

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. 1

TESTIMONY OF MARGARET A. STULL

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

SEPTEMBER 3, 2021

Respectfully submitted

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CERTIFICATE OF SERVICE

This is to certify that a copy of the *Public's Exhibit No. 1, Testimony of Margaret A. Stull* 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 MARGARET A. STULL
CAUSE NO. 45545
CITY OF EVANSVILLE

I. INTRODUCTION

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

2 A: My name is Margaret A. Stull, and my business address is 115 W. Washington St.,
3 Suite 1500 South, Indianapolis, Indiana 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
6 a Chief Technical Advisor in the Water/Wastewater Division. My qualifications are
7 set forth in Appendix "A."

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

9 A: The City of Evansville (hereinafter referred to as "Evansville" or "Petitioner") has
10 requested an overall increase to its rates and charges of \$14,890,152 or 33.64% to
11 be implemented in five (5) phases on an across-the-board basis. I present the results
12 of the OUCC's analysis, which is a recommended overall rate increase of
13 \$9,185,727 or 20.84% to be implemented in two phases. I respond to Evansville's
14 proposal to begin implementing its rate increase before its forward-looking test
15 year. I describe the cumulative effect of Evansville's rate case proposal on the
16 affordability of its drinking water. I present the OUCC's accounting schedules and
17 explain the OUCC's recommended operating revenue adjustments. I explain the
18 OUCC's recommended operating expense adjustments to periodic maintenance,
19 non-allowed expenses, reimbursement of shared costs by the sewer utility, inflation

1 adjustment, bad debt expense, and utility receipts tax expense. I discuss the
2 OUCC's recommended level of extensions and replacements.

3 **Q: Please describe the review and analysis you performed.**

4 A: I reviewed Evansville's petition and the testimony of Mr. Douglas L. Baldessari
5 and Mr. Lane T. Young. I also reviewed the schedules and workpapers filed by Mr.
6 Baldessari in this Cause. I reviewed Evansville's Indiana Utility Regulatory
7 Commission ("Commission" or "IURC") Annual Reports from 2015 through 2020.
8 I reviewed the testimony filed in Cause No. 45073, Evansville's prior rate case, as
9 well as the Commission's Final Order in that case issued on December 19, 2018.
10 On March 19, 2021, I participated in a conference call via Zoom with Evansville to
11 discuss its pending rate case filing. On June 24, 2021, I met with Mr. Baldessari
12 and other Baker Tilly personnel via Teams to discuss Evansville's general ledger
13 and trial balance issues. I prepared discovery questions and reviewed Evansville's
14 responses.

15 **Q: Who else will testify on the OUCC's behalf?**

16 A: OUCC witness Thomas Malan presents testimony concerning the OUCC's
17 recommendations for the payment in lieu of taxes ("PILT") revenue requirement,
18 lease expenses and salary and wage expenses including employee benefits. OUCC
19 witness Shawn Dellinger presents testimony regarding Evansville's proposed debt
20 service and debt service reserve revenue requirements and the OUCC's proposed
21 debt true-up process. OUCC witness James Parks presents testimony regarding
22 Evansville's operational characteristics and its proposed capital improvement plan,
23 including the new water treatment plant. Finally, OUCC witness Scott Bell presents

1 testimony regarding Evansville's proposal to use a guaranteed savings contract
2 mechanism to construct its new water treatment plant. Mr. Bell also discusses
3 Evansville's request to include \$30.0 million in its borrowing to construct plant to
4 meet IDEM requirements from which it is seeking a variance.

5 **Q: What schedules do you sponsor??**

6 A: I sponsor the following on behalf of the OUCC:

7 Schedule 1 – Comparison of Overall Revenue Requirement (page 1)
8 Comparison of Phased-in Revenue Requirement (pages 2-3)
9 Gross Revenue Conversion Factor (page 4)
10 Comparison of Income Statement Adjustments (page 5)

11 Schedule 2 – Comparative Balance Sheet as of September 30, 2020 and December
12 31, 2017, 2018, 2019, and 2020

13 Schedule 3 – Comparative Income Statement for the Twelve Months Ended
14 September 30, 2020 and December 31, 2017, 2018, 2019, and 2020

15 Schedule 4 – *Pro Forma* Net Operating Income Statement

16 Schedule 5 – OUCC Revenue Adjustments

17 Schedule 6 – OUCC Expense and Tax Adjustments

18 Schedule 7 – Extensions and Replacements

19 Schedule 8 – Payment in Lieu of Property Tax ("PILT")

20 Schedule 9 – Debt Service

21 Schedule 10 – Debt Service Reserve

22 Schedule 11 – Proposed Tariff

23 **Q: Are any workpapers or attachments submitted with your testimony?**

24 A: Yes. My Appendix B lists my workpapers and attachments, which are referenced
25 throughout my testimony.

II. IMPLEMENTATION OF RATE INCREASE

1 **Q: What test period does Evansville propose in this Cause?**

2 A: Evansville proposes a forward-looking test year based on the twelve-months
3 beginning on April 1, 2023 and ending on March 31, 2024.

4 **Q: Does Indiana allow the use of a forward-looking test year?**

5 A: Yes. IC 8-1-2-42.7(d) allows a utility to designate a test period for the Commission
6 to use and the Commission shall approve a test period that is one of the following:
7 (1) a forward-looking test period; (2) an historic test period; or (3) a hybrid test
8 period. The statute provides that a forward-looking test period is based on projected
9 data for a twelve (12) month period that begins not later than 24 months after the
10 date on which the utility petitions the Commission for a change in its basic rates
11 and charges.

12 **Q: Does Evansville's proposed forward-looking test year meet the duration and
13 timing requirements of the statute?**

14 A: Yes. Evansville filed its petition and its case-in-chief on May 10, 2021. Its twelve
15 (12) month forward-looking test period begins on April 1, 2023, which is less than
16 24 months from the date it filed its petition.

17 **Q: Is there anything unusual with respect to Evansville's rate request?**

18 A: I am unaware of any other instances of forward-looking test year requests under IC
19 8-1-2-42.7 having this characteristic. In addition to asking for a forward-looking
20 test period rate increase, Evansville has requested an increase to its rates *before* the
21 beginning of its forward-looking test year. Evansville proposes to begin
22 implementing its pre-test year customer rate increases in April 2022, one year
23 before the beginning of its forward-looking test year.

1 **Q: Are there any provisions under IC 8-1-2-42.7 that authorize interim increases**
2 **before a forward-looking test year?**

3 A: No. IC 8-1-2-42.7(e) provides for implementation of temporary rates if the
4 Commission does not issue an order within 300 days after the utility files its case-
5 in-chief. However, IC 8-1-2-42.7(e)(1) establishes that a utility may not implement
6 the temporary increase before the date on which the projected data period begins.
7 In this case, that would be April 1, 2023. No temporary rates can be implemented
8 by Evansville prior to April 1, 2023.

9 **Q: What does this mean with respect to Evansville's proposed pre-test year**
10 **increase?**

11 A: This indicates that the statute authorizes one rate increase to begin no sooner than
12 first day of the forward-looking test year.

13 **Q: Why does Evansville consider the statute allows the implementation of rates**
14 **prior to the beginning of its forward-looking test year?**

15 A: According to Mr. Baldessari, the language of the statute does not prohibit such a
16 change. He argues that the provision prohibiting the implementation of temporary
17 rates before the start of the forward-looking test year seems to support the idea that
18 a utility should not be permitted to begin recovering a cost before it is projected to
19 incur that cost. He says Evansville's projected data begins October 1, 2020 and it
20 is "only proposing to recover in the first phase increase the first phase of the
21 projected costs as of April 1, 2022." (See Baldessari Direct at pages 7 - 8.)

22 **Q: Does Mr. Baldessari make any further arguments regarding Evansville's**
23 **proposal to implement rates beginning in April 2022?**

24 A: Yes. Mr. Baldessari argues the statute should be read in conjunction with IC 8-1.5-
25 3-8, the statute setting forth the lawful rates and charges for a municipally owned

1 utility. He notes that IC 8-1.5-3-8 states that the rates and charges of a municipality
2 must be reasonable and just and this term is defined by the statute as rates and
3 charges that produce sufficient revenue to recover the statutory revenue
4 requirement. He argues that this statute should be read in conjunction with 8-1-2-
5 42.7 in a manner similar to how the Commission interpreted the “used and useful”
6 statute in Cause No. 44450. He argues that if Evansville’s current rates and charges
7 are insufficient to recover the revenue requirement for the period of the projection
8 as of April 1, 2022, then its current rates and charges do not meet the statutory
9 definition of “reasonable and just” and the Commission should allow rates to be
10 increased prior to the beginning of Evansville’s proposed test period.

11 **Q: Do you agree with Mr. Baldessari’s interpretation?**

12 A: No. Neither IC 8-1-2-42.7 nor IC 8-1.5-3-8 authorize utilities to implement multiple
13 rate increases as Petitioner has proposed by asking for an interim increase in
14 advance of the test year increase. Nor has this been the practice by the
15 Commissions. IC 8-1.5-3-8 only discusses what constitutes reasonable and just
16 rates and charges for a municipal utility. It has been the practice of the Commission
17 to allow phased increases *after* the setting of initial rates to accommodate the ability
18 of municipal utilities to issue long-term debt after the rate order. This allows
19 municipal utilities to secure the borrowing without charging ratepayers until the
20 additional cost actually becomes an obligation of the utility. (Municipal utilities
21 require an order from the Commission that includes the debt service in rates before
22 the utility can borrow the funds.) Subsequent phases subject to true-up balances the

1 need for borrowing approval and authority for a debt service revenue requirement
2 with not charging rate payers for an expense that does not yet exist.

3 Moreover, the two statutes that Mr. Baldessari said must be read together are
4 not at odds with each other. Neither statute explicitly or implicitly has required or
5 authorized the Commission to set interim rates in advance of the selected test year.
6 Two statutes that do not and have never provided for pre-test year interim rates,
7 read together, do not authorize what Petitioner has requested. We have one statute
8 that states what should be included in a municipal utility's revenue requirement (IC
9 8-1.5-3-8) while another statute states what test period can be used to make that
10 determination (IC 8-1-2-42.7). There is no conflict to be resolved between the two
11 statutes. If Evansville wanted to increase customer rates sooner than April 1, 2023,
12 it could have and should have chosen a different test period.

13 **Q: Is there anything unique in the way Evansville prepared the projections used**
14 **in its forward-looking test year that would require the treatment requested?**

15 A: No. While every utility uses slightly different methods to project its future operating
16 revenues and expenses, all utilities begin their projections at the end of the twelve-
17 month base period and carry these projections through to the end of the forward-
18 looking test period. If Evansville's interpretation of the statute were to be followed,
19 any utility using a forward-looking test period could request authority to implement
20 rates prior to the beginning of its chosen forward-looking test period in a multi-
21 phase process. If this were to occur, it would add complexity to an already complex
22 ratemaking process that must be completed within 300 days.

1 **Q: What do you recommend regarding when Evansville's rate increase should go**
2 **into effect?**

3 A: I recommend the Commission authorize the rate increase to commence as it has
4 done in every forward-looking test year rate increase under IC 8-1-2-42.7 - no
5 sooner than the first day of the forward-looking test year. The rate increase
6 authorized in this Cause should be implemented beginning on April 1, 2023.

III. RATE CASE OVERVIEW

A. Overview of Evansville's Proposal

7 **Q: Please describe Evansville's rate request.**

8 A: Evansville proposes a *pro forma* net revenue requirement of \$59,158,103¹ and an
9 overall across-the-board revenue increase of \$14,890,152 or 33.64%. Evansville
10 based its rate request on a forward-looking test year of April 1, 2023 to March 30,
11 2024. This is a twelve (12) month period, which begins not more than twenty-four
12 (24) months after Evansville filed its petition in this case. (Baldessari, Petitioner
13 Exhibit No. 2, page 5, lines 6-8.) Evansville also requests authority to issue new
14 waterworks revenue bonds in an amount not to exceed \$238,165,000.

15 **Q: Did Evansville state or otherwise identify the overall rate increase it requests**
16 **in this case?**

17 A: No. While Evansville provides the dollar amount and percentage increase for each
18 of its proposed five (5) phases, it did not state the amount or percent increase for its
19 overall rate increase requested.

¹ See Petitioner's Attachment DLB-1, page 26 of Accountants' Report. See also OUCC Schedule 1 - \$58,158,099 (line 16) + \$199,736 (line 19) = \$59,158,099.

1 **Q: How did you determine the amount of Evansville’s overall rate increase?**

2 A: I was able to calculate the overall rate increase requested based on the information
3 included in the Accounting Report on Proposed Improvement Project and Increase
4 in Rates and Charges (“Accountants’ Report”) (Attachment DLB-1). I took the
5 proposed revenue requirement in the fifth phase, \$59,158,103 (Accountants’
6 Report, Attachment DLB-1, page 26), and subtracted *pro forma* present rate
7 operating revenues of \$44,267,951 (Accountants’ Report, Attachment DLB-1, page
8 29). This resulted in an overall revenue increase of \$14,890,150 and an overall rate
9 increase percentage of 33.64%.

Table MAS-1: Evansville’s Proposed Overall Rate Increase

Total Revenue Requirement - Fifth Phase	\$ 59,158,103	
Less: Present Rate <i>Pro forma</i> Revenues	44,267,951	(A)
	<u>\$ 14,890,152</u>	(B)
Percent Increase	<u>33.64%</u>	(B) / (A)

10 **Q: How does Evansville propose to implement its proposed increase in this case?**

11 A: Evansville proposes to implement its proposed rate increase across-the-board over
12 five increases upon the issuance of an order in this Cause or April 1, 2022,
13 whichever is later. (Baldessari Direct at p. 7.) Evansville refers to each proposed
14 rate increase as Phase 1 through Phase 5.

15 **Q: Do you use the same nomenclature to refer to each step or phase of Evansville’s**
16 **requested rate increase?**

17 A: No. For both Evansville’s proposal and the OUCC’s recommendation, I will refer
18 to each increase in rates by the year in which each is to occur as follows:

<u>Evansville</u>	<u>OUC</u>
Phase 1	2022
Phase 2	2023
Phase 3	2024
Phase 4	2025
Phase 5	2026

1 Table MAS-2 reflects both the dollar revenue increase and percent rate increase for
 2 each of Evansville's proposed increases. (See Attachment DLB-1, Accountants'
 3 Report, pages 26 and 29.)

Table MAS-2: Evansville Proposed Increases

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenue Requirement	\$ 47,586,051	\$ 50,125,474	\$ 53,399,136	\$ 56,714,530	\$ 59,158,103
<i>Pro forma</i> Present Rate Revenues ^(A)	44,267,951	46,832,393	50,125,474	53,399,136	56,714,530
Revenue Increase ^(B)	<u>\$ 3,318,100</u>	<u>\$ 3,293,081</u>	<u>\$ 3,273,662</u>	<u>\$ 3,315,394</u>	<u>\$ 2,443,573</u>
Percent Increase ^{(B)/(A)}	<u>7.50%</u>	<u>7.03%</u>	<u>6.53%</u>	<u>6.21%</u>	<u>4.31%</u>
Present Rate Revenues	\$ 44,983,505	\$ 47,586,051	\$ 50,125,474	\$ 53,399,136	\$ 56,714,530
Declining Consumption	(715,554)	(753,658)	-	-	-
<i>Pro Forma</i> Present Rate Revenues	44,267,951	46,832,393	50,125,474	53,399,136	56,714,530
Revenue Increase	3,318,100	3,293,081	3,273,662	3,315,394	2,443,573
<i>Pro Forma</i> Proposed Revenues	<u>\$ 47,586,051</u>	<u>\$ 50,125,474</u>	<u>\$ 53,399,136</u>	<u>\$ 56,714,530</u>	<u>\$ 59,158,103</u>

4 **Q: How did Evansville determine its revenue requirements for its forward-**
 5 **looking test year?**

6 A: Evansville projected its operating revenues, expenses, capital improvements, and
 7 debt service requirements from the end of its base period, September 30, 2020,
 8 through its forward-looking test year, March 31, 2024. According to Mr.
 9 Baldessari, capital improvements and debt service are driven by the 5-year capital
 10 improvement plan, while revenues and expenses are projected from the historic
 11 base period (October 2019 – September 2020). These projections reflect anticipated

1 changes in operations to which “trending factors” are then applied (Baldessari
2 Direct at pages 5-6).

3 **Q: What are the primary drivers of Evansville’s proposed rate increase in this**
4 **Cause?**

5 A: The primary driver for the rate increase proposed in this Cause is the increase in
6 debt service and debt service reserve related to Evansville’s proposal to issue
7 \$238,165,000 of additional long-term debt. This represents roughly 52% of the
8 requested increase. This large effect is despite the “extreme wrapping” discussed
9 by Mr. Dellinger, which has the effect of delaying the full effect on rates of the
10 large borrowing. Another primary driver for the rate increase proposed by
11 Evansville is a \$2.8 million “shortfall” in operating revenues. This represents
12 roughly 19% of the proposed increase. The rates authorized in Cause No. 45073
13 (Phase 3) were designed to generate \$47,078,524 in operating revenues but *pro*
14 *forma* present rate operating revenues proposed by Evansville are \$44,267,951.²
15 Table MAS-3 presents the summary of my analysis. (See also OUCC Workpaper
16 MAS-7.)

² This amount is before the \$753,658 declining consumption adjustment proposed by Evansville in 2023.

Table MAS-3: Analysis of Rate Increase Drivers

	<u>CN 45073</u>	<u>Requested CN 45545</u>	<u>CN 45545 More (Less)</u>	
Operating Expenses	\$ 17,622,039	\$ 18,306,173	\$ 684,134	4.59%
Extensions and Replacements	9,544,101	10,477,900	933,799	6.27%
Payment in Lieu of Taxes	3,112,900	5,330,000	2,217,100	14.89%
Debt Service	18,095,031	24,395,658	6,300,627	42.31%
Debt Service Reserve	-	1,372,738	1,372,738	9.22%
Total Revenue Requirement	48,374,071	59,882,469	11,508,398	77.29%
Revenue Requirement Offsets				
Interest Income	(201,999)	(23,080)	178,919	1.20%
Other Operating Revenues	(524,476)	(210,142)	314,334	2.11%
Other Non-operating Income	(377,928)	(491,144)	(113,216)	-0.76%
Fixed Capacity Payments	(191,144)	-	191,144	1.28%
Net Revenue Requirement		59,158,103	12,079,579	81.12%
Less: Present Rate Revenues	<u>\$ 47,078,524</u>	<u>(44,267,951)</u>	<u>2,810,573</u>	<u>18.88%</u>
		<u>\$ 14,890,152</u>	<u>\$ 14,890,152</u>	<u>100.00%</u>
Recommended Percentage Increase		<u>33.64%</u>		

NOTE: Operating Expense has been offset by the Sewer Portion of General Expenses - \$7,371,586 for CN 45073 and \$14,253,593 for CN 455045.

B. Cumulative Effect of Rate Increases and Affordability of Drinking Water

- 1 **Q: What is the cumulative effect of Evansville's recent rate requests?**
- 2 A: Before the final order in Cause No. 44760, Evansville's charge to a customer using
- 3 5,000 gallons and receiving public fire protection was \$22.01. Evansville's
- 4 proposed charge for 5,000 gallons and fire protection is \$61.32 by 2026.

Table MAS-4: Cumulative Rate Increase Effect

Cause No.	Year	Monthly Rate	Dollar		Percent	
			Increase	Cumulative	Increase	Cumulative
Pre-44760	2016	\$ 22.01				
44760-Phase 1	2017	27.81	\$ 5.80	\$ 5.80	26.35%	26.35%
44760-Phase 2	2018	32.54	4.73	10.53	17.01%	47.84%
45073-Phase 1	2019	37.93	5.39	15.92	16.56%	72.33%
45073-Phase 2	2020	42.73	4.80	20.72	12.65%	94.14%
45073-Phase 3	2021	45.12	2.39	23.11	5.59%	105.00%
45545-Phase 1	2022	48.53	3.41	26.52	7.56%	120.49%
45545-Phase 2	2023	51.95	3.42	29.94	7.05%	136.03%
45545-Phase 3	2024	55.36	3.41	33.35	6.56%	151.52%
45545-Phase 4	2025	58.78	3.42	36.77	6.18%	167.06%
45545-Phase 5	2026	61.32	2.54	39.31	4.32%	178.60%

1 **Q: Is this pace of rate increases sustainable and affordable to Evansville's**
2 **customers?**

3 A: The answer is no to both questions. This pace is not sustainable, and it certainly is
4 not affordable for Evansville's customers. An average annual increase of 11% far
5 exceeds the inflation rate experienced by Evansville's customers in the past 5 to 10
6 years. Many of Evansville's customers are on fixed incomes and simply cannot
7 afford these types of annual increases. Further, coupled with the large increases in
8 sewer rates occurring at the same time, the impact on low-income, and even middle-
9 income, customers is quite tangible. Worse, rates have been increased in recent
10 years to fund capital improvement projects Evansville has yet to complete, some of
11 which were approved in Cause No. 44760 five years ago. In other words, customers
12 have been paying for capital improvements that have yet to be completed.

13 **C. Overview of the OUCC's recommendation**

14 **Q: What rate increase does the OUCC recommend?**

15 A: The OUCC recommends an overall across-the-board revenue increase of
16 \$9,185,727 or 20.84% based on a *pro forma* net revenue requirement of
17 \$53,146,680. Table MAS-5 compares Evansville's overall proposed revenue
18 requirement with that recommended by the OUCC. See OUCC Schedule 1, pages
19 2 and 3, for a comparison of the increase proposed in each year.

20 **Q: How does the OUCC propose its recommended rate increase be implemented?**

21 A: The OUCC recommends its overall rate increase be implemented in two steps. The
22 first step will be implemented on April 1, 2023, at the start of Evansville's forward-
23 looking test year. The second step will be implemented once Evansville has issued

1 its proposed debt and filed its true-up report, but no sooner than April 1, 2024.

2 (OUCC Schedule 1, page 2 and 3 of 5.)

3 **Q: Why should the 2024 rate increase be implemented no sooner than on April 1,**
4 **2024?**

5 A: For the amount to be borrowed for both debt issuances, the OUCC proposes
6 including capitalized interest through April 1, 2024. Implementing 2024 rates
7 before April 1, 2024 would create over recovery of the interest expense.

Table MAS-5: Comparison of Overall Revenue Requirement

	<u>Per</u> <u>Petitioner</u>	<u>Per</u> <u>OUCC</u>	<u>OUCC</u> <u>More (Less)</u>
Operating Expenses	\$ 32,516,133	\$ 31,170,052	\$ (1,346,081)
Sewer Portion of General Expenses	(14,253,593)	\$(13,933,154)	320,439
Extensions and Replacements	10,477,900	9,805,573	(672,327)
Payment in Lieu of Taxes	5,330,000	4,881,350	(448,650)
Debt Service			
Current Bonds	17,528,594	17,528,594	-
Proposed Bonds	6,867,064	3,675,000	(3,192,064)
Debt Service Reserve	1,372,738	735,000	(637,738)
Total Revenue Requirements	59,838,836	53,862,415	(5,976,421)
Revenue Requirement Offsets	(724,366)	(715,735)	8,631
Net Revenue Requirements	59,114,470	53,146,680	(5,967,790)
Less Revenues at current rates subject to increase	(44,267,951)	(44,087,215)	180,736
Net Revenue Increase Required	14,846,519	9,059,465	(5,787,054)
Gross Revenue Conversion Factor	100.293894%	101.3937%	1.0998%
Recommended Revenue Increase	<u>\$ 14,890,152</u>	<u>\$ 9,185,727</u>	<u>\$ (5,704,425)</u>
Recommended Percentage Increase	<u>33.64%</u>	<u>20.84%</u>	<u>-12.80%</u>

IV. PRO FORMA OPERATING REVENUES

A. Evansville's Proposed Operating Revenues

8 **Q: What amount of operating revenues does Evansville propose?**

9 A: For 2022 (the first phase of its rate case), Evansville proposes *pro forma* operating
10 revenues at present rates of \$44,267,951.³ This is an increase of \$3,519,816 to base

³ See page 29 of Evansville's Accountants' Report, Adjustment No. 12.

1 period operating revenues of \$40,748,135.

2 **Q: What adjustments did Evansville propose to base period operating revenues?**

3 A: Evansville's proposed operating revenue adjustments consist of (1) \$430,220
4 increase to reflect the effect of the COVID-19 pandemic on base period revenues;
5 (2) \$1,152,091 increase to reflect the Phase II 12.6% rate increase approved in
6 Cause No. 45073; (3) \$2,012,632 increase to reflect the Phase III 5.55% rate
7 increase approved in Cause No. 45073; (4) \$845,104 increase to reflect
8 normalization of base period customer growth; (5) \$715,554 decrease to reflect
9 Evansville's estimate of declining customer consumption during the period October
10 2020 through March 2022; (6) \$25,741 increase to reflect normalization of base
11 period commercial customer growth for customers with meters 2" and larger; and
12 (7) \$230,418 decrease to reflect the closure of the Pittsburgh Glass Works plant.

13 **Q: Did Evansville propose any adjustment to reflect customer growth beyond**
14 **September 2020, the end of its base period?**

15 A: Evansville proposed no specific, identifiable growth adjustment to reflect customer
16 growth beyond the base period. On page 36 of his case-in-chief testimony, Mr.
17 Baldessari states "As I indicated, part of the [declining usage] adjustment is based
18 upon the decline in billed revenues. That decline already reflects growth in
19 customer count and therefore serves to offset the decline in usage per customer."

Table MAS-6: Summary of Evansville's Present Rate Revenue Adjustments

Base Period Operating Revenues		\$ 40,748,135
COVID		430,220
45073 Phase II Rate Increase	Adj. 1	1,152,091
45073 Phase III Rate Increase	Adj. 1	2,012,632
Base Period Growth Normalization		
Residential	Adj. 2	214,623
Commercial	Adj. 3	43,698
Public Authority	Adj. 4	(7,151)
Public Fire Protection	Adj. 5	567,615
Private Fire Protection	Adj. 5	<u>26,319</u>
		845,104
Declining Consumption - 2022		(715,554)
Commercial Customers - 2"+ Meters	Adj. 7	25,741
Pittsburgh Glass Works	Adj. 8	<u>(230,418)</u>
Present Rate <i>Pro forma</i> Operating Revenues - 2022		\$ 44,267,951
Declining Consumption - 2023		<u>(753,658)</u>
Present Rate <i>Pro forma</i> Operating Revenues - 2023		<u><u>\$ 43,514,293</u></u>

1 **Q: Does Evansville propose any additional operating revenue adjustments**
2 **beyond the adjustments proposed for 2022?**

3 A: Yes. For its proposed 2023 rate increase, Evansville included an additional
4 \$753,658 decrease to operating revenues to reflect declining consumption during
5 the period April 2022 through March 2023.

B. OUCC's Recommended Operating Revenues

6 **Q: Do you accept any of Evansville's proposed operating revenue adjustments?**

7 A: Yes. I accept Evansville's proposed operating revenue adjustments for (1)
8 elimination of COVID-19 pandemic effect for all but the residential customer class;
9 (2) Cause No. 45073 Phase 2 and Phase 3 rate increases for all but the residential
10 customer class; (3) normalization of public and private fire protection; (4) loss of a
11 major industrial customer, Pittsburgh Glass Works; and (5) declining consumption.

1 I accept Evansville’s proposed residential customer adjustments for COVID
 2 and Cause No. 45073 rate increases, but I recalculated these adjustments after
 3 removing sales taxes from residential revenues. I also recommend my own base
 4 period normalization adjustments for residential, commercial, and public authority
 5 customer classes.

6 **Q: Do you recommend any additional operating revenue adjustments?**

7 A: Yes. In addition to removing sales tax expense from residential revenues, I
 8 recommend an adjustment to base period to reflect additional sale for resale
 9 revenues from Gibson Water Authority.

10 **Q: What level of operating revenues do you recommend in this Cause?**

11 A: I recommend *pro forma* water operating revenues at present rates of \$44,087,215.
 12 This is an increase of \$3,341,441 to base period water operating revenues of
 13 \$40,745,774. My recommended *pro forma* water operating revenues at present
 14 rates are \$572,922 greater than that proposed by Evansville as of 2023

Table MAS-7: Pro Forma Operating Revenue Comparison

	<u>Evansville</u>	<u>OUCC</u>	<u>OUCC More (Less)</u>
2022 <i>Pro Forma</i> Revenues	(A) \$ 44,267,951		
2023 Declining Consumption Adjustment	(B) (753,658)		
Total	<u>\$ 43,514,293</u>	<u>\$ 44,087,215</u>	(C) <u>\$ 572,922</u>

(A) See Page 29 of Accountants' Report

(B) See Page 29 of Accountants' Report

(C) See OUCC Schedule 4, page 1 of 2

Table MAS-8: Summary of the OUCC's Present Rate Revenue Adjustments

Base Period Operating Revenues			\$ 40,745,774
Sales Tax Adjustment	5-1		227,772
45073 Rate Increases - Residential	5-2		1,661,364
45073 Rate Increases - All Others	PET		1,520,880
COVID - Residential	5-3		(92,230)
COVID - All Others	PET		516,136
Base Period Growth Normalization			
Residential	5-4	227,074	
Commercial	5-5	75,152	
Public Authority	5-6	(7,594)	
Public Fire Protection	PET	567,615	
Private Fire Protection	PET	26,319	
			888,566
Pittsburgh Glass Works	PET		(230,418)
Gibson Water Authority	5-7		318,645
Declining Consumption	PET		(1,469,212)
Present Rate <i>Pro forma</i> Operating Revenues - 2023			<u>\$ 44,087,277</u>

1 **Q: Please explain how Evansville's base period water operating revenues differ**
2 **from the OUCC's.**

3 A: As mentioned above, Evansville's schedules reflect base period water operating
4 revenues of \$40,748,135, while my schedules reflect \$40,745,774 -- a difference of
5 \$2,361. This difference is due to the classification of base period split service
6 connection fees.⁴ Evansville classified these fees as private fire protection
7 revenues. I classified these fees as other operating revenues. These fees are not
8 subject to increase but rather are one of the non-recurring fees included in
9 Evansville's tariff and should be classified with the other non-recurring fees.

⁴ In response to OUCC Data Request No. 4-05, Evansville stated this is a service fee for having an additional meter at the same property and noted the fee was approved through the Commission's 30-day filing process on July 31, 2012 (OUCC Attachment MAS-1).

Table MAS-9: Comparison of Operating Revenue Adjustments

	<u>Evansville</u>	<u>OUCC</u>	<u>OUCC</u>	<u>More (Less)</u>
Sales Tax	\$ -	\$ 227,772	5-1	\$ 227,772
COVID				
Residential	(85,916)	(92,230)	5-3	(6,314)
All Other Classes	516,136	516,136	PET	-
CN 45073 Phase 2 Rate Increase				
Residential	542,352	542,457	5-2	105
All Other Classes	609,739	609,739	PET	-
CN 45073 Phase 3 Rate Increase				
Residential	1,101,491	1,118,907	5-2	17,416
All Other Classes	911,141	911,141	PET	-
Fire Protection Normalization	593,934	593,934	PET	-
Base Period Customer Growth				
Residential	214,623	227,074	5-4	12,451
Commercial	69,439	75,152	5-5	5,713
Public Authority	(7,151)	(7,594)	5-6	(443)
Pittsburgh Glass Works	(230,418)	(230,418)	PET	-
Gibson Water Authority	-	318,645	5-7	318,645
Declining Consumption - 2022	<u>(715,554)</u>	<u>(715,554)</u>		-
<i>Pro forma</i> Revenue Adjustments - 2022	<u>\$ 3,519,816</u>	<u>\$ 4,095,161</u>		<u>\$ 575,345</u>
Declining Consumption - 2023	<u>(753,658)</u>	<u>(753,658)</u>		-
<i>Pro forma</i> Revenue Adjustments - 2023	<u><u>\$ 2,766,158</u></u>	<u><u>\$ 3,341,503</u></u>		<u><u>\$ 575,345</u></u>

C. Sales Tax Adjustment

1 **Q: How does Evansville record the sales taxes it collects from its customers?**

2 A: As with most of Evansville's transactions, it is complicated by the way in which
3 cash transactions are recorded. Sales taxes are a cash flow-through transaction for
4 the utility and no revenue or expense should result. However, Evansville records
5 the cash received from the customer as "revenue" (Account No. 399014) and
6 payments made to the State as "expense" (Account No. 459000). These sales tax

1 revenue and expense accounts are included in residential water sales in Evansville’s
2 financial statements.⁵

3 **Q: What amount of sales taxes are included in base period residential water**
4 **revenues?**

5 A: Base period sales taxes are a net expense of \$227,772 and a reduction to residential
6 water revenues as reflected in Evansville’s financial statements.

Table MAS-10: Summary of Sales Tax Accounts

<u>Fund</u>	<u>Account</u>	<u>Base Period</u>
601	399014	\$ (2,358,971.50)
691	399014	(15,914.82)
601	459000	2,590,074.49
691	459000	12,584.23
Net Sales Tax Expense		<u>\$ 227,772.40</u>

() Denotes a credit balance

7 **Q: Do these sales tax transactions generally have a material effect on operating**
8 **revenues?**

9 A: No. Generally, the net impact of these transactions is negligible. But during the
10 base period, it appears Evansville paid sales taxes twice in September of 2020,⁶
11 resulting in a reduction to residential water revenues as reflected in Evansville’s
12 financial statements and revenue increase calculations.

⁵ According to the account mapping provided by Evansville in response to OUCC Data Request No. 5-7, (OUCC Attachment MAS-2).

⁶ Two payments to the Indiana Department of Revenue of \$224,539.90 were recorded on September 15, 2020, check numbers 22713 and 22735.

1 **Q: What adjustment do you recommend?**

2 A: I recommend a \$227,772 increase to residential water revenues to remove the effect
3 of sales taxes. These transactions are, or should be, a pass-through of cash collected
4 from customers and remitted to the State of Indiana, with no revenue or expense
5 effect (OUCC Schedule 5, Adjustment No. 1).

D. Cause No. 45073 Rate Increases – Residential Sales

6 **Q: What Cause No. 45073 rate increases did Evansville propose for residential**
7 **water sales?**

8 A: Evansville proposed a \$542,352 increase for Cause No. 45073 Phase 2 rate
9 increases implemented in January 2020 and a \$1,101,491 increase for Cause No.
10 45073 Phase 3 rate increase implemented in January 2021. In total, Evansville
11 proposed a \$1,643,843 increase to residential water sales to reflect the Phase 2 and
12 Phase 3 rate increases authorized in Cause No. 45073.

13 **Q: What Cause No. 45073 rate increases do you recommend for residential water**
14 **sales?**

15 A: I recommend a \$542,457 increase for Cause No. 45073 Phase 2 rate increases
16 implemented in January 2020 and a \$1,118,907 increase for Cause No. 45073 Phase
17 3 rate increase implemented in January 2021. In total, I recommend a \$1,661,364
18 increase to residential water sales to reflect the Phase 2 and Phase 3 rate increases
19 authorized in Cause No. 45073.

