

SMALL UTILITY TOOLKIT

IURC Regulatory Information

- 1 - *Guidelines for 30-day filings* - A guide to understanding the process to add or change non-recurring charges, water trackers or fire protection charges.
- 2 - *Commission's Main Extension Rules*- A guide to understanding how to apply the IURC's main extension rules - for NFP and Investor-owned utilities only.
- 3 - *Small Utility Rate Application Checklist* - A checklist of items needed to charge rates using the IURC's Small Utility Rate Application.
- 4 - *Annual Report Checklist* - This checklist will help to ensure you will file your annual report correctly the first time.

Infrastructure Funding

- 5 - *System Development Charges (SDC)* - Learn more about this growth pays for growth concept to fund system capacity needs.
- 6 - *Indiana Finance Authority - State Revolving Fund* - A summary of information about the State Revolving Loan Fund programs.
- 7 - *USDA Rural Development Loan/Grant Program* - A summary of information about Rural Developments loan and grant programs.
- 8 - *Community Development Block Grants - OCRA* - A summary of information about OCRA's planning grants and construction grants for low-to moderate income areas.
- 9 - *EPA Financing Alternatives Comparison Tool (FACT)* - Not sure which financing program to choose? - This program is free to help you decide.

Asset Management

- 10 - *Water System Self Evaluation Toolkit* - An asset management program to assist utilities that do not use computers.
- 11 - *Check-Up Program for Small Systems (CUPSS)* - A free software program to help a utility plan, maintain its assets and more.
- 12 - *EPA Asset Management* - A handbook for Small Water Systems
- 13 - *AWWA Water Audit Software v3.0* - If your utility is experiencing over 15% water loss you might want to view this free software.
- 14 - *Only Tap Water Delivers* - AWWA - This media campaign will help your utility educate its customers about asset management.

Free Technical and Operational Assistance for many of Your Utility's Needs

- 15 - *Alliance of Indiana Rural Water*
- 16 - *Indiana Rural Development Council*
- 17 - *Indiana Rural Community Assistance Program*
- 18 - *EPA Drinking Water Academy*

Other: Information Following this Page:

Resource Directory

Other U.S. EPA Free Resources

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RESOURCE DIRECTORY

<p>Indiana Office of Utility Regulatory Commission <i>Curt Gassert, Assistant Director</i> Water/Sewer Division (317) 232-2749 www.in.gov/iurc</p> <p>State Revolving Fund Loan Programs <i>Sarah Hudson, Water SRF Program Administrator</i> (317) 232-8663 http://www.in.gov/ifa/srf/</p> <p>-</p> <p>Indiana Office of Community and Rural Affairs <i>Kathleen Weissenberger, Director</i> Community Affairs Division (317) 232-1703 or (800) 824-2476 www.in.gov/ocra</p> <p>IN Dept. of Environmental Management <i>Mary Hoover, Senior Environmental Mgr.</i> Drinking Water Branch - Capacity Development (317) 234-7433 mhoover@idem.in.gov</p> <p>Indiana Rural Water Association <i>Odetta Cadwell, Executive Director</i> (317) 402-7349 http://www.indianaruralwater.org/</p> <p>-</p> <p>Indiana Rural Community Assistance Program <i>Vicki Perry, Program Director</i> (800) 382-9895 or (317) 638-9302 http://www.in-rcap.org/</p> <p>-</p> <p>Indiana Rural Development Council, Inc. <i>Beth Archer, IRDC Board President</i> (317) 745-0947 beth@agriinstitute.org</p> <p>US Dept. of Agriculture, Rural Development <i>Philip Lehmkuhler, State Director</i> (317) 290-3100, press 4, then press 3 www.rurdev.usda.gov/in/</p>	<p>Indiana Office of Utility Consumer Counselor <i>Scott Bell, Director</i> Water/Sewer Division (317) 233-1084 www.in.gov/oucc</p> <p>State Revolving Fund Loan Programs <i>Shelley Love, Wastewater SRF Program Administrator</i> (317) 232-4396 http://www.in.gov/ifa/srf/</p> <p>-</p> <p>Indiana State Board of Accounts <i>Charlie Pride, Director</i> Cities, Towns and Libraries (317) 232-2521 www.in.gov/sboa</p> <p>IN Dept. of Environmental Management <i>Bridget Murphy, Environmental Mgr.</i> Total Coliform Rule Compliance (317) 234-7459 bsmurphy@idem.in.gov</p> <p>-</p> <p>Alliance of Indiana Rural Water <i>Jim Soper, Executive Director</i> (317) 789-4200 alliance@inh2o.org</p> <p>-</p> <p>Indiana State Department of Health, Septic Systems <i>Alan Dunn, Senior Environment Manager</i> (317) 233-7179 adunn@ishd.in.gov</p> <p>-</p> <p>EPA CUPSS <i>Christine Corella, Office of Planning Analysis & Accountability</i> (202) 564-3891 http://www.epa.gov/cupss/index.html</p> <p>Indiana Association of Cities and Towns <i>Matthew C. Greller, Executive Director</i> (317) 237-6200 http://www.citiesandtowns.org/</p>
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US EPA Free Resources for Utility Management

