered Cash Remaining		68,756.81		68,756.81	Balance to be used for easement needs for various water projects
	Totals		68,756.81	-	68,756.81	

Cause No. 45073		Contractor	Contract Amt	Amt Paid	Bal Due	Available for Encumbrance
2018A2 Pooled SRF	Project					
Loan amount \$27,072,248			-	-	-	
	Totals		-	-	-	

Cause No. 45073		Contractor	Contract Amt	Amt Paid	Bal Due	Cash at Bank	Available for Encumbrance
2018A2 Equity SRF	Project						
			-		-		
32	Mount Vernon Road, Vanness to Michigan Water Main Replacement, Construction		4,992,000.00		4,992,000.00		
32	Mount Vernon Road, Vanness to Michigan Water Main Replacement, Design and CES/RPR		898,560.00		898,560.00		
35	Mesker Park Phase II Water Main Replacement, Construction		1,845,000.00		1,845,000.00		
35	Mesker Park Phase II Water Main Replacement, Design and CES/RPR		332,100.00		332,100.00		
10	Speaker Rd., James Ave and Nolan Ave		859,867.00		859,867.00		
16	Stanley Ave, Governor to Kerth, Design		177,275.00		177,275.00		
16	Stanley Ave, Governor to Kerth, Construction		1,772,746.00		1,772,746.00		
Loan amount \$44,839,752							
	Totals		10,877,548.00	-	10,877,548.00		

Cause No. 45073		Contractor	Contract Amt	Amt Paid	Bal Due	Available for Encumbrance
2019A Water Bond	Project					
			-		-	
	Trinity Storm Park Water Main Replacement		3,262,000.00		3,262,000.00	
	Tupman Road, North of Upper Mt Vernon, Construction		713,000.00		713,000.00	
	Tupman Road, North of Upper Mt Vernon, Design and CES/RPR		128,340.00		128,340.00	
	Gayne St, West of Van Ness		171,100.00		171,100.00	
	New York Ave, Bayse to Riverside, Design and CES/RPR		117,180.00		117,180.00	
	New York Ave, Bayse to Riverside, Construction		651,000.00		651,000.00	
	Franklin Street and Illinois Street, East of Pigeon Creek, Design and CES/RPR		190,316.00		190,316.00	
	Franklin Street and Illinois Street, East of Pigeon Creek, Construction		1,057,312.00		1,057,312.00	
	Lloyd Expressway, Wabash to Tekoppel, Design		435,240.00		435,240.00	
	Ohio Street, Pigeon Creek to St. Joseph Avenue, Design		141,360.00		141,360.00	
Bond total \$36,847,649						
	Totals		6,866,848.00	-	6,866,848.00	



**OUCC DR 7-6**

**DATA REQUEST  
City of Evansville**

**Cause No. 45545**

**Information Requested:**

Please provide the following information for each borrowing authorized in Cause No. 44760:

- a. Principal amount;
- b. Whether the funds were drawn down as construction costs were incurred or all funds were provided at closing;
- c. Closing date;
- d. Amount of construction funds spent in each calendar year; and
- e. How any left-over funds, if any, were used?

**Information Provided:**

- a. \$39,640,000 Waterworks District Revenue Bonds, Series 2016A
- b. Funds were provided at closing
- c. December 15, 2016
- d. The amount of spend from the 2016A Water Revenue Bond is as follows:

2017	\$5,293,626
2018	\$12,701,230
2019	\$5,778,381
2020	\$971,048
2021	\$5,007,021 (actuals and projected)
2022	\$5,484,467 (projected)
2023	\$900,000 (projected)
- e. The majority of the remaining balance in this fund was planned to pay for the design the water filtration plant currently in preliminary design phase. Any leftover funds will be used to acquire easements identified during the design of Water Refresh projects.

**OUCC DR 7-7**

**DATA REQUEST  
City of Evansville**

**Cause No. 45545**

**Information Requested:**

Please provide the following information for each borrowing authorized in Cause No. 45073:

- a. Principal amount;
- b. Whether the funds were drawn down as construction costs were incurred or all funds were provided at closing;
- c. Closing date; and
- d. Amount of construction funds spent in each calendar year.

**Information Provided:**

- a. \$5,308,000 Waterworks District Revenue Bonds, Series 2018A-1,  
\$71,912,000 Waterworks District Revenue Bonds, Series 2018A-2 and  
\$39,765,000 Waterworks District Revenue Bonds, Series 2019
- b. 2018A-1 Bonds – Funds provided at closing, but the 2018A-1 portion was used  
to fund the debt service reserve for the 2018 Bonds  
2018A-2 Bonds – Funds provided at closing  
2019 Bonds – Funds were provided at closing
- c. 2018A-1 Bonds – December 21, 2018  
2018A-2 Bonds – December 21, 2018  
2019 Bonds – May 2, 2019
- d. The amount of spend from the 2018A2 Pooled SRF is as follows:  
2018 \$367,257  
2019 \$4,183,199  
2020 \$13,243,342  
2021 \$9,278,450 (actual and projected)  
2022 \$0

The amount of spend from the 2018A2 Equity SRF is as follows:

2018	\$0
2019	\$0
2020	\$0
2021	\$38,442,699 (actual and projected)
2022	\$17,499,372 (projected)
2023	\$9,372,660 (projected)