1 **Q: How does your recommended adjustment differ from the adjustment**
2 **Evansville proposed?**

3 A: While I accepted Evansville's calculation of this adjustment, I applied the
4 authorized rate increases to a larger amount of residential water sales (OUCC
5 Schedule 5, Adjustment No. 2).

E. COVID Adjustment – Residential Sales

6 **Q: What COVID adjustment did Evansville propose for residential water sales?**

7 A: Evansville proposed a decrease of \$85,916 to residential water sales to remove the
8 effect of the COVID-19 pandemic from base period revenues.

9 **Q: What COVID adjustment do you recommend for residential water sales?**

10 A: I recommend a \$92,230 decrease to residential water sales. I accepted Evansville's
11 calculation of this adjustment, but I applied its proposed 0.715% reduction to a
12 larger amount of residential water sales (OUCC Schedule 5, Adjustment No. 3).

13 **F. Customer Growth Normalization**

14 **Q: What base period customer growth normalization adjustments did Evansville**
15 **propose?**

16 A: Evansville proposed customer growth normalization increases for its residential
17 and commercial customer classes of \$214,623 and \$43,698, respectively.
18 Evansville also proposed a customer growth normalization decrease of \$7,151 for
19 its public authority customer class.

20 **Q: How did Evansville calculate its proposed test year customer growth**
21 **normalization adjustments?**

22 A: Evansville calculated the number of additional bills that would have been generated
23 had all of the customers at 9/30/20 been customers of the utility for the entire year.

1 The customer billings used in this calculation were adjusted to eliminate the effect
2 of temporary disconnections, primarily related to irrigation meters. Evansville then
3 calculated average test year water consumption for each customer class and used
4 this average consumption to calculate the average customer bill amount. To
5 calculate its proposed base period customer growth normalization adjustment
6 Evansville then multiplied the average bill amount by the additional number of bills
7 that would be generated.

8 **Q: Do you agree with Evansville's calculation of its residential test year customer**
9 **growth normalization adjustment?**

10 A: No. While I accept Evansville's adjustment to billing counts to eliminate the effect
11 of temporary meter disconnections,⁷ Evansville used incorrect tariff rates to
12 calculate the value of its proposed test year customer growth adjustments. Rather
13 than use the Phase 3 tariff rates currently in effect to calculate growth, Evansville
14 used the lower Phase 1 rates for additional billings that would have occurred in
15 2019 and Phase 2 rates for additional billings that would have occurred in 2020.
16 This error understates the amount of revenues that would be generated from a
17 growth adjustment because the full effect of the Cause No. 45073 Phase 2 and Phase
18 3 rate increases implemented during and after the end of the base period are not
19 being captured.

⁷ This adjustment was approved by the Commission in Cause No. 45073.

1 **Q: Did the Commission address this issue in Cause No. 45073?**

2 A: Yes. This was an issue raised by the OUCC and decided by the Commission in
3 Cause No. 45073. In its December 19, 2018 Order of the Commission on
4 Reconsideration, the Commission indicated

5 If Evansville had normalized its test year customer growth before
6 adjusting for its Phase 1 and Phase 3 rate increases, we would agree
7 with Evansville; however, because Evansville did not do so, there is
8 no double counting of revenues. Evansville's Phase 2 rate increase
9 went into effect on January 1, 2018. Therefore, we find the OUCC's
10 position to use Evansville's current rates when determining the
11 amount of increased revenues associated with the additional bills to
12 be appropriate and reasonable.

13 (Cause No. 45073, December 19, 2018 Final Order at page 11)

14 **Q: Did Evansville normalize its test year customer growth before or after it**
15 **adjusted for its Phase 2 and Phase 3 Cause No. 45073 rate increases?**

16 A: Evansville calculated its revenue adjustments in the same order it did so in Cause
17 No. 45073 – it first adjusted for its Phase 2 and Phase 3 Cause No. 45073 rate
18 increases and then it normalized its test year customer growth.

19 **Q: What base period customer growth adjustments do you recommend?**

20 A: I recommend customer growth normalization increases for the residential and
21 commercial customer classes of \$227,074 and \$75,152, respectively. I also
22 recommend a customer growth normalization decrease of \$7,656 for the public
23 authority customer class. See OUCC Schedule 5, Adjustment Nos. 4, 5, and 6.

Table MAS-11: Average Customer Billings at Cause No. 45073 Phase 3 Rates

	<u>Residential</u>		<u>Commercial</u>		<u>Public Authority</u>	
	5/8" Meter	\$	1" Meter	\$	1" Meter	\$
Monthly Service Charge		8.94		10.64		10.64
First 20,000 Gallons	\$ 6.20	20.95	\$ 6.20	124.00	\$ 6.20	124.00
Next 200,000 Gallons			\$ 4.84	91.72	\$ 4.84	375.79
Consumption	3,379		38,950		97,643	
		\$ 29.89		\$ 226.36		\$ 510.43
Times: Additional Billings		7,597		332		(15)
Growth Normalization Adjustment		\$ 227,074		\$ 75,152		\$ (7,656)

G. Additional Gibson Water Authority Revenues

1 **Q: Evansville is making capital improvements to increase available capacity to**
2 **Gibson Water Authority and other customers. Did Evansville propose any**
3 **adjustment to operating revenues to reflect increased water sales?**

4 A: No. As discussed on pages 36 – 37 of his case in chief testimony, Mr. Baldessari
5 stated that “through the true-up process no additional revenues would be generated
6 from the increase in water sales to Gibson Water Authority (“Gibson”)” He added
7 that “Any additional revenues that could potentially be generated through increase
8 in water sold would not be able to be realized by the Petitioner until at least three
9 years from completion of construction of the improvements anticipated to be Spring
10 of 2022, which three years from Spring of 2022 would begin 2025, which is beyond
11 the Petitioner’s Projected Data Period.” By “true-up process” Mr. Baldessari is
12 referring to contractual provisions dealing with capital costs associated with
13 constructing the plant that will provide the additional capacity to Gibson.

1 **Q: Do you agree with Mr. Baldessari's assessment of the terms of the Gibson**
2 **purchased water contract amendment?**

3 A: No. Mr. Baldessari's analysis confuses operating revenues with contributions-in-
4 aid of construction and shows a misunderstanding of the terms of the amendment
5 to the purchased water contract, at least as they relate to Evansville's operating
6 revenues. While both revenues and capital contributions represent cash inflows for
7 a utility, their treatment for ratemaking purposes is different. In its determination
8 of its revenue requirement in this Cause, Evansville did not include either the
9 additional revenues or the capital contribution from Gibson.

10 **Q: Please describe the pertinent terms of the amendment to the purchased water**
11 **contract.**

12 A: The amendment increased the maximum quantity of water available for purchase
13 from 2,800,000 gallons per day to 4,000,000 gallons per day and allocated
14 \$3,181,541 (\$4,137,476 - \$955,935) of the capital costs of the expansion after a
15 three-year revenue allowance, in accordance with the Commission's main
16 extension rules. The three-year revenue allowance was calculated based upon
17 Gibson purchasing an additional 300,000 gallons per day. The amendment also
18 provided for a true-up of the capital contribution amount. See OUCC Attachment
19 MAS-3).

20 **Q: Will there be additional water sales to Gibson as a result of the capacity**
21 **expansion?**

22 A: Yes. Gibson anticipates it will have increased demand from its customers in the
23 near future and requested additional capacity from Evansville to serve this demand.
24 Evansville will sell more water to Gibson and these sales are projected to begin in
25 2022, before the start of Evansville's forward-looking test year. While the exact

1 amount of these additional sales are not known, they can be estimated based upon
2 the language of the contract; specifically the use of 300,000 gallons per day in the
3 calculation of the three-year revenue allowance.

Table MAS-12: Three-Year Revenue Allowance

Additional Sales per Day	300,000
Times: 365 Days	<u>365</u>
Annual Additional Sales	109,500,000
Times: Current Rate for usage Over 3,000,000 gallons	\$ 2.91
Annual Revenues	\$ 318,645
Times: 3 Years	<u>3</u>
Three-Year Revenue Allowance	<u><u>\$ 955,935</u></u>

4 **Q: There is a true-up process for the three-year revenue allowance that could**
5 **reduce the amount of the capital contribution from Gibson. Why do you**
6 **consider it appropriate to include additional revenues from Gibson in this**
7 **Cause?**

8 A: The true-up process addresses the amount of Gibson’s *capital contribution*, not the
9 revenues from sales. The fact that this capital contribution will be trued-up based
10 on the level of additional consumption from Gibson does not negate the fact that
11 Evansville will receive additional revenues from Gibson once the expansion project
12 is completed.

13 **Q: If the result of the true-up process is a refund to Gibson, where will these funds**
14 **come from if the additional sales are incorporated into the revenue**
15 **requirement calculation?**

16 A: This possible refund is contingent on a lot of factors, none of which are known with
17 any degree of certainty at this point in time. Evansville included the full cost of the
18 capacity projects in the debt funded capital projects approved in Cause No. 45073.

1 Therefore, the capital contribution to be received from Gibson is not needed to pay
2 for any construction project costs. This capital contribution has not been
3 incorporated into the revenue requirement in this case and Evansville is free to use
4 these funds for other capital project needs or it can restrict these funds until the true-
5 up is completed in case a refund is due Gibson.

6 **Q: Why is 300,000 gallons per day your estimate?**

7 A: The 300,000 gallons per day is the basis for the three-year revenue allowance in the
8 contract amendment. The true-up assures this consumption level will be met. To
9 the extent Gibson does not use 300,000 gallons per day, it will owe an additional
10 capital contribution to Evansville, essentially guaranteeing Evansville will receive
11 either revenues or a capital contribution equal to 300,000 gallons per day of annual
12 sales.

13 **Q: What adjustment do you recommend?**

14 A: I recommend a revenue adjustment to reflect the expected additional daily
15 consumption of 300,000 gallons per day from Gibson, or \$318,645 on an annual
16 basis (OUCC Schedule 5, Adjustment No. 7).

V. PRO FORMA OPERATING EXPENSE

A. Evansville's Proposed Operating Expense

1. Pro Forma Operating Expense

17 **Q: What level of *pro forma* net operating expense does Evansville propose?**

18 A: In 2022, the first phase of its proposed rate increase, Evansville requests a \$665,683
19 increase to \$16,737,616 of net base period operating expenses. resulting in net *pro*

1 *forma* operating expense of \$17,403,299, before grossing-up for additional bad debt
2 expense and utility receipts tax.

3 **Q: What level of *pro forma* operating expense does Evansville propose in 2023?**

4 A: In 2023, Evansville proposes a net \$703,138 increase to 2022 *pro forma net*
5 operating expenses of \$17,403,299. resulting in *pro forma net* operating expense of
6 \$18,106,437, before grossing-up for additional bad debt expense and utility receipts
7 tax.

Table MAS-13: Evansville Pro Forma Operating Expense

	Base				
	Period	Adjustments	2022	Adjustments	2023
O&M Expense	\$ 28,400,613	\$ 2,527,870	\$ 30,928,483	\$ 1,431,547	\$ 32,360,030
Sewer Portion	(11,662,997)	(1,862,187)	(13,525,184)	(728,409)	(14,253,593)
Net O&M Expense	<u>\$ 16,737,616</u>	<u>\$ 665,683</u>	<u>\$ 17,403,299</u>	<u>\$ 703,138</u>	<u>\$ 18,106,437</u>

8 **Q: Did Evansville include all of its base period operating expenses in its *pro forma***
9 **operating expense as presented in its Accountants' Report?**

10 A: No, I don't believe so. On page 11 of its Accountants' Report, Evansville presents
11 its "Forward Looking Test Year Annual Cash Operating Expenses." This schedule
12 begins with base period cash operating expenses of \$28,400,613, which pulls from
13 its "Comparative Statement of Revenues, Expenses and Changes in Net Position"
14 (Accountants' Report, page 35). However, the base period amount included in the
15 revenue requirement calculation does not include lease amortization expense of
16 \$235,488.⁸ As Evansville proposed a \$36,929 adjustment for vehicle lease expense
17 (Adjustment No. 12), and included this adjustment in its *pro forma* operating

⁸ The line labeled "Lease Amortization" includes both vehicle lease expense as well as building lease expense.

1 expense, I believe it was Evansville's intention to also include the base period lease
2 amortization expense as part of its revenue requirement in this case. Evansville's
3 proposed operating expenses as discussed and presented above are as they are
4 presented in Evansville's Accountants' Report. I include the \$235,488 in the
5 OUCC's *pro forma* operating expense.

2. Operating Expense Adjustments

6 **Q: What operating expense adjustments did Evansville propose in 2022?**

7 A: Evansville proposed 14 adjustments to various operating expenses, including
8 salaries and wages, employee benefits, contractual services, periodic maintenance,
9 non-recurring items, contractual services, additional sewer expenses, and inflation
10 adjustments.

11 **Q: What additional operating expense adjustments did Evansville propose in**
12 **2023?**

13 A: In 2023, Evansville proposed an adjustment to add seven (7) new employees and
14 an additional inflation adjustment. Evansville did not propose any additional
15 operating expense adjustments after 2023.

Table MAS-14: Evansville Proposed Operating Expense Adjustments

	2022 Adjustments			2023 Adjustments			Total Adjustments
	Base Period Adjustments	Inflation	Total	Additional Employees	Inflation	Total	
Salaries & wages	\$ 446,234	\$ 130,378	\$ 576,612	\$ 425,000	\$ 132,262	\$ 557,262	\$ 1,133,874
Employee Benefits	110,485	88,931	199,416	135,779	91,841	227,620	427,036
PERF	113,491	18,513	132,004	60,350	18,781	79,131	211,135
Purchased Power	-	20,928	20,928	-	21,303	21,303	42,231
Chemicals	-	51,302	51,302	-	53,713	53,713	105,015
Materials and Supplies	-	5,863	5,863	-	6,084	6,084	11,947
Contractual Services							
Professional	371,886	231,686	603,572	-	239,102	239,102	842,674
Legal	(128,275)	8,084	(120,191)	-	8,342	8,342	(111,849)
Testing	-	3,156	3,156	-	3,236	3,236	6,392
Other	625,622	149,301	774,923	-	156,419	156,419	931,342
Rent	56,508	7,308	63,816	-	7,527	7,527	71,343
Transportation	-	9,837	9,837	-	10,128	10,128	19,965
Liability Insurance	-	3,355	3,355	-	3,387	3,387	6,742
Workers' Comp. Ins.	61,641	1,139	62,780	-	1,150	1,150	63,930
Bad Debt Expense	8,199	-	8,199	-	-	-	8,199
Leased Vehicles	36,929	1,182	38,111	-	1,220	1,220	39,331
Miscellaneous	-	12,962	12,962	-	13,292	13,292	26,254
Payroll Taxes	52,454	9,975	62,429	32,513	10,118	42,631	105,060
Utility Receipts Tax	18,794	-	18,794	-	-	-	18,794
Sub-total	1,773,968	753,900	2,527,868	653,642	777,905	1,431,547	3,959,415
Less: Sewer Portion **	(1,862,187)		(1,862,187)	(403,260)	(325,149)	(728,409)	(2,590,596)
	<u>\$ (88,219)</u>	<u>\$ 753,900</u>	<u>\$ 665,681</u>	<u>\$ 250,382</u>	<u>\$ 452,756</u>	<u>\$ 703,138</u>	<u>\$ 1,368,819</u>

**There wasn't enough information in the workpapers provided to identify the amount of the sewer reimbursement that was due to base period adjustments and the amount due to the 2022 inflation adjustment.

B. OUCC's Recommended Operating Expense

1 **Q: Does the OUCC accept any of Evansville's proposed operating expense**
2 **adjustments?**

3 **A:** Yes. While the OUCC does not agree with all of Evansville's proposed operating
4 expense adjustments, it accepts the following proposed adjustments: (1) \$446,234
5 increase to salaries and wages to reflect 2021 budget and to add two new
6 employees; (2) \$52,454 increase to payroll taxes related to increase in salaries and
7 wages; (3) \$113,491 increase to PERF expense related to increase in salaries and

1 wages; (4) \$115,662 increase in health and life insurance benefits for two new
2 employees; (5) \$61,641 increase to workers' compensation insurance expense
3 related to increased salaries and wages; (6) \$5,177 decrease to teamster's
4 scholarship fund expense per the union contract; (7) \$324,105 reduction to remove
5 non-recurring expenses, (8) \$284,535 increase to contractual services expense, and
6 (9) \$283,181 of additional sewer operating expenses. The OUCC also accepts
7 Evansville's proposed inflation adjustment factors but applies those factors to its
8 recommended operating expenses.

9 **Q: Do you propose any additional operating expense adjustments?**

10 A: Yes. I propose an adjustment to eliminate non-allowed expenses.

11 **Q: What level of *pro forma* net operating expense does the OUCC recommend in**
12 **this Cause?**

13 A: The OUCC recommends *pro forma* net operating expenses of \$17,236,898, before
14 grossing-up for additional bad debt expense and utility receipts tax. This is an
15 increase of \$263,794 to base period net operating expenses of \$16,973,104. The
16 OUCC's recommended *pro forma* net operating expense is \$869,539 less than that
17 proposed by Evansville. Table MAS-15 presents a comparison of the overall *pro*
18 *forma* operating expenses proposed by Evansville compared to those recommended
19 by the OUCC.

Table MAS-15: Comparison of Test Year Operating Expenses

	<u>Evansville</u>	<u>OUCC</u>	<u>OUCC More (Less)</u>
Salaries & wages	\$ 9,713,887	\$ 9,393,772	\$ (320,115)
Employee Benefits	3,025,205	2,929,679	(95,526)
PERF	1,359,591	1,314,134	(45,457)
Purchased Power	1,309,290	1,312,825	3,535
Chemicals	1,196,545	1,196,545	-
Materials and Supplies	1,159,205	1,141,071	(18,134)
Contractual Services			
Professional	7,841,707	7,711,032	(130,675)
Legal	140,763	269,038	128,275
Controller	50,000	50,000	-
Testing	130,653	130,653	-
Other	3,339,337	2,468,452	(870,885)
Rent	259,258	199,321	(59,937)
Transportation	353,420	353,419	(1)
Liability Insurance	359,908	359,908	-
Workers' Comp. Ins.	122,219	122,219	-
NPDES Permit	80,007	80,007	-
Bad Debt Expense	93,054	90,138	(2,916)
Miscellaneous	536,516	508,550	(27,966)
Lease Amortization	36,929	288,951	252,022
Payroll Taxes	750,379	725,890	(24,489)
Utility Receipts Tax	502,157	524,448	22,291
Sub-total	<u>\$ 32,360,030</u>	<u>\$ 31,170,052</u>	<u>\$ (1,189,978)</u>
Less: Sewer Portion	<u>(14,253,593)</u>	<u>(13,933,154)</u>	<u>320,439</u>
	<u>\$ 18,106,437</u>	<u>\$ 17,236,898</u>	<u>\$ (869,539)</u>

NOTE: Excludes additional taxes and expenses on proposed rate increases.

1 **Q: Did you identify an operating expense classification error in Evansville's**
2 **schedules?**

3 **A:** Yes. In its "Comparative Statement of Detailed Operating Expenses" (Accountants'
4 Report, page 40), the base period amount reflected for *source of supply - purchased*
5 *power expense* has been transposed with *source of supply - repairs and*
6 *maintenance expense*. I reflect the correct amounts in the OUCC's accounting
7 schedules. This error does not affect total base period operating expense but does

1 affect the calculation of Evansville's proposed inflation adjustments for 2022 and
2 2023. This affect is incorporated into the OUCC's inflation adjustment calculation.

C. Periodic Maintenance Expense

3 **Q: What periodic maintenance expense did Evansville propose?**

4 A: Evansville proposed a \$625,622⁹ increase to base year periodic maintenance
5 expenses of \$726,980 resulting in *pro forma* periodic maintenance expense of
6 \$1,352,602. Evansville's adjustment includes maintenance expenses for dredging,
7 tanks, booster stations, traveling screens, leak detection, and SCADA.

8 **Q: Mr. Baldessari states the annual maintenance for high and low service pumps
9 and filter media have been excluded from this filing (Baldessari Direct at 24).
10 Do you agree with this statement?**

11 A: No. Evansville does not seek to include in its revenue requirement costs beyond
12 those incurred during the base period for high and low service pump maintenance
13 and filter media. But base period costs incurred for high and low service pump
14 maintenance have not been removed and therefore *are* included in Evansville's
15 proposed *pro forma* operating expenses.

16 **Q: Please provide a breakdown of Evansville's requested periodic maintenance
17 adjustment by type of periodic maintenance performed.**

18 A: As shown in Table MAS-16, Evansville's periodic maintenance adjustment covers
19 dredging (in front of the intake structure), tanks, booster stations, traveling screens,
20 leak detection, and SCADA.

⁹ Evansville has requested increases for periodic maintenance in its last four rate cases.

Table MAS-16: Evansville’s Pro Forma Periodic Maintenance

High and Low Service Pumps	\$ -
Filter Media	-
Dredging	328,475
Tanks	537,923
Booster Stations	41,274
Traveling Screens	138,596
Leak Detection	282,334
SCADA	24,000
<i>Pro Forma</i> Periodic Maintenance	1,352,602
Less: Base Period Expense	(726,980)
Proposed Adjustment	\$ 625,622

Source: Adjustment 7, Attachment DLB-1, page 16 of 52

1 **Q: Do you accept Evansville’s proposed periodic maintenance expense**
2 **adjustment?**

3 A: No. Based on the OUCC’s review and analysis, I recommend a \$159,195 decrease
4 to base year periodic maintenance expenses of \$1,125,763 resulting in *pro forma*
5 periodic maintenance expense of \$884,537 (OUCC Schedule 6, Adjustment No. 5).
6 The OUCC’s recommended adjustments include the same maintenance expense
7 categories that were included in Evansville’s proposal. For each category of
8 maintenance expense, I discuss Evansville’s historical periodic maintenance
9 expenditures and then I explain the OUCC’s recommended adjustment.

1. Historical Periodic Maintenance Expenditures - Overall

10 **Q: Please briefly discuss the history of Evansville’s periodic maintenance**
11 **requests.**

12 A: Evansville has sought significant increases in periodic maintenance (“PM”)
13 expenses in recent cases. Excluding the current case, the percent increase in
14 requests from one case to the next range from 39% to 177%.

Table MAS-17: Summary of Evansville’s Requested PM Expense

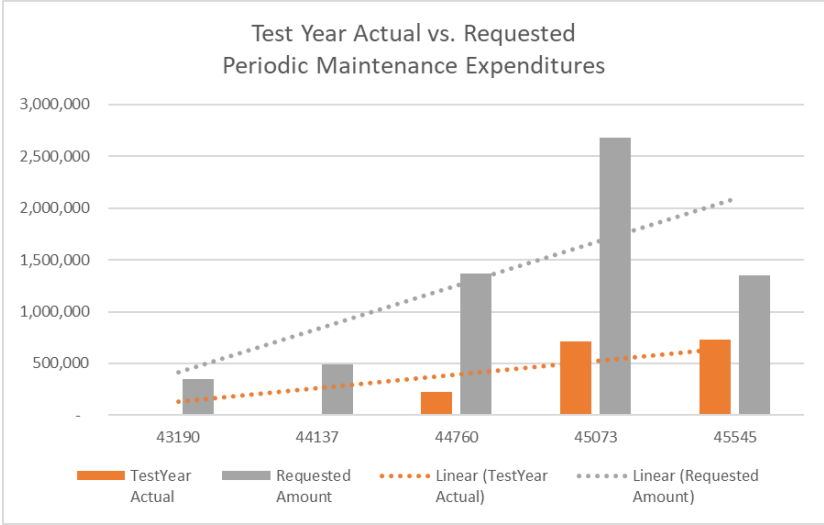
Cause	Filed	Ordered	TestYear Actual	Requested Amount	\$ Increase Over Prior Request	% Increase Over Prior Request
43190	12/11/2006	9/26/2007	-	353,007	-	
44137	12/29/2011	2/13/2013	-	492,033	139,026	39%
44760	3/9/2016	10/5/2016	228,264	1,363,918	871,885	177%
45073	3/9/2018	12/5/2018	709,525	2,682,313	1,318,395	97%
45545	5/10/2021	-	726,980	1,352,602	(1,329,711)	-50%

1 **Q: Have Evansville’s actual expenditures on periodic maintenance tracked their**
2 **requested funding for periodic maintenance?**

3 A: No. As shown in Table MAS-18, actual periodic maintenance expenditures have
4 remained significantly below Evansville’s requested amounts. Further, from the
5 trends¹⁰ derived from actual and requested expenditures, it is apparent that
6 Evansville’s *requested* levels of funding for periodic maintenance have exceeded
7 its *actual use* of those funds. This is shown in the relative slope of each of the trend
8 lines – note how the trend line for the requested amount is steeper than the line for
9 actual test year expenditures. This highlights the fact that Evansville has sought
10 more funds for periodic maintenance over previous cases than it actually used for
11 that purpose.

¹⁰ Trend lines are linear trends generated by Excel given the existing data points.

Table MAS-18



1 **Q: Why might Evansville not have been able to perform all the periodic**
2 **maintenance for which it has sought funding?**

3 **A:** This is difficult to answer definitively, but in general it could be due to a lack of
4 contractors available to perform the work or perhaps even Evansville’s ability to
5 manage the large number of periodic maintenance projects that it sought to
6 complete. In a similar manner, and as addressed in the testimonies of OUCC
7 Witnesses Shawn Dellinger and Jim Parks, Evansville has received funding for
8 capital projects that it has been unable to complete.

9 **Q: Is the requested periodic maintenance expense in this case comparable to the**
10 **periodic maintenance amounts requested in prior cases as reflected in Tables**
11 **MAS-17 and MAS-18 above?**

12 **A:** No. The periodic maintenance expenses requested in this case do not include all
13 periodic maintenance cost categories and, therefore, any comparisons to prior cases
14 will yield anomalous results.

1 **Q: Please explain the difference between Evansville's base period expenditures of**
2 **\$726, 980 and the \$1,125,763 of base period expenditures used in the OUCC's**
3 **calculation of its pro forma periodic maintenance expense adjustment.**

4 A: Evansville's determination of the periodic maintenance costs incurred during the
5 base period does not include any high or low service pump maintenance
6 expenditures because it is not seeking to recover any additional costs in these
7 maintenance expense categories. Evansville's determination also excludes several
8 periodic maintenance transactions that occurred during the base period. It does not
9 include a \$128,567 quarterly tank maintenance invoice accrued in September 2020.
10 It also does not include a \$184,796 payment to Atlas Manufacturing to rebuild
11 traveling screen #1 in September 2020. Finally, it does not include a \$3,389 base
12 period expenditure to Advanced Network for "SCADA at Filtration Plant" incurred
13 in September 2020.

14 **Q: How did you identify these additional base period expenditures?**

15 A: I reviewed Evansville's base period general ledger transactions recorded to each of
16 its maintenance expenses accounts looking for particular vendors and descriptions
17 that included key words such as pump, filter, tank, etc. Once I identified the
18 transactions listed above, I searched all the general ledger accounts that map to the
19 income statement and verified that none of these transactions was reversed or
20 otherwise eliminated from the base period.

2. High Service Pump Maintenance

21 **Q: Did Evansville seek an adjustment to its base period expenditures for high**
22 **service pump maintenance?**

23 A: No. Evansville did not seek any adjustment to base period expenses for high service
24 pump periodic maintenance. I present Evansville's historical periodic maintenance

1 expenditures on high service pumps to show what they have spent compared to
2 their requests.

3 **Q: How do Evansville’s expenditures for high service pump maintenance**
4 **compare to its historical requested amounts?**

5 A As shown in Table MAS-19, over the 2017-2020 period, Evansville has spent 85%
6 of its requested amounts on high service pump maintenance (OUCC Attachment
7 MAS-4).

Table MAS-19

High Service Pumps				
Year	Requested	Spent	% Spend/ Request	Notes
2017	71,428	4,950	6.9%	44760 rates effective 10/5/16
2018	71,428	161,735	226.4%	
2019	157,920	17,421	11.0%	45073 rates effective 12/5/18
2020	157,920	207,138	131.2%	
total	458,696	391,244	85.3%	
Source: Response to OUCC DR 11-3				

8 **Q: What did Evansville spend on high service pump maintenance during the base**
9 **period?**

10 A: Based on review of Evansville’s general ledger, Evansville spent \$80,931 on high
11 service pump maintenance during the base period (OUCC Attachment MAS-5).

3. Low Service Pump Maintenance

12 **Q: Did Evansville seek an adjustment to its base period expenditures for low**
13 **service pump maintenance?**

14 A: No. Evansville also did not seek any adjustment to base period expenses for
15 periodic maintenance of low service pumps. I present their historical periodic

1 maintenance expenditures on low service pumps to show what they have spent
2 compared to their requests.

3 **Q: How do Evansville’s expenditures for low service pump maintenance compare**
4 **to its requested amounts?**

5 A As shown in Table MAS-20, over the 2017-2020 time period, Evansville has spent
6 48% of its requested amounts on low service pump maintenance (OUCC
7 Attachment MAS-6).

Table MAS-20

Low Service Pumps				
Year	Requested	Spent	% Spend/ Request	Notes
2017	96,000	1,488	1.5%	44760 rates effective 10/5/16
2018	96,000	110,675	115.3%	
2019	150,210	10,467	7.0%	45073 rates effective 12/5/18
2020	150,210	112,382	74.8%	
total	492,420	235,012	47.7%	
Source: Response to OUCC DR 11-1				

8 **Q: Does this low level of expenditures relative to requested amounts concern you?**

9 A: Yes. Evansville having spent, on average, less than 50% of its requested amounts
10 over the last four years is troublesome. Requiring Evansville to place all periodic
11 maintenance funds in a restricted account will discourage underspending on
12 periodic maintenance.

13 **Q: What did Evansville spend on low service pump maintenance during the base**
14 **period?**

15 A: Based on review of Evansville’s general ledger, Evansville spent \$1,700 on low
16 service pump maintenance during the base period (OUCC Attachment MAS-6).

4. **Filter Media**

1 **Q: Did Evansville propose any *pro forma* filter media periodic maintenance**
2 **expenses?**

3 A: No. Evansville did not include any *pro forma* expenses related to filter media
4 periodic maintenance. I present Evansville’s historical periodic maintenance
5 expenditures on filter media to show what they have spent compared to their
6 requests.

7 **Q: How much has Evansville spent historically on filter media replacement?**

8 A: Table MAS-21 shows Evansville’s history of expenditures on filter media
9 replacement for 2017-2020.¹¹ This table indicates that over the four-year period,
10 Evansville has spent 95.2% of its requested funds on filter media replacements and
11 accompanying underdrain work.

Table MAS-21¹²

Filter Media				
Year	Requested	Spent	% Spend/ Request	Notes
2017	448,000	0	0.0%	44760 rates effective 10/5/16
2018	448,000	1,569,000	350.2%	
2019	1,006,820	1,201,180	119.3%	45073 rates effective 12/5/18
2020	1,006,820	0	0.0%	
total	2,909,640	2,770,180	95.2%	
Note: includes only filter media and related expenses				
Source: Response to OUCC DR 11-22				

¹¹ Evansville’s response to OUCC DR 11-22 - OUCC Attachment MAS-7.

¹² Note that this analysis excludes some items listed in response to OUCC DR 11-22, as these expenses were not directly related to filter media replacement as set out in Attachment DLB-1, “Filter Media.”

5. **Dredging of Intake Structure**

1 **Q: What *pro forma* periodic maintenance expense did Evansville propose for**
2 **annual dredging costs?**

3 A: Evansville proposed \$328,475 for annual costs of dredging in front of the intake
4 structure.

5 **Q: Has Evansville recently contracted for dredging?**

6 A: Yes. In response to OUCC Data Request No. 11-7, Evansville explained that it had
7 contracted for dredging on July 27, 2021, at the rate of \$215,440 per year (OUCC
8 Attachment MAS-8).

9 **Q: What *pro forma* dredging costs do you recommend?**

10 A: I recommend *pro forma* dredging costs of \$215,440 based on this quote. Evansville
11 incurred \$326,548 of base period dredging costs, resulting in a \$111,108 decrease
12 to periodic maintenance expense.

6. **Tank Maintenance**

13 **Q: What *pro forma* periodic maintenance expense did Evansville propose for**
14 **tank maintenance costs?**

15 A: Evansville proposed \$537,923 of annual tank maintenance costs.

16 **Q: Does the OUCC accept this annual tank maintenance cost?**

17 A: No. Based on review of the tank maintenance contract and statements of work
18 (OUCC Attachment MAS-9), I calculate annual tank maintenance cost during the
19 forward-looking test year of \$519,923. Evansville incurred \$528,999 of base period
20 tank maintenance costs resulting in a \$9,076 decrease to periodic maintenance
21 expense

7. **Booster Station Pump Maintenance**

1 **Q: What *pro forma* periodic maintenance expense did Evansville propose for**
2 **booster station pump maintenance costs?**

3 A: Evansville proposed \$41,274 of annual booster station pump maintenance costs.
4 This represents maintenance on two booster station pumps each year, or \$20,367
5 per pump.

6 **Q: How much has Evansville spent historically on booster station pump**
7 **maintenance?**

8 A: As shown in Table MAS-22, since 2017 Evansville has historically spent an
9 average of \$30,770 per year on booster station maintenance, or 72.6% of its
10 requested amount during the 2017-2020 time period (OUCC Attachment MAS-10).

Table MAS-22

Booster Stations				
Year	Requested	Spent	% Spend/ Request	Notes
2017	22,890	80,226	350.5%	44760 rates effective 10/5/16
2018	22,890	1,288	5.6%	
2019	61,911	10,500	17.0%	45073 rates effective 12/5/18
2020	61,911	31,066	50.2%	
total	169,602	123,080	72.6%	
average		30,770		

Source: Response to OUCC DR 11-11

11 While these types of expenditures may be “lumpy” and may not necessarily occur
12 annually, the historic requested amounts appear to be high relative to actual work
13 performed.

1 **Q: Does the OUCC accept Evansville's pro forma booster station pump**
2 **maintenance expense?**

3 A: Yes. As Evansville did not incur any booster station pump maintenance costs during
4 the base period, this results in an increase of \$41,274 to periodic maintenance
5 expense.

6 **Q: Do you have any additional recommendations regarding booster station pump**
7 **maintenance**

8 A: Yes. Because Evansville's spending for booster station pump maintenance is so
9 "lumpy" from year to year, I recommend the requested funds be placed into a
10 restricted account. This will ensure the funds will be available when needed and
11 that the funds are spent on the intended purpose.

8. Traveling Screens Maintenance

12 **Q: What *pro forma* periodic maintenance expense did Evansville propose for**
13 **traveling screens maintenance costs?**

14 A: Evansville proposed \$138,596 of annual traveling screens maintenance costs. This
15 represents the cost of maintenance on three screens over a four-year period.

16 **Q: How much has Evansville spent on traveling screen maintenance historically?**

17 A: Table MAS-23 lists historical expenditures for traveling screen maintenance. From
18 this table we see that during the 2017-2020 period, Evansville has spent nearly 90%
19 of its requested funding for traveling screens (OUCC Attachment MAS-11).