The following is a list of FREE resources available on the U.S. Environmental Protection Agency's website:

<http://water.epa.gov/type/drink/pws/smallsystems/managementhelp.cfm>

Asset Management and Preventive Maintenance

- [Check Up Program for Small Systems \(CUPSS\)](#)
User-friendly asset management software designed especially for small drinking water and wastewater systems.
- [Asset Management: A Best Practices Guide \(PDF\)](#) (4 pp, 247K)
This guide will help you understand what asset management means, the benefits of asset management, best practices in asset management and how to implement an asset management plan. It is intended for owners, managers and operators of public water systems; local officials; technical assistance providers; and state personnel.
- [Asset Management for Local Officials \(PDF\)](#) (2 pp, 86K)
This guide will help you understand the basics of asset management for local officials and local officials' vital role in successfully implementing an asset management program. It is intended for local officials who are directly or indirectly involved in decisions affecting public water systems.
- [Building an Asset Management Team \(PDF\)](#) (2 pp, 78K)
This guide will help you understand how forming and having a team can help your system successfully implement asset management and the components of a successful asset management team. It is intended for local officials, owners and operators of public water systems, technical assistance providers, and state personnel.
- [Asset Management: A Handbook for Small Water Systems – STEP Guide Series \(PDF\)](#) (50 pp, 976K)
(EPA 816-R-03-016, September 2003) Learn how to inventory system assets and develop a long-term maintenance plan to save money and avoid unexpected problems.

- [Taking Stock of Your Water System: A Simple Asset Inventory for Very Small Drinking Water Systems \(PDF\)](#) (45 pp, 941K)
(EPA 816-D-03-002, October 2004) Additional information on asset management and easy-to-use planning and inventory worksheets.
- [Drinking Water Security for Small Systems Serving 3,300 or Fewer Persons – STEP Guide Series \(PDF\)](#) (47 pp, 4.2MB)
(EPA 817-R-05-001, September 2005) Instructions for evaluating vulnerability, reducing risks, developing an Emergency Response Plan (ERP), and communicating with customers.
- [Cross-Connection Control: A Best Practices Guide \(PDF\)](#) (4 pp, 177K)
(EPA 816-F-06-035, September 2006) Tips for detecting and responding effectively to a backflow event and information on helpful technology.
- [Distribution Systems: A Best Practices Guide \(PDF\)](#) (2 pp, 167K)
(EPA 816-F-06-038, September 2006) Information on the benefits of routine distribution system maintenance and monitoring.
- [Improving Security through Capacity Development: Capacity Self-Assessments \(PDF\)](#) (12pp, 3M)
(EPA 816-F-05-008, November 2007) EPA has developed a brochure that provides ideas on how states may revise their capacity development program self assessments to integrate security practices.
- [Using Technical, Managerial, and Financial Capacity to Improve System Security — Suggestions for States \(PDF\)](#) (2 pp, 211K)
(EPA 816-F-07-010, November 2007) EPA has developed these guides to provide information on products available to enhance physical and cyber security and to present information on monitoring protocols.

Long-Term Planning and Record Keeping

- [Strategic Planning: A Handbook for Small Water Systems – STEP Guide Series \(PDF\)](#) (30 pp, 1.5MB)
(EPA 816-R-03-015, September 2003) An overview of the planning process and how it will help you build capacity and respond to unexpected problems; worksheets to use in developing your strategic plan.