*(Continued on next page)*

OUCC DR 7-7  
*(Continued from previous page)*

The amount of spend from the 2019A Water Revenue Bond is as follows:

2018	\$40,010
2019	\$363,907
2020	\$4,244,847
2021	\$15,329,495 (actual and projected)
2022	\$16,869,390 (projected)
2023	\$1,617,708 (projected)

**OUCC DR 13-6**

08/02/2021

**DATA REQUEST  
City of Evansville**

**Cause No. 45545**

**Information Requested:**

Petitioner's response to OUCC Data Request No. 7-7 discussed Series 2018A-2 Waterworks District Revenue Bonds, issued on December 21, 2018 in the amount of \$71,912,000. Please answer the following questions:

1. Please clarify the distinction between the 2018A2 Pooled SRF issue and the 2018A2 Equity SRF issue.
2. If "Equity SRF" is another term for a program or traditional issuance from SRF, please clarify how more than \$7.5 Million was borrowed under this program and how funds were issued at closing rather than as a draw.
3. Per Petitioner's response, the projects funded by the 2018A2 Pooled and Equity series bonds for the years 2018-2023, are greater than the amount borrowed (\$71,912,000). Please explain why it does not total to \$71,912,000.

**Information Provided:**

1. The main distinction between the Pooled and the Equity portions of the 2018A2 Bonds is the source of the funding on the SRF side of the transaction. The funds designated as the Equity portion are monies SRF is loaning out from the payments they receive back from their lenders. The Pooled portion is monies that SRF went out and borrowed on the open market with their AAA rating and are then loaning back to participants through their pooled loan program. See attached email from SRF's Counsel dated December 17, 2018 and the SRF Direction Letter dated December 21, 2018 as to the distinction between "Pooled" and "Equity".
2. "Equity SRF" is not another term for the program referenced. See response in #1 above.

*(Continued on next page)*

08/02/2021

OUCC DR 13-6  
*(Continued from previous page)*

3. The amount of spend from the 2018A2 Equity SRF should read as follows:

2021      \$20,481,106      (actual and projected)

This adjusted amount combined with amounts submitted under DR-7-7.d. is still greater than the \$71,912,000.

The Petitioner has scheduled enough projects to fully exhaust the funding source such that if, after actual costs are realized and funds are exhausted, encumbrances on new projects will cease. The total amounts, however, will fluctuate until that time with changes in engineering estimates, bids, change orders, and interest earned.

**Attachment:**

OUCC DR 13-6\_Attachment 1.pdf  
OUCC DR 13-6\_Attachment 2.pdf

**OUCC DR 13-7**

08/02/2021

**DATA REQUEST  
City of Evansville**

**Cause No. 45545**

**Information Requested:**

In response to OUCC Data Request Nos. 7-6 and 7-7, Petitioner indicated the amounts for the year 2021 were “actual and projected.” Please provide a breakdown of the amount in each issuance between actual and projected.

**Information Provided:**

The 2021 actual and projected amounts submitted as part of DR-7-6 and DR-7-7 are broken down as follows:

As of 5/31/2021:

2018A2 Pooled SRF	\$ 519,351 Actual	\$ 8,759,099 Projected
2018A2 Equity SRF	\$ 0 Actual	\$17,967,720 Projected
2019A Water Revenue Bond	\$3,226,150 Actual	\$12,103,345 Projected

Line #	Open Market	
1	<b>Petitioners Proposal-Interest Rates of 2.97%</b>	
2	Principal	\$ 63,185,000.00
3	Annual Interest Rate	2.97%
4	Bi-Annual Interest Rate	1.48%
5	Term (Years)	26.5
6	Term (Payments)	53
7	Payment	\$1,730,439.68
8	Annual Payment	<b>\$ 3,460,879.35</b>
9	Debt Service Reserve-Annual Cost	\$ 692,175.87
10	Interest	\$ 1,876,015.00
11	Bi-Annual Interest Expense	\$ 938,007.50

Line #	SRF	
1	<b>Petitioners Proposal-Interest Rates of 2.85%</b>	
2	Principal	\$ 174,980,000.00
3	Annual Interest Rate	2.85%
4	Bi-Annual Interest Rate	1.43%
5	Term (Years)	27
6	Term (Payments)	54
7	Payment	\$4,667,377.35
8	Annual Payment	<b>\$ 9,334,754.70</b>
9	Debt Service Reserve-Annual Cost	\$ 1,866,950.94
10	Interest	\$ 4,986,930.00
11	Bi-Annual Interest Expense	\$ 2,493,465.00

Line #	Calculations		
1	Total Debt Payments	\$ 12,795,634	From Line 8 of OM and SRF sections above
2	Total Current Payments		Source: Mr. Baldessari DLB-1, Amortization Tables
3	Debt-OM	\$ 1,876,015	
4	Debt-SRF	\$ 4,987,873	
5	DSR-OM	\$ 997,575	
6	DSR-SRF	\$ 375,203	
5	Adjustment-Current to Level	\$ 7,807,761	(Line 1 minus (Line 3 plus Line 4))
6	Additional DSR Required	\$ 1,561,552	(20% of Line 5)
7	Total increase	\$ 9,369,313	(Line 6 plus Line 7)