Table MAS-23

Traveling Screens				
Year	Requested	Spent	% Spend/ Request	Notes
2017	115,741	200	0.2%	44760 rates effective 10/5/16
2018	115,741	130,000	112.3%	
2019	61,680	2,950	4.8%	45073 rates effective 12/5/18
2020	61,680	184,796	299.6%	
total	354,842	317,946	89.6%	
Source: Response to OUCC DR 11-24				

1 **Q: Has Evansville also sought recovery of rebuilding/rehabilitating traveling**
2 **screens in its capital program?**

3 **A:** Yes. In this Cause, Evansville has requested costs to maintain or rehabilitate its
4 traveling screens in both its *pro forma* operating expenses and as a component of
5 its capital program. In response to OUCC Data Request No. 17-6 (OUCC
6 Attachment MAS-12), Evansville included the costs for rebuilding all of its
7 traveling screens (\$571,280) in the costs of the water treatment plant component of
8 its capital improvement program, which will be funded by debt issuances.

9 **Q: How do you recommend the costs for rehabilitating traveling screens be**
10 **recovered?**

11 **A:** Evansville would over-recover these costs if it was allowed to include them in both
12 its capital improvement plan and in its operating expenses. Therefore, I recommend
13 no *pro forma* periodic maintenance expense for traveling screen maintenance.
14 Evansville incurred \$184,796 of base period traveling screens maintenance costs
15 (OUCC Attachment MAS-5). Therefore, these recommendations result in a
16 \$184,796 decrease to *pro forma* operating expense.

9. Leak Detection

1 **Q: What *pro forma* periodic maintenance expense did Evansville propose for leak**
2 **detection costs?**

3 A: Evansville proposed \$282,334 of annual leak detection costs.

4 **Q: How much has Evansville historically spent on leak detection?**

5 A: As shown in Table MAS-24, Evansville has spent a total of \$400,347 during the
6 2017-2020 period, or approximately 30% of its requested amount.¹³ This equates
7 to an average of \$100,787 per year.

Table MAS-24

Distribution System Maint. Assessment				
Year	Requested	Spent	% Spend/ Request	Notes
2017	166,333	0	0.0%	44760 rates effective 10/5/16
2018	166,333	326,520	196.3%	
2019	492,883	64,295	13.0%	45073 rates effective 12/5/18
2020	492,883	9,532	1.9%	
total	1,318,433	400,347	30.4%	
average		100,087		
Source: Response to OUCC DR 11-14				

8 As with booster stations, while these expenditures may tend to be “lumpy” in
9 nature, the average amount spent over four years shows that Evansville is
10 underspending in this category relative to its historical requests.

¹³ Evansville response to OUCC Data Request 11-14 included as OUCC Attachment MAS-13.

1 **Q: Do you accept Evansville’s proposed leak detection maintenance expense?**

2 A: No. Given Evansville’s historical performance in this category, I recommend *pro*
3 *forma* leak detection periodic maintenance expense of \$100,087, Evansville’s
4 historical average annual spending in this category.

10. **SCADA**

5 **Q: What *pro forma* periodic maintenance expense did Evansville propose for**
6 **SCADA maintenance costs?**

7 A: Evansville proposed \$24,000 of annual SCADA maintenance costs.

8 **Q: How much has Evansville spent historically on SCADA?**

9 A: As shown in Table MAS-25, Evansville has historically spent an average of \$7,813
10 per year on SCADA during the 2017-2020 period (OUCC Attachment MAS-14).

Table MAS-25

SCADA Maintenance				
Year	Requested	Spent	% Spend/ Request	Notes
2017	13,000	5,000	38.5%	44760 rates effective 10/5/16
2018	13,000	1,830	14.1%	
2019	0	10,179	0.0%	45073 rates effective 12/5/18
2020	0	14,243	0.0%	
total	26,000	31,252		
average		7,813		
Source: Response to OUCC DR 11-23				

11 **Q: What *pro forma* SCADA periodic maintenance expense do you recommend?**

12 A: I recommend *pro forma* SCADA periodic maintenance expense of \$7,813 based on
13 Evansville’s average historical annual expenditures in this category over the most
14 recent four-year period. Evansville incurred \$3,389 of base period SCADA

1 maintenance costs, resulting in a \$4,424 increase to base year periodic maintenance
2 expense.

Table MAS-26: Comparison of Pro Forma Periodic Maintenance Expense

	<u>Evansville</u>	<u>OUCC</u>	<u>OUCC More (Less)</u>
Pump Maintenance	\$ -	\$ 82,631	\$ 82,631
Dredging	328,475	215,440	(113,035)
Tank Maintenance	537,923	519,923	(18,000)
Filter Media	-	-	-
Booster Pumps	41,274	41,274	-
Traveling Screens	138,596	-	(138,596)
Leak Detection	282,334	100,087	(182,247)
SCADA	24,000	7,813	(16,187)
<i>Pro Forma</i> Expense	<u>\$ 1,352,602</u>	<u>\$ 967,168</u>	<u>\$ (468,065)</u>
Less: Base Period	<u>(726,980)</u>	<u>(1,126,363)</u>	<u>(726,980)</u>
Adjustment	<u>\$ 625,622</u>	<u>\$ (159,195)</u>	<u>\$ (1,195,045)</u>

D. Non-Allowed Expense

3 **Q: Please explain your recommended adjustment to eliminate non-allowed base**
4 **period expenses.**

5 A: During the base period, Evansville recorded \$26,594 of costs to a fraud loss expense
6 account. The description of these costs identified them as “cybersecurity fraud.”
7 These types of costs are not recoverable for ratemaking purposes. Therefore, I
8 recommend excluding them from *pro forma* operating expenses (OUCC Schedule
9 6, Adjustment No. 6).

E. Sewer Reimbursement Adjustment

10 **Q: What sewer reimbursement did Evansville propose?**

11 A: In 2022, Evansville proposed a \$1,862,187 increase to base period sewer
12 reimbursements of \$11,662,997 resulting in *pro forma* sewer reimbursements of
13 \$13,525,184. In 2023, Evansville proposed an additional \$728,409 increase to

1 sewer reimbursements resulting in *pro forma* sewer reimbursements of
2 \$14,253,593. Evansville proposes a \$2,590,596 (\$1,862,187 + \$728,409)
3 adjustment to sewer reimbursements as an offset to operating expenses for the
4 inclusion of additional sewer shared costs.

5 **Q: Do you accept Evansville's proposed sewer reimbursement adjustments?**

6 A: Yes.

7 **Q: Do you propose any additional adjustments to the amount of sewer**
8 **reimbursement included in your *pro forma* operating expenses?**

9 A: Yes. Because the OUCC does not entirely accept Evansville's proposed labor
10 expenses to hire seven (7) new employees during the test year, an adjustment is
11 necessary to remove the associated reimbursement for any shared costs not
12 accepted. Further, Evansville identified the new night construction supervisor
13 position as water only. The OUCC considered the position to be shared equally
14 with the wastewater operations. Therefore, the reimbursement of these costs needs
15 to be added to the OUCC's recommended sewer reimbursement.

16 **Q: What sewer reimbursement adjustment do you recommend?**

17 A: I recommend a \$274,143 reduction to the sewer reimbursement proposed by
18 Evansville. This results in a \$274,143 increase to base period net operating
19 expenses. (OUCC Schedule 6, Adjustment No. 7).

20 **Q: Please explain how you determined your recommended sewer reimbursement**
21 **adjustment.**

22 A: I added \$46,296 to the OUCC's recommended sewer reimbursement to reflect the
23 reimbursement of the sewer related costs of the night construction supervisor. I then
24 reduced my recommended sewer reimbursement by \$366,735 to remove the labor

1 costs for the new employees not included in the OUCC’s recommended labor
2 adjustments.

Table MAS-27: OUCC Sewer Reimbursement Adjustment

	Salary	Health Insurance	PERF	Payroll Tax	Total
50% Reimbursement of night construction supervisor	\$ 30,000	\$ 9,741	\$ 4,260	\$ 2,295	\$ 46,296
Remove Reimbursements for disallowed new employees					
Junior Surveyor	\$ 39,000	2,984	5,538	14,493	\$ 62,015
O & M Engineer	56,250	4,303	7,988	14,493	83,034
Certified Master Electrician	45,000	3,443	6,390	14,493	69,326
Software Engineer	48,750	3,729	6,923	14,493	73,895
Contrtl Systems Analyst	52,500	4,016	7,455	14,494	78,465
	\$ 241,500	\$ 18,475	\$ 34,294	\$ 72,466	\$ 366,735

F. Inflation Adjustment

3 **Q: What inflation adjustments did Evansville propose?**

4 A: Evansville proposed a \$753,900 increase to operating expenses in 2022 and an
5 additional \$777,905 increase in 2023. In total, Evansville proposes a \$1,531,805
6 increase to operating expenses to reflect projected cost increases. Evansville’s
7 proposed inflation adjustment is based on its analysis of historical inflation factors
8 as reported by the Bureau of Labor Statistics.

9 **Q: Do you accept Evansville’s proposed inflation adjustments?**

10 A: While I don’t agree with the inclusion of the consumer price index as a factor used
11 to forecast utility operating expenses, overall, the OUCC accepts the inflation
12 factors used by Evansville in this case to calculate its proposed adjustments, and I
13 apply Evansville’s factors to the OUCC’s *pro forma* operating expenses.

1 **Q: What inflation adjustment do you recommend?**

2 A: I recommend a \$1,444,059 increase to operating expenses to reflect projected cost
3 increases through the end of the forward-looking test year (OUCC Schedule 6,
4 Adjustment No. 10). This adjustment reflects two years of inflation adjustments for
5 2022 and 2023, applying the factor proposed by Evansville to the OUCC's *pro*
6 *forma* operating expenses.

G. Bad Debt Expense

7 **Q: What bad debt expense adjustment did Evansville propose?**

8 A; Evansville proposed an \$8,199 increase to bad debt expense as a result of its
9 proposed increase to operating revenues.

10 **Q: Do you accept Evansville's proposed bad debt expense adjustment?**

11 A: I accept the bad debt expense rate proposed by Evansville and apply this rate to my
12 recommended present rate operating revenues.

13 **Q: What bad debt expense adjustment do you recommend?**

14 A: I recommend a \$5,283 increase to bad debt expense as a result of my recommended
15 operating revenue increases (OUCC Schedule 6, Adjustment No. 8).

H. Utility Receipts Tax Expense

16 **Q: What utility receipts tax adjustment did Evansville Propose?**

17 A: Evansville proposed an \$18,794 increase to utility receipts tax expense as a result
18 of its proposed operating revenue adjustments.

19 **Q: Do you accept Evansville's proposed utility receipts tax adjustment?**

20 A: I accept the methodology used by Evansville to calculate its proposed utility
21 receipts tax adjustment. However, my utility receipts tax adjustment must be based

1 on my recommended present rate operating revenues. Further, the State of Indiana
2 has increased the utility receipts tax rate from 1.4% to 1.46% as of January 1, 2022.
3 Therefore, my proposed adjustment also reflects this increased tax rate.

4 **Q: What utility receipts tax adjustment do you recommend?**

5 A: I recommend a \$41,085 increase to utility receipts tax expense as a result of the
6 increase in the utility receipts tax rate as well as my recommended present rate
7 operating revenue adjustments (OUCC Schedule 6, Adjustment No. 9).

VI. EXTENSIONS AND REPLACEMENTS

8 **Q: What extension and replacement (“E&R”) revenue requirement did**
9 **Evansville propose?**

10 A: Evansville proposes E&R capital projects totaling \$49,027,864. Rather than
11 proposing a revenue requirement based upon a five-year average (\$9,805,580),
12 Evansville proposes to phase-in its E&R revenue requirement as follows:

2022	\$	9,300,000
2023		9,650,000
2024		10,050,000
2025		9,550,000
2026		10,477,900
		<u>\$ 49,027,900</u>

13 **Q: Does the OUCC accept Evansville’s proposed E&R revenue requirement?**

A: The OUCC accepts Evansville’s total proposed E&R capital projects but
recommends the annual E&R revenue requirement be based on a five-year average.

1 **Q: What E&R revenue requirement does the OUCC recommend?**

2 A: The OUCC recommends an E&R revenue requirement of \$9,805,580
3 (\$49,027,900/5 years) (OUCC Schedule 7).

VII. DEBT SERVICE

4 **Q: What debt service revenue requirement did Evansville propose?**

5 A: Evansville proposes the following debt service revenue requirement consisting of
6 both existing debt service and debt service for its proposed new debt issuances.

Table MAS-28: Evansville’s Proposed Debt Service

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Existing Debt service					
2016A Bonds	\$ 2,950,200	\$ 2,955,400	\$ 2,902,800	\$ 2,724,600	\$ 2,725,800
2016B Bonds	2,114,294	2,097,094	2,094,294	4,845,444	4,842,894
2018A-2 Bonds	5,307,953	5,307,952	5,307,953	5,307,952	5,307,953
2019 Bonds	2,641,094	2,655,094	2,673,194	2,668,844	2,673,144
2020 Bonds	996,407	997,266	997,756	993,028	997,926
2021 Bonds	3,517,999	3,516,501	3,551,673	988,927	980,877
	<u>17,527,947</u>	<u>17,529,307</u>	<u>17,527,670</u>	<u>17,528,795</u>	<u>17,528,594</u>
Proposed Debt Service					
2022 - Open Market	-	-	-	938,008	1,876,015
2022 - SRF	-	-	2,493,465	4,987,930	4,991,049
	<u>-</u>	<u>-</u>	<u>2,493,465</u>	<u>5,925,938</u>	<u>6,867,064</u>
Total Debt Service	<u>\$ 17,527,947</u>	<u>\$ 17,529,307</u>	<u>\$ 20,021,135</u>	<u>\$ 23,454,733</u>	<u>\$ 24,395,658</u>

7 **Q: Does the OUCC accept Evansville’s proposed debt service revenue**
8 **requirement?**

9 A: No. As discussed by OUCC witness Shawn Dellinger, the OUCC does not object
10 to Evansville’s proposal to borrow funds from the SRF and the open market, nor
11 does it object to Evansville’s proposed wrapping of these debt issuances. The
12 OUCC also does not recommend any change to the debt issuance dates proposed
13 by Evansville. However, the OUCC does recommend Evansville borrow a lesser

1 amount at lower estimated interest rates for the reasons addressed by several
2 witnesses. Table MAS-29 compares the overall debt service revenue requirement
3 proposed by Evansville to that recommended by the OUCC. OUCC Schedule 9.

Table MAS-29: Comparison of Annual Debt Service Proposals

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<u>Evansville</u>				
Existing Debt	\$ 17,529,307	\$ 17,527,670	\$ 17,528,795	\$ 17,528,594
SRF	-	2,493,465	4,987,930	4,991,049
Open Market	-	-	938,008	1,876,015
	<u>\$ 17,529,307</u>	<u>\$ 20,021,135</u>	<u>\$ 23,454,733</u>	<u>\$ 24,395,658</u>
<u>OUCC</u>				
Existing Debt	\$ 17,529,307	\$ 17,527,670	\$ 17,528,795	\$ 17,528,594
SRF	-	2,489,000	2,489,000	2,489,000
Open Market	-	1,186,000	1,186,000	1,186,000
	<u>\$ 17,529,307</u>	<u>\$ 21,202,670</u>	<u>\$ 21,203,795</u>	<u>\$ 21,203,594</u>
OUCC More (Less)	<u>\$ -</u>	<u>\$ 1,181,535</u>	<u>\$ (2,250,938)</u>	<u>\$ (3,192,064)</u>

4 **Q: Does the OUCC phase-in its recommended debt service revenue requirement**
5 **in the same manner as proposed by Evansville?**

6 A: The OUCC also delays inclusion of debt service in its recommended debt service
7 revenue requirement in order to smooth the rate increase to customers over two
8 steps. The OUCC delays inclusion of the SRF debt service for 18 months and the
9 open market debt service for 21 months. This recommendation is discussed in more
10 detail by Mr. Dellinger.

VIII. DEBT SERVICE RESERVE

11 **Q: What debt service reserve revenue requirement did Evansville propose?**

12 A: Evansville proposes an annual debt service reserve revenue requirement of
13 \$436,986 in 2022 and \$1,372,738 for years 2023 through 2026.

1 **Q: Does the OUCC accept Evansville's proposed debt service reserve revenue**
2 **requirement?**

3 A: No. Mr. Dellinger discusses the OUCC's proposed debt service reserve revenue
4 requirement of \$735,000, which is based on a reduced borrowing amount and lower
5 estimated interest rates which combine to reduce the total principal and interest
6 payments upon which the debt service reserve is based. See OUCC Schedule 10.

IX. REVENUE REQUIREMENT OFFSETS

7 **Q: What revenue requirement offsets did Evansville propose?**

8 A: Evansville proposes total revenue requirement offsets of \$715,849 in 2022,
9 excluding the sewer portion of general expenses. These include interest income
10 (\$23,080), other water revenues (\$210,142), and other non-operating income
11 (\$482,627). Evansville proposes total revenue requirement offsets of \$724,366 in
12 2023 through 2026, excluding the sewer portion of general expenses. These include
13 interest income (\$23,080), other water revenues (\$210,142), and other non-
14 operating income (\$491,144).

15 **Q: Do you accept Evansville's proposed offsets to its revenue requirement?**

16 A: I accept Evansville's proposed offsets for interest income and other non-operating
17 income. However, because I reclassified split services fees as a component of *other*
18 *operating revenues*, my offset for this category differs from Evansville's.

X. GROSS REVENUE CONVERSION FACTOR

19 **Q: Please explain the purpose of a gross revenue conversion factor.**

20 A: A gross revenue conversion factor calculates the amount of additional operating
21 expenses and taxes associated with a proposed revenue increase. These operating

1 expenses and taxes typically include bad debt expense, the IURC fee, utility
2 receipts taxes, and state and federal income taxes. The proposed revenue increase
3 must be “grossed up” to include these additional taxes and operating expenses that
4 will be incurred due to the increase in operating revenues.

5 **Q: What additional taxes and operating expenses will Evansville incur due to its**
6 **proposed revenue increase?**

7 A: Evansville will incur additional bad debt expense and utility receipts tax expense
8 as a result of its requested rate increase. Because Evansville is a municipal utility,
9 it does not pay the IURC fee or income taxes.

A. Evansville's Proposal

10 **Q: What gross revenue conversion factor did Evansville propose?**

11 A: Evansville did not calculate a gross revenue conversion factor. It did calculate
12 additional bad debt expense and utility receipts tax expense that would be incurred
13 as a result of its proposed revenue increases but did not reduce this to a specific
14 gross revenue conversion factor. To present Evansville's revenue requirement
15 calculation in the format used by the OUCC, I determined what the gross revenue
16 conversion factors would have been if Evansville had used them. This calculation
17 is simply the quotient of the Recommended Revenue Increase divided by the Net
18 Revenue Increase Required. Table MAS-30 summarizes the amounts of additional
19 bad debt expense and utility receipts tax expenses proposed by Evansville along
20 with the calculation of the resulting gross revenue conversion factor.

Table MAS-30: Evansville's Imputed Gross Revenue Conversion Factor

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
Additional Utility Receipts Tax	\$ 36,802	\$ 35,768	\$ 34,954	\$ 34,826	\$ 24,610	\$ 166,960
Additional Bad Debt Expense	6,868	6,920	6,880	6,970	5,138	32,776
	<u>\$ 43,670</u>	<u>\$ 42,688</u>	<u>\$ 41,834</u>	<u>\$ 41,796</u>	<u>\$ 29,748</u>	<u>\$ 199,736</u>
Net Revenue Increase Required ^(A)	\$3,274,430	\$3,250,393	\$3,231,828	\$3,273,598	\$2,413,825	
Recommended Revenue Increase ^(B)	\$3,318,100	\$3,293,081	\$3,273,662	\$3,315,394	\$2,443,573	
Gross Revenue Conversion Factor ^{(B)/(A)}	101.3337%	101.3133%	101.2944%	101.2768%	101.2324%	

1 **Q: What additional expense did Evansville calculate?**

2 A: Evansville calculated total additional bad debt expense of \$32,776 and utility
3 receipts tax expense of \$166,960 as reflected in Table MAS-5 above. (See
4 Attachment DLB-1, Accountants' Report, page 27, Adjustment Nos. 2 and 3.)

5 **Q: Do you accept Evansville's proposed additional taxes and expenses?**

6 A: No. Because the OUCC's proposed revenue requirement differs from Evansville's,
7 the additional taxes and expenses recommended by the OUCC are also different.

8 **Q: What Gross Revenue Conversion Factor do you recommend?**

9 A: I recommend a gross revenue conversion factor of 101.3937 (OUCC Schedule 1,
10 page 4).

XI. RECOMMENDATIONS

11 **Q: Please summarize your recommendations.**

12 A: I recommend the Commission approve an overall revenue increase of \$9,185,727
13 and an overall across-the board rate increase of 20.84%. I further recommend the
14 Commission authorize the rate increase to commence no earlier than the first day
15 of the forward-looking test year, April 1, 2023.

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

17 A: Yes.

APPENDIX A - QUALIFICATIONS

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

2 A: I graduated from the University of Houston at Clear Lake City in August 1982 with
3 a Bachelor of Science degree in Accounting. From 1982 to 1985, I held the position
4 of Gas Pipeline Accountant at Seagull Energy in Houston, Texas. From 1985 to
5 2001, I worked for Enron in various positions of increasing responsibility and
6 authority. I began in gas pipeline accounting, was promoted to a position in
7 financial reporting and planning, for both the gas pipeline group and the
8 international group, and finally was promoted to a position providing accounting
9 support for infrastructure projects in Central and South America. In 2002, I moved
10 to Indiana, where I held non-utility accounting positions in Indianapolis. In August
11 2003, I accepted my current position with the OUCC. In 2011, I was promoted to
12 Senior Utility Analyst. In 2018, I was promoted to Chief Technical Advisor.

13 Since joining the OUCC I have attended the National Association of
14 Regulatory Utility Commissioners ("NARUC") Eastern Utility Rate School in
15 Clearwater Beach, Florida, and the Institute of Public Utilities' Advanced
16 Regulatory Studies Program in East Lansing, Michigan. I have also attended several
17 American Water Works Association and Indiana Rural Water Association
18 conferences as well as the National Association of Utility Consumer Advocates
19 ("NASUCA") Water Committee Forums. I have participated in the NASUCA
20 Water Committee and the NASUCA Tax and Accounting Committee, including
21 serving as chair for the Tax and Accounting Committee from 2016 – 2021.

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

3 A: Yes. I have testified before the Commission as an accounting witness in various
4 causes involving water, wastewater, electric, and gas utilities.

5 **Q: Have you held any professional licenses?**

6 A: Yes. I passed the CPA exam in 1984 and was licensed as a CPA in the State of
7 Texas until I moved to Indiana in 2002.

APPENDIX B – Attachments and Workpapers

- Attachment MAS-1** Evansville Response to OUCC Data Request No. 4-5 regarding split service fees
- Attachment MAS-2** Evansville Response to OUCC Data Request No. 5-7 requesting a map or bridge from Evansville's accounting system to NARUC
- Attachment MAS-3** Second Amendment to Gibson Water Authority Purchased Water Contract
- Attachment MAS-4** Evansville Response to OUCC Data Request No.11-3 regarding historical spending on high service pump maintenance
- Attachment MAS-5** List of Base Period periodic maintenance general ledger transactions
- Attachment MAS-6** Evansville Response to OUCC Data Request No.11-1 regarding historical spending on low service pump maintenance
- Attachment MAS-7** Evansville Response to OUCC Data Request No.11-22 regarding historical spending on filter maintenance
- Attachment MAS-8** Evansville Response to OUCC Data Request No.11-7 regarding historical spending on dredging work performed
- Attachment MAS-9** Evansville Response to OUCC Data Request No. 7-13 requesting copies of tank maintenance contracts with Utility Services.
- Attachment MAS-10** Evansville Response to OUCC Data Request No.11-11 regarding historical spending on booster pump maintenance
- Attachment MAS-11** Evansville Response to OUCC Data Request No.11-24 regarding historical spending on traveling screen maintenance
- Attachment MAS-12** Evansville Response to OUCC Data Request No.17-6 requesting cost support for new water treatment plant alternative 2B
- Attachment MAS-13** Evansville Response to OUCC Data Request No.11-14 requesting historical spending on leak detection and distribution system maintenance assessments
- Attachment MAS-14** Evansville Response to OUCC Data Request No.11-23 requesting historical spending on SCADA maintenance

APPENDIX B – Attachments and Workpapers

Workpaper MAS-1	Adjusted Base Period Income Statement
Workpaper MAS-2	Operating Expense Matrix – 2017 – 2020 and Base Period
Workpaper MAS-3	Summary of Evansville's Revenue Adjustments
Workpaper MAS-4	Industrial / Wholesale Operating Revenues
Workpaper MAS-5	Late Fee Revenues
Workpaper MAS-6	OUCS recommended Capital Improvement Plan
Workpaper MAS-7	Rate Case Drivers – Comparison of Cause No. 45073 revenue requirement to that proposed by Evansville

EVANSVILLE MUNICIPAL WATER UTILITY
 CAUSE NUMBER 45545

ADJUSTED INCOME STATEMENT
 For the Twelve Months Ended

	Base Period			December 31, 2020			December 31, 2019		
	Per Petitioner	Reclass	Per OUCC	Per Petitioner	Reclass	Per OUCC	Per Petitioner	Reclass	Per OUCC
Operating Revenues:									
Metered Water Sales									
Residential	\$ 19,390,251		\$ 19,390,251	\$ 20,482,513		\$ 20,482,513	\$ 17,590,377		\$ 17,590,377
Commercial	8,257,024		8,257,024	8,370,016		8,370,016	8,047,046		8,047,046
Industrial	3,387,065		3,387,065	4,309,115		4,309,115	3,550,070		3,550,070
Public Authority	1,194,300		1,194,300	1,242,144		1,242,144	1,245,380		1,245,380
Sales for Resale	2,392,857		2,392,857	1,529,001		1,529,001	1,830,491		1,830,491
Fire Protection									
Public	5,198,361		5,198,361	826,521		826,521	737,313		737,313
Private	835,485	(2,360) ⁽¹⁾	833,125	5,407,474		5,407,474	4,744,922		4,744,922
Late Fees	92,791		92,791	91,731		91,731	168,044		168,044
Other Water Revenues	210,143	2,360 ⁽¹⁾	201,511	211,651		211,651	439,636		439,636
		(10,992) ⁽²⁾							
Sewer Utility Portion of Expenses	11,662,997	(11,662,997) ⁽³⁾	-	12,305,481	(12,305,481)	-	9,735,550	(9,735,550)	-
Total Operating Revenues	52,621,274	(11,673,989)	40,947,285	54,775,647	(12,305,481)	42,470,166	48,088,829	(9,735,550)	38,353,279
Operating Expenses:									
Salaries & Wages - Employees	8,570,013		8,570,013	9,088,836		9,088,836	8,205,385		8,205,385
Salaries & Wages - Board Members	10,000		10,000	10,000		10,000	10,000		10,000
Employee Benefits	3,746,622		3,746,622	3,469,128		3,469,128	3,591,911		3,591,911
PERF									
Purchased Power	1,169,175	97,884 ⁽⁴⁾	1,267,059	1,142,504		1,142,504	1,339,660		1,339,660
Chemicals	1,091,530		1,091,530	1,025,370		1,025,370	1,079,374		1,079,374
Materials & Supplies	1,245,142	(97,884) ⁽⁴⁾	1,147,258	942,929		942,929	954,444		954,444
Contractual Services									
Professional	6,996,631		6,996,631	5,890,646		5,890,646	7,526,525		7,526,525
Legal	252,612		252,612	259,405		259,405	111,283		111,283
Management Fees	50,000		50,000	50,000		50,000	50,000		50,000
Testing	124,261		124,261	153,253		153,253	144,253		144,253
Other	2,407,995		2,407,995	2,444,151		2,444,151	2,391,623		2,391,623
Rents - Building	187,915		187,915	179,049		179,049	195,142		195,142
Transportation	333,455		333,455	274,494		274,494	372,344		372,344
Insurance - General Liability	353,166		353,166	386,395		386,395	351,855		351,855
Insurance - Workman's' Compensation	58,289		58,289	117,757		117,757	60,056		60,056
Regulatory Commission Expense	80,007		80,007	-		-	128,131		128,131
Bad Debt Expense	84,855		84,855	98,819		98,819	83,993		83,993
Miscellaneous	510,262		510,262	448,337		448,337	285,990		285,990
Sewer Utility Portion		(11,662,997) ⁽³⁾	(11,662,997)	-	(12,305,481)	(12,305,481)	-	(9,735,550)	(9,735,550)
Total O&M Expense	\$ 27,271,930	\$ (11,662,997)	\$ 15,608,933	\$ 25,981,073	\$ (12,305,481)	\$ 13,675,592	\$ 26,881,969	\$ (9,735,550)	\$ 17,146,419

EVANSVILLE MUNICIPAL WATER UTILITY
 CAUSE NUMBER 45545

COMPARATIVE INCOME STATEMENT
 For the Twelve Months Ended

	Base Period			December 31, 2020			December 31, 2019		
	Per Petitioner	Reclass	Per OUC	Per Petitioner	Reclass	Per OUC	Per Petitioner	Reclass	Per OUC
<u>Operating Expenses (continued)</u>									
Depreciation Expense	\$ 5,970,013		\$ 5,970,013	\$ 5,983,474		\$ 5,983,474	\$ 5,863,681		\$ 5,863,681
Lease Amortization	235,488		235,488	496,515		496,515	182,759		182,759
Taxes Other than Income									
Payroll Taxes	645,320		645,320	647,775		647,775	549,119		549,119
Utility Receipts Tax	483,363		483,363	507,577		507,577	434,296		434,296
Payment in Lieu of Taxes	2,353,750		2,353,750	2,509,100		2,509,100	1,882,300		1,882,300
Total Operating Expenses	36,959,864	(11,662,997)	25,296,867	36,125,514	(12,305,481)	23,820,033	35,794,124	(9,735,550)	26,058,574
Net Operating Income	15,661,410	(10,992)	15,650,418	18,650,133	-	18,650,133	12,294,705	-	12,294,705
<u>Other Income (Expense)</u>									
Interest Income	1,920,480		1,920,480	1,049,923		1,049,923	3,073,676		3,073,676
Other Income	1,182,318	10,992 ⁽²⁾	1,193,310	1,139,904		1,139,904	830,890		830,890
Interest Expense	(8,215,505)		(8,215,505)	(7,994,422)		(7,994,422)	(8,359,571)		(8,359,571)
Amortization of Debt Discount/Premium	(408,323)		(408,323)	(206,470)		(206,470)	(475,250)		(475,250)
Other Expense	(1,000)		(1,000)	-		-	(1,000)		(1,000)
Total Other Income (Expense)	(5,522,030)	10,992	(5,511,038)	(6,011,065)	-	(6,011,065)	(4,931,255)	-	(4,931,255)
Extraordinary Deduction	-	-	-	-	-	-	-	-	-
Net Income	\$ 10,139,380	\$ -	\$ 10,139,380	\$ 12,639,068	\$ -	\$ 12,639,068	\$ 7,363,450	\$ -	\$ 7,363,450

EVANSVILLE MUNICIPAL WATER UTILITY
 CAUSE NUMBER 45545

ADJUSTED INCOME STATEMENT
 For the Twelve Months Ended

	December 31, 2018			December 31, 2017		
	Per Petitioner	Reclass	Per OUCC	Per Petitioner	Reclass	Per OUCC
Operating Revenues:						
Metered Water Sales						
Residential	\$ 15,515,452		\$ 15,515,452	\$ 14,049,944		\$ 14,049,944
Commercial	7,093,897		7,093,897	6,321,110		6,321,110
Industrial	3,062,220		3,062,220	2,346,366		2,346,366
Public Authority	1,090,342		1,090,342	949,658		949,658
Sales for Resale	1,857,003		1,857,003	1,495,034		1,495,034
Fire Protection						
Public	583,305		583,305	517,394		517,394
Private	4,109,578		4,109,578	3,591,481		3,591,481
Late Fees	150,919		150,919	157,166		157,166
Other Water Revenues	413,666		413,666	330,330		330,330
Sewer Utility Portion of Expenses	7,242,492	(7,242,492)	-	5,383,983	(5,383,983)	-
Total Operating Revenues	41,118,874	(7,242,492)	33,876,382	35,142,466	(5,383,983)	29,758,483
Operating Expenses:						
Salaries & Wages - Employees	7,387,725		7,387,725	6,699,574		6,699,574
Salaries & Wages - Board Members	10,000		10,000	18,364		18,364
Employee Pensions & Benefits	3,415,544		3,415,544	3,797,088		3,797,088
Purchased Power	1,356,145		1,356,145	1,307,991		1,307,991
Chemicals	1,083,290		1,083,290	975,310		975,310
Materials & Supplies	834,091		834,091	714,478		714,478
Contractual Services						
Professional	3,316,313		3,316,313	2,712,606		2,712,606
Legal	134,499		134,499	110,875		110,875
Management Fees	51,000		51,000	45,000		45,000
Testing	137,201		137,201	140,569		140,569
Other	3,936,677		3,936,677	2,208,592		2,208,592
Rents - Building	103,924		103,924	103,109		103,109
Transportation	314,721		314,721	300,872		300,872
Insurance - General Liability	351,142		351,142	351,141		351,141
Insurance - Workman's' Compensation	116,772		116,772	123,020		123,020
Regulatory Commission Expense	63,000		63,000	63,000		63,000
Bad Debt Expense	(128,802)		(128,802)	129,712		129,712
Miscellaneous	209,556		209,556	214,081		214,081
Sewer Utility Portion	-	(7,242,492)	(7,242,492)	-	(5,383,983)	(5,383,983)
Total O&M Expense	\$ 22,692,798	\$ (7,242,492)	\$ 15,450,306	\$ 20,015,382	\$ (5,383,983)	\$ 14,631,399

EVANSVILLE MUNICIPAL WATER UTILITY
 CAUSE NUMBER 45545

COMPARATIVE INCOME STATEMENT
 For the Twelve Months Ended

	December 31, 2018			December 31, 2017		
	Per Petitioner	Reclass	Per OUCG	Per Petitioner	Reclass	Per OUCG
<u>Operating Expenses (continued)</u>						
Depreciation Expense	\$ 5,677,032		\$ 5,677,032	\$ 3,892,231		\$ 3,892,231
Lease Amortization	1,237		1,237	-		-
Taxes Other than Income						
Payroll Taxes	549,119		549,119	501,403		501,403
Utility Receipts Tax	391,880		391,880	351,609		351,609
Payment in Lieu of Taxes	1,873,600		1,873,600	1,677,172		1,677,172
Total Operating Expenses	<u>31,185,666</u>	<u>(7,242,492)</u>	<u>23,943,174</u>	<u>26,437,797</u>	<u>(5,383,983)</u>	<u>21,053,814</u>
Net Operating Income	9,933,208	-	9,933,208	8,704,669	-	8,704,669
<u>Other Income (Expense)</u>						
Interest Income	518,910		518,910	139,958		139,958
Other Income	154,017		154,017	115,467		115,467
Interest Expense	(4,097,184)		(4,097,184)	(3,579,771)		(3,579,771)
Amortization of Debt Discount/Premium	(286,837)		(286,837)	(261,265)		(261,265)
Other Expense	-		-	(250)		(250)
Total Other Income (Expense)	<u>(3,711,094)</u>	<u>-</u>	<u>(3,711,094)</u>	<u>(3,585,861)</u>	<u>-</u>	<u>(3,585,861)</u>
Extraordinary Deduction	-	-	-	-	-	-
Net Income	<u>\$ 6,222,114</u>	<u>\$ -</u>	<u>\$ 6,222,114</u>	<u>\$ 5,118,808</u>	<u>\$ -</u>	<u>\$ 5,118,808</u>