- [Setting Small Drinking Water System Rates for a Sustainable Future – STEP Guide Series \(PDF\)](#) (62 pp, 341K)
(EPA 816-R-05-006, January 2006) Information on the importance of recovering costs through user fees and developing a budget and financial plan.
- [System Partnership Solutions to Improve Public Health Protection Volume I \(PDF\)](#) (12 pp, 784K) and [Volume II \(PDF\)](#) (10 pp, 204K)
(VI: EPA 816-R-02-022, September 2002; VII: EPA 816-R-06-005, October 2006) Case studies of water systems that partnered to implement cost-effective, long-term solutions to public health and capacity challenges
- [Record Keeping Rules: A Quick Reference Guide \(PDF\)](#) (4 pp, 93K)
(EPA 816-F-06-033, September 2006) A rule-by-rule summary of requirements for keeping monitoring, public notice, and other records, as well as helpful tips on record maintenance and security.

Communicating with Customers and Decision Makers

- [Talking to Your Decision Makers: A Best Practices Guide \(PDF\)](#) (2 pp, 106K)
(EPA 816-F-06-034, September 2006) Tips for working successfully with decision makers in your community to meet your water system's needs.
- [Talking to Your Customers About Chronic Contaminants in Drinking Water: A Best Practices Guide \(PDF\)](#) (2 pp, 356K)
(EPA 816-F-07-022, October 2007) Guidelines for effectively communicating with customers about the dangers of chronic contaminants and how water systems protect against contamination.
- [Water System Owner Roles and Responsibilities: A Best Practices Guide \(PDF\)](#) (2 pp, 167K)
(EPA 816-F-06-036, September 2006) A summary of system owners' key duties in protecting public health, overseeing system operation, and working with local officials.

1 – Guidelines for 30-day filings

The Commission developed the 30-Day Filing process to allow utilities to change its non-recurring charges (i.e. tap fees, bad check fees, reconnection fees, etc.) and to pass through increases in wholesale water and sewer service to customers without the need of a formal hearing process. (See 170 IAC 1-6 for the full rule.) The process is also commonly used to approve fire protection surcharges that occur as a result of local government entities electing to pass the cost of public fire protection directly to its customers pursuant to I. C. §8-1-2-103.

The 30-Day Filing process is not a substitute for a rate case and although “30 days” is specified, this is the minimum amount of time required to process a utility’s proposal. Complex filings may take longer.

1. Typical 30 Day Filings include:

- Changes to non-recurring charges
 - ✓ Tap Fee/Connection Fee
 - ✓ Bad Check Charge
 - ✓ Reconnection Fee
- Pass through wholesale rate increase to customers
 - ✓ Water tracker (170 IAC 6-5)
 - ✓ Sewer tracker (170 IAC 8.6)
- Fire Protection Surcharges
- New or Changes to utility rules and regulations (Note: Does not apply to municipal utilities.)
- Rates and charges for new services

2. A 30-Day Filing will *not* be processed by the Commission if any of the following occurs:

- a. Lack of Cost Support for the proposed change(s);
- b. Current rates shown on the proposed tariff do not match amounts and format in the official tariff files of the utility;

- c. Failure to include a proposed tariff sheet(s);
- d. The utility's proposal is an attempt to penalize customers;
- e. Rounding errors – i.e. \$425 becomes \$500; or
- f. Failure to indicate the utility wants its proposal processed as a 30-Day Filing.

30-Day Filing Checklist

The following may be provided in electronic format via electronic mail or a compact disk or for a paper filing, three copies of a utility's 30-Day Filing should be submitted to the Secretary of the commission and one copy filed with the Office of the Utility Consumer Counselor (OUCC).

The request should consist of the following items:

- A cover letter clearly stating that the request is to be processed through the Commission's 30-Day Filing procedure. The cover letter should also state clearly the purpose of and the need for whatever is requested. Indicate at the bottom of the cover letter that a copy of the filing has been sent to the OUCC. Information regarding who to contact regarding this filing should also be included.
- A proposed Tariff Sheet(s).
- Work papers. Revenue and cost projections: All projections should be clearly explained. This should include all assumptions used, actual or estimated data used (and source of data), and models or methodologies employed should be clearly explained.
- Ordinance for fire protection charges
- A verified statement, including copies of any written means of notification, by the utility affirming that the affected customers have been notified as required under the Commission's rule.
 - Customer notices should be posted in a public place at the utility's local customer service office.

- Customer notice should also be located in an obvious place on the utility’s website, if the utility has a website.
- Customer notice should also be made in at least one (1) newspaper of general circulation that has a circulation encompassing the highest number of the utility’s customers affected by the filing.
- Customer notices should include the following:
 - ✓ A brief and accurate description of the nature of the utility’s filing;
 - ✓ Which customers may be affected and how those customers may be affected;
 - ✓ The expected date of the filing;
 - ✓ The expected date by which approval of the filing will occur; and
 - ✓ The contact information that a customer can submit an objection to the Commission and the OUCC.
- Proof of publication for water and sewer trackers only (170 IAC 6-5 and 170 IAC 8.6, respectively)
- Send on additional copy of the utility’s filing to the Office of Utility Consumer Counselor (OUCC).