EVANSVILLE MUNICIPAL WATER UTILITY
 CAUSE NUMBER 45545

OPERATING EXPENSE MATRIX
 Base Period Ending 09/30/2021

Expense Type		Source of Supply	Water Treatment	Transmission / Distribution	Customer Accounts	Admin & General	Total Operating Expenses	Payroll Tax	Workman's Comp	Total Operating Expenses
Salaries & Wages - Employees	601	\$ -	\$ 1,169,679	\$ 1,636,130	\$ 1,911,049	\$ 3,853,155	\$ 8,570,013			\$ 8,570,013
Salaries & Wages - Board Members	603	-	-	-	-	10,000	10,000			10,000
Employee Pensions & Benefits	604	-	615,754	898,562	1,043,495	1,892,420	4,450,231	(645,320)	(58,289)	3,746,622
Purchased Power	615	867,127	81,511	318,421	-	-	1,267,059			1,267,059
Chemicals	618	-	1,091,530	-	-	-	1,091,530			1,091,530
Materials and Supplies	620	-	10,444	273,151	314,959	548,704	1,147,258			1,147,258
Contractual Services							-			-
Engineering	631	-	93,998	261,673	45,049	6,595,911	6,996,631			6,996,631
Legal	633	-	-	-	-	252,612	252,612			252,612
Management Fees	634	-	-	-	-	50,000	50,000			50,000
Testing	635	-	124,261	-	-	-	124,261			124,261
Other	636	769,243	205,329	1,098,706	166,754	167,963	2,407,995			2,407,995
Rents - Building	641	-	-	-	-	187,915	187,915			187,915
Transportation Expense	650	-	16,748	195,247	73,521	47,939	333,455			333,455
Insurance - General Liability	657	-	-	-	-	353,166	353,166			353,166
Insurance - Workman's Compensation	658	-	-	-	-	-	-		58,289	58,289
Regulatory Commission Expense	665	-	-	-	-	80,007	80,007			80,007
Bad Debt Expense	670	-	-	-	84,855	-	84,855			84,855
Miscellaneous Expense	675	-	-	-	-	510,262	510,262			510,262
Total 2019 Operating Expenses		<u>1,636,370</u>	<u>3,409,254</u>	<u>4,681,890</u>	<u>3,639,682</u>	<u>14,550,054</u>	<u>27,917,250</u>	<u>(645,320)</u>	<u>-</u>	<u>\$ 27,271,930</u>
Utility Receipts Tax						483,363	483,363			
Total Per Petitioner Schedules	**	<u>\$ 1,636,370</u>	<u>\$ 3,409,254</u>	<u>\$ 4,681,890</u>	<u>\$ 3,639,682</u>	<u>#####</u>	<u>\$ 28,400,613</u>			

**Comparative Statement of Revenues, Expenses and Changes in Net Position, Attachment DLB-1, Page 39 of 52

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

OPERATING EXPENSE MATRIX
Calendar Year 2019

Expense Type		Source of Supply	Water Treatment	Transmission / Distribution	Customer Accounts	Admin & General	Total Operating Expenses	Payroll Tax	Workman's Comp	Total Operating Expenses	IURC Report	Difference
Salaries & Wages - Employees	601	\$ -	\$ 1,097,717	\$ 1,648,938	\$ 1,870,668	\$ 3,588,062	\$ 8,205,385			\$ 8,205,385	\$ 8,205,385	\$ -
Salaries & Wages - Board Members	603	-	-	-	-	10,000	10,000			10,000	10,000	-
Employee Pensions & Benefits	604	-	570,260	905,829	999,808	1,725,189	4,201,086	(549,119)	(60,056)	3,591,911	3,525,051	(66,860)
Purchased Power	615	834,001	167,876	337,783	-	-	1,339,660			1,339,660	1,339,660	-
Chemicals	618	-	1,079,374	-	-	-	1,079,374			1,079,374	1,079,374	-
Materials and Supplies	620	-	8,864	352,534	305,768	287,278	954,444			954,444	954,445	1
Contractual Services							-			-	-	-
Engineering	631	-	79,919	113,961	67,715	7,264,930	7,526,525			7,526,525	7,526,525	-
Legal	633	-	-	-	-	111,283	111,283			111,283	111,283	-
Management Fees	634	-	-	-	-	50,000	50,000			50,000	50,000	-
Testing	635	-	144,253	-	-	-	144,253			144,253	144,253	-
Other	636	850,736	171,019	1,152,640	181,527	35,701	2,391,623			2,391,623	2,391,623	-
Rents - Building	641	-	-	-	-	195,142	195,142			195,142	195,142	-
Transportation Expense	650	-	19,288	194,781	83,035	75,240	372,344			372,344	372,344	-
Insurance - General Liability	657	-	-	-	-	351,855	351,855			351,855	351,855	-
Insurance - Workman's Compensation	658	-	-	-	-	-	-		60,056	60,056	60,056	-
Regulatory Commission Expense	665	-	-	-	-	128,131	128,131			128,131	128,131	-
Bad Debt Expense	670	-	-	-	83,993	-	83,993			83,993	83,993	-
Miscellaneous Expense	675	-	-	-	-	285,990	285,990			285,990	285,990	-
Total 2019 Operating Expenses		1,684,737	3,338,570	4,706,466	3,592,514	14,108,801	27,431,088	(549,119)	-	\$ 26,881,969	\$ 26,815,110	\$ (66,859)
Utility Receipts Tax						434,296	434,296					
Total Per Petitioner Schedules	**	\$ 1,684,737	\$ 3,338,570	\$ 4,706,466	\$ 3,592,514	#####	\$ 27,865,384					

**Comparative Statement of Revenues, Expenses and Changes in Net Position, Attachment DLB-1, Page 39 of 52

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

OPERATING EXPENSE MATRIX
Calendar Year 2018

Expense Type		Source of Supply	Water Treatment	Transmission / Distribution	Customer Accounts	Admin & General	Total Operating Expenses	Payroll Tax	Workman's Comp	Total Operating Expenses	IURC Report	Difference
Salaries & Wages - Employees	601	\$ -	\$ 1,042,274	\$ 1,616,683	\$ 1,805,889	\$ 2,922,879	\$ 7,387,725			\$ 7,387,725	\$ 7,387,725	\$ -
Salaries & Wages - Board Members	603	-	-	-	-	10,000	10,000			10,000	10,000	-
Employee Pensions & Benefits	604	-	578,622	968,869	1,022,248	1,511,696	4,081,435	(549,119)	(116,772)	3,415,544	3,415,544	-
Purchased Power	615	877,886	131,402	346,857	-	-	1,356,145			1,356,145	1,356,145	-
Chemicals	618	-	1,083,290	-	-	-	1,083,290			1,083,290	1,083,290	-
Materials and Supplies	620	-	9,460	420,686	314,103	89,842	834,091			834,091	834,091	-
Contractual Services							-			-	-	-
Engineering	631	-	78,733	381,533	50,093	2,805,954	3,316,313			3,316,313	3,674,411	358,098
Legal	633	-	-	-	-	134,499	134,499			134,499	134,499	-
Management Fees	634	-	-	-	-	51,000	51,000			51,000	51,000	-
Testing	635	-	137,201	-	-	-	137,201			137,201	137,201	-
Other	636	1,022,002	1,423,450	1,291,830	71,666	127,729	3,936,677			3,936,677	3,936,677	-
Rents - Building	641	-	-	-	-	103,924	103,924			103,924	103,924	-
Transportation Expense	650	-	15795	180706	62,862	55,358	314,721			314,721	314,721	-
Insurance - General Liability	657	-	-	-	-	351,142	351,142			351,142	351,142	-
Insurance - Workman's Compensation	658	-	-	-	-	-	-		116,772	116,772	116,772	-
Regulatory Commission Expense	665	-	-	-	-	63,000	63,000			63,000	63,000	-
Bad Debt Expense	670	-	-	-	(128,802)	-	(128,802)			(128,802)	(128,802)	-
Miscellaneous Expense	675	-	-	-	-	209,556	209,556			209,556	209,556	-
Total 2018 Operating Expenses		<u>1,899,888</u>	<u>4,500,227</u>	<u>5,207,164</u>	<u>3,198,059</u>	<u>8,436,579</u>	<u>23,241,917</u>	<u>(549,119)</u>	<u>-</u>	<u>\$ 22,692,798</u>	<u>\$ 23,050,896</u>	<u>\$ 358,098</u>
Utility Receipts Tax						391,880	391,880					
Total Per Petitioner Schedules	**	<u>\$ 1,899,888</u>	<u>\$ 4,500,227</u>	<u>\$ 5,207,164</u>	<u>\$ 3,198,059</u>	<u>\$ 8,828,459</u>	<u>\$ 23,633,797</u>					

**Comparative Statement of Revenues, Expenses and Changes in Net Position, Attachment DLB-1, Page 39 of 52

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

OPERATING EXPENSE MATRIX
Calendar Year 2017

Expense Type		Source of Supply	Water Treatment	Transmission / Distribution	Customer Accounts	Admin & General	Total Operating Expenses	Payroll Tax	Workman's Comp	Total Operating Expenses	IURC Report	Difference
Salaries & Wages - Employees	601	\$ -	\$ 1,115,616	\$ 1,749,555	\$ 1,743,177	\$ 2,091,226	\$ 6,699,574			\$ 6,699,574	\$ 6,698,263	\$ (1,311)
Salaries & Wages - Board Members	603	-	-	-	-	18,364	18,364			18,364	19,675	1,311
Employee Pensions & Benefits	604	-	740,166	1,208,078	1,162,132	1,311,135	4,421,511	(501,403)	(123,020)	3,797,088	3,795,744	(1,344)
Purchased Power	615	865,477	80,048	362,466	-	-	1,307,991			1,307,991	1,307,991	-
Chemicals	618	-	975,310	-	-	-	975,310			975,310	975,310	-
Materials and Supplies	620	-	6,393	321,305	291,960	94,820	714,478			714,478	714,478	-
Contractual Services												-
Engineering	631	-	53,053	189,511	77,416	2,392,626	2,712,606			2,712,606	2,713,952	1,346
Legal	633	-	-	-	-	110,875	110,875			110,875	110,876	1
Management Fees	634	-	-	-	-	45,000	45,000			45,000	45,000	-
Testing	635	-	140,569	-	-	-	140,569			140,569	140,569	-
Other	636	785,115	364,776	936,755	22,280	99,666	2,208,592			2,208,592	2,164,051	(44,541)
Rents - Building	641	-	-	-	-	103,109	103,109			103,109	103,109	-
Transportation Expense	650	-	3380	193107	54,813	49,572	300,872			300,872	300,872	-
Insurance - General Liability	657	-	-	-	-	351,141	351,141			351,141	351,141	-
Insurance - Workman's Compensation	658	-	-	-	-	-	-		123,020	123,020	123,020	-
Regulatory Commission Expense	665	-	-	-	-	63,000	63,000			63,000	63,000	-
Bad Debt Expense	670	-	-	-	129,712	-	129,712			129,712	129,712	-
Miscellaneous Expense	675	-	-	-	-	214,081	214,081			214,081	201,858	(12,223)
Total 2017 Operating Expenses		1,650,592	3,479,311	4,960,777	3,481,490	6,944,615	20,516,785	(501,403)	-	\$ 20,015,382	\$ 19,958,621	\$ (56,761)
Utility Receipts Tax						351,609	351,609					
Total Per Petitioner Schedules	**	\$ 1,650,592	\$ 3,479,311	\$ 4,960,777	\$ 3,481,490	\$ 7,296,224	\$ 20,868,394					

**Comparative Statement of Revenues, Expenses and Changes in Net Position, Attachment DLB-1, Page 39 of 52

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

Summary of Petitioner's Water Revenue Adjustments

	<u>RES</u>	<u>COM</u>	<u>IND</u>	<u>PA</u>	<u>Public Fire</u>	<u>Private Fire</u>	<u>Late Fee</u>	<u>Total</u>
Test Year	\$ 19,390,251	\$ 8,257,024	\$ 5,779,922	\$ 1,194,300	\$ 5,198,361	\$ 835,486	\$ 92,791	\$ 40,748,135
COVID	(85,916)	285,043	169,808	61,285	-	-	-	430,220
(1) Normalization of Phase 2 Increase	542,352	254,649	209,732	38,416	-	-	106,942	1,152,091
(1) Normalization of Phase 3 Increase	1,101,491	488,218	339,898	71,817	-	-	11,208	2,012,632
(2) Base Period Normalization	214,623	-	-	-	-	-	-	214,623
(3) Base Period Normalization	-	43,698	-	-	-	-	-	43,698
(4) Base Period Normalization	-	-	-	(7,151)	-	-	-	(7,151)
(5) Normalization and Rate Increases	-	-	-	-	567,615	26,319	-	593,934
(7) 2"+ Commercial Customer Growth	-	25,741	-	-	-	-	-	25,741
(8) Pittsburgh Glass Works	-	-	(230,418)	-	-	-	-	(230,418)
Sub-total	<u>21,162,801</u>	<u>9,354,373</u>	<u>6,268,942</u>	<u>1,358,667</u>	<u>5,765,976</u>	<u>861,805</u>	<u>210,941</u>	<u>44,983,505</u>
Declining Consumption ^(A)	(520,328)	(168,140)	-	(27,086)	-	-	-	(715,554)
Total Revenues	<u>\$ 20,642,473</u>	<u>\$ 9,186,233</u>	<u>\$ 6,268,942</u>	<u>\$ 1,331,581</u>	<u>\$ 5,765,976</u>	<u>\$ 861,805</u>	<u>\$ 210,941</u>	<u>\$ 44,267,951</u>
Per Accountant's Report (p. 18)	\$ 20,642,473	\$ 9,186,233	\$ 6,268,942	\$ 1,331,581	\$ 5,765,976	\$ 861,805	\$ 210,941	\$ 44,267,951
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(A) Petitioner made an additional \$753,495 declining consumption adjustment during the forward-looking test years. This adjustment does not appear on page 18 of the Accountants' Report.

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

OUC Revenue Adjustments

Industrial - CN 45073 Rate Increases

			(A)	((A) x 12.6%)	(B)	((B) x 5.55%)	
	Industrial	COVID (Adj. 5-2)	Adjusted Industrial	Phase 2 Increase	Adjusted Industrial	Phase 3 Increase	Adjusted Industrial
Oct-19	\$ 348,794	\$ -	\$ 348,794	\$ 43,948	\$ 392,742	\$ 21,797	\$ 414,539
Nov-19	52,633	-	52,633	6,632	59,265	3,289	62,554
Dec-19	394,918	-	394,918	49,760	444,678	24,680	469,358
Jan-20	232,768	-	232,768	-	232,768	12,919	245,687
Feb-20	249,843	-	249,843	-	249,843	13,866	263,709
Mar-20	282,218	22,733	304,951	-	304,951	16,925	321,876
Apr-20	299,234	24,103	323,337	-	323,337	17,945	341,282
May-20	253,175	20,393	273,568	-	273,568	15,183	288,751
Jun-20	242,245	19,513	261,758	-	261,758	14,528	276,286
Jul-20	324,439	26,134	350,573	-	350,573	19,457	370,030
Aug-20	366,993	29,561	396,554	-	396,554	22,009	418,563
Sep-20	339,805	27,371	367,176	-	367,176	20,378	387,554
	\$ 3,387,065	\$ 169,808	\$ 3,556,873	\$ 100,340	\$ 3,657,213	\$ 202,976	\$ 3,860,189
			\$ (35,169.00)	\$ 174,563		\$ 339,898	
				45073 Phase 2 Increase		\$ 100,340	
				45073 Phase 3 Increase		202,976	

Adjustment Increase (Decrease) \$ 303,316

Wholesale - CN 45073 Rate Increases

			(A)	((A) x 12.6%)	(B)	((B) x 5.55%)	
	Wholesale	COVID (Adj. 5-2)	Adjusted Wholesale	Phase 2 Increase	Adjusted Wholesale	Phase 3 Increase	Adjusted Wholesale
Oct-19	\$ 114,146	\$ -	\$ 114,146	\$ 14,382	\$ 128,528	\$ 7,133	\$ 135,661
Nov-19	324,896	-	324,896	40,937	365,833	20,304	386,137
Dec-19	150,035	-	150,035	18,904	168,939	9,376	178,315
Jan-20	184,256	-	184,256	-	184,256	10,226	194,482
Feb-20	190,438	-	190,438	-	190,438	10,569	201,007
Mar-20	183,606	-	183,606	-	183,606	10,190	193,796
Apr-20	158,673	-	158,673	-	158,673	8,806	167,479
May-20	156,562	-	156,562	-	156,562	8,689	165,251
Jun-20	205,801	-	205,801	-	205,801	11,422	217,223
Jul-20	244,573	-	244,573	-	244,573	13,574	258,147
Aug-20	245,495	-	245,495	-	245,495	13,625	259,120
Sep-20	234,377	-	234,377	-	234,377	13,008	247,385
	\$ 2,392,858	\$ -	\$ 2,392,858	\$ 74,223	\$ 2,467,081	\$ 136,922	\$ 2,604,003
				45073 Phase 2 Increase		\$ 74,223	
				45073 Phase 3 Increase		136,922	

Adjustment Increase (Decrease) \$ 211,145

**EVANSVILLE MUNICIPAL WATER UTILITY
 CAUSE NUMBER 45545**

OUC Revenue Adjustments

Combined Industrial - CN 45073 Rate Increases

			(A)	((A) x 12.6%)	(B)	((B) x 5.55%)	
	Wholesale	COVID (Adj. 5-2)	Adjusted Wholesale	Phase 2 Increase	Adjusted Wholesale	Phase 3 Increase	Adjusted Wholesale
Oct-19	\$ 462,940	\$ -	\$ 462,940	\$ 58,330	\$ 521,270	\$ 28,930	\$ 550,200
Nov-19	377,529	-	377,529	47,569	425,098	23,593	448,691
Dec-19	544,953	-	544,953	68,664	613,617	34,056	647,673
Jan-20	417,024	-	417,024	-	417,024	23,145	440,169
Feb-20	440,281	-	440,281	-	440,281	24,435	464,716
Mar-20	465,824	22,733	488,557	-	488,557	27,115	515,672
Apr-20	457,907	24,103	482,010	-	482,010	26,751	508,761
May-20	409,737	20,393	430,130	-	430,130	23,872	454,002
Jun-20	448,046	19,513	467,559	-	467,559	25,950	493,509
Jul-20	569,012	26,134	595,146	-	595,146	33,031	628,177
Aug-20	612,488	29,561	642,049	-	642,049	35,634	677,683
Sep-20	574,182	27,371	601,553	-	601,553	33,386	634,939
	<u>\$ 5,779,923</u>	<u>\$ 169,808</u>	<u>\$ 5,949,731</u>	<u>\$ 174,563</u>	<u>\$ 6,124,294</u>	<u>\$ 339,898</u>	<u>\$ 6,464,192</u>

\$ 169,809.00

45073 Phase 2 Increase \$ 174,563
 45073 Phase 3 Increase 339,898

Adjustment Increase (Decrease) \$ 514,461

**EVANSVILLE MUNICIPAL WATER UTILITY
 CAUSE NUMBER 45545**

OUC Revenue Adjustments

Late Fee - CN 45073 Rate Increases

	<u>Late Fees</u>	<u>Accrual Adjustment</u>	<u>Estimated COVID Adj.</u>	(A) <u>Adjusted Late Fees</u>	((A) x 12.6%) <u>Phase 2 Increase</u>	(B) <u>Adjusted Late Fees</u>	((B) x 5.55%) <u>Phase 3 Increase</u>	<u>Adjusted Late Fees</u>
Oct-19	\$ 18,797	\$ 745	\$ -	\$ 19,542	\$ 2,462	\$ 22,004	\$ 1,221	\$ 23,225
Nov-19	12,837	1,291	-	14,128	1,780	15,908	883	16,791
Dec-19	17,201	(5,506)	-	11,695	1,474	13,169	731	13,900
Jan-20	15,131	-	-	15,131	-	15,131	840	15,971
Feb-20	17,326	-	-	17,326	-	17,326	962	18,288
Mar-20	15,923	-	-	15,923	-	15,923	884	16,807
Apr-20	(307)	-	-	(307)	-	(307)	(17)	(324)
May-20	(440)	-	-	(440)	-	(440)	(24)	(464)
Jun-20	(157)	-	-	(157)	-	(157)	(9)	(166)
Jul-20	(26)	-	-	(26)	-	(26)	(1)	(27)
Aug-20	(10)	-	-	(10)	-	(10)	(1)	(11)
Sep-20	(14)	-	101,226	101,212	-	101,212	5,739	106,951
	<u>\$ 96,261</u>	<u>\$ (3,470)</u>	<u>\$ 101,226</u>	<u>\$ 194,017</u>	<u>\$ 5,716</u>	<u>\$ 199,733</u>	<u>\$ 11,208</u>	<u>\$ 210,941</u>

COVID Adjustment	\$ 101,226
45073 Phase 2 Increase	5,716
45073 Phase 3 Increase	11,208

Adjustment Increase (Decrease) \$ 118,150

	Residential	Commercial	Total	Late Fee	Late Fee %	COVID Adj.
Oct-19	1,851,268	828,455	2,679,723	19,542	0.7293%	
Nov-19	1,421,713	684,591	2,106,304	14,128	0.6707%	
Dec-19	1,031,401	507,978	1,539,379	11,695	0.7597%	
Jan-20	1,557,199	682,792	2,239,991	15,131	0.6755%	
Feb-20	1,512,408	659,767	2,172,175	17,326	0.7976%	
Mar-20	1,488,456	642,615	2,131,071	15,923	0.7472%	
Apr-20	1,591,049	645,243	2,236,292			15,319 0.6850%
May-20	1,691,015	592,379	2,283,394			15,870 0.6950%
Jun-20	1,780,256	641,943	2,422,199			16,834 0.6950%
Jul-20	1,956,684	769,654	2,726,338			18,948 0.6950%
Aug-20	1,909,045	814,214	2,723,259			18,927 0.6950%
Sep-20	1,599,757	787,393	2,387,150			16,591 0.6950%
	<u>19,390,251</u>	<u>8,257,024</u>	<u>27,647,275</u>	<u>93,745</u>	<u>0.7285%</u>	<u>102,488</u>

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

OUCC Recommended Capital Improvement Plan

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
<u>DEBT FUNDED CAPITAL PROJECTS</u>						
<u>Road Relocates:</u>						
Road EVV Walnut Phase 3, MLK to US41		1,987,000				1,987,000
Road INDOT Lloyd Expwy, Rosenberger to Epworth		15,952,000				15,952,000
Road VC Boonville New Harmony, Petersburg to SR57	2,661,000					2,661,000
Road VC Oak Hill Road, Eastwood to Millersburg		1,972,000				1,972,000
Road VC Oak Hill Road, Lynch to St. George			2,234,000			2,234,000
Road Relocation Projects	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Total Road Relocates	<u>5,661,000</u>	<u>22,911,000</u>	<u>5,234,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>39,806,000</u>
<u>New Water Treatment Plant:</u>						
Plant Replacement, Demo and Relocation	3,500,000					3,500,000
Mercury/TSS Treatment process	-					-
Plant Replacement - CES/RPR	6,280,000					6,280,000
Plant Replacement, Phase I	11,029,000					11,029,000
Plant Replacement, Phase II		30,573,000				30,573,000
Plant Replacement, Phase III			35,302,000			35,302,000
Plant Replacement, Phase IV				37,793,000		37,793,000
Plant Replacement, Phase V					11,661,000	11,661,000
Cost Reduction for 40 MGD Plant	(2,459,220)	(6,817,094)	(7,871,555)	(8,426,989)	(2,600,142)	(28,175,000)
Total New Water Treatment Plant	<u>18,349,780</u>	<u>23,755,906</u>	<u>27,430,445</u>	<u>29,366,011</u>	<u>9,060,858</u>	<u>107,963,000</u>
<u>Engineering:</u>						
CES/RPR	453,000	1,833,000	419,000	240,000	240,000	3,185,000
<u>Planning:</u>						
Program Management Planning	-	-	-	1,400,000	-	1,400,000
Total Debt Financed Projects	<u>\$ 24,463,780</u>	<u>\$ 48,499,906</u>	<u>\$ 33,083,445</u>	<u>\$ 34,006,011</u>	<u>\$ 12,300,858</u>	<u>\$ 152,354,000</u>

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

OUC Recommended Capital Improvement Plan

	2022	2023	2024	2025	2026	Total
<u>EXTENSIONS AND REPLACEMENTS</u>						
<u>Distribution System:</u>						
Broadway Phase II - Construction			4,584,000			4,584,000
Broadway Phase II - Design		458,400				458,400
Cardinal Drive, Stringtown to North Kentucky - Construction	1,870,000					1,870,000
Cardinal Drive, Stringtown to North Kentucky - Design	187,000					187,000
Charlotte Avenue and Russell Avenue - Construction	931,000					931,000
Downtown Area Between Martin Luther King Jr Blvd and Morton					5,914,000	5,914,000
Downtown Area Between Martin Luther King Jr Blvd and Morton				591,400		591,400
East Mill Road and Weaver Road - Construction		849,000				849,000
East Mill Road and Weaver Road - Design		84,900				84,900
Franklin Street, Tekoppel to Schreeder - Construction	816,000					816,000
Franklin Street, Tekoppel to Schreeder - Design	81,600					81,600
Governor Street, Canal to Delaware - Construction				2,062,000		2,062,000
Governor Street, Canal to Delaware - Design				206,200		206,200
Indiana Street, Illinois Street, and Franklin Street - Construction		1,095,000				1,095,000
Indiana Street, Illinois Street, and Franklin Street - Design		109,500				109,500
Mill Road, West of St Joseph - Construction			1,327,000			1,327,000
Mill Road, West of St Joseph - Design			132,700			132,700
Moffett Lane, Browning Road, and Viehe Drive - Construction					1,994,000	1,994,000
Moffett Lane, Browning Road, and Viehe Drive - Design			199,400			199,400
Mount Vernon Road, Vaness Avenue to Harmony Way -				3,366,000		3,366,000
Mount Vernon Road, Vaness Avenue to Harmony Way - Design		336,600				336,600
North Ballard Neighborhood - Construction		1,770,000				1,770,000
North Ballard Neighborhood - Design		177,000				177,000
Poplar Grove Neighborhood, West of Addison - Construction		1,594,000				1,594,000
Poplar Grove Neighborhood, West of Addison - Design		159,400				159,400
South Evergreen Acres Neighborhood - Construction	1,528,000					1,528,000
South Evergreen Acres Neighborhood - Design	152,800					152,800
Total Distribution System	5,566,400	6,633,800	6,243,100	6,225,600	7,908,000	32,576,900

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

OUCU Recommended Capital Improvement Plan

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
<u>Booster Stations</u>						
Campground Booster Station Electrical Improvements	708,000	-	-	-	-	708,000
Killian Booster Station Improvements	231,000	-	-	-	-	231,000
Total Booster Stations	939,000	-	-	-	-	939,000
<u>Annual Capital Improvements Projects:</u>						
Annual Blow-Offs	42,600	42,600	42,600	42,600	42,600	213,000
Annual Industrial Meters	616,360	586,016	588,941	541,602	541,602	2,874,521
Annual Residential Meters	411,466	420,409	858,512	1,209,447	344,487	3,244,321
Auto flush Devices	42,000	42,000	42,000	42,000	42,000	210,000
Backhoe Replacement	80,000	140,000	80,000	140,000	80,000	520,000
Dump Truck Replacement	-	144,000	149,000	-	149,000	442,000
Filter Bed Rehab	1,200,000	1,200,000	-	-	-	2,400,000
New Hydrants	275,000	275,000	275,000	275,000	275,000	1,375,000
Reseters	46,000	46,000	46,000	46,000	46,000	230,000
Utilities Power Operating Equipment	173,000	178,000	184,000	189,000	194,000	918,000
Valve Replacement Program	16,500	16,500	16,500	16,500	16,500	82,500
Valve Replacement Program						
Total Annual Capital Improvements Projects	2,902,926	3,090,525	2,282,553	2,502,149	1,731,189	12,509,342
Engineering						
CES/RPR	596,232	520,184	579,278	531,944	774,984	3,002,622
Total Extensions and Replacements	\$ 10,004,558	\$ 10,244,509	\$ 9,104,931	\$ 9,259,693	\$ 10,414,173	\$ 49,027,864
Total Capital Improvement Plan	\$ 34,468,338	\$ 58,744,415	\$ 42,188,376	\$ 43,265,704	\$ 22,715,031	\$ 201,381,864

CITY OF EVANSVILLE
CAUSE NUMBER 45545

Comparison of Petitioner's Overall Revenue Requirement

	<u>Cause No.</u> <u>45073</u>	<u>Cause No.</u> <u>45545</u>	<u>Cause No. 45545</u> <u>More (Less)</u>	
Operating Expenses	\$ 24,993,625	\$ 32,559,766	\$ 7,566,141	50.81%
Extensions and Replacements	9,544,101	10,477,900	933,799	6.27%
Payment in Lieu of Taxes	3,112,900	5,330,000	2,217,100	14.89%
Debt Service	18,095,031	24,395,658	6,300,627	42.31%
Debt Service Reserve	-	1,372,738	1,372,738	9.22%
Total Revenue Requirements	55,745,657	74,136,062	18,390,405	123.51%
Revenue Requirement Offsets				
Interest Income	(201,999)	(23,080)	178,919	1.20%
Other Operating Revenues	(524,476)	(210,142)	314,334	2.11%
Other Non-Operating Income	(377,928)	(491,144)	(113,216)	-0.76%
Sewer Portion of General Expenses	(7,371,586)	(14,253,593)	(6,882,007)	-46.22%
Fixed Capacity Pyments from Wholesaler	(191,144)	-	191,144	1.28%
Net Revenue Requirements		59,158,103	12,079,579	81.12%
Less: Revenues at current rates subject to increase	47,078,524	(44,267,951)	2,810,573	18.88%
Recommended Increase		<u>\$ 14,890,152</u>	<u>\$ 14,890,152</u>	<u>100.00%</u>
Recommended Percentage Increase		<u>33.64%</u>		

CITY OF EVANSVILLE
CAUSE NUMBER 45545

Comparison of Petitioner's Overall Revenue Requirement

	<u>Cause No.</u> <u>45073</u>	<u>Cause No.</u> <u>45545</u>	<u>Cause No. 45545</u> <u>More (Less)</u>	
Operating Expenses	\$ 17,622,039	\$ 18,306,173	\$ 684,134	4.59%
Extensions and Replacements	9,544,101	10,477,900	933,799	6.27%
Payment in Lieu of Taxes	3,112,900	5,330,000	2,217,100	14.89%
Debt Service	18,095,031	24,395,658	6,300,627	42.31%
Debt Service Reserve	-	1,372,738	1,372,738	9.22%
Total Revenue Requirements	48,374,071	59,882,469	11,508,398	77.29%
Revenue Requirement Offsets				
Interest Income	(201,999)	(23,080)	178,919	1.20%
Other Operating Revenues	(524,476)	(210,142)	314,334	2.11%
Other Non-Operating Income	(377,928)	(491,144)	(113,216)	-0.76%
Fixed Capacity Pyments from Wholesaler	(191,144)	-	191,144	1.28%
Net Revenue Requirements		59,158,103	12,079,579	81.12%
Less: Revenues at current rates subject to increase	47,078,524	(44,267,951)	2,810,573	18.88%
Recommended Increase		<u>\$ 14,890,152</u>	<u>\$ 14,890,152</u>	<u>100.00%</u>
	12,079,579			
Recommended Percentage Increase		<u>33.64%</u>		

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

Comparison of Petitioner's and OUC's
Overall Revenue Requirement

<u>Line #</u>		<u>Per</u> <u>Petitioner</u>	<u>Per</u> <u>OUC</u>	<u>Sch</u> <u>Ref</u>	<u>OUC</u> <u>More (Less)</u>
1	Operating Expenses	\$ 31,126,382	\$ 31,170,052	4	\$ 43,670
2	Sewer Portion of General Expenses	(14,253,593)	(13,933,154)	4	320,439
3	Extensions and Replacements	10,477,900	9,805,573	7	(672,327)
4	Payment in Lieu of Taxes	5,330,000	4,881,350	8	(448,650)
5	Debt Service				
6	Existing Debt	17,528,594	17,528,594	9	-
7	Proposed Debt	6,867,064	3,675,000	9	(3,192,064)
8	Debt Service Reserve	<u>1,372,738</u>	<u>735,000</u>	10	<u>(637,738)</u>
9	Total Revenue Requirements	58,449,085	53,862,415		(4,586,670)
10	Revenue Requirement Offsets				
11	Interest Income	(23,080)	(23,080)	PET	-
12	Other Water Revenues	(210,142)	(201,511)	4	8,631
13	Other Non-operating Income	<u>(491,144)</u>	<u>(491,144)</u>	PET	<u>-</u>
14	Net Revenue Requirements	57,724,719	53,146,680		(4,578,039)
15	Less: Revenues at current rates subject to increase	<u>(44,267,951)</u>	<u>(44,087,215)</u>	4	<u>180,736</u>
16	Net Revenue Increase Required	13,456,768	9,059,465		(4,397,303)
17	Gross Revenue Conversion Factor	<u>110.6518%</u>	<u>101.3937%</u>	1	<u>-9.2581%</u>
18	Recommended Revenue Increase	<u>\$ 14,890,152</u>	<u>\$ 9,185,727</u>		<u>\$ (5,704,425)</u>
19	Recommended Percentage Increase	<u>33.64%</u>	<u>20.84%</u>		<u>-12.80%</u>
20	<u>Current Rate for 5,000 Gallons</u> (including public fire protection surcharge)				
21	Current Rate = \$45.12	\$ 61.33	\$ 54.51	11	\$ (6.82)

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

**Comparison of Petitioner's and OUCC's
Phased Revenue Requirement**

Line #	2022				2023				2024				
	Per Petitioner	Per OUCC ^(A)	Sch Ref	OUCC More (Less)	Per Petitioner	Per OUCC	Sch Ref	OUCC More (Less)	Per Petitioner	Per OUCC	Sch Ref	OUCC More (Less)	
1	\$ 30,928,483	\$ 24,993,625	WP MAS-7	\$ (5,934,858)	\$ 32,403,700	31,170,052	4	\$ (1,233,648)	\$ 32,446,388	\$ 31,243,305	4	\$ (1,203,083)	
2	(13,525,184)	\$ (7,371,586)	WP MAS-7	6,153,598	(14,253,593)	(13,933,154)	4	320,439	\$(14,253,593)	(13,933,154)	4	320,439	
3	9,300,000	9,544,101	WP MAS-7	244,101	9,650,000	9,805,573	7	155,573	10,050,000	9,805,573	7	(244,427)	
4	3,590,000	3,112,900	WP MAS-7	(477,100)	4,105,000	4,752,346	8	647,346	4,445,000	4,881,350	8	436,350	
5	Debt Service												
6	Existing Debt	17,527,945	18,095,031	WP MAS-7	567,086	17,529,307	17,529,307	9	-	17,527,670	17,528,594	9	924
7	Proposed Debt	-	-	-	-	-	9	-	2,493,465	3,675,000	9	1,181,535	
8	Debt Service Reserve	436,986	-	WP MAS-7	(436,986)	1,372,738	735,000	10	(637,738)	1,372,738	735,000	10	(637,738)
9	Total Revenue Requirements	48,258,230	48,374,071		115,841	50,807,152	50,059,124		(748,028)	54,081,668	53,935,668		(146,000)
10	Revenue Requirement Offsets:												
11	Interest Income	(23,080)	(201,999)	WP MAS-7	(178,919)	(23,080)	(23,080)	PET	-	(23,080)	(23,080)	PET	-
12	Other Water Revenues	(210,142)	(715,620)	WP MAS-7	(505,478)	(210,142)	(201,511)	4	8,631	(210,142)	(201,511)	4	8,631
13	Other Non-operating Income	(482,627)	(377,928)	WP MAS-7	104,699	(491,144)	(491,144)	PET	-	(491,144)	(491,144)	PET	-
14	Net Revenue Requirements	47,542,381	47,078,524		(463,857)	49,358,420	49,343,389		(739,397)	53,357,302	53,219,933		(137,369)
15	Less: Revenues at current rates subject to increase	(44,267,951)	(47,078,524)	WP MAS-7	(2,810,573)	(46,832,393)	(44,087,215)	4	2,745,178	(50,125,474)	(49,416,642)	4	708,832
16	Net Revenue Increase Required	3,274,430	-		(3,274,430)	2,526,027	5,256,174		2,005,781	3,231,828	3,803,291		571,463
17	Gross Revenue Conversion Factor	101.3337%	101.3937%		0.0600%	130.3660%	101.393654%		-28.9723%	101.2944%	101.393654%		0.0993%
18	Recommended Revenue Increase	\$ 3,318,100	\$ -		(3,318,100)	\$ 3,293,081	5,329,427		2,036,346	\$ 3,273,662	\$ 3,856,296		582,634
19	Recommended Percentage Increase	7.50%	0.00%		-7.50%	7.03%	12.09%		5.06%	6.53%	7.80%		1.27%
20	Current Rate for 5,000 Gallons (including public fire protection surcharge)												
21	Current Rate = \$45.12	\$ 48.55	\$ 45.12		\$ (3.43)	\$ 51.97	\$ 50.58		\$ (1.39)	\$ 55.36	\$ 54.51		\$ (0.85)

(A) Revenue requirement presented is the revenue requirement approved in Cause No. 45073 (Phase 3), which would continue to be effective until 2023 under the OUCC's recommendation.

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

**Comparison of Petitioner's and OUC's
Phased Revenue Requirement**

Line #	2025				2026				
	Per	Per	Sch	OUC	Per	Per	Sch	OUC	
	Petitioner	OUC	Ref	More (Less)	Petitioner	OUC	Ref	More (Less)	
1	Operating Expenses	\$ 32,488,222	\$ 31,296,310	4	\$ (1,191,912)	\$ 32,530,018	\$ 31,296,310	4	\$ (1,233,708)
2	Sewer Portion of General Expenses	(14,253,593)	(13,933,154)	4	320,439	(14,253,593)	\$(13,933,154)	4	320,439
3	Extensions and Replacements	9,550,000	9,805,573	7	255,573	10,477,900	9,805,573	7	(672,327)
4	Payment in Lieu of Taxes	4,785,000	4,881,350	8	96,350	5,330,000	4,881,350	8	(448,650)
5	Debt Service								-
6	Existing Debt	17,528,795	17,528,594	9	(201)	17,528,594	17,528,594	9	-
7	Proposed Debt	5,925,938	3,675,000	9	(2,250,938)	6,867,064	3,675,000	9	(3,192,064)
8	Debt Service Reserve	1,372,738	735,000	10	(637,738)	1,372,738	735,000	10	(637,738)
9	Total Revenue Requirements	57,397,100	53,988,673		(3,408,427)	59,852,721	53,988,673		(5,864,048)
10	Revenue Requirement Offsets:								
11	Interest Income	(23,080)	(23,080)	PET	-	(23,080)	(23,080)	PET	-
12	Other Water Revenues	(210,142)	(201,511)	4	8,631	(210,142)	(201,511)	4	8,631
13	Other Non-operating Income	(491,144)	(491,144)	PET	-	(491,144)	(491,144)	PET	-
14	Net Revenue Requirements	56,672,734	53,272,938		(3,399,796)	59,128,355	53,272,938		(5,855,417)
15	Less: Revenues at current rates subject to increase	(53,399,136)	(53,272,938)	4	126,198	(56,714,530)	(53,272,938)	4	3,441,592
16	Net Revenue Increase Required	3,273,598	-		(3,273,598)	2,413,825	-		(2,413,825)
17	Divide by Revenue Conversion Factor	101.2768%	101.3937%		0.1169%	101.2324%	101.3937%		0.1613%
18	Recommended Revenue Increase	\$ 3,315,394	\$ -		(3,315,394)	\$ 2,443,573	\$ -		(2,443,573)
19	Recommended Percentage Increase	6.21%	0.00%		-6.21%	4.31%	0.00%		-4.31%
20	Current Rate for 5,000 Gallons								
21	Inside	\$ 58.80	\$ 54.51		\$ (4.29)	\$ 61.33	\$ 54.51		\$ (6.82)

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

**Gross Revenue Conversion Factor
Phased Revenue Requirement**

	<u>OUCC</u>	<u>2023</u>	<u>2024</u>
1 Gross Revenue Change	100.000000%	\$ 5,329,427	\$ 3,856,296
2 Less: Bad Debt Expense	0.191463%	10,204	7,383
3 Subtotal	99.808537%		
4 Less: Utility Receipts Tax (See Calculation Below)	1.183035%	63,049	45,621
5 Change in Operating Income	98.625502%	\$ 5,256,174	\$ 3,803,292
6 Gross Revenue Conversion Factor	101.393654%		

Calculation of Bad Debt Expense

Base Period Bad Debt Expense	(A)	\$ 90,138
<i>Pro forma</i> Residential Revenues		\$ 20,346,513
<i>Pro forma</i> Commercial Revenues		9,014,262
	(B)	\$ 29,360,775
Base Period Expense Rate	(A / (B))	0.307001%
Times: Portion of Revenues Subject to Bad Debt Rate		62.36550%
Effective Bad Debt Expense Rate		0.191463%
Total Revenues Subject to Increase	(A)	47,078,524
<i>Pro forma</i> Residential Revenues		20,346,513
<i>Pro forma</i> Commercial Revenues		9,014,262
	(B)	29,360,775
Percent Related to Bad Debt Rate	(B) / (A)	62.3655%

Calculation of Utility Receipts Tax Rate:

Statutory Rate		1.460000%
Times: Portion of Revenues Subject to URT		81.185200%
Subtotal		1.185304%
Times: Line 3		99.808537%
Effective Utility Receipts Tax Rate		1.183035%
Total Revenues Subject to Increase (2023)	(A)	47,078,524
<i>Pro forma</i> Sales for Resale (2023)		2,922,647
<i>Pro Forma</i> Other Exempt Revenues (2023)		5,935,098
Total Exempt Revenues	(B)	8,857,745
Percent Related to Exempt Revenues	(B) / (A)	18.8148%
Total Revenues		100.0000%
Less: Revenues Exempt from URT		-18.8148%
Portion of Revenues Subject to URT		81.1852%

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

Reconciliation of Net Operating Income Statement Adjustments
Pro-forma Present Rates

	<u>Per</u> <u>Petitioner</u>	<u>Per</u> <u>OUCC</u>	<u>OUCC</u> <u>More (Less)</u>
Water Revenues			
COVID Adjustment	\$ 430,220	\$ 423,906	\$ (6,314)
CN 45073 Rate Increases	3,164,723	3,182,243	17,520
Test Year Growth Normalization			
Residential	214,623	227,074	12,451
Commercial	69,439	75,152	5,713
Public Authority	(7,151)	(7,656)	(505)
Fire Proection Normalization	593,935	593,935	-
Pittsburgh Glass Works	(230,418)	(230,418)	-
Gibson Water Authority	-	318,645	318,645
Sales Taxes	-	227,772	227,772
Declining Consumption - 2022	(715,554)	(715,554)	-
Declining Consumption - 2023	(753,658)	(753,658)	-
	<u>2,766,159</u>	<u>3,341,441</u>	<u>575,282</u>
O&M Expense			
Increase Wages and Add 2 new employees	784,305	784,305	-
Add new employees during the test year	653,642	164,468	(489,174)
Periodic Maintenance	625,622	(159,195)	(784,817)
Non-recurring	(324,105)	(324,105)	-
Non-allowed	-	(26,594)	(26,594)
Contractual Services	284,535	284,535	-
Vehicle Lease	36,929	36,929	-
Professional Plaza Building Lease	56,508	-	(56,508)
Additional Sewer Costs	283,181	283,181	-
Bad Debt Expense	8,199	5,283	(2,916)
Sewer Utility Reimbursement	(2,590,596)	-2270157	320,439
Utility Receipts Tax	18,794	41085	22,291
Inflation Adjustment - 2022	753,900	711,042	(42,858)
Inflation Adjustment - 2023	777,905	733,017	(44,888)
	<u>1,368,819</u>	<u>263,794</u>	<u>(1,105,025)</u>
Net Operating Income	<u>\$ 1,397,340</u>	<u>\$ 3,077,647</u>	<u>\$ 1,680,307</u>

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

COMPARATIVE HISTORICAL BALANCE SHEET

	As of December 31,			
	2020	2019	2018	2017
<u>ASSETS</u>				
<u>Utility Plant:</u>				
Utility Plant in Service	\$ 328,121,654	\$ 315,888,569	\$ 304,394,267	\$ 215,305,027
Construction Work in Progress	40,512,787	28,595,563	21,482,137	13,355,858
Less: Accumulated Depreciation	(124,233,223)	(118,252,843)	(112,591,724)	(71,868,580)
Accumulated Amortization	(684,167)	(387,881)	(1,238)	-
Net Utility Plant	243,717,051	225,843,408	213,283,442	156,792,305
<u>Restricted Assets:</u>				
Debt Service Reserve	55,599	4,169,617	5,945,549	6,110,000
Construction Funds	10,533,263	45,807,763	15,999,999	21,450,000
Cash from Fiscal Agent	392,989	417,127	575,749	292,979
Excess Pension	802,964	401,482	-	-
Assistance Program	20,355	4,381	4,603	7,231
Total Restricted Assets	11,805,170	50,800,370	22,525,900	27,860,210
<u>Current Assets:</u>				
Cash and Working Funds	131,864,206	104,841,852	97,602,165	26,785,914
Customer Deposits	1,631,475	1,603,574	1,564,391	1,503,558
Accounts Receivable - Customers	3,857,335	3,757,530	3,272,023	2,979,456
Less: Provision for Uncollectible Accounts	(1,252,543)	(1,141,775)	(1,056,919)	(1,194,199)
Other Customer Accounts Receivable	90,201	167,316	606,711	88,129
Due from Sewer Utility	1,050,657	854,112	585,924	448,665
Customer Deposits Receivable	51,473	52,190	22,712	30,905
Materials and Supplies	1,382,278	1,121,023	1,013,140	1,063,509
Prepayments	278,809	139,270	2,008,465	318,028
Accrued Interest	585,309	767,295	316,668	199,012
Total Current Assets	139,539,200	112,162,387	105,935,280	32,222,977
<u>Deferred Debits</u>				
Unamortized Debt Discount and Expense	5,922,499	4,691,143	4,294,270	4,728,198
Deferred Rate Case Expense	173,482	373,709	552,192	282,858
Deferred Pension Outflow	1,279,279	686,521	719,030	1,689,158
Miscellaneous Deferred Debits	-	-	-	11,966
Total Deferred Debits	7,375,260	5,751,373	5,565,492	6,712,180
Total Assets	\$ 402,436,681	\$ 394,557,538	\$ 347,310,114	\$ 223,587,672

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

COMPARATIVE BALANCE SHEET

	As of December 31,			
	2020	2019	2018	2017
<u>LIABILITIES & EQUITY</u>				
<u>Equity</u>				
Retained Earnings	\$ 30,341,418	\$ 17,702,348	\$ 10,338,900	\$ 39,362,522
Contributions in Aid of Construction	114,513,209	113,947,959	112,669,296	33,527,270
<u>Long-term Debt</u>				
Revenue Bond - 2013A	-	28,835,000	28,895,000	28,950,000
Revenue Bond - 2013C	14,385,000	14,735,000	14,995,000	15,250,000
Revenue Bond - 2014B	11,260,000	13,180,000	15,000,000	16,720,000
Revenue Bond - 2016A	36,485,000	38,055,000	39,640,000	39,640,000
Revenue Bond - 2016B	27,960,000	29,125,000	30,270,000	31,370,000
Revenue Bond - 2018A1	5,308,000	5,308,000	5,308,000	-
Revenue Bond - 2018A2	71,912,000	71,912,000	71,912,000	-
Revenue Bond - 2019A	39,075,000	39,765,000	-	-
Revenue Bond - 2020A	30,670,000	-	-	-
Less: Current Bonds Payable	(8,943,303)	(5,755,000)	(4,870,000)	(3,130,000)
Other Long-term Debt - PILT	702,956	702,956	702,956	702,956
Total Long-term Debt	228,814,653	235,862,956	201,852,956	129,502,956
<u>Current Liabilities</u>				
Accounts Payable	4,754,216	5,807,058	3,502,473	3,532,141
Current Portion of Long-term Debt	8,943,303	5,755,000	4,870,000	3,130,000
Bond Anticipation Note	-	-	500,000	-
Customer Deposits	1,589,209	1,635,371	1,587,103	1,534,463
Accrued Taxes	169,046	150,992	157,432	94,259
Accrued Interest	3,987,478	4,363,722	2,630,500	2,690,425
Accrued Wages	323,457	219,474	181,128	166,598
Compensated Absences	1,138,884	730,050	707,988	602,947
Net Pension Liability - PERF	4,584,404	4,668,313	4,719,544	5,938,565
Assistance Program	3,768	4,381	4,603	7,231
Misc Current and Accrued Liabilities	45,931	31,165	25,720	23,657
Other Current Liabilities	25,539,696	23,365,526	18,886,491	17,720,286
PERF				
<u>Deferred Credits</u>				
Unamortized Bond Premium	2,177,562	2,892,292	2,745,680	3,109,621
Other Deferred Credits	1,050,143	786,457	816,791	365,017
Total Deferred Credits	3,227,705	3,678,749	3,562,471	3,474,638
Total Liabilities and Equity	\$ 402,436,681	\$ 394,557,538	\$ 347,310,114	\$ 223,587,672

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

**COMPARATIVE INCOME STATEMENT
For the Twelve Months Ended**

	Base Period	December 31			
	9/30/2020	2020	2019	2018	2017
Operating Revenues:					
Metered Water Sales					
Residential	\$19,390,251	\$20,482,513	\$17,590,377	\$15,515,452	\$14,049,944
Commercial	8,257,024	8,370,016	8,047,046	7,093,897	6,321,110
Industrial	3,387,065	4,309,115	3,550,070	3,062,220	2,346,366
Public Authority	1,194,300	1,242,144	1,245,380	1,090,342	949,658
Sales for Resale	2,392,857	1,529,001	1,830,491	1,857,003	1,495,034
Fire Protection					
Public	5,198,361	826,521	737,313	583,305	517,394
Private	833,125	5,407,474	4,744,922	4,109,578	3,591,481
Late Fees	92,791	91,731	168,044	150,919	157,166
Other Water Revenues	201,511	211,651	439,636	413,666	330,330
Total Operating Revenues	40,947,285	42,470,166	38,353,279	33,876,382	29,758,483
Operating Expenses:					
Salaries & Wages - Employees	8,570,013	9,088,836	8,205,385	7,387,725	6,699,574
Salaries & Wages - Board Members	10,000	10,000	10,000	10,000	18,364
Employee Pension and Benefits	3,746,622	3,469,128	3,591,911	3,415,544	3,797,088
Purchased Power	1,267,059	1,142,504	1,339,660	1,356,145	1,307,991
Chemicals	1,091,530	1,025,370	1,079,374	1,083,290	975,310
Materials & Supplies	1,147,258	942,929	954,444	834,091	714,478
Contractual Services					
Professional	6,996,631	5,890,646	7,526,525	3,316,313	2,712,606
Legal	252,612	259,405	111,283	134,499	110,875
Management Fees	50,000	50,000	50,000	51,000	45,000
Testing	124,261	153,253	144,253	137,201	140,569
Other	2,407,995	2,444,151	2,391,623	3,936,677	2,208,592
Rents - Building	187,915	179,049	195,142	103,924	103,109
Transportation	333,455	274,494	372,344	314,721	300,872
Insurance - General Liability	353,166	386,395	351,855	351,142	351,141
Insurance - Workman's' Compensation	58,289	117,757	60,056	116,772	123,020
Regulatory Commission Expense	80,007	-	128,131	63,000	63,000
Bad Debt Expense	84,855	98,819	83,993	(128,802)	129,712
Miscellaneous	510,262	448,337	285,990	209,556	214,081
Sewer Utility Portion	(11,662,997)	(12,305,481)	(9,735,550)	(7,242,492)	(5,383,983)
Total O&M Expense	\$15,608,933	\$13,675,592	\$17,146,419	\$15,450,306	\$14,631,399

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

COMPARATIVE INCOME STATEMENT
For the Twelve Months Ended

	Base Period	December 31			
	9/30/2020	2020	2019	2018	2017
<u>Operating Expenses (continued)</u>					
Depreciation Expense	\$ 5,970,013	\$ 5,983,474	\$ 5,863,681	\$ 5,677,032	\$ 3,892,231
Lease Amortization	235,488	496,515	182,759	1,237	-
Taxes Other than Income					
Payroll Taxes	645,320	647,775	549,119	549,119	501,403
Utility Receipts Tax	483,363	507,577	434,296	391,880	351,609
Payment in Lieu of Taxes	2,353,750	2,509,100	1,882,300	1,873,600	1,677,172
Total Operating Expenses	<u>25,296,867</u>	<u>23,820,033</u>	<u>26,058,574</u>	<u>23,943,174</u>	<u>21,053,814</u>
Net Operating Income	15,650,418	18,650,133	12,294,705	9,933,208	8,704,669
<u>Other Income (Expense)</u>					
Interest Income	1,920,480	1,049,923	3,073,676	518,910	139,958
Other Income	1,193,310	1,139,904	830,890	154,017	115,467
Interest Expense	(8,215,505)	(7,994,422)	(8,359,571)	(4,097,184)	(3,579,771)
Amortization of Debt Discount/Premium	(408,323)	(206,470)	(475,250)	(286,837)	(261,265)
Other Expense	(1,000)	-	(1,000)	-	(250)
Total Other Income (Expense)	<u>(5,511,038)</u>	<u>(6,011,065)</u>	<u>(4,931,255)</u>	<u>(3,711,094)</u>	<u>(3,585,861)</u>
Extraordinary Deduction	-	-	-	-	-
Net Income	<u>\$10,139,380</u>	<u>\$12,639,068</u>	<u>\$ 7,363,450</u>	<u>\$ 6,222,114</u>	<u>\$ 5,118,808</u>

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

Pro Forma Net Operating Income Statement
2023 - Forward-looking Test Year

	Base Period Ended 9/30/2020	Projected Adjustments	Sch Ref	<i>Pro forma</i> Present Rates	Adjustments	Sch Ref	2023 <i>Pro forma</i> Proposed Rates
Operating Revenues							
Metered Water Sales							
Residential	\$ 19,390,251	\$ 956,262	Sch 5, Page 1	\$ 20,346,513	2,459,562		22,806,075
Commercial	8,257,024	757,238		9,014,262	1,089,678		10,103,940
Industrial	3,387,065	277,875		3,664,940	443,032		4,107,972
Public Authority	1,194,300	108,192		1,302,492	157,450		1,459,942
Sales for Resale	2,392,857	529,790		2,922,647	353,300		3,275,947
Fire Protection							
Public	5,198,361	567,615		5,765,976	697,013		6,462,989
Private	833,125	26,319		859,444	103,893		963,337
Late Fees	92,791	118,150		210,941	25,499		236,440
Total Water Revenues	40,745,774	3,341,441		44,087,215	5,329,427		49,416,642
Other Water Revenues	201,511			201,511	-		201,511
Total Operating Revenues	40,947,285	3,341,441		44,288,726	5,329,427	1	49,618,153
O&M Expense							
Salaries & Wages - Employees	8,570,013	446,234	PET	9,383,772			9,383,772
		103,000	6-1				
		264,525	6-10				
Salaries & Wages - Board Members	10,000			10,000			10,000
Employee Benefits	2,598,168	115,662	PET	2,929,679			2,929,679
		(5,177)	PET				
		38,962	6-2				
		182,064	6-10				
PERF	1,148,454	113,491	PET	1,314,134			1,314,134
		14,626	6-3				
		37,563	6-10				
Purchased Power	1,267,059	45,766	6-10	1,312,825			1,312,825
Chemicals	1,091,530	105,015	6-10	1,196,545			1,196,545
Materials & Supplies	1,147,258	(6,187)	6-10	1,141,071			1,141,071
Contractual Services							
Professional	6,996,631	(324,105)	PET	7,711,032			7,711,032
		284,535	PET				
		283,181	PET				
		470,790	6-10				
Legal	252,612	16,426	6-10	269,038			269,038
Management Fees	50,000			50,000			50,000
Testing	124,261	6,392	6-10	130,653			130,653
Other	2,407,995	(159,195)	6-5	2,468,452			2,468,452
		219,652	6-10				
Rents - Building	187,915	11,406	6-10	199,321			199,321
Transportation	333,455	19,964	6-10	353,419			353,419
Insurance - General Liability	353,166	6,742	6-10	359,908			359,908
Insurance - Workman's' Compensation	58,289	61,641	PET	122,219			122,219
		2,289	6-10				
Regulatory Commission Expense	80,007			80,007			80,007
Bad Debt Expense	84,855	5,283	6-8	90,138	10,204	1	100,342
Miscellaneous	510,262	(26,594)	6-6	508,550			508,550
		24,882	6-10				
Sewer Utility Portion	(11,662,997)	(2,270,157)	6-7	(13,933,154)			(13,933,154)
Depreciation Expense	5,970,013			5,970,013			5,970,013
Lease Amortization	235,488	36,929	PET	288,951			288,951
		16,534	6-10				
Taxes Other than Income							
Payroll Taxes	645,320	52,454	PET	725,890			725,890
New Employees		7,880	6-4				
		20,236	6-10				
Utility Receipts Tax	483,363	41,085	6-9	524,448	63,049	1	587,497
Payment in Lieu of Taxes	2,353,750			2,353,750			2,353,750
Total Operating Expenses	25,296,867	263,794		25,560,661	73,253		25,633,914
Net Operating Income	\$ 15,650,418	\$ 3,077,647		\$ 18,728,065	\$ 5,256,174		\$ 23,984,239

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

Pro-forma Net Operating Income Statement
2024

	2023 <i>Pro forma</i> Proposed Rates	Adjustments	Sch Ref	Pro forma Present Rates	Adjustments	Sch Ref	2024 <i>Pro forma</i> Proposed Rates
Operating Revenues							
Metered Water Sales							
Residential	\$ 22,806,075			\$ 22,806,075	1,779,704		\$ 24,585,779
Commercial	10,103,940			10,103,940	788,475		10,892,415
Industrial	4,107,972			4,107,972	320,571		4,428,543
Public Authority	1,459,942			1,459,942	113,929		1,573,871
Sales for Resale	3,275,947			3,275,947	255,643		3,531,590
Fire Protection							
Public	6,462,989			6,462,989	504,348		6,967,337
Private	963,337			963,337	75,175		1,038,512
Late Fees	236,440			236,440	18,451		254,891
Total Water Revenues	<u>49,416,642</u>	-		<u>49,416,642</u>	<u>3,856,296</u>		<u>53,272,938</u>
Other Water Revenues	201,511			201,511			201,511
Total Operating Revenues	<u>49,618,153</u>	-		<u>49,618,153</u>	<u>3,856,296</u>	1	<u>53,474,449</u>
O&M Expense							
Salaries & Wages - Employees	9,383,772			9,383,772			9,383,772
Salaries & Wages - Board Members	10,000			10,000			10,000
Employee Benefits	2,929,679			2,929,679			2,929,679
PERF	1,314,134			1,314,134			1,314,134
Purchased Power	1,312,825			1,312,825			1,312,825
Chemicals	1,196,545			1,196,545			1,196,545
Materials & Supplies	1,141,071			1,141,071			1,141,071
Contractual Services							
Professional	7,711,032			7,711,032			7,711,032
Legal	269,038			269,038			269,038
Management Fees	50,000			50,000			50,000
Testing	130,653			130,653			130,653
Other	2,468,452			2,468,452			2,468,452
Rents - Building	199,321			199,321			199,321
Transportation	353,419			353,419			353,419
Insurance - General Liability	359,908			359,908			359,908
Insurance - Workman's' Compensation	122,219			122,219			122,219
Regulatory Commission Expense	80,007			80,007			80,007
Bad Debt Expense	100,342			100,342	7,383	1	107,725
Miscellaneous	508,550			508,550			508,550
Sewer Utility Portion	(13,933,154)			(13,933,154)			(13,933,154)
Depreciation Expense	5,970,013			5,970,013			5,970,013
Lease Amortization	288,951			288,951			288,951
Taxes Other than Income							
Payroll Taxes	725,890			725,890			725,890
Utility Receipts Tax	587,497			587,497	45,621	1	633,118
Payment in Lieu of Taxes	2,353,750			2,353,750			2,353,750
Total Operating Expenses	<u>25,633,914</u>	-		<u>25,633,914</u>	<u>53,004</u>		<u>25,686,918</u>
Net Operating Income	<u>\$ 23,984,239</u>	<u>\$ -</u>		<u>\$ 23,984,239</u>	<u>\$ 3,803,292</u>		<u>\$ 27,787,531</u>

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

Summary of OUC Water Revenue Adjustments

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Public Authority</u>	<u>Sales for Resale</u>	<u>Public Fire Protection</u>	<u>Private Fire</u>	<u>Late Fees</u>	<u>Total</u>
Base Period Revenues	\$ 19,390,251	\$ 8,257,024	\$ 3,387,065	\$ 1,194,300	\$ 2,392,857	\$ 5,198,361	\$ 833,125	\$ 92,791	\$ 40,745,774
5-1 Sales Taxes	227,772	-	-	-	-	-	-	-	227,772
5-2 CN 45073 Phase 2	542,457	-	-	-	-	-	-	-	542,457
5-2 CN 45073 Phase 3	1,118,907	-	-	-	-	-	-	-	1,118,907
PET CN 45073 Phase 2	-	254,649	135,509	38,416	74,223	-	-	106,942 (a)	609,739
PET CN 45073 Phase 3	-	488,218	202,976	71,817	136,922	-	-	11,208	911,141
PET Normalization and Rate Increases						567,615	26,319	-	593,934
5-3 COVID	(92,230)	-	-	-	-	-	-	-	(92,230)
PET COVID	-	285,043	169,808	61,285	-	-	-	-	516,136
5-4 Base Period Growth	227,074	-	-	-	-	-	-	-	227,074
5-5 Base Period Growth	-	75,152	-	-	-	-	-	-	75,152
5-6 Base Period Growth	-	-	-	(7,656)	-	-	-	-	(7,656)
PET Pittsburgh Glass Works	-	-	(230,418)	-	-	-	-	-	(230,418)
5-7 Gibson Water Authority					318,645				318,645
Declining Consumption	(1,067,718)	(345,824)	-	(55,670)	-	-	-	-	(1,469,212)
Total Adjustments	<u>956,262</u>	<u>757,238</u>	<u>277,875</u>	<u>108,192</u>	<u>529,790</u>	<u>567,615</u>	<u>26,319</u>	<u>118,150</u>	<u>3,341,441</u>
Sub-total	<u>\$ 20,346,513</u>	<u>\$ 9,014,262</u>	<u>\$ 3,664,940</u>	<u>\$ 1,302,492</u>	<u>\$ 2,922,647</u>	<u>\$ 5,765,976</u>	<u>\$ 859,444</u>	<u>\$ 210,941</u>	<u>\$ 44,087,215</u>
Other Operating Revenues									201,511
<i>Pro forma</i> Operating Revenues									<u>\$ 44,288,726</u>

(a) As calculated by Evansville, the Cause No. 45073 Phase 2 rate increase includes \$101,226 to remove the effect of the COVID-19 pandemic. See OUC Workpaper MAS-4 for the detailed calculation.

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

OUC Revenue Adjustments

(1)

Residential Water Sales

To adjust residential water revenues to eliminate net sales tax d expense recorded during the base period and classified as residential water revenue by Evansville. Sales taxes are not revenue or expense to the utility, but rather collected on behalf of the state from utility customers.

0601-30-980-9001	459000	UB Sales Tax	\$ (2,590,075)
0691-30-980-9001	459000	UB Sales Tax	(12,584)
0601-30-980-9001	399014	Water Sales Tax	2,358,972
0691-30-980-9001	399014	Water Sales Tax	15,915
		Net Base Period Expense	<u>\$ (227,772)</u>

Adjustment Increase (Decrease)

\$ 227,772

(2)

Residential - CN 45073 Rate Increases

To increase residential water revenues to reflect Phase 2 and Phase 3 rate increases authorized in Cause No. 45073 and implemented in January 2020 and January 2021.

	(A)		(A)	((A) x 12.6%)	(B)	((B) x 5.55%)	
	<u>Base Period</u>	<u>Sales Tax (Adj 5-1)</u>	<u>Adjusted Residential</u>	<u>Phase 2 Increase</u>	<u>Adjusted Residential</u>	<u>Phase 3 Increase</u>	<u>Adjusted Residential</u>
Oct-19	\$ 1,851,268	\$ 38	\$ 1,851,306	\$ 233,265	\$ 2,084,571	\$ 115,694	\$ 2,200,265
Nov-19	1,421,713	41	1,421,754	179,141	1,600,895	88,850	1,689,745
Dec-19	1,031,401	752	1,032,153	130,051	1,162,204	64,502	1,226,706
Jan-20	1,557,199	22,102	1,579,301	-	1,579,301	87,651	1,666,952
Feb-20	1,512,408	31	1,512,439	-	1,512,439	83,940	1,596,379
Mar-20	1,488,456	(43,631)	1,444,825	-	1,444,825	80,188	1,525,013
Apr-20	1,591,049	42,246	1,633,295	-	1,633,295	90,648	1,723,943
May-20	1,691,015	(18,482)	1,672,533	-	1,672,533	92,826	1,765,359
Jun-20	1,780,256	-	1,780,256	-	1,780,256	98,804	1,879,060
Jul-20	1,956,684	-	1,956,684	-	1,956,684	108,596	2,065,280
Aug-20	1,909,045	69	1,909,114	-	1,909,114	105,956	2,015,070
Sep-20	1,599,757	224,606	1,824,363	-	1,824,363	101,252	1,925,615
	<u>\$ 19,390,251</u>	<u>\$ 227,772</u>	<u>\$ 19,618,023</u>	<u>\$ 542,457</u>	<u>\$ 20,160,480</u>	<u>\$ 1,118,907</u>	<u>\$ 21,279,387</u>

45073 Phase 2 Increase	\$ 542,457
45073 Phase 3 Increase	<u>1,118,907</u>

Adjustment Increase (Decrease)

\$ 1,661,364

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

OUC Revenue Adjustments

(3)

COVID Adjustment - Residential Water Revenues

To reduce residential water revenues to eliminate effect of COVID-19 pandemic on customer consumption during the base period using rate proposed by Evansville - 1.43% divided by 2 or 0.715%.

	(Adj. 5-2) Adjusted Residential	Reduction Percentage	Adjustment
Oct-19	\$ 2,200,265	0.000%	\$ -
Nov-19	1,689,745	0.000%	-
Dec-19	1,226,706	0.000%	-
Jan-20	1,666,952	0.000%	-
Feb-20	1,596,379	0.000%	-
Mar-20	1,525,013	-0.715%	(10,904)
Apr-20	1,723,943	-0.715%	(12,326)
May-20	1,765,359	-0.715%	(12,622)
Jun-20	1,879,060	-0.715%	(13,435)
Jul-20	2,065,280	-0.715%	(14,767)
Aug-20	2,015,070	-0.715%	(14,408)
Sep-20	1,925,615	-0.715%	(13,768)
	<u>\$ 21,279,387</u>		

Adjustment Increase (Decrease)

\$ (92,230)

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

OUC Revenue Adjustments

(4)

Residential Base Period Growth Normalization

To adjust residential water revenues to normalize customer growth during the base period (October 2019 - September 2020) after normalizing for temporary billing changes related to irrigation meters as proposed by Evansville.

Adjusted 'Customer Count at September 30, 2020	60,739
Times: 12 months	<u>12</u>
Annualized Customer Billings	728,868
Less: Adjusted Base Period Customer Billings	<u>(721,271)</u>
Additional Customer Billings due to Growth	7,597
Times: Average Billing (based on 3,379 gallons and 5/8" meter)	<u>\$ 29.89</u>

Adjustment Increase (Decrease)

\$ 227,074

	(A) <u>Base Period</u>	Temporary Billing <u>Adjustment</u>	(B) e <u>Adjustmen t</u>	(A) + (B) <u>Adjusted Base Period</u>
Oct-19	59,900	-	-	59,900
Nov-19	59,320	313	313	59,633
Dec-19	59,206	318	631	59,837
Jan-20	59,141	70	701	59,842
Feb-20	59,038	39	740	59,778
Mar-20	59,041	12	752	59,793
Apr-20	59,260	(51)	701	59,961
May-20	59,659	(244)	457	60,116
Jun-20	60,024	(149)	308	60,332
Jul-20	60,424	(122)	186	60,610
Aug-20	60,541	3	189	60,730
Sep-20	60,547	3	192	60,739
	<u>716,101</u>	<u>192</u>	<u>5,170</u>	<u>721,271</u>

Current Phase 3 Tariff Rate:

Meter Charge - 5/8" \$ 8.94

Volume 3,379

\$ 6.20

20.95

\$ 29.89

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

OUC Revenue Adjustments

(5)

Commercial Base Period Growth Normalization

To adjust commercial water revenues to normalize customer growth during the base period (October 2019 - September 2020) after normalizing for temporary billing changes related to irrigation meters as proposed by Evansville.