An example of an approved filing that requested changes in certain non-recurring charges is attached – note: customer notices and a verified statement that notices have been made as required by Commission rule are not included in this example. If you have any questions about 30-Day Filings or need additional examples, call the Commission’s Water/Sewer Division at (317) 232-2733.

<http://www.in.gov/iurc/2398.htm>

Sample Cover Letter

ORIGINAL

Patrick Callahan, CPA
135 North Union Street
Westfield, Indiana 46074

FILED

MAY 17 2011

INDIANA UTILITY
REGULATORY COMMISSION

May 17, 2011

Mr. Curt Gassert
Director of Water & Sewer Division
Indiana Utility Regulatory Commission
101 W. Washington Street
Suite 1500 E
Indianapolis, IN 46204

Re: Brown County Water Utility, Inc.
30-Day Filing
Credit/Debit Card Fee

Dear Mr. Gassert:

Please find enclosed the Brown County Water Utility, Inc.'s (BCWU) request for a new charge for customers utilizing the on-line payment of their water bill. The new charge includes a flat transaction fee of \$0.35 plus 2.2% of the amount paid. BCWU is not requesting the recovery of the initial investment of providing this service, but rather the annual recurring expense of providing this service. In addition to the schedules reflecting the derivation of the fees, I have included the actual source documents from the software company and the company providing the merchant services. BCWU has selected Option III on Schedule E.

I have enclosed the schedules:

- 1) Schedule A - Transaction Fee Calculation;
- 2) Schedule B - Annual Expense (Software);
- 3) Schedule C - Annual Expense (Merchant Services);
- 4) Schedule D - Software Company's Charge;
- 5) Schedule E - Merchant Services' Charge; and
- 6) Schedule F - Proposed Tariff

On the tariff (Schedule F, page 3 of 3), I have marked with an (N) representing New next to the proposed charge for customers wanting to participate in the on-line payment service. The new on-line payment service will include a transaction fee of \$0.35 plus the 2.2% of the water bill to cover the credit company's charge.

Mr. Curt Gassert
May 17, 2011
Page 2

Should you have any questions regarding the filing, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Patrick Callahan, CPA". The signature is written in a cursive style with a large initial "P".

Patrick Callahan, CPA

Enclosures

cc: Office of Utility Consumer Counselor
George Miller, General Manager
Pete King, Counsel
File

Sample Verified Statement

VERIFICATION

STATE OF INDIANA)
)
COUNTY OF BROWN) SS: .

The undersigned, Rick White, under penalties of perjury and being first duly sworn on his oath, says that the representations set forth below are true and correct to the best of his knowledge, information, and belief.

1. I am the Interim General Manager of Brown County Water Utility, Inc., of Morgantown, Indiana (hereinafter referred to as "Brown County Water"). I currently have, and have had since assuming the position of Interim General Manager the responsibility for supervising and directing the water utility activities of Brown County Water.

2. I am familiar with Brown County Water's filing with the Indiana Utility Regulatory Commission pursuant to 170 IAC 1-6 a request for a new charge for customers utilizing the on-line payment of their water bill (the "30-Day Filing").

3. Customers of Brown County Water have been notified of Brown County Water's making the 30-Day Filing by posting the notice in the Brown County Water office and by posting the same on Brown County Water's website, (<http://www.browncountywater.com/documents/Public.pdf>). Brown County Water also has published notice of its making the 30-Day Filing in at least one (1) newspaper of general circulation that has a circulation encompassing the highest number of the utility's customers affected by the filing. Attached are copies of the written notices provided by Brown County Water related to the 30-Day Filing.



Rick White, Interim General Manager

Subscribed and sworn to before me, a Notary Public, this 31 day of August, 2011.