Adjusted 'Customer Count at September 30, 2020	3,521
Times: 12 months	<u>12</u>
Annualized Customer Billings	42,252
Less: Adjusted Base Period Customer Billings	<u>(41,920)</u>
Additional Customer Billings due to Growth	332
Times: Average Billing (based on 38,950 gallons and 1" meter)	<u>\$ 226.36</u>

Adjustment Increase (Decrease)

\$ 75,152

	(A) <u>Base Period</u>	Temporary Billing <u>Adjustment</u>	(B) e <u>Adjustmen t</u>	(A) + (B) <u>Adjusted Base Period</u>
Oct-19	3,533	-	-	3,533
Nov-19	3,520	(10)	(10)	3,510
Dec-19	3,491	(11)	(21)	3,470
Jan-20	3,503	(2)	(23)	3,480
Feb-20	3,499	(2)	(25)	3,474
Mar-20	3,489	-	(25)	3,464
Apr-20	3,478	(1)	(26)	3,452
May-20	3,511	6	(20)	3,491
Jun-20	3,517	3	(17)	3,500
Jul-20	3,531	1	(16)	3,515
Aug-20	3,528	(2)	(18)	3,510
Sep-20	3,539	-	(18)	3,521
	<u>42,139</u>	<u>(18)</u>	<u>(219)</u>	<u>41,920</u>

Current Phase 3 Tariff Rate:

Meter Charge \$ 10.64

Volume 20.00

Rate \$ 6.20

124.00

Volume 18.95

Rate 4.84

91.72

\$ 226.36

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

OUC Revenue Adjustments

(6)

Public Authority Base Period Growth Normalization

To adjust public authority water revenues to normalize customer growth during the base period (October 2019 - September 2020).

Customer Count at September 30, 2020	229
Times: 12 months	12
Annualized Customer Billings	2,748
Less: Base Period Customer Billings	(2,763)
Additional Customer Billings due to Growth	(15)
Times: Average Billing (based on 97,640 gallons and 1" meter)	\$ 510.43

Adjustment Increase (Decrease)

\$ (7,656)

Base	Period			
Oct-19	231			
Nov-19	231			
Dec-19	230	Current Phase 3 Tariff Rate:		
Jan-20	230	Meter Charge	\$ 10.64	
Feb-20	230	Volume	20.00	
Mar-20	231	Rate	\$ 6.20	
Apr-20	231			124.00
May-20	231	Volume	77.64	
Jun-20	230	Rate	4.84	
Jul-20	230			375.79
Aug-20	229			\$ 510.43
Sep-20	229			
	<u>2,763</u>			

(7)

Gibson Water Authority

To increase sale for resale water revenues to capture growth from additional capacity provided to Gibson in the Second Amendment to Agreement for Sale and Purchas of water effective January 26, 2021.

Estimated additional gallons per day	300,000
Times: 365 Days	365
'Estimated additional gallons per year	109,500,000
Times; Current Rate per Thousand Gallons	\$ 2.91
Additional Annual Revenues	\$ 318,645

Adjustment Increase (Decrease)

\$ 318,645

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

OUC Operating Expense Adjustments

(1)

Salaries and Wages - New Employees

To reflect salary expense for projected additional employees to be added in the test year. Adjustment is for 100%; of the cost. 50% of the costs will be reflected as an increase to sewer utility reimbursements.

			<u>Total</u>	<u>Water</u>
Accounting Clerk	Joint 50/50	2023	\$ 43,000	\$ 21,500
Night Construction Supervisor	Joint 50/50	2023	60,000	30,000
			<u>\$ 103,000</u>	<u>\$ 51,500</u>

Adjustment Increase (Decrease) \$ 103,000

(2)

Health and life Insurance Benefits - New Employees

To reflect health and life insurance expense associated with projected additional test year employees. Adjustment is for 100%; of the cost. 50% of the cost will be reflected as an increase to sewer utility reimbursements.

	<u>Health</u>	<u>Life</u>	<u>Total</u>	<u>Water</u>
Accounting Clerk	\$ 19,285	\$ 196	\$ 19,481	\$ 9,741
Night Construction Supervisor	19,285	196	19,481	9,741
	<u>\$ 38,570</u>	<u>\$ 392</u>	<u>\$ 38,962</u>	<u>\$ 19,482</u>

Adjustment Increase (Decrease) \$ 38,962

(3)

PERF - New Employees

To reflect PERF expense associated with projected additional test year employees. Adjustment is for 100%; of the cost. 50% of the cost will be reflected as an increase to sewer utility reimbursements.

	<u>Salary</u>	<u>PERF Rate</u>	<u>Total</u>	<u>Water</u>
Accounting Clerk	\$ 43,000	14.2%	\$ 6,106	\$ 3,053
Night Construction Supervisor	60,000	14.2%	8,520	4,260
	<u>\$ 103,000</u>		<u>\$ 14,626</u>	<u>\$ 7,313</u>

Adjustment Increase (Decrease) \$ 14,626

(4)

Payroll Taxes - New Employees

To reflect payroll tax expense associated with projected additional test year employees. Adjustment is for 100%; of the cost. 50% of the cost will be reflected as an increase to sewer utility reimbursements.

	<u>Salary</u>	<u>PERF Rate</u>	<u>Total</u>	<u>Water</u>
Accounting Clerk	\$ 43,000	7.65%	\$ 3,290	\$ 1,645
Night Construction Supervisor	60,000	7.7%	4,590	2,295
	<u>\$ 103,000</u>		<u>\$ 7,880</u>	<u>\$ 3,940</u>

Adjustment Increase (Decrease) \$ 7,880

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

OUC Operating Expense Adjustments

(5)

Periodic Maintenance

To provide for annual *pro forma* periodic maintenance costs.

	<u>Pro forma 2023</u>	<u>Base Period</u>	<u>Adjustment</u>
Pump Maintenance	\$ 82,631	\$ 82,631	\$ -
Filter Media	-	-	-
Dredging - Intake Structure	215,440	326,548	(111,108)
Tank Maintenance	519,923	528,999	(9,076)
Booster Station Pumps	41,274	-	41,274
Traveling Screens	-	184,796	(184,796)
Leak Detection	100,087	-	100,087
SCADA	7,813	3,389	4,424
	<u>\$ 967,168</u>	<u>\$ 1,126,363</u>	<u>\$ (159,195)</u>

Adjustment Increase (Decrease) \$ (159,195)

(6)

Non-Allowed Operating Expenses

To eliminate non-allowed base period operating expenses for cybersecurity fraud.

Fraud Loss	459046	12.31.19	Reclass Cybersecurity Fraud	\$ 15,940.20
Fraud Loss	459046	12.31.19	Reclass Cybersecurity Fraud	<u>10,653.70</u>

Adjustment Increase (Decrease) \$ (26,594)

(7)

Sewer Utility Reimbursement

To reflect Sewer Utility Reimbursement of test year shared operating expenses.

Night Construction Supervisor				
Petitioner <i>Pro Forma</i> Sewer Reimbursement (2023)			\$ (14,253,593)	
Add: Reimbursement for 50% of night construction supervisor			(46,296)	
Remove labor costs not included in OUC <i>Pro Forma</i> Expense			<u>366,735</u>	
Pro Forma Sewer Reimbursement				(13,933,154)
Less: Base Period Sewer Reimbursement				<u>11,662,997</u>

Adjustment Increase (Decrease) \$ (2,270,157)

	<u>Evansville</u>	<u>OUC</u>	<u>OUC More (Less)</u>
Additional Test Year Employees - Total	653,642	164,468	(489,174)
Additional Test Year Employees - Water	250,970	82,235	(168,735)
Additional Test Year Employees - Sewer	<u>402,672</u>	<u>82,233</u>	<u>(320,439)</u>

**EVANSVILLE MUNICIPAL WATER UTILITY
 CAUSE NUMBER 45545**

OUCC Operating Expense Adjustments

(8)

Bad Debt Expense

To adjust "Taxes Other Than Income Taxes" to allow for the change in utility receipts tax due to the adjusted level of proposed rate

Normalized Operating Revenues:			
Residential	\$	20,346,513	
Commercial		<u>9,014,262</u>	
			29,360,775
Times: Bad Debt Experience Rate	PET		<u>0.307%</u>
<i>Pro Forma</i> Bad Debt Expense			90,138
Less: Base Period Bad Debt Expense			<u>(84,855)</u>
		Adjustment Increase (Decrease)	<u>\$ 5,283</u>

(9)

Utility Receipts Taxes - Present Rates

To adjust "Taxes Other Than Income Taxes" to allow for the change in utility receipts tax due to the adjusted level of present rate

Operating Revenues	\$	44,288,726	
Add: Non-Operating Income		491,144	
Less: Sales for Resale Revenues		(2,922,647)	
Less: Other Exempt Sales		(5,935,098)	
Less: Taxpayer Deduction		(1,000)	
Less: Bad Debt Expense		<u> </u>	
Test Year Revenues Subject to Utility Receipts Tax	\$	35,921,125	
Times: Tax Rate			<u>1.46%</u>
Pro Forma Utility Receipts Tax	\$		524,448
Less: Base Period Expense			<u>(483,363)</u>
		Adjustment Increase (Decrease)	<u>\$ 41,085</u>

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

OUC Operating Expense Adjustments

(10)

Inflation Adjustment

To project operating expense increases based on various inflation factors proposed by Evansville during the verifiable link period.

	(A)	(B)	(A) x (B) = (C)	(A) x (C) = (D)	(D) - (A)
	Inflation Factor	Adjusted Base Period Before Inflation	2022 Inflation Adjusted Expenses	2023 Inflation Adjusted Expenses	Inflation Adjustment
Salaries & Wages - Employees	\$ 9,119,247	1.44%	9,250,564	9,383,772	264,525
Salaries & Wages - Board Members	10,000		10,000	10,000	-
Employee Pension and Benefits	2,747,615	3.26%	2,837,187	2,929,679	182,064
PERF	1,276,571		1,295,218	1,314,134	37,563
Purchased Power	1,267,059	1.79%	1,289,739	1,312,825	45,766
Chemicals	1,091,530	4.70%	1,142,832	1,196,545	105,015
Materials & Supplies	1,147,258	-0.27%	1,144,160	1,141,071	(6,187)
Contractual Services					
Professional	7,240,242	3.20%	7,471,930	7,711,032	470,790
Legal	252,612	3.20%	260,696	269,038	16,426
Management Fees	50,000		50,000	50,000	-
Testing	124,261	2.54%	127,417	130,653	6,392
Other	2,248,800	4.77%	2,356,068	2,468,452	219,652
Rents - Building	187,915	2.99%	193,534	199,321	11,406
Transportation	333,455	2.95%	343,292	353,419	19,964
Insurance - General Liability	353,166	0.95%	356,521	359,908	6,742
Insurance - Workman's' Compensation	119,930	0.95%	121,069	122,219	2,289
Regulatory Commission Expense	80,007	0.00%	80,007	80,007	-
Bad Debt Expense	90,138		90,138	90,138	-
Miscellaneous	483,668	2.54%	495,953	508,550	24,882
Lease Amortization	272,417	2.99%	280,562	288,951	16,534
Payroll Taxes	705,654		715,700	725,890	20,236
Utility Receipts Tax	524,448		524,448	524,448	-
	<u>\$ 29,725,993</u>		<u>\$ 30,437,035</u>	<u>\$ 31,170,052</u>	<u>\$ 1,444,059</u>

Adjustment Increase (Decrease)

\$ 1,444,059

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

Extensions and Replacements

To reflect the amount of extensions and replacements by year for the years 2022 through 2026.

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
<u>Distribution System:</u>						
Broadway Phase II - Construction	\$ -	\$ -	\$ 4,584,000	\$ -	\$ -	\$ 4,584,000
Broadway Phase II - Design	-	458,400	-	-	-	458,400
Cardinal Drive, Stringtown to North Kentucky - Construction	1,870,000	-	-	-	-	1,870,000
Cardinal Drive, Stringtown to North Kentucky - Design	187,000	-	-	-	-	187,000
Charlotte Avenue and Russell Avenue - Construction	\$931,000	-	-	-	-	931,000
Downtown Area Between MLK Jr Blvd and Morton Avenue - Construction	-	-	-	-	5,914,000	5,914,000
Downtown Area Between MLK Jr Blvd and Morton Avenue - Design	-	-	-	591,400	-	591,400
East Mill Road and Weaver Road - Construction	-	849,000	-	-	-	849,000
East Mill Road and Weaver Road - Design	-	84,900	-	-	-	84,900
Franklin Street, Tekoppel to Schreeder - Construction	816,000	-	-	-	-	816,000
Franklin Street, Tekoppel to Schreeder - Design	81,600	-	-	-	-	81,600
Governor Street, Canal to Delaware - Construction	-	-	-	2,062,000	-	2,062,000
Governor Street, Canal to Delaware - Design	-	-	-	206,200	-	206,200
Indiana Street, Illinois Street, and Franklin Street - Construction	-	1,095,000	-	-	-	1,095,000
Indiana Street, Illinois Street, and Franklin Street - Design	-	109,500	-	-	-	109,500
Mill Road, West of St Joseph - Construction	-	-	1,327,000	-	-	1,327,000
Mill Road, West of St Joseph - Design	-	-	132,700	-	-	132,700
Moffett Lane, Browning Road, and Viehe Drive - Construction	-	-	-	-	\$1,994,000	1,994,000
Moffett Lane, Browning Road, and Viehe Drive - Design	-	-	199,400	-	-	199,400
Mount Vernon Road, Vaness Avenue to Harmony Way - Construction	-	-	-	\$3,366,000	-	3,366,000
Mount Vernon Road, Vaness Avenue to Harmony Way - Design	-	336,600	-	-	-	336,600
North Ballard Neighborhood - Construction	-	1,770,000	-	-	-	1,770,000
North Ballard Neighborhood - Design	-	177,000	-	-	-	177,000
Poplar Grove Neighborhood, West of Addison - Construction	-	\$1,594,000	-	-	-	1,594,000
Poplar Grove Neighborhood, West of Addison - Design	-	159,400	-	-	-	159,400
South Evergreen Acres Neighborhood - Construction	1,528,000	-	-	-	-	1,528,000
South Evergreen Acres Neighborhood - Design	152,800	-	-	-	-	152,800
Total Distribution System	\$ 5,566,400	\$ 6,633,800	\$ 6,243,100	\$ 6,225,600	\$ 7,908,000	\$ 32,576,900

**EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545**

Extensions and Replacements

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
Booster Stations						
Campground Booster Station Electrical Improvements	\$ 708,000	\$ -	\$ -	\$ -	\$ -	\$ 708,000
Killian Booster Station Improvements	231,000	-	-	-	-	231,000
Total Booster Stations	\$ 939,000.0	\$ -	\$ -	\$ -	\$ -	\$ 939,000
Annual Capital Improvements Projects:						
Annual Blow-Offs	\$ 42,600	\$ 42,600	\$ 42,600	\$ 42,600	\$ 42,600	\$ 213,000
Annual Industrial Meters	616,360	586,016	588,941	541,602	541,602	2,874,521
Annual Residential Meters	411,466	420,409	858,512	1,209,447	344,487	3,244,321
Auto flush Devices	42,000	42,000	42,000	42,000	42,000	210,000
Backhoe Replacement	80,000	140,000	80,000	140,000	80,000	520,000
Dump Truck Replacement	-	144,000	149,000	-	149,000	442,000
Filter Bed Rehab	1,200,000	1,200,000	-	-	-	2,400,000
New Hydrants	275,000	275,000	275,000	275,000	275,000	1,375,000
Resettlers	46,000	46,000	46,000	46,000	46,000	230,000
Utilities Power Operating Equipment	173,000	178,000	184,000	189,000	194,000	918,000
Valve Replacement Program	16,500	16,500	16,500	16,500	16,500	82,500
Valve Replacement Program						
Total Annual Capital Improvements Projects	\$ 2,902,926	\$ 3,090,525	\$ 2,282,553	\$ 2,502,149	\$ 1,731,189	\$ 12,509,342
Engineering						
CES/RPR	\$ 596,232	520,184	\$ 579,278	\$ 531,944	\$ 774,984	\$ 3,002,622
Total Extensions and Replacements	\$ 10,004,558	\$ 10,244,509	\$ 9,104,931	\$ 9,259,693	\$ 10,414,173	\$ 49,027,864
Divided BY: 5 Years						<u>5</u>
OUCC Recommended Extensions and Replacements						<u><u>\$ 9,805,573</u></u>

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

Payment in Lieu of Taxes

To adjust "Taxes Other Than Income Taxes" for the estimated increase in the Payment in Lieu of Taxes ("PILT") related to various capital improvements added to UPIS during the life of these rates.

	2021	2022	2023	2024	2025	2026
Beginning Balance - Estimated Net Assessed Value	\$ -	\$ 420,290,910	\$ 475,262,697	\$ 522,141,574	\$ 536,899,505	\$ 550,799,198
Utility Plant in Service at 12/31/20	328,121,654					
Add: CWIP at 12/31/20	40,572,787	-	-	-	-	-
Construction Projects - Cause No. 45073	51,596,469	38,853,229	11,890,368	-	-	-
Proposed Capital Improvement Projects	-	16,118,558	34,988,509	14,757,931	13,899,693	13,654,173
Depreciable Utility Plant in Service	420,290,910	475,262,697	522,141,574	536,899,505	550,799,198	564,453,371
Less: Accumulated Depreciation	(131,607,112)	(140,012,930)	(149,518,184)	(159,961,015)	(170,699,005)	(181,714,989)
Ending Balance - Estimated Net Assessed Value	288,683,798	335,249,767	372,623,390	376,938,490	380,100,193	382,738,382
Less: UPIS Located Outside the City (25%)	(72,170,950)	(83,812,442)	(93,155,848)	(94,234,623)	(95,025,048)	(95,684,596)
Taxable Utility Plant in Service	216,512,848	251,437,325	279,467,542	282,703,867	285,075,145	287,053,786
Times: 2021 Corporate Tax Rate (per \$100)			1.7005	1.7005	1.7005	1.7005
Pro Forma Payment in Lieu of Taxes			\$ 4,752,346	\$ 4,807,379	\$ 4,847,703	\$ 4,881,350

NOTE: Because the OUCC implements rates in two phases, the PILT revenue requirement in the second phase (2024) is based on 2026 *pro forma* PILT. The difference between *pro forma* PILT in 2024 and 2026 is comparable (only \$73,971 higher in 2026).

Utility Plant in Service at 12/31/20	\$ 328,121,654					
Less: Land	(432,435)					
Depreciable UPIS at 12/31/20	\$ 327,689,219					
Beginning Balance - Accumulated Depreciation	\$ -	131,607,112	140,012,930	149,518,184	159,961,015	170,699,005
Accumulated Depreciation at 12/31/20	124,233,223					
Add: Depreciation Expense	7,373,889	8,405,818	9,505,254	10,442,831	10,737,990	11,015,984
Ending Balance - Accumulated Depreciation	\$ 131,607,112	\$ 140,012,930	\$ 149,518,184	\$ 159,961,015	\$ 170,699,005	\$ 181,714,989
Calculation of Annual Depreciation Expense						
Depreciable Utility Plant in Service - Prior Year	\$ 368,694,441	420,290,910	475,262,697	522,141,574	536,899,505	550,799,198
Times: Depreciation Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	\$ 7,373,889	\$ 8,405,818	\$ 9,505,254	\$ 10,442,831	\$ 10,737,990	\$ 11,015,984

**EVANSVILLE MUNICIPAL WATER UTILITY
 CAUSE NUMBER 45545**

Debt Service

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<u>Existing Debt Service:</u>					
2016A Bonds	\$ 2,950,200	\$ 2,955,400	\$ 2,902,800	\$ 2,724,600	\$ 2,725,800
2016B Bonds	2,114,294	2,097,094	2,094,294	4,845,444	4,842,894
2018A-2 Bonds	5,307,953	5,307,952	5,307,953	5,307,952	5,307,953
2019 Bonds	2,641,094	2,655,094	2,673,194	2,668,844	2,673,144
2020 Bonds	996,407	997,266	997,756	993,028	997,926
2021 Bonds	3,517,999	3,516,501	3,551,673	988,927	980,877
	<u>17,527,947</u>	<u>17,529,307</u>	<u>17,527,670</u>	<u>17,528,795</u>	<u>17,528,594</u>
<u>Proposed Debt Service</u>					
2022 - Open Market	-	-	1,186,000	1,186,000	1,186,000
2022 - SRF	-	-	2,489,000	2,489,000	2,489,000
	<u>-</u>	<u>-</u>	<u>3,675,000</u>	<u>3,675,000</u>	<u>3,675,000</u>
Total Debt Service	<u>\$17,527,947</u>	<u>\$17,529,307</u>	<u>\$21,202,670</u>	<u>\$21,203,795</u>	<u>\$21,203,594</u>

**EVANSVILLE MUNICIPAL WATER UTILITY
 CAUSE NUMBER 45545**

Debt Service Reserve

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<u>Proposed Debt</u>					
2022 - Open Market	\$ -	\$ 237,000	\$ 237,000	\$ 237,000	\$ 237,000
2022 - SRF	-	498,000	498,000	498,000	498,000
	<u>\$ -</u>	<u>\$ 735,000</u>	<u>\$ 735,000</u>	<u>\$ 735,000</u>	<u>\$ 735,000</u>

EVANSVILLE MUNICIPAL WATER UTILITY
CAUSE NUMBER 45545

Schedule of Rates and Charges

	Current	Petitioner					OUC				
		2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
Monthly Service Charge											
5/8 - 3/4 Inch Meter	\$ 8.94	\$ 9.61	\$ 10.29	\$ 10.96	\$ 11.64	\$ 12.14	\$ 8.94	\$ 10.02	\$ 10.80	\$ 10.80	\$ 10.80
1 Inch Meter	10.64	11.44	12.24	13.04	13.85	14.45	10.64	11.93	12.86	12.86	12.86
1 1/4 Inch Meter	11.74	12.62	13.51	14.39	15.28	15.94	11.74	13.16	14.19	14.19	14.19
1 1/2 Inch Meter	12.55	13.49	14.44	15.38	16.34	17.04	12.55	14.07	15.17	15.17	15.17
2 Inch Meter	17.17	18.46	19.77	21.05	22.36	23.32	17.17	19.25	20.75	20.75	20.75
3 Inch Meter	52.15	56.06	60.00	63.92	67.89	70.83	52.15	58.45	63.01	63.01	63.01
4 Inch Meter	65.07	69.95	74.87	79.76	84.71	88.36	65.07	72.94	78.63	78.63	78.63
6 Inch Meter	95.25	102.39	109.59	116.75	124.00	129.34	95.25	106.77	115.1	115.10	115.10
8 Inch Meter	129.72	139.46	149.25	159.00	168.87	176.15	129.72	145.40	156.74	156.74	156.74
10 Inch Meter	168.46	181.09	193.83	206.48	219.30	228.76	168.46	188.83	203.56	203.56	203.56
Volume Charge											
First 20,000 gallons	\$ 6.20	\$ 6.68	\$ 7.14	\$ 7.61	\$ 8.08	\$ 8.43	\$ 6.20	\$ 6.95	\$ 7.49	\$ 7.49	\$ 7.49
Next 280,000 gallons	4.84	5.20	5.57	5.93	6.30	6.57	4.84	5.43	5.85	5.85	5.85
Next 700,000 gallons	4.37	4.70	5.03	5.36	5.69	5.94	4.37	4.90	5.28	5.28	5.28
Next 2,000,000 gallons	3.85	4.14	4.43	4.72	5.01	5.23	3.85	4.32	4.66	4.66	4.66
Over 3,000,000 gallons	2.91	3.13	3.35	3.57	3.79	3.95	2.91	3.26	3.51	3.51	3.51
Fire Protection Charges											
<u>Public Fire Protection Surcharge - Monthly</u>											
5/8 - 3/4 Inch Meter	\$ 5.18	\$ 5.57	\$ 5.96	\$ 6.35	\$ 6.74	\$ 7.03	\$ 5.18	\$ 5.81	\$ 6.26	\$ 6.26	\$ 6.26
1 Inch Meter	12.95	13.92	14.90	15.87	16.86	17.60	12.95	14.52	15.65	15.65	15.65
1 1/2 Inch Meter	25.92	27.86	29.82	31.77	33.74	35.19	25.92	29.05	31.32	31.32	31.32
2 Inch Meter	41.47	44.58	47.71	50.83	53.99	56.32	41.47	46.48	50.11	50.11	50.11
3 Inch Meter	77.76	83.59	89.47	95.31	101.23	105.59	77.76	87.16	93.96	93.96	93.96
4 Inch Meter	129.58	139.31	149.09	158.84	168.69	175.96	129.58	145.25	156.58	156.58	156.58
6 Inch Meter	259.19	278.64	298.23	317.69	337.43	351.96	259.19	290.53	313.19	313.19	313.19
<u>Private Fire Protection - Monthly</u>											
1" Inch Meter	\$ 7.62	\$ 8.19	\$ 8.77	\$ 9.34	\$ 9.92	\$ 10.35	\$ 7.62	\$ 8.54	\$ 9.21	\$ 9.21	\$ 9.21
2" Inch Meter	42.31	45.48	48.68	51.86	55.08	57.45	42.31	47.43	51.13	51.13	51.13
3" Inch Meter	116.99	125.76	134.61	143.40	152.29	158.85	116.99	131.13	141.36	141.36	141.36
4" Inch Meter	239.69	257.68	275.79	293.79	312.04	325.48	239.69	268.67	289.63	289.63	289.63
6" Inch Meter	660.05	709.58	759.45	809.04	859.28	896.31	660.05	739.85	797.56	797.56	797.56
8" Inch Meter	1,355.31	1,457.02	1,559.43	1,661.24	1,764.40	1,840.45	1,355.31	1,519.17	1,637.67	1,637.67	1,637.67
10" Inch Meter	2,367.21	2,544.86	2,723.72	2,901.55	3,081.74	3,214.56	2,367.21	2,653.41	2,860.38	2,860.38	2,860.38
12" Inch Meter	3,734.41	4,014.66	4,296.82	4,577.37	4,861.63	5,071.17	3,734.41	4,185.90	4,512.4	4,512.40	4,512.40

OUCG DR 4-5

DATA REQUEST
City of Evansville

Cause No. 45545

Information Requested:

Please explain the \$200.00 charge included in Petitioner's water tariff for a "Split Service Fee."

Information Provided:

This is a service fee for having an additional meter at the same property. The fee was approved through the Indiana Utility Regulatory Commission's 30-Day Filing No. 3007 which was approved by conference minutes on July 31, 2012.

NARUC ACCT NO.	NARUC ACCT NAME		EVANSVILLE ACCT NO.	EVANSVILLE ACCT NAME
408.13	Other Taxes and Licenses	}	0601-30-980-9001-459001- 0691-30-980-9001-459001-	UTILITY GROSS RECEIPTS TAX UTILITY GROSS RECEIPTS TAX
415	Revenues From Merchandising, Jobbing and Contract Work	}	0601-30-980-9001-346090- 0601-30-980-9001-346100- 0601-30-980-9001-346140- 0601-30-980-9001-346720- 0601-30-980-9001-399002- 0603-30-980-9001-444051- 0605-30-980-9001-361006- 0605-30-980-9001-399002- 0605-30-980-9001-459041- 0631-30-980-9010-346140- 0631-30-980-9010-459030- 0642-30-980-9001-346140- 0642-30-980-9001-361006- 0691-30-980-9001-346090- 0691-30-980-9001-346140- 0691-30-980-9001-360000- 0691-30-980-9001-399002- 0691-30-980-9001-444051- 0691-30-980-9001-459041-	CONT FOR EXT SVRC - TAPS RENTAL INCOME NON OPERATING INCOME SOLAR RENEW ENERGY CERTIFICATE REIMBURSEMENTS NEW SERVICE CONNECTION CAPITAL GAINS INCOME REIMBURSEMENTS CASH W/FISCAL AGENT INTEREST NON OPERATING INCOME WATER LOW INCOME MISC EXPENSE NON OPERATING INCOME CAPITAL GAINS INCOME CONT FOR EXT SVRC - TAPS NON OPERATING INCOME MISCELLANEOUS REVENUE REIMBURSEMENTS NEW SERVICE CONNECTION CASH W/FISCAL AGENT INTEREST
419	Interest and Dividend Income	}	0601-30-980-9001-361000- 0602-30-980-9001-361002- 0603-30-980-9001-361000- 0604-30-980-9001-361000- 0605-30-980-9001-361000- 0605-30-980-9011-361000- 0630-30-980-9001-361000- 0634-90-980-9001-361000- 0642-30-980-9001-361000- 0691-30-980-9001-361000-	INTEREST INCOME INTEREST REVENUE RESTRICTED INTEREST INCOME INTEREST INCOME INTEREST INCOME INTEREST INCOME INTEREST INCOME INTEREST INCOME INTEREST INCOME
421	Nonutility Income	}	0601-30-980-9001-346050- 0691-30-980-9001-346050-	SEWER JOINT COSTS SEWER JOINT COSTS
427	Interest Expense	}	0602-30-980-9001-438020- 0691-30-980-9001-438020- 0691-30-980-9001-438029- 0691-30-980-9001-438032-	INTEREST INTEREST LEASE INTEREST LEASE INTEREST-BUILDING
428	Amortization of Debt Discount and Expense: 2013 Bonds - Debt Discount Unamortized Bond Issuance Deferred Amount on Refunding	}	0691-30-980-9001-459035- 0691-30-980-9001-459034- 0691-30-980-9001-459035-	INTEREST EXPENSE (INCLUDED IN TOTAL) AMORTIZATION EXPENSE (GL REF 3 - AMORTIZE) INTEREST EXPENSE (INCLUDED IN TOTAL)
429	Amortization of Premium on Debt: 2013A Bond 2014B Bond 2016A / 2016B Bond 2019A Bond	}	0691-30-980-9001-459035- 0691-30-980-9001-459035- 0691-30-980-9001-459035- 0691-30-980-9001-459035-	INTEREST EXPENSE (INCLUDED IN TOTAL) INTEREST EXPENSE (INCLUDED IN TOTAL) INTEREST EXPENSE (INCLUDED IN TOTAL) INTEREST EXPENSE (INCLUDED IN TOTAL)

SECOND AMENDMENT TO AGREEMENT FOR SALE AND PURCHASE OF WATER

THIS SECOND AMENDMENT TO AGREEMENT FOR SALE AND PURCHASE OF WATER ("Second Amendment") dated effective as of 26th day of ~~December~~ ^{January 2021} 2020 ("Effective Date"), by and between the Evansville Water and Sewer Utility of Evansville, Indiana, a municipal water utility, a/k/a the Evansville, Indiana Department of Waterworks ("Seller") and Gibson Water Authority, 517 E. 1250 S., Haubstadt, Indiana, an Indiana water authority ("Purchaser").

Recitals

A. Seller and Purchaser entered into a certain Agreement for Sale and Purchase of Water dated June 26, 2018, concerning the sale by Seller and the purchase by Purchaser of water ("Water Purchase Agreement").

B. The Water Purchase Agreement provided that the maximum quantity of water to be sold by Seller and purchased by Purchaser under the Water Purchase Agreement would not exceed two million five hundred thousand (2,500,000) gallons per day ("Maximum Purchase Requirement").

C. Seller and Purchaser entered into a First Amendment to Agreement for Sale and Purchase of Water ("First Amendment") on March 31, 2020, which provided that the maximum quantity of water to be sold by Seller and purchased by Purchaser under the Water Purchase Agreement would not exceed two million eight hundred thousand (2,800,000) gallons.

D. Purchaser has now requested that the Maximum Purchase Requirement be increased from two million eight hundred thousand (2,800,000) gallons per day to four million (4,000,000) million gallons per day.

E. Seller has agreed to increase the Maximum Purchase Requirement consistent with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the sum of One Dollar (\$1.00) and other good and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Defined Terms. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Water Purchase Agreement.

2. Amendments. Paragraph 1 of the Water Purchase Agreement is hereby deleted in its entirety and, in lieu thereof, the following substituted:

"1. *Quality and Quantity*. Subject to the terms and conditions set forth herein, the Seller shall furnish the Purchaser at the point of delivery hereinafter specified, during the term of this Agreement or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Indiana Department of Environmental Management in such quantity as may be required by the Purchaser not to exceed four million (4,000,000) gallons per day."

A new paragraph 2 will be added as a supplement to the Water Purchase Agreement. The following shall be a supplement or an addition and shall not replace any provision in the Water Purchase Agreement:

"2. *Payment.* The parties agree that the Seller's cost allocable to Purchaser to construct the facilities necessary to increase the quantity of water available to the Purchaser under this Second Amendment is \$4,137,476 ("Facilities Cost"). Seller agrees to credit against the Facilities Cost three times the anticipated increase in revenues to Seller as a result of Purchaser being able to purchase and sell more water. The parties estimate that Purchaser will purchase from Seller an additional 300,000 gallons per day, generating additional revenues for Seller over a three-year period of \$955,935. The parties agree that the three times annual revenue number of \$955,935 shall be a credit against the cost owed by Purchaser hereunder (of \$4,137,476), resulting in a total amount due and owing of \$3,181,541."

A new paragraph 3 will be added as a supplement to the Water Purchase Agreement. The following shall be a supplement or an addition and shall not replace any provision in the Water Purchase Agreement:

"3. *True-Up.* Three years after Purchaser makes the required payment under paragraph 2 above ("True-Up Date"), the parties shall perform a true-up to determine the exact amount of usage by Purchaser as a result of this Second Amendment. On the True-Up Date, the parties shall determine the average annual usage per day for the preceding twelve (12) months ("True-Up Period"). If the average daily usage for the True-Up Period is more than 300,000 gallons per day ("New Usage Benchmark") higher as compared to the average daily usage for the twelve (12) consecutive billing months ending by December 31, 2020, then Seller shall provide a refund to the Purchaser for the usage that exceeds the New Usage Benchmark. If the average daily usage for the True-Up Period is less than the New Usage Benchmark, then Purchaser shall pay an additional amount to Seller for the usage that is less than the New Usage Benchmark."

A new paragraph 4 will be added as a supplement to the Water Purchase Agreement. The following shall be a supplement or an addition and shall not replace any provision in the Water Purchase Agreement:

"4. *Certification of 2020 Usage.* The parties agree to: (i) memorialize in writing by January 15, 2021, Gibson Water's usage for the twelve (12) consecutive billing months ending by December 31, 2020; (ii) calculate the average daily usage for the twelve (12) months ending December 31, 2020; and (iii) attach a written copy of Gibson Water's usage calculations for 2020 as Exhibit 1 to this Second Amendment.

A new paragraph 5 will be added as a supplement to the Water Purchase Agreement. The following shall be a supplement or an addition and shall not replace any provision in the Water Purchase Agreement:

"5. *Refund or Additional Payment on True-Up Date.* Any refund or additional payment due and owing on the True-Up Date, shall be calculated consistent with the calculation of the credit in paragraph 2 above. For example, if it is later determined on the True-Up Date that the Purchaser's usage during the True-Up Period was 400,000 gallons per day more than the average daily usage for the twelve (12) months ending December 31, 2020, then Purchaser shall be entitled to an additional refund based upon usage of 100,000 gallons per day (*i.e.*, the amount of usage in excess of the New Usage Benchmark). Such refund would be calculated as follows: 100,000 (gallons per day) ÷ by 1,000 (gallons) x \$2.91 (the current effective flow rate for Purchaser x 365 (days) x 3 (years). In this example, the Purchaser would be entitled to a refund of \$318,645.00."

A new paragraph 6 will be added as a supplement to the Water Purchase Agreement. The following shall be a supplement or an addition and shall not replace any provision in the Water Purchase Agreement:

"6. *Timing for Payments.* Prior to making any payments as required in this Second Amendment (*i.e.* under paragraph 2; and paragraph 4, if necessary), the parties understand that Purchaser will have to borrow the funds to fulfill its obligations hereunder and obtain certain approvals from the Indiana Utility Regulatory Commission. Accordingly, Seller agrees to cooperate with the Purchaser on the timing of any payments required under this Agreement provided Purchaser diligently pursues all required regulatory approvals."

3. Effective Date. This Agreement is in effect as of the Effective Date; however Purchaser's available capacity will not increase to 4,000,000 gallons per day until Purchaser has paid \$3,181,541 as required in paragraph 2 above and the Seller's 1st Avenue Project and Stallings Booster Station Project are placed in service. Until Purchaser's available capacity increases pursuant to this paragraph, Purchaser's usage shall not exceed 2,800,000 gallons per day.

4. Ratification. Except as modified by this First Amendment, Seller and Purchaser agree that the Water Purchase Agreement is in full force and effect in accordance with its terms and that the Water Purchase Agreement is not otherwise modified hereby.

5. Counterparts. This Second Amendment may be executed in counterparts, each of which shall be deemed a duplicate original. Facsimile or PDF signatures hereon shall be deemed original signatures for all purposes, Signature pages may be detached and reattached to physically form one document.

IN WITNESS WHEREOF the parties hereto, acting under authority of their respective governing bodies, have caused this Second Amendment to be duly executed effective the date first set forth above.

Seller:

Evansville Water and Sewer Utility of Evansville, Indiana
a/k/a Department of Waterworks, Evansville, Indiana

By: Steven R Heidorn

Printed: Steven R Heidorn

January 26, 2021

Attest:

Karen Holiday
Secretary

Purchaser:

Gibson Water Authority
517 E. 1250 S., Haubstadt, Indiana

By: Duane Michel

Printed: Duane Michel

Attest:

Stephen L. Meng
Secretary

OUCG DR 11-3

DATA REQUEST
City of Evansville

Cause No. 45545

Information Requested:

Please state the amount incurred for high service pump maintenance for each of the calendar years in the period 2017 – 2021. Please also provide all supporting invoices.

Information Provided:

The amounts incurred for high service pump maintenance each year were:

2017	\$4,950
2018	\$161,735
2019	\$17,421
2020	\$207,138
2021	\$78,100 to date

See OUCG DR 11-25 response for invoices to support these amounts.

Evansville Water Utility
Cause No. 45545
Periodic Maintenance Expense
Base Period Transactions

JOURNAL														
ORG	OBJ	ACCOUNT DESC	YR/PR	JNL	EFF DATE	AMOUNT	SRC	REF1	REF2	REF3	REF4	Comment	VENDOR CODE	CHECK #
6309002	436010	REPAIRS & MAINTENANCE	20/9	60	09/01/20	62,204.20	API	003285	20203131	448216	W WG0630	HIGH SERV PUMP 5 LOW SERV PUMP	CUSTOM MECHANICAL CO	227382
6309002	436010	REPAIRS & MAINTENANCE	19/10	2645	10/24/19	31,890.00	APM	002518	20186407	387704	INV INQ	REBUILD H.S. #6 PUMP	EERMSCO INC	220987
6309002	436010	REPAIRS & MAINTENANCE	20/9	2251	09/29/20	18,726.42	API	003285	20203131	450948	W WG0630	HIGH SERV PUMP 5 LOW SERV PUMP	CUSTOM MECHANICAL CO	227382
6309002	436011	REPAIRS & MAINTENANCE	20/1	4938	01/28/20	1,700.00	API	005893	20192742	425543	W WF012820	REPAIR LCP#1 FOR LS PUMP#1	SHAMBAUGH & SON LP	224996
6019002	436020	EQUIPMENT REPAIR/MAINT	19/10	2645	10/24/19	(31,890.00)	APM	002518	20186407	387704	INV INQ	REBUILD H.S. #6 PUMP	EERMSCO INC	220987
6919002	436023	SOURCE EQUIPMENT M&R	19/10	3758	10/01/19	(323,475.00)	GRV				ACCTS PYBL	1909003753	REVERSE PRIOR ACCRUAL	
6019002	436023	SOURCE EQUIPMENT M&R	20/9	38	09/01/20	323,460.00	API	006857	20201824	447989	W WG0601	DREDGING LOW SERVICE INTAKES F	FOERTSCH CONSTRUCTIO	227065
6019002	436023	SOURCE EQUIPMENT M&R	19/10	1710	10/02/19	318,875.00	API	006857	20191352	412769	W WF092519	DREDGING LOW SERVICE INTAKES F	FOERTSCH CONSTRUCTIO	223569
6019002	436023	SOURCE EQUIPMENT M&R	19/10	1711	10/02/19	4,600.00	API	000144	20195081	412945	W WF092619	SURVEY SERVICES FOR DREDGING A	MORLEY & ASSOCIATES,	223584
6019002	436023	SOURCE EQUIPMENT M&R	20/9	939	09/04/20	3,087.50	API	000144	20204336	449192	W W091520	SURVEY SERVICES FOR DREDGING F	MORLEY & ASSOCIATES,	227256
6019002	436023	SOURCE EQUIPMENT M&R	20/4	562	04/02/20	128,567.01	API	003829	20200097	432778	W W041420	ANNUAL TANK MAINTENANCE PROGRA	UTILITYSERVICECO	225702
6019002	436023	SOURCE EQUIPMENT M&R	20/7	302	07/01/20	128,567.01	API	003829	20200097	442214	W W070720	ANNUAL TANK MAINTENANCE PROGRA	UTILITYSERVICECO	226484
6919002	436023	SOURCE EQUIPMENT M&R	20/9	3240	09/30/20	128,567.01	GNI				ACCTS PYBL	W AP	ACCOUNTS PAYABLE ACCRUAL	
6019002	436023	SOURCE EQUIPMENT M&R	19/10	1711	10/02/19	128,131.15	API	003829	20191335	412956	W WF092619	ANNUAL STORGE TANK MAINTENANCE	UTILITYSERVICECO	223589
6019002	436023	SOURCE EQUIPMENT M&R	19/12	1110	12/06/19	128,131.15	API	003829	20191335	420676	W WF120619	ANNUAL STORGE TANK MAINTENANCE	UTILITYSERVICECO	224157
6919002	436023	SOURCE EQUIPMENT M&R	19/10	3863	10/31/19	(128,131.15)	GNI				ACCTS PYBL	W AP	REV PRIOR UTILITY SVC ACCR	
6019002	436023	SOURCE EQUIPMENT M&R	20/7	302	07/01/20	15,167.00	API	003829	20202529	442213	W W070720	Letters and Numerals, Sign (To	UTILITYSERVICECO	226484
6309002	436010	REPAIRS & MAINTENANCE	20/9	60	09/01/20	184,795.60	API	004574	20201819	448136	W WG0630	REBUILD #1 TRAVELING SCREEN IN	ATLAS MANUFACTURING	227381
6019005	423030	SMALL TOOLS & MINOR EQ	20/3	1211	03/10/20	3,388.70	API	004662	20197020	430462	W WW031020	SCADA AT FILTRATION PLANT	ADVANCED NETWORK	225170
						<u>\$ 1,126,361.60</u>								

OUCG DR 11-1

**DATA REQUEST
City of Evansville**

Cause No. 45545

Information Requested:

Please state the amount incurred for low service pump maintenance for each of the calendar years in the period 2017 – 2021. Please also provide all supporting invoices.

Information Provided:

The amounts incurred for low service pump maintenance each year were:

2017	\$1,487.50
2018	\$110,675
2019	\$10,467
2020	\$112,382
2020	\$0 to date

See OUCG DR 11-25 response for invoices to support these amounts.

OUCG DR 11-22

**DATA REQUEST
City of Evansville**

Cause No. 45545

Information Requested:

Please use the following format to describe all work performed on filters, including media replacement, during the period 2017 through 2021. Please also provide copies of all invoices for the work performed.

Date	Filter Number	Work Performed	Results	Total Cost

Information Provided:

Date	Filter Number	Work Performed	Results	Total Cost
2017	33	Shipping for Actuator	completed	174.90
	33	Purchase Motor Control Modules for actuator	Completed	2,693.83
	33	Troubleshoot Actuator	Completed	328.10
2018	21	Rebuild – Underdrains, Filter Media, Wash Arms	Completed	523,000
	24	Rebuild – Underdrains,	Completed	523,000

		Filter Media, Wash Arms		
	29	Rebuild – Underdrains, Filter Media, Wash Arms	Completed	523,000
	Various	Motor Control Module for Actuators	Completed	3,364
	35, 36	Heater Motors	Completed	1,020
2019	33-36	Sump Pump Replace	Completed	1,195.20
	21-28	Sump Pump Replace	Completed	1094.48
	Various	Motor Control Module for Actuators	Completed	3,933
	13-20	Exhaust Fan and Louver	Completed	4,180.92
	23	Rebuild – Underdrains, Filter Media, Wash Arms	Completed	400,393.30
	27	Rebuild – Underdrains, Filter Media, Wash Arms	Completed	400,393.30
	28	Rebuild – Underdrains, Filter Media, Wash Arms	Completed	400,393.30
2020	29-32	Replace Couplings in Pipe Gallery	Completed	13,098

	29-32	Bolt Replacement in Pipe Gallery	In-progress	11,061.22
	34 + various	Filter Wash Arm Repairs	In-progress	5,068.40
	29-32	Pipe Gallery crack sealing	Complete	8,000
2021	25	Rebuild – Underdrains, Filter Media, Wash Arms	Seeking Contract	
	26	Rebuild – Underdrains, Filter Media, Wash Arms	Seeking Contract	
	22	Rebuild – Underdrains, Filter Media, Wash Arms	Seeking Contract	
	33	Replace Filter Media	Seeking Contract	
	34	Replace Filter Media, Wash Arms on B side	Seeking Contract	
	35	Replace filter Media	Seeking Contract	
	36	Replace Filter Media	Seeking Contract	
	21-28	Sump Pump Repair	Completed	383
	21-28	Sump Pump Replacement	Completed	1,309.23
	17-20	Electrical Repair	Completed	926

(Continued on next page)

OUCC DR 11-22
(Continued from previous page)

See invoices attached.

Attachments:

- OUCC DR 11-22 Attachment 1.pdf
- OUCC DR 11-22 Attachment 2.pdf
- OUCC DR 11-22 Attachment 3.pdf
- OUCC DR 11-22 Attachment 4.pdf
- OUCC DR 11-22 Attachment 5.pdf

OUCG DR 11-7

DATA REQUEST
City of Evansville

Cause No. 45545

Information Requested:

Please state the costs incurred for any dredging work performed during each of the calendar years 2017, 2018, 2019, 2020, and 2021. Please also provide copies of supporting invoices. For work contracted but not yet completed in 2021, please state the amount remaining, describe the unfinished work and the anticipated completion date.

Information Provided:

Dredging work incurred from 2017-2021 cost as follows:

2017	dredging \$0	permitting \$21,474.49
2018	dredging \$314,740	surveying \$4,856.25
2019	dredging \$318,875	surveying \$4,600
2020	dredging \$323,460	surveying \$4,975
2021	dredging \$215,440	contracted 7/27/2021;

Work anticipated to be complete October, 2021.

See supporting invoices attached.

Attachments:

- OUCG DR 11-7 Attachment 1.pdf
- OUCG DR 11-7 Attachment 2.pdf
- OUCG DR 11-7 Attachment 3.pdf
- OUCG DR 11-7 Attachment 4.pdf
- OUCG DR 11-7 Attachment 5.pdf
- OUCG DR 11-7 Attachment 6.pdf
- OUCG DR 11-7 Attachment 7.pdf

MASTER SERVICES AGREEMENT Terms and Conditions

This MASTER SERVICES AGREEMENT ("Agreement") is entered into by and between Evansville Water and Sewer Utility, with a principal business address 1931 Allens Lane, Evansville, IN 47720 ("Owner"), and UTILITY SERVICE CO., INC., a Georgia corporation with a principal business address of 1230 Peachtree Street NE, Suite 1100, Atlanta, Georgia 30309 ("Company").

WHEREAS, the Owner and Company (collectively, "the Parties") desire for Company to provide services to Owner under the terms set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Scope. The Company agrees to provide the Owner with certain services ("Services") set forth on each properly executed Scope of Work ("SOW") to be attached hereto and incorporated herein by reference. Each SOW shall be subject to the general terms and conditions (the "Terms and Conditions") set forth in this Agreement. Each time Owner engages Company to perform Services, a new SOW shall be prepared specifying the scope of Services specific to that engagement. Unless otherwise indicated in any given SOW, Company shall be responsible for furnishing all labor and materials to perform the Services. Each new SOW represents a separate contract between Company and Owner that incorporates the Terms and Conditions and is governed by this Agreement. All changes to any SOW may only be made by a written amendment to such SOW and signed by an authorized representative of each Party. Owner may terminate a SOW in accordance with the terms of each SOW. In the event there is a conflict between any term of an SOW and this Agreement, the term(s) of the SOW shall control.

2. Term. The effective date of this Agreement shall be May 10, 2016 ("Effective Date"). The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect for one year ("Term"). This Agreement will automatically renew for successive one-year terms ("Renewal Terms") unless terminated as set forth in Section 9 of this Agreement. The term of an SOW shall begin on the commencement date provided in that SOW and continue in effect for the agreed term provided in that SOW.

3. Fees. For all Services performed, Owner shall pay Company in accordance with the terms of each SOW. The fees paid in accordance with each SOW shall constitute the full and complete compensation to Company for the Services performed pursuant to the SOW. Unless otherwise expressly set forth in any given SOW, Company shall be responsible for expenses it incurs in connection with its provision of the Services.

4. Independent Contractor. Company is, and shall at all times remain, an independent contractor. Company and each of Company's employees and principals shall not be deemed for any purpose to be Owner's employees, and they shall not be entitled to any claims, rights, benefits and privileges to which an employee of Owner or any of its respective affiliates

may be entitled under any retirement, pension, insurance, medical or other plans which may now be in effect or which may hereafter be adopted. Owner is not responsible to any governing body or to Company for paying or withholding payroll taxes and other employee expenses related to payments made to Company. Notwithstanding anything to the contrary, this Agreement does not, and shall not be deemed to, constitute a partnership or joint venture between the Parties and neither Party nor any of their respective directors, officers, officials, or employees shall, by virtue of the performance of their obligations under this Agreement, be deemed to be an agent or employee of the other. No Party has the authority to bind another Party except to the extent approved in writing by the Party to be bound.

5. Workers Compensation and Liability Insurance.

Company shall maintain the following insurance during the life of the Agreement:

- A. Comprehensive General Liability insurance covering all operations to include:
 - Premises operations (including Explosion, Collapse and Underground coverages as applicable)
 - Independent contractors
 - Contractual liability (broad form)
 - Completed operations
 - Broad form property damage
 - Products and completed operations
 - Personal injury with employment exclusion deleted
 - Limits: Bodily Injury and Property Damage combined single limit of \$1,000,000 per occurrence - \$2,000,000 aggregate
- B. Automobile Liability:
 - Covering all owned, non-owned and hired automobiles
 - Limits: Bodily Injury and Property Damage combined single limit of \$1,000,000
- C. Professional Liability
 - Limits: \$1,000,000 each claim
- D. Workers Compensation:
 - Limits: Coverage A: Statutory
Coverage B: Employers Liability
\$100,000 each accident
\$500,000 disease – policy limit
\$100,000 disease – each employee
 - Company shall maintain and pay premiums for such public liability insurance, property damage insurance and Workers Compensation as will fully protect it from claims under the Indiana Workers Compensation Act and from any other claims for damages to persons not covered by said Act because of bodily injury, including death, which may arise from or during the performance of the work described in this contract, and Company shall furnish proof unto the Owner that it has in force said insurance by submitting to the Owner, or agent thereof, a memorandum copy of insurance coverage. Company further shall keep the Owner indemnified from any loss, damage, liability, costs or expenses incurred by reason of failure of Company or of any agent, employee,

or subcontractor to comply with any of the provisions of said Workers Compensation Insurance shall be satisfied by providing a certificate from the Industrial Board before the work commences.

- E. Umbrella Liability:
 - Limits: \$1,000,000 per occurrence and aggregate applying to all bodily injury, personal injury, property damage and errors or omissions.
- F. If the General Liability or Professional Liability coverages are provided by a policy on a claims made basis, the policy date or Retroactive Date shall predate the Contract; the termination date of the policy or the applicable extended reporting period shall be no earlier than two (2) years after completion of the contract.
- G. All coverage shall be placed with an insurance company that is "A" rated and duly admitted in the State of Indiana and shall be reasonably acceptable to the Owner. Coverage shall be afforded to the additional insureds regardless of whether or not a claim is in litigation
- H. For each type of insurance which Company is required to maintain under this Agreement, Company shall furnish to the Owner a Certificate or Certificates of Insurance showing that each such type of insurance is in full force and effect, naming the Owner as an additional insured and providing that such insurance cannot be amended or cancelled without at least thirty (30) days' written notice to the Owner.
- I. Waiver of Subrogation: Company shall obtain from each of its insurers a waiver of subrogation on Commercial General Liability in favor of the Owner with respect to Losses arising out of or in connection with the Work performed or materials provided by Company.
- J. If it becomes customary for other similar contracts with the Owner to carry higher limits of liability coverage, Company shall, if requested by the Owner, increase the foregoing coverage to such customary limits.

6. Representations. Company represents and warrants that Company has the full power and authority to enter into and perform this Agreement; that the execution, delivery and performance of this Agreement has been duly authorized and constitutes a valid and binding agreement of Company; and that the execution, delivery and performance of this Agreement will not result in the breach of, or constitute a default under, or violate any provision of, any agreement or other instrument to which Company is a party to a non-competition agreement or bound by any competitive restrictive covenant concerning or relating to, in any manner, the performance by Company of services similar to the Services to be performed hereunder.

7. Indemnification. Company shall indemnify Owner and its officers and officials from and against any claims, actions, and suits resulting from Company's negligence while performing the Services hereunder. Company's indemnification obligations hereunder shall be subject to Owner's prompt notification to Company with respect to the pertinent third-party claim(s).

8. Assignment of Receivables. The Company reserves the right to assign any outstanding receivables from this Contract to its financial institutions as collateral for any loans or lines of credit.

9. Termination. This Agreement or any SOW may be terminated by Owner if written notice of termination is received by Company at least ninety (90) days before the commencement of the upcoming Renewal Term. If the notice of termination is not received at least ninety (90) days before the commencement of the upcoming Renewal Term, this Agreement shall renew for the upcoming Renewal Term of one-year, and then terminate at the expiration of that Renewal Term. In the event of termination by Owner, Owner shall pay Company any amounts due or owing pursuant to all SOWs for products and/or services delivered by Company prior to the date of termination, unless otherwise agreed by the Parties in SOW(s).

10. Intellectual Property. The Owner acknowledges that all intellectual property rights in the Services, their method of delivery, and all related know-how are owned by the Company or its licensors. The Owner hereby agrees and acknowledges that this Agreement and its SOWs shall not be construed as a license for the Owner to use, deliver, or exploit the intellectual property used by the Company in delivering the Services. To the extent that any new intellectual property or know-how is developed as a result of carrying out the Services, the new intellectual property rights will all be owned by the Company or its licensors, and the Owner agrees that it will not make a claim to any such new intellectual property rights.

11. Limitation of Liability. **IN NO EVENT SHALL EITHER PARTY OR ITS RESPECTIVE DIRECTORS, OFFICERS, OFFICIALS, AND EMPLOYEES BE LIABLE FOR ANY LOSS OF PROFITS OR REVENUES, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND, HOWSOEVER CAUSED OR ARISING UNDER THIS AGREEMENT.** The foregoing provision limiting the liability of the Parties' directors, officers, officials, and employees shall be deemed to be trust provisions for the benefit of such directors, officers, officials, and employees and shall be enforceable by such persons as trust beneficiaries. Such provisions shall not be construed as imposing any liability on such directors, officers, officials, and employees where it does not otherwise exist in law.

12. Rules of Construction. In construing this Agreement and the SOWs, the following principles shall be followed: (a) no meaning may be inferred from any presumption that one Party had a greater or lesser hand in drafting this Agreement; (b) examples do not limit, expressly or by implication, the matter they illustrate; (c) the plural shall be deemed to include the singular and vice versa, as applicable; and (d) the headings are for convenience only and do not affect the meaning or construction of any such provision. The Parties specifically acknowledge and agree: (a) that they have a duty to read all of the documents constituting this Agreement, including its SOWs, and that they are charged with notice and knowledge of the terms in this Agreement, including its SOWs; and (b) that it has in fact read this Agreement, including its SOWs, and is fully informed and has full notice and knowledge of the terms, conditions and effects of this Agreement, including its SOWs. **Each Party further agrees that it will not contest the validity or enforceability of any provision of this Agreement on the**

basis that it had no notice or knowledge of such provision or that such provision is not conspicuous.

13. Miscellaneous.

a. Notices. All notices hereunder shall be in writing and shall be sent by certified mail, return receipt requested, or by overnight courier service, to the address set forth below each Party's signature, or to such other addresses as may be stipulated in writing by the Parties pursuant hereto. Unless otherwise provided, notice shall be effective on the date it is officially recorded as delivered by return receipt or equivalent.

b. Entire Agreement; Amendment. This Agreement and each properly executed SOW supersedes all prior agreements, arrangements, and undertakings between the Parties and constitutes the entire agreement between the Parties relating to the subject matter thereof. This Agreement may not be amended except by written instrument executed by both Parties. In the event of a conflict between the terms of any given SOW and this Agreement, the terms of the SOW shall prevail. The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision of this Agreement.

c. Assignment. Neither Party may assign this Agreement without the prior written consent of the other Party; such consent will not be unreasonably withheld. Any attempt to assign this Agreement without the prior written consent of the other Party shall be null and void. A change in control of a Party shall not be deemed an assignment of this Agreement.

d. Force Majeure. If either party is prevented from performing any of its duties or obligations hereunder (other than duties or obligations with respect to payment) in a timely manner by reason or act of God, strike, labor, dispute, flood, public disaster, equipment or technical malfunctions or failures, power failures or interruptions or any other reason beyond its reasonable control, such condition shall be deemed to be a valid excuse for delay of performance or for nonperformance of any such duty or obligation for the period during which such conditions exist.

e. Survival of Certain Provisions. Notwithstanding the termination or expiration of this Agreement, the provisions of Sections 6, 10, and 11 shall survive and continue and bind the parties and their legal representatives, successors and permitted assigns.

f. No Waiver. The waiver of any breach or failure of a term or condition of this Agreement by any party shall not be construed as a waiver of any subsequent breach or failure of the same term or condition, or a waiver of any other breach or failure of a term or condition of this Agreement.

g. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Agreement. The Parties may utilize electronic means (including facsimile and e-mail) to

execute and transmit the Agreement and all such electronically executed and/or transmitted copies of the Agreement shall be deemed as valid as originals.

h. Eligibility for Employment in the United States. The Company shall complete and keep on file, as appropriate, the Immigration and Naturalization Service Employment Eligibility Form (I-9). This form shall be used by the Company to verify that persons employed by the Company are eligible to work in the United States.

i. E-Verify Compliance. Pursuant to I.C. 22-5-1.7, Company shall enroll in and verify the work eligibility status of all newly hired employees of Company through the E-Verify Program ("Program"). Company is not required to verify the work eligibility status of all newly hired employees through the Program if the Program no longer exists. Also, pursuant to I.C. 22-5-1.7, Company must execute an affidavit affirming that Company does not knowingly employ an unauthorized alien and confirming Company's enrollment in the Program, unless the Program no longer exists, which Affidavit shall be filed with the City prior to the execution of this contract.

SIGNATURE PAGE TO FOLLOW.

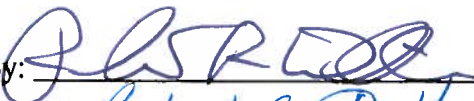
WHEREFORE, for the purpose of being bound, the Parties execute this Agreement by their duly authorized representatives as of the date(s) set forth below.

OWNER

COMPANY

EVANSVILLE WATER AND SEWER UTILITY

UTILITY SERVICE CO., INC.

By: 

By: 

Name: Robert R. Dillow

Name: D. Michael Buchanan

Title: Board President

Title: Deputy, Chief Financial Officer

Date: 5-10-16

Date: May 17, 2016

Notice Address for Each Party:

Evansville Water + Sewer Utility

Utility Service Co., Inc.

Attn: Water Superintendent

Attn: Customer Service Department

1931 Allens Lane

Post Office Box 1350

Evansville, Indiana 47720

535 General Courtney Hodges Boulevard

Perry, Georgia 31069

AFFIDAVIT

The undersigned, Barry Lee (name), Compensation/Benefits Mgr (position) at UTILITY SERVICE CO., INC., being duly sworn upon his/her oath, does hereby state that UTILITY SERVICE CO., INC., pursuant to I.C. 22-5-1.7, does not knowingly employ unauthorized aliens and participates in the E-Verify Program (the "Program") when it hires new employees to confirm their work eligibility and further acknowledges that it is not required to verify the work eligibility status of all newly hired employees through the Program if the Program no longer exists.

I swear or affirm, under the penalties for perjury, that the foregoing statements are true.

UTILITY SERVICE CO., INC.

By: Barry Lee
Its: Compensation/Benefits Mgr.

Date: 05/16/16

SCOPE OF WORK NO. 1
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
EVANSVILLE WATER AND SEWER UTILITY

WATER TANK MAINTENANCE – 200,000 GALLON G.S.T. NORTH BACKWASH TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 1 (“SOW1”) shall be May 10, 2016.
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 200,000 gallon water storage tank located at **Shawnee Drive, Evansville, Indiana 47713** (hereinafter “tank”). This SOW1 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW1 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities.** This SOW1 outlines the Company’s responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
 - B. Washout/inspection will be every 3 years, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
 - C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW1. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting, the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Indiana**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW1. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

4. **Contract Price/Annual Fees.** The tank shall receive an **exterior renovation, interior renovation and repairs** prior to the end of Contract Year 1. **The first three (3) annual fees shall be \$26,560.00 per Contract Year. Contract Year 4-7 annual fees shall be \$26,520.00 per Contract Year. Contract Year 8-9 annual fees shall be \$26,521.00 per Contract Year. Contract Year 10 annual fee shall be \$26,520.00 per Contract Year.** The annual fee for Contract Year 11 shall be **\$19,043.00** per Contract Year. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW1.

5. **Payment Terms.** The annual fee for Contract Year 1, plus all applicable taxes, shall be due and payable upon completion of the initial exterior and interior renovations. **Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW1 prior to remitting the first **ten (10)** annual fees, then the balance due upon cancellation for this SOW1 as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to

Terminate. If the Owner elects to terminate SOWs 1 through 10 prior to remitting the first ten (10) annual fees, then the total balance for all SOWs as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*

7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW1. Said modification of this SOW1 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW1 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. **Excluded Items.** This SOW1 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW1; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW1 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g.,

corrosion of the floor plates, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).

The Parties hereby execute this SOW1 by their duly authorized representatives as of the date(s) set forth herein below.

OWNER

COMPANY

Evansville Water and Sewer Utility

Utility Service Co., Inc

By: 

By: 

Name: Robert R. Dillow

Name: D. Michael Buchanan

Title: Board President

Title: Deputy, Chief Financial Officer

Date: May 10, 2016

Date: May 17, 2016

Initial Upfront Renovation Specification

Year 1 (2016)

Exterior Rehabilitation

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).

Repairs

1. Install cable safety climb device on exterior ladder

Interior Wet

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:
 - a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 3 to 5 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State of Indiana.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

SCOPE OF WORK NO. 2
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
EVANSVILLE WATER AND SEWER UTILITY

WATER TANK MAINTENANCE – 500,000 GALLON PEDISPHERE GRIMM ROAD TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 2 (“SOW2”) shall be May 10, 2016 .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 500,000 gallon water storage tank located at **4596 Grimm Road, Newburgh, Indiana 47630** (hereinafter “tank”). This SOW2 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW2 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities.** This SOW2 outlines the Company’s responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
 - B. Washout/inspection will be every 3 years, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
 - C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW2. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting, the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Indiana**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW2. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

I. Mixing System Installation and Service.

1. The Company shall install an active mixing system in the Tank.
2. The particular unit that will be installed in the Tank is a NSF Approved PAX PWM 150 active mixing system along with its component parts.
3. The Company will inspect and service the active mixing system when the tank is drained for washout inspections. The active mixing system will be thoroughly inspected to ensure that the active mixing system is good working condition. The Company shall furnish engineering and inspection services needed to maintain and repair the active mixing system during the term of this Contract.
4. The Owner shall be responsible for draining the tank if determined necessary by the Company due to operational problems with the mixing system. The provisions of Section 3.B shall be followed in this circumstance.

4. **Contract Price/Annual Fees.** The tank shall receive a **PAX installation and repairs** prior to the end of Contract Year 1. The tank shall receive an **exterior renovation and interior renovation** prior to the end of Contract Year 3. The first **three (3)** annual fees shall be **\$43,906.00** per Contract Year. The next **seven (7)** annual fees shall be **\$43,832.00** per Contract Year. The annual fee for Contract Year 11 shall be **\$37,360.00** per Contract Year. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW2.
5. **Payment Terms.** The annual fee for Contract Year 1, plus all applicable taxes, shall be due and payable **upon completion of the PAX installation. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW2 prior to remitting the first **ten (10)** annual fees, then the balance due upon cancellation for this SOW2 as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate. If the Owner elects to terminate SOWs 1 through 10 prior to remitting the first ten (10) annual fees, then the total balance for all SOWs as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.
6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*
7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW2. Said modification of this SOW2 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW2 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. **Excluded Items.** This SOW2 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW2; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due

to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW2 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).

The Parties hereby execute this SOW2 by their duly authorized representatives as of the date(s) set forth herein below.

OWNER

Evansville Water and Sewer Utility

By: 

Name: Robert R. Dillow

Title: Board President

Date: May 10, 2016

COMPANY

Utility Service Co., Inc.

By: 

Name: D. Michael Buchanan

Title: Deputy, Chief Financial Officer

Date: May 17, 2016

Initial Upfront Renovation Specification

Year 1 (2016)

Installation of Active Mixing System

Install a PAX PWM 150 active mixing system

Repairs

1. Install cable safety climbing device for exterior ladder
2. Clean and apply new foundation grout

Year 3 (2018)

Exterior Rehabilitation

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).

Interior Wet

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:

- a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 3 to 5 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
 5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State of Indiana.
 6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
 7. The Tank shall be sealed and made ready for service.

SCOPE OF WORK NO. 3
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
EVANSVILLE WATER AND SEWER UTILITY

WATER TANK MAINTENANCE – 500,000 GALLON ELEVATED LINCOLN TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 3 (“SOW3”) shall be May 10, 2016 .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 500,000 gallon water storage tank located at **4910 Lincoln Ave, Evansville, Indiana 47715** (hereinafter “tank”). This SOW3 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW3 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities.** This SOW3 outlines the Company’s responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
 - B. Washout/inspection will be every 3 years, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
 - C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW3. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting, the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Indiana**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW3. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

I. Mixing System Installation and Service.

1. The Company shall install an active mixing system in the Tank.
2. The particular unit that will be installed in the Tank is a NSF Approved PAX PWM 150 active mixing system along with its component parts.
3. The Company will inspect and service the active mixing system when the tank is drained for washout inspections. The active mixing system will be thoroughly inspected to ensure that the active mixing system is good working condition. The Company shall furnish engineering and inspection services needed to maintain and repair the active mixing system during the term of this Contract.
4. The Owner shall be responsible for draining the tank if determined necessary by the Company due to operational problems with the mixing system. The provisions of Section 3.B shall be followed in this circumstance.

4. **Contract Price/Annual Fees.** The tank shall receive a **PAX installation** prior to the end of **Contract Year 1**. The first **three (3)** annual fees shall be **\$47,910.00** per Contract Year. The annual fee for Contract Year 4 shall be **\$41,115.00** per Contract Year. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW3.
5. **Payment Terms.** The annual fee for **Contract Year 1**, plus all applicable taxes, shall be due and payable **upon completion of the PAX installation**. **Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW3 prior to remitting the first **ten (10)** annual fees, then the balance due upon cancellation for this SOW3 as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate. If the Owner elects to terminate SOWs 1 through 10 prior to remitting the first ten (10) annual fees, then the total balance for all SOWs as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.
6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*
7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW3. Said modification of this SOW3 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW3 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. **Excluded Items.** This SOW3 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW3; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW3 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).

The Parties hereby execute this SOW3 by their duly authorized representatives as of the date(s) set forth herein below.

OWNER

Evansville Water and Sewer Utility

By: 

Name: Robert R. Dillow

Title: Board President

Date: May 10, 2016

COMPANY

Utility Service Co., Inc.

By: 

Name: D. Michael Buchanan

Title: Deputy, Chief Financial Officer

Date: May 17, 2016

Initial Upfront Renovation Specification

Year 1 (2016)

Installation of Active Mixing System

Install a PAX PWM 150 active mixing system

SCOPE OF WORK NO. 4
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
EVANSVILLE WATER AND SEWER UTILITY

WATER TANK MAINTENANCE – 500,000 GALLON PEDISPHERE MT. VERNON TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 4 (“SOW4”) shall be May 10, 2016.
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 500,000 gallon water storage tank located at **Upper Mt. Vernon road and Wind Drive, Evansville, Indiana 47712** (hereinafter “tank”). This SOW4 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW4 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities.** This SOW4 outlines the Company’s responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
 - B. Washout/inspection will be every 3 years, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
 - C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW4. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting, the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Indiana**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW4. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

I. Mixing System Installation and Service.

1. The Company shall install an active mixing system in the Tank.
2. The particular unit that will be installed in the Tank is a NSF Approved PAX PWM 150 active mixing system along with its component parts.
3. The Company will inspect and service the active mixing system when the tank is drained for washout inspections. The active mixing system will be thoroughly inspected to ensure that the active mixing system is good working condition. The Company shall furnish engineering and inspection services needed to maintain and repair the active mixing system during the term of this Contract.
4. The Owner shall be responsible for draining the tank if determined necessary by the Company due to operational problems with the mixing system. The provisions of Section 3.B shall be followed in this circumstance.

4. **Contract Price/Annual Fees.** The tank shall receive a **PAX installation and repairs** prior to the end of **Contract Year 1**. The tank shall receive an **exterior renovation and interior renovation** prior to the end of **Contract Year 4**. The first **three (3)** annual fees shall be **\$42,123.00** per Contract Year. The next **seven (7)** annual fees shall be **\$42,044.00** per Contract Year. The annual fee for **Contract Year 11** shall be **\$37,260.00** per Contract Year. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW4.
5. **Payment Terms.** The annual fee for **Contract Year 1**, plus all applicable taxes, shall be due and payable **upon completion of the PAX installation**. **Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW4 prior to remitting the first **ten (10)** annual fees, then the balance due upon cancellation for this SOW4 as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate. If the Owner elects to terminate SOWs 1 through 10 prior to remitting the first ten (10) annual fees, then the total balance for all SOWs as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.
6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*
7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW4. Said modification of this SOW4 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW4 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. **Excluded Items.** This SOW4 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW4; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally

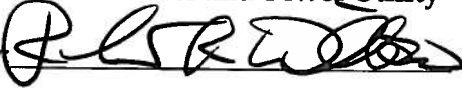
designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW4 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).