Theresa E. Swafford
Signature

Theresa E. Swafford
Printed Name

My Commission Expires: _____

My County of Resident: _____

THERESA E. SWAFFORD
NOTARY PUBLIC
SEAL
STATE OF INDIANA
BROWN COUNTY
MY COMMISSION EXPIRES JAN. 6, 2018

Sample Proof of Publication – for water and/or wastewater trackers only

201803

Prescribed By State Board of Accounts
Special Meeting

BROWN CO WATER
(Governmental Unit)
Monroe County, Indiana

TO: **Herald-Times**
PO Box 909 Bloomington, IN 47402

PUBLISHER'S CLAIM

LINE COUNT

Display Matter (Must not exceed 2 actual lines, neither of which shall total more than four solid lines of the type in which the body of the advertisement is set) - number of equivalent lines
Head - number of lines
Body - number of lines
Tail - number of lines
Total number of lines in notice:

PUBLIC NOTICE OF SPECIAL MEETING OF BROWN COUNTY WATER UTILITY, INC.
PLEASE TAKE NOTICE that May 17, 2011, Brown County Water Utility, Inc. filed a request with the Indiana Utility Regulatory Commission requesting approval of the Commission for new charges for customers until on-line payment of water bills is made to a thirty (30) day filing period. The tariff issued on Commission Cause No. 03021. Please be advised that a special meeting of Brown County Water Utility, Inc. will be held on a 14th day of August, 2011, commencing at 6:00 a.m. local time at the offices of Brown County Water Utility, Inc. located at 5120 St. Road 125 North, Morgantown, Indiana 46160, to inform the public regarding proposed service charges associated with customers who wish to voluntarily use electronic payment procedures for payment of water bills. Those customers voluntarily using this service will be charged as follows: flat transaction fee Thirty-Four Cents (\$0.34) plus of amount two percent (2.29% of amount paid per payment. The Board of Directors anticipates a ruling on the filing as early as August 30, 2011. Any member wishing to object may do so by filing an objection with the Secretary of the Indiana Utility Regulatory Commission Brenda Howe, 101 W. Washington Street Room, Internal Operations Indianapolis, IN 46204, and with the Indiana Office of Utility Consumer Counselor, PNC Center 115 W. Washington St., Suite 150 South, Indianapolis, Indiana 46204. The Board of Directors will receive any comments from members of Brown County Water Utility, Inc. concerning such payments at its special meeting. A copy of the request and Public Notice is available for inspection in the office of Brown County Water Utility, Inc. located at 5120 St. Road 125 North, Morgantown, Indiana 46160. Dated this 20th day of June, 2011. By order of the Board of Directors of Brown County Water Utility, Inc.

COMPUTATION OF CHARGES:

64 lines 1 column(s) wide equals 64 equivalent lines at .364 cents per line \$ 23.30
Additional Charges for notices containing rule or tabular work (50% of above amount)
Charge for extra proofs of publication (\$1.00 for each proof in excess of two) \$ 23.30
TOTAL AMOUNT OF CLAIM

DATA FOR COMPUTING COST

Width of single column in picas 9.4 Size of type 7 point.
Number of insertions 1

Pursuant to the provisions and penalties of IC 5-11-10-1, I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

I also certify that the printed matter attached hereto is a true copy, of the same column width and type size, which was duly published in said paper 1 time. The dates of publication being as follows:

06/28/11

Additionally, the statement checked below is true and correct:

- Newspaper does not have a Web site.
- Newspaper has a Web site and this public notice was posted on the same day as it was published in the newspaper.
- Newspaper has a Web site, but due to technical problem or error, public notice was posted on _____
- Newspaper has a Web site but refuses to post the public notice.

Date 6-28-11

George Thomas
Title Public Notice Clerk

Sample of Workpapers

Brown County Water Utility, Inc.



Mailing: PO Box 134 Helmsburg, IN 47435

Office: 5130 N State Road 135 Morgantown, IN 46160

www.BrownCountyWater.com

Phone: 812 988-6611 / Fax: 812 988-9351

Office & Drive-up Hours: Mon – Fri 8:30 AM – 4:30 PM

Night Depository available for after hour payments

Special Public Meeting Minutes

Special Public Meeting, August 16, 2011 @ 8:00 A.M.

Board of Directors present were Bob Melton, Jim McDonald, Ben Phillips, Harry Bond, Jim Ackerman, Mike Kazimier and David Weddle.

Also present were Pete King, Rick White, Bob Curry, Steve Huffman, Mel Warford and Ellen Masteller.

Meeting was called to order by President Bob Melton.

The Special Public Meeting was held for a new charge for customers to utilize credit card and/or debit card online bill payment. Customers who wish to voluntarily use the electronic payment procedure for the payment of water bills will be charged for the service.