The Parties hereby execute this SOW4 by their duly authorized representatives as of the date(s) set forth herein below.

OWNER

Evansville Water and Sewer Utility

By: 

Name: Robert R. Dillow

Title: Board President

Date: May 10, 2016

COMPANY

Utility Service Co., Inc.

By: 

Name: D. Michael Buchanan

Title: Deputy, Chief Financial Officer

Date: May 17, 2016

Initial Upfront Renovation Specification

Year 1 (2016)

Installation of Active Mixing System

Install a PAX PWM 150 active mixing system

Repairs

1. Install cable safety climbing device for exterior ladder
2. Install interior ladder

Year 4 (2019)

Exterior Rehabilitation

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).

Interior Wet

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:
 - a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 3 to 5 mils.

- b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State of Indiana.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

SCOPE OF WORK NO. 5
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
EVANSVILLE WATER AND SEWER UTILITY

WATER TANK MAINTENANCE – 500,000 GALLON USI HYDROPILLAR TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 5 (“SOW5”) shall be May 10, 2016 .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 500,000 gallon water storage tank located at **80 Bluff Lane, Evansville, Indiana 47712** (hereinafter “tank”). This SOW5 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW5 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities.** This SOW5 outlines the Company’s responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
 - B. Washout/inspection will be every 3 years, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
 - C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW5. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting, the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Indiana**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW5. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

I. Mixing System Installation and Service.

1. The Company shall install an active mixing system in the Tank.
2. The particular unit that will be installed in the Tank is a NSF Approved PAX PWM 150 active mixing system along with its component parts.
3. The Company will inspect and service the active mixing system when the tank is drained for washout inspections. The active mixing system will be thoroughly inspected to ensure that the active mixing system is good working condition. The Company shall furnish engineering and inspection services needed to maintain and repair the active mixing system during the term of this Contract.
4. The Owner shall be responsible for draining the tank if determined necessary by the Company due to operational problems with the mixing system. The provisions of Section 3.B shall be followed in this circumstance.

4. **Contract Price/Annual Fees.** The tank shall receive a **PAX installation and repairs** prior to the end of **Contract Year 1**. The tank shall receive an **exterior renovation** prior to the end of **Contract Year 6**. The tank shall receive an **interior renovation** prior to the end of **Contract Year 9**. The first **three (3)** annual fees shall be **\$44,793.00** per Contract Year. **Contract Year 4-8 annual fees shall be \$44,687.00 per Contract Year. Contract Year 9 annual fee shall be \$44,688.00 per Contract Year. Contract Year 10 annual fee shall be \$44,687.00 per Contract Year.** The annual fee for Contract Year 11 shall be **\$40,833.00** per Contract Year. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW5.

5. **Payment Terms.** The annual fee for **Contract Year 1**, plus all applicable taxes, shall be due and payable **upon completion of the PAX installation. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW5 prior to remitting the first **ten (10)** annual fees, then the balance due upon cancellation for this SOW5 as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate. If the Owner elects to terminate SOWs 1 through 10 prior to remitting the first ten (10) annual fees, then the total balance for all SOWs as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. ***Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.***

7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW5. Said modification of this SOW5 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW5 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. **Excluded Items.** This SOW5 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW5; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW5 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).

The Parties hereby execute this SOW5 by their duly authorized representatives as of the date(s) set forth herein below.

OWNER

COMPANY

Evansville Water and Sewer Utility

Utility Service Co., Inc.

By: 

By: 

Name: Robert R. Dillow

Name: D. Michael Buchanan

Title: Board President

Title: Deputy, Chief Financial Officer

Date: May 10, 2016

Date: May 17, 2016

Initial Upfront Renovation Specification

Year 1 (2016)

Installation of Active Mixing System

Install a PAX PWM 150 active mixing system

Repairs

1. Install cable safety climbing device for exterior ladder
2. Install interior ladder

Year 6 (2021)

Exterior Rehabilitation

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
6. Retrace existing logo

Year 9 (2024)

Interior Wet

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.

3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:
 - a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 3 to 5 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State of Indiana.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

SCOPE OF WORK NO. 6
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
EVANSVILLE WATER AND SEWER UTILITY

WATER TANK MAINTENANCE – 1,500,000 GALLON VOLKMAN HYDROPILLAR TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 6 (“SOW6”) shall be May 10, 2016 .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 1,500,000 gallon water storage tank located at **South Hampton Drive and Fenwick Lane, Evansville, Indiana 47725** (hereinafter “tank”). This SOW6 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW6 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities.** This SOW6 outlines the Company’s responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
 - B. Washout/inspection will be every 3 years, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
 - C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW6. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting, the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Indiana**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW6. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

I. Mixing System Installation and Service.

1. The Company shall install an active mixing system in the Tank.
2. The particular unit that will be installed in the Tank is a NSF Approved PAX PWM 400 active mixing system along with its component parts.
3. The Company will inspect and service the active mixing system when the tank is drained for washout inspections. The active mixing system will be thoroughly inspected to ensure that the active mixing system is good working condition. The Company shall furnish engineering and inspection services needed to maintain and repair the active mixing system during the term of this Contract.
4. The Owner shall be responsible for draining the tank if determined necessary by the Company due to operational problems with the mixing system. The provisions of Section 3.B shall be followed in this circumstance.

4. **Contract Price/Annual Fees.** The tank shall receive a **PAX installation and repairs** prior to the end of Contract Year 1. The tank shall receive an **exterior renovation and interior renovation** prior to the end of Contract Year 5. The first **three (3)** annual fees shall be **\$71,586.00** per Contract Year. The next **seven (7)** annual fees shall be **\$71,437.00** per Contract Year. The annual fee for Contract Year 11 shall be **\$54,221.00** per Contract Year. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW6.

5. **Payment Terms.** The annual fee for Contract Year 1, plus all applicable taxes, shall be due and payable **upon completion of the PAX installation. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW6 prior to remitting the first **ten (10)** annual fees, then the balance due upon cancellation for this SOW6 as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate. If the Owner elects to terminate SOWs 1 through 10 prior to remitting the first ten (10) annual fees, then the total balance for all SOWs as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*

7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW6. Said modification of this SOW6 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW6 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. **Excluded Items.** This SOW6 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW6; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW6 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).


The Parties hereby execute this SOW6 by their duly authorized representatives as of the date(s) set forth herein below.

OWNER

COMPANY

Evansville Water and Sewer Utility

Utility Service Co., Inc.

By: 

By: 

Name: Robert R. Dillow

Name: D. Michael Buchanan

Title: Board President

Title: Deputy, Chief Financial Officer

Date: May 10, 2016

Date: May 17, 2016

Initial Upfront Renovation Specification

Year 1 (2016)

Installation of Active Mixing System

Install a PAX PWM 400 active mixing system

Repairs

1. Install cable safety climbing device for exterior ladder
2. Install interior ladder

Year 5 (2020)

Exterior Rehabilitation

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
6. Retrace existing logo

Interior Wet

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:

- a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 3 to 5 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
 5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State of Indiana.
 6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
 7. The Tank shall be sealed and made ready for service.

SCOPE OF WORK NO. 7
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
EVANSVILLE WATER AND SEWER UTILITY

WATER TANK MAINTENANCE – 1,000,000 GALLON ELEVATED DARMSTADT TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 7 (“SOW7”) shall be May 10, 2016 .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 1,000,000 gallon water storage tank located at **2600 W. Boonville-New Harmony Road, Evansville, Indiana 47720** (hereinafter “tank”). This SOW7 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW7 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities.** This SOW7 outlines the Company’s responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
 - B. Washout/inspection will be every 3 years, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
 - C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW7. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting, the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Indiana**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW7. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

I. Mixing System Installation and Service.

1. The Company shall install an active mixing system in the Tank.
2. The particular unit that will be installed in the Tank is a NSF Approved PAX PWM 400 active mixing system along with its component parts.
3. The Company will inspect and service the active mixing system when the tank is drained for washout inspections. The active mixing system will be thoroughly inspected to ensure that the active mixing system is good working condition. The Company shall furnish engineering and inspection services needed to maintain and repair the active mixing system during the term of this Contract.
4. The Owner shall be responsible for draining the tank if determined necessary by the Company due to operational problems with the mixing system. The provisions of Section 3.B shall be followed in this circumstance.

4. **Contract Price/Annual Fees.** The tank shall receive an **exterior renovation and interior renovation, PAX installation and repairs** prior to the end of Contract Year 2. The first **three (3)** annual fees shall be **\$73,603.00** per Contract Year. The next **seven (7)** annual fees shall be **\$73,466.00** per Contract Year. The annual fee for Contract Year 11 shall be **\$47,915.00** per Contract Year. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW7.

5. **Payment Terms.** The annual fee for Contract Year 1, plus all applicable taxes, shall be due and payable **upon execution of the contract. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW7 prior to remitting the first **ten (10)** annual fees, then the balance due upon cancellation for this SOW7 as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate. If the Owner elects to terminate SOWs 1 through 10 prior to remitting the first ten (10) annual fees, then the total balance for all SOWs as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. ***Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.***

7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW7. Said modification of this SOW7 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW7 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. **Excluded Items.** This SOW7 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW7; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW7 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).


The Parties hereby execute this SOW7 by their duly authorized representatives as of the date(s) set forth herein below.

OWNER

COMPANY

Evansville Water and Sewer Utility

Utility Service Co., Inc.

By: 

By: 

Name: Robert R. Dillow

Name: D. Michael Buchanan

Title: Board President

Title: Deputy, Chief Financial Officer

Date: May 10, 2016

Date: May 17, 2016

Initial Upfront Renovation Specification

Year 2 (2017)

Installation of Active Mixing System

Install a PAX PWM 400 active mixing system

Repairs

1. Install cable safety climbing device for exterior ladder
2. Remove interior safety climb device
3. Hatch repair

Exterior Rehabilitation

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
6. Paint foundation

Interior Wet

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:

- a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 3 to 5 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
 5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State of Indiana.
 6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
 7. The Tank shall be sealed and made ready for service.

SCOPE OF WORK NO. 8
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
EVANSVILLE WATER AND SEWER UTILITY

WATER TANK MAINTENANCE – 4,000,000 GALLON G.S.T. KILLIAN TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 8 (“SOW8”) shall be May 10, 2016 .
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 4,000,000 gallon water storage tank located at **2920 Schonenfield Ave, Evansville, Indiana 47720** (hereinafter “tank”). This SOW8 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW8 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities.** This SOW8 outlines the Company’s responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
 - B. Washout/inspection will be every 3 years, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
 - C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW8. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting, the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Indiana**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW8. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

I. Mixing System Installation and Service.

1. The Company shall install an active mixing system in the Tank.
2. The particular unit that will be installed in the Tank is a NSF Approved PAX PWM 400 active mixing system along with its component parts.
3. The Company will inspect and service the active mixing system when the tank is drained for washout inspections. The active mixing system will be thoroughly inspected to ensure that the active mixing system is good working condition. The Company shall furnish engineering and inspection services needed to maintain and repair the active mixing system during the term of this Contract.
4. The Owner shall be responsible for draining the tank if determined necessary by the Company due to operational problems with the mixing system. The provisions of Section 3.B shall be followed in this circumstance.

4. **Contract Price/Annual Fees.** The tank shall receive an **exterior renovation and interior renovation, PAX installation and repairs** prior to the end of Contract Year 1. The first **three (3)** annual fees shall be **\$136,731.00** per Contract Year. The next **seven (7)** annual fees shall be **\$136,507.00** per Contract Year. The annual fee for Contract Year 11 shall be **\$89,675.00** per Contract Year. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW8.

5. **Payment Terms.** The annual fee for Contract Year 1, plus all applicable taxes, shall be due and payable **upon completion of the initial exterior/interior renovation. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW8 prior to remitting the first **ten (10)** annual fees, then the balance due upon cancellation for this SOW8 as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate. If the Owner elects to terminate SOWs 1 through 10 prior to remitting the first ten (10) annual fees, then the total balance for all SOWs as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*

7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW8. Said modification of this SOW8 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW8 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. **Excluded Items.** This SOW8 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW8; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW8 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).

The Parties hereby execute this SOW8 by their duly authorized representatives as of the date(s) set forth herein below.

OWNER

Evansville Water and Sewer Utility

By: 

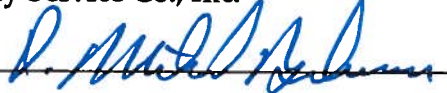
Name: Robert R. Dillow

Title: Board President

Date: May 10, 2016

COMPANY

Utility Service Co., Inc.

By: 

Name: D. Michael Buchanan

Title: Deputy, Chief Financial Officer

Date: May 17, 2016

Initial Upfront Renovation Specification

Year 1 (2016)

Installation of Active Mixing System

Install a PAX PWM 400 active mixing system

Repairs

1. Install cable safety climbing device for exterior ladder
2. Foundation grout repair

Exterior Rehabilitation

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
6. Paint foundation

Interior Wet

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:

- a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 3 to 5 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
 5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State of Indiana.
 6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
 7. The Tank shall be sealed and made ready for service.

SCOPE OF WORK NO. 9
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
EVANSVILLE WATER AND SEWER UTILITY

WATER TANK MAINTENANCE –175,000 GALLON G.S.T. SOUTH BACKWASH TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 9 (“SOW9”) shall be May 10, 2016.
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 200,000 gallon water storage tank located at **1601 Riverview Court, Evansville, Indiana 47713** (hereinafter “tank”). This SOW9 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW9 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities.** This SOW9 outlines the Company’s responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
 - B. Washout/inspection will be every 3 years, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
 - C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW9. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.

D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting, the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Indiana**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW9. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

4. **Contract Price/Annual Fees.** The tank shall receive an **exterior renovation, interior renovation and repairs** prior to the end of **Contract Year 2**. The first **three (3)** annual fees shall be **\$24,844.00** per Contract Year. The next **seven (7)** annual fees shall be **\$24,804.00** per Contract Year. The annual fee for Contract Year 11 shall be **\$18,890.00** per Contract Year. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW9.

5. **Payment Terms.** The annual fee for **Contract Year 1**, plus all applicable taxes, shall be due and payable **upon execution of the contract**. **Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW9 prior to remitting the first **ten (10)** annual fees, then the balance due upon cancellation for this SOW9 as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate. If the Owner elects to terminate SOWs 1 through 10 prior to remitting the first ten (10) annual fees, then the total balance

for all SOWs as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*

7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW9. Said modification of this SOW9 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW9 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. **Excluded Items.** This SOW9 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW9; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW9 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).

The Parties hereby execute this SOW9 by their duly authorized representatives as of the date(s) set forth herein below.

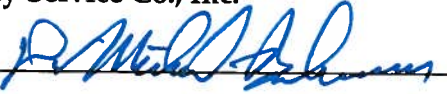
OWNER

COMPANY

Evansville Water and Sewer Utility

Utility Service Co., Inc.

By: 

By: 

Name: Robert R. Dillow

Name: D. Michael Buchanan

Title: Board President

Title: Deputy, Chief Financial Officer

Date: May 10, 2016

Date: May 17, 2016

Initial Upfront Renovation Specification

Year 2 (2017)

Exterior Rehabilitation

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating or equivalent coating shall be applied to complete exterior surfaces (100%).

Repairs

1. Install cable safety climb device on exterior ladder

Interior Wet

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:
 - a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 3 to 5 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State of Indiana.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

SCOPE OF WORK NO. 10
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
EVANSVILLE WATER AND SEWER UTILITY

**WATER TANK MAINTENANCE – 8,000,000 GALLON G.S.T. CONCRETE CAMPGROUND
RESERVOIR**

1. **Effective Date.** The Effective Date for this Scope of Work No. 10 (“SOW10”) shall be May 10, 2016.
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 8,000,000 gallon water storage tank located at **301 W. Campground Road, Indiana 47710** (hereinafter “tank”). This SOW10 shall commence on the Effective Date and shall continue in full force and effect for one year (“Contract Year 1”). This SOW10 will automatically renew for successive one-year terms (“Contract Years”) unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company’s Responsibilities.** This SOW10 outlines the Company’s responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. **Mixing System Installation and Service.**
 1. The Company shall install an active mixing system in the Tank.
 2. The particular unit that will be installed in the Tank is a NSF Approved PAX PWM 600 Tripod and two (2) PAX PWM 600 VAM active mixing systems along with its component parts.
 3. The Company will inspect and service the active mixing system each year. The active mixing system will be thoroughly inspected to ensure that the active mixing system is good working condition. The Company shall furnish engineering and inspection services needed to maintain and repair the active mixing system during the term of this Contract.

4. **Contract Price/Annual Fees.** The tank shall receive a **PAX installation** prior to the end of **Contract Year 1**. The first **three (3)** annual fees shall be **\$64,295.00** per Contract Year. The annual fee for **Contract Year 4** shall be **\$8,134.00** per Contract Year. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW10.

5. **Payment Terms.** The annual fee for **Contract Year 1**, plus all applicable taxes, shall be due and payable **upon completion of the PAX installation**. **Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW10 prior to remitting the first **ten (10)** annual fees, then the balance due upon cancellation for this SOW10 as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate. If the Owner elects to terminate SOWs 1 through 10 prior to remitting the first ten (10) annual fees, then the total balance for all SOWs as shown in the attached Exhibit A shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. *Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.*

7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW10. Said modification of this SOW10 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW10 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. Excluded Items. This SOW10 does NOT include the cost for and/or liability on the part of the Company for (1) disposal of any hazardous waste materials; (2) resolution of operational problems or structural damage due to cold weather; (3) negligent acts of Owner's employees, agents or contractors; (4) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (5) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank; or (6) any painting or repairs to the tank and tower.

The Parties hereby execute this SOW10 by their duly authorized representatives as of the date(s) set forth herein below.

OWNER

COMPANY

Evansville Water and Sewer Utility

Utility Service Co., Inc.

By: 

By: 

Name: Robert R. Dillow

Name: D. Michael Buchanan

Title: Board President

Title: Deputy, Chief Financial Officer

Date: May 10, 2016

Date: May 17, 2016

Initial Upfront Renovation Specification

Year 1 (2016)

Installation of Active Mixing Systems

Install a PAX PWM 600 Tripod and two (2) PWM 600 VAM units

OUC DR 11-11

DATA REQUEST
City of Evansville

Cause No. 45545

Information Requested:

Please state the amount incurred for booster pump maintenance for each of the calendar years in the period 2017 – 2021. Please also provide copies of supporting invoices. For work contracted but not yet completed in 2021, please state the amount remaining, describe the unfinished work and the anticipated completion dates.

Information Provided:

The following amounts were incurred annually for booster pump maintenance:

2017	\$80,226
2018	\$1,288
2019	\$10,500
2020	\$31,066
2021	\$73,020 to date

See OUC DR 11-25 response for invoices to support these amounts.

OUCG DR 11-24

**DATA REQUEST
City of Evansville**

Cause No. 45545

Information Requested:

Please use the following format to describe all work performed on traveling screens during the period 2017 through 2021. Please also provide copies of all invoices for the work performed.

Date	Screen Number	Work Performed	Results	Total Cost

Information Provided:

Date	Screen Number	Work Performed	Results	Total Cost
2017	2	Repair Sprocket	Completed	200
2018	2	Rebuild	Completed	95,000
	2	Install & extra parts	Completed	35,000
2019	1	Cleaning Cell	Completed	2,950
2020	3	Rebuild	Completed	184,795.60
2021	No work to date			

(Continued on next page)

OUCC DR 11-24
(Continued from previous page)

See invoices attached.

Attachments:

- OUCC DR 11-24 Attachment 1.pdf
- OUCC DR 11-24 Attachment 2.pdf
- OUCC DR 11-24 Attachment 3.pdf
- OUCC DR 11-24 Attachment 4.pdf

OUCG DR 17-6

DATA REQUEST
City of Evansville

Cause No. 45545

Information Requested:

For Evansville's preferred new water treatment plant Alternate 2B, please provide cost support documentation for each major component lump sum cost listed in Table 9-9 Plant Alternative 2B Total Estimated Construction Cost on pages 126 and 127 of the Advanced Facility Plan (Attachment SMB-1 to Mr. Breese's case-in-chief testimony in this cause). Please provide copies of the Excel worksheets detailing quantities, unit costs, equipment costs, other data used to establish costs, and all assumptions and cost allowances. Please also provide copies of budgetary cost proposals provided by equipment vendors and material suppliers.

Information Provided:

The spreadsheet is attached as OUCG DR 17-6 - Alt 2B.xlsm. Also attached is OUCG DR 17-6 Timberline Output.pdf (developed in Timberline Cost estimating software) which presents further detail for cost estimates performed early in the development of the alternatives report. All equipment proposals are attached as "Budgetary Quotes.pdf".

Attachments:

OUCG DR 17-6 Attachment 1.xlsm
OUCG DR 17-6 Attachment 2.pdf
OUCG DR 17-6 Attachment 3.pdf

WBS Lvl 1	WBS Lvl 2	WBS Lvl 3	WBS Lvl 4	Description	Takeoff Quantity	Labor Productivity	Man Hours	Labor Price	Labor Amount	Material Cost/Unit	Material Amount	Subcontract Cost/Unit	Subcontract Amount	Const Equip Cost/Unit	Const Equip Amount	Process Equip Cost/Unit	Process Equip Amount	Total Amount	Grand Total
			43.00	Pumps															
				Equipment Rigging / Rough Set - Pumps	6 ea	4.000 ch / ea	144	195.85 /ch	4,700	500.00	3,000	-	-	401.59	2,410	-	-	10,110	15,827
				Equipment - Final Setting Grout Base - Pumps	6 ea	4.000 ch / ea	72	103.33 /ch	2,480	50.00	300	-	-	346.16	2,077	-	-	4,857	7,686
				Variable Frequency Drives 150 HP	6 ea	40.000 mh / ea	240	28.14 /mh	6,753	31,995.00	191,970	-	-	-	-	-	-	198,723	302,044
				Replace Vertical Turbine Can Low Service Pumps 150 HP	6 ea	/ea						-	-	-	-	165,000.00	990,000	990,000	1,502,538
				Demo Existing Low Service Pumps 150 hp	6 ea	30.000 mh / ea	180	34.45 /mh	6,200	-	-	-	-	-	-	-	-	6,200	9,813
				Add Large Sump Pump To Lower Level	1 ea	32.000 mh / ea	32	34.45 /mh	1,102	-	-	-	-	-	45,000.00	-	45,000	46,102	70,042
				43.00 Pumps	1 ls		1,000		33,372	199,020.00	199,020	13,200.00	13,200	6,776.18	6,776	1,071,000.00	1,071,000	1,323,368	2,011,165
			43.08	Intake Screens															
				3-Man Dive Team - (1) Diver, (1) Tender, (1) Standby Diver	180 ch	-		-	-	-	-	560.00	100,800	555.56	100,000	-	-	200,800	312,137
				Rebuild Intake Screens	3 ea	60.000 mh / ea	180	32.90 /mh	5,923	-	-	-	-	6,657.60	19,973	47,875.00	143,625	169,521	259,143
				43.08 Intake Screens	3 ea		180		5,923			33,600.00	100,800	39,990.93	119,973	47,875.00	143,625	370,321	571,280
			43.09	Potassium Permanganate System															
				Purchase Chemicals: Potassium Permanganate By Owner)	1 ls														
				Automated Potassium Permanganate w/ Mixing Tank (by Carus Corp)	1 ls	50.000 mh / ls	50	45.62 /mh	2,281	-	-	-	-	-	10,000.00	-	10,000	12,281	18,787
				43.09 Potassium Permanganate System			50		2,281									12,281	18,787
				43 Process Equipment	1 ls		1,230		41,576	199,020.00	199,020	114,000.00	114,000	126,748.98	126,749	1,224,625.00	1,224,625	1,705,970	2,601,233
				1A River Intake & LSPS Rehab	1 ls		2,482		91,159	394,613.41	394,613	848,706.22	848,706	140,148.13	140,148	1,224,625.00	1,224,625	2,699,252	4,112,965
1B			00	New River Intake & LSPS															
				Building & Structure Construction															
			03.00	Foundation Mat															
				Keyway 6"	650 lf	0.050 mh / lf	33	39.49 /mh	1,284	0.67	437	-	-	-	-	-	-	1,721	2,695
				Mat Foundation Edge Form 24"	366 sf	0.350 mh / sf	128	39.49 /mh	5,059	1.31	480	-	-	-	-	-	-	5,540	8,737
				Mat Foundation Edge Form 30"	510 sf	0.350 mh / sf	179	39.49 /mh	7,050	1.31	670	-	-	-	-	-	-	7,720	12,174
				Waterstop 6" Flat	650 lf	0.110 mh / lf	72	39.18 /mh	2,802	2.10	1,365	-	-	-	-	-	-	4,167	6,506
				Strip & Oil Mat Found. Form	876 sf	0.005 mh / sf	4	39.17 /mh	172	0.03	26	-	-	-	-	-	-	198	311
				Rebar- Foundation Mat (100 #/cy)	13 tn	28.006 mh / tn	368	43.53 /mh	16,030	997.70	13,120	-	-	-	-	-	-	29,150	45,283
				Rebar Support - bricks (.12/sf)	368 ea	0.002 mh / ea	1	43.53 /mh	32	0.26	97	-	-	-	-	-	-	129	197
				Finish- Hard Trowel	3,070 sf	0.023 mh / sf	71	39.17 /mh	2,766	-	-	-	-	-	-	-	-	2,766	4,378
				Pump Place Mat Foundation 24"	83 cy	0.500 mh / cy	42	41.39 /mh	1,718	-	-	-	-	4.59	381	-	-	2,098	3,325
				Pump Place Mat Foundation 30"	180 cy	0.500 mh / cy	90	41.39 /mh	3,725	-	-	-	-	4.59	826	-	-	4,551	7,210
				4000 psi Concrete	263 cy	/cy				142.00	37,346	-	-	-	-	-	-	37,346	56,681
				Liquid Curing Compounds	3,946 sf	0.003 mh / sf	12	39.17 /mh	464	0.06	232	-	-	-	-	-	-	696	1,086
				6 Mil. Vapor Barrier	4,400 sf	0.002 mh / sf	9	43.53 /mh	383	0.05	231	-	-	-	-	-	-	614	957
				03.00 Foundation Mat			1,007		41,484		54,004				1,207			96,694	149,540
			03.03	Columns															
				Form Rectangle Columns 14' & 25.33' h	1,525 sf	0.165 mh / sf	252	39.49 /mh	9,936	1.60	2,434	-	-	-	-	-	-	12,371	19,421
				Chamfer	1,144 lf	0.015 mh / lf	17	39.49 /mh	678	0.57	649	-	-	-	-	-	-	1,326	2,057
				Strip & Oil Column Form	1,525 sf	0.005 mh / sf	8	39.17 /mh	299	0.03	46	-	-	-	-	-	-	344	542
				Superplasticizers @ Columns	19 cy	/cy				8.40	160	-	-	-	-	-	-	160	242
				Column Rebar (120 #/cy)	1 tn	20.004 mh / tn	23	43.53 /mh	993	997.70	1,137	-	-	-	-	-	-	2,130	3,297
				Finish- Float	69 sf	0.017 mh / sf	1	39.17 /mh	46	-	-	-	-	-	-	-	-	46	73
				Pump Place Columns 18 ea	19 cy	1.600 mh / cy	30	41.39 /mh	1,258	-	-	-	-	7.50	142	-	-	1,401	2,218
				4000 psi Concrete	19 cy	/cy				142.00	2,698	-	-	-	-	-	-	2,698	4,095
				Grind/Patch Columns	1,525 sf	0.013 mh / sf	20	39.17 /mh	777	0.03	46	-	-	-	-	-	-	822	1,299
				Rub Columns	1,525 sf	0.065 mh / sf	99	39.17 /mh	3,882	0.06	92	-	-	-	-	-	-	3,974	6,284
				Liquid Curing Compounds	1,525 sf	0.003 mh / sf	5	39.17 /mh	179	0.06	90	-	-	-	-	-	-	269	420
				03.03 Columns			454		18,048		7,351				142			25,541	39,948
			03.04	Walls															
				Brick Ledge Forms	257 lf	0.300 mh / lf	77	39.49 /mh	3,045	2.21	567	-	-	-	-	-	-	3,612	5,680
				Keyway 6"	1,004 lf	0.050 mh / lf	50	39.49 /mh	1,983	0.67	675	-	-	-	-	-	-	2,657	4,162
				Vertical Wall Keyway 6"	272 lf	0.110 mh / lf	30	39.49 /mh	1,182	0.67	183	-	-	-	-	-	-	1,365	2,148
				Panel Form System 12-16'	2,250 sf	0.170 mh / sf	383	39.49 /mh	15,104	1.84	4,134	-	-	-	-	-	-	19,239	30,180
				Panel Form System > 16' h	12,695 sf	0.190 mh / sf	2,413	39.49 /mh	95,266	1.84	23,332	-	-	-	-	-	-	118,598	186,190
				Waterstop 6" Flat	1,276 lf	0.110 mh / lf	140	39.18 /mh	5,500	2.10	2,680	-	-	-	-	-	-	8,180	12,772
				Strip & Oil Wall Forms	14,495 sf	0.005 mh / sf	72	39.17 /mh	2,839	0.03	435	-	-	-	-	-	-	3,274	5,154
				Superplasticizers @ Walls	553 cy	/cy				8.40	4,646	-	-	-	-	-	-	4,646	7,051
				Rebar- Walls (125 #/cy)	35 tn	15.003 mh / tn	525	43.53 /mh	22,856	997.70	34,920	-	-	-	-	-	-	57,776	89,173
				Finish- Top of Wall	2,008 sf	0.008 mh / sf	16	39.17 /mh	629	-	-	-	-	-	-	-	-	629	996
				Pump Place Walls 24"	553 cy	1.150 mh / cy	636	41.39 /mh	26,327	-	-	-	-	6.65	3,677	-	-	30,004	47,520
				Pump Place Brick Ledge	14 cy	2.001 mh / cy	28	41.39 /mh	1,159	-	-	-	-	14.42	202	-	-	1,361	2,156
				4000 psi Concrete	567 cy	/cy				142.00	80,514	-	-	-	-	-	-	80,514	122,197
				Grind/Patch Walls	14,495 sf	0.013 mh / sf	188	39.17 /mh	7,382	0.03	435	-	-	-	-	-	-	7,817	12,344
				Rub Walls	7,473 sf	0.058 mh / sf	433	39.17 /mh	16,976	0.06	448	-	-	-	-	-	-	17,425	27,549
				Liquid Curing Compounds	15,303 sf	0.002 mh / sf	31	39.17 /mh	1,199	0.06	900	-	-	-	-	-	-	2,099	3,264
				03.04 Walls			5,023		201,447		153,868				3,879			359,195	558,536
			03.05	Slab On Grade															
				Slab Edge Form 28"	249 sf	0.350 mh / sf	87	39.49 /mh	3,442	1.31	327	-	-	-	-	-	-	3,769	5,944
				Rebar- SOG (125 #/cy)	2 tn	14.003 mh / tn	22	43.53 /mh	951	997.70	1,556	-	-	-	-	-	-	2,507	3,867
				Mesh Support - bricks (.12															

OUCG DR 11-14

DATA REQUEST
City of Evansville

Cause No. 45545

Information Requested:

Please state the amount incurred for Petitioner’s leak detection and distribution system maintenance assessment for each of the calendar years in the period 2017 through 2021. Please also provide copies of supporting invoices. For work contracted but not yet completed in 2021, please state the amount remaining, describe the unfinished work and the anticipated completion dates.

Information Provided:

During the calendar years 2017-2021, EWSU has incurred the amounts listed below related to the purchase and operation of leak detection equipment and performing in-pipe distribution system assessment. For the calendar year 2021, an assessment of over five miles of large diameter main will be performed by Pure Technologies. This effort will additionally incur contractor costs to provide means of access for entry in to the pipe.

<i>Year</i>	<i>Vendor</i>	<i>PO #</i>	<i>PO Amount</i>	<i>Invoice Date</i>	<i>Invoiced Amount</i>
<i>2017</i>					
<i>2018</i>	<i>Pure Technologies</i>	<i>20177587</i>	<i>\$ 195,980</i>	<i>4/11/2018</i>	<i>\$ 181,020</i>
				<i>12/4/2018</i>	<i>\$ 11,500</i>
	<i>Blankenberger Bros.</i>	<i>20177577</i>	<i>\$ 134,000</i>	<i>04/27/2018</i>	<i>\$ 134,000</i>
<i>2019</i>	<i>Pure Technologies</i>	<i>20191539</i>	<i>\$ 24,460</i>	<i>6/6/2019</i>	<i>\$ 24,460</i>
	<i>Gutermann</i>	<i>20187063</i>	<i>\$ 27,150</i>	<i>1/16/2019</i>	<i>\$ 27,091</i>
	<i>Gutermann</i>	<i>20193709</i>	<i>\$ 12,800</i>	<i>7/9/2019</i>	<i>\$ 12,744</i>
<i>2020</i>	<i>Pure Technologies</i>	<i>20197023</i>	<i>\$ 2,795</i>	<i>4/1/2020</i>	<i>\$ 2,795</i>
	<i>Gutermann</i>	<i>20203395</i>	<i>\$ 6,737</i>	<i>6/11/2020</i>	<i>\$ 6,737</i>
<i>2021</i>	<i>Pure Technologies</i>	<i>20211910</i>	<i>\$ 763,029</i>		
	<i>TBD</i>	<i>TBD</i>	<i>\$ 150,000</i>		

Attachments:

- OUCG DR 11-14 Attachments 1-8.pdf
- OUCG DR 11-14 Attachment 9.xlsx

OUCG DR 11-23

**DATA REQUEST
City of Evansville**

Cause No. 45545

Information Requested:

Please use the following format to describe all work performed on the SCADA system during the period 2017 through 2021. Please also provide copies of all invoices for the work performed.

Date	SCADA Component	Work Performed	Results	Total Cost

Information Provided:

Date	SCADA Component	Work Performed	Results	Total Cost
2017	Communication Card	Installed	Completed	250
	Zetron at Campground	Zetron Unit Install	Completed	750
	Programming	Troubleshoot	Completed	4,000
2018	Touch Screen input card	part	Completed	1,600
	Output Card USI PLC	part	Completed	230
2019	Replace HMIs in caustic and HS3	Install	Completed	10,179

2020	Reprogram Zeetron	programming	Complete	3,050
	Replace UPS 13-16	Install	Complete	700
	Install UPS's	Install	Complete	2,498
	Wastewater Flowmeter troubleshoot/ calibrate	Programming /parts	Complete	7,995
2021	Floc Motors reconnect to SCADA	Programming /parts	In Progress	7,000

See attachments OUCC DR 11-23 Attachments 1-6.

Attachments:

- OUCC DR 11-23 Attachment 1.xlsx
- OUCC DR 11-23 Attachment 2.pdf
- OUCC DR 11-23 Attachment 3.pdf
- OUCC DR 11-23 Attachment 4.pdf
- OUCC DR 11-23 Attachment 5.pdf
- OUCC DR 11-23 Attachment 6.pdf