Publisher's Claims confirm the "Public Notice of Special Meeting of Brown County Water Utility, Inc." was published in 2 newspapers: Brown County Democrat and Herald Times. The same notice was also available on the website www.browncountywater.com (link: News and Events) and the same notice was posted in the Brown County Water Utility, Inc., office lobby for the public to view.

No members opposed the new service or the imposed charge, if voluntarily used.

There being no further business to come before the Board, the Special Public Meeting was adjourned.

Schedule A

BROWN COUNTY WATER UTILITY, INC.
Helmsburg, Indiana

Online Credit/Debit Card Charge
Transaction Fee

Non-Recurring Charge for Online Credit/Debit Card Use
(30-Day Filing Request)

<u>Line No.</u>		<u>Schedule</u>	
1	<u>Transaction Fee Calculation</u>		
2			
3	United Systems & Software, Inc. (SSI)	B	\$ 1,361.00
4			
5	Neil Group, LLC	C	<u>239.40</u>
6			
7	Annual Expense		\$ 1,600.40
8	Divide: Number of Customers (1)		<u>1,275</u>
9			
10	Estimated Annual Expense per Customer		\$ 1.26
11	Divide: 12 for monthly expense/customer		<u>12</u>
12			
13	Estimated Monthly Expense/Customer		\$ 0.10
14	Add: Transaction Fee	E	<u>0.25</u>
15			
16	Total Fee per Transaction		<u><u>\$ 0.35</u></u>

(1) - BCW currently serves 1,500 customers. It is assumed 25% will pay online with Credit/Debit Card.

Schedule B

BROWN COUNTY WATER UTILITY, INC.

Helmsburg, Indiana

Annual Expense - United Systems & Software, Inc.

Non-Recurring Charge for Credit/Debit Card Use
(30-Day Filing Request)

Line
No.

1	<u>Web Bill Presentment Add-on & Credit Card Processing Add-on</u>	
2	(See Schedule D)	
3		
4	1.) Secure Socket Layer (SSL) Certificate (2 years)	\$ 150.00
5	Divide: Amortization Period (years)	<u>2</u>
6		
7	Total SSL Fee	\$ 75.00
8		
9	2.) Hosting for Web Bill Presentation & Credit Card Payments	
10	Total Annual Fee	<u>1,134.00</u>
11		
12	Annual Expense - United Systems	<u><u>\$ 1,361.00</u></u>

Schedule C

BROWN COUNTY WATER UTILITY, INC.

Helmsburg, Indiana

Annual Expense - Neil Group, LLC (Merchant Services)

Non-Recurring Charge for Credit/Debit Card Use
(30-Day Filing Request)

Line
No.

1	Monthly Fee (See Schedule E)	\$ 19.95
2	Times: 12 to annualize	<u>12</u>
3		
4	Annual Expense - Neil Group, LLC	<u><u>\$ 239.40</u></u>



P.O. Box 547, 205 Ash Street, Benton, Kentucky 42025
Phone: (270) 527-3293 • Toll-Free: 1-800-455-3293
FAX: (270) 527-3132 • www.united-systems.com

United Systems & Software, Inc. (USS) is a software development firm that specializes in providing end-to-end computer solutions for local government and utilities. Founded in 1977, USS now serves nearly 400 customers within a six-state region. We are recognized as a Hewlett-Packard / Compaq Computer Business Partner, an Itron Business Partner and a Microsoft Certified Partner and we are proud of our affiliations with all of these world-class technology leaders.



November 24, 2010

Proposal For:

Brown County Water Utility
5130 North State Road 135
Morgantown, IN 46160
Ph: (812) 988-6611 ~ Email: bcwu@browncountywater.com

Place initials adjacent to desired items and return. Prices guaranteed for 90 days. Please consider the following:

ALLIANCE™ Utility Management System Web Presentation- The quotations outlined below detail the start-up AND on-going costs associated with web-based utility bill presentation for your customers. This service will avail your utility customer private access to ONLY their account information AND this access will be available 24x7! Online, credit card payments can also be incorporated into your web site for customer payment processing 24x7!

Web Bill Presentment Add-on & Credit Card Processing Add-on utilizing EXISTING company website:
(Add \$650 for new USS website).

Web Bill Presentment Alliance Application	\$ 2,995.	One-time fee
Services for Credit Card Payment Set-up	\$ 300.	One-time fee†
SSL (Secure Socket Layer) Certificate- 2 year.	\$ 150.	Bi-annually.
Annual Hosting for Web Bill Presentment Application & Credit Card Payments	\$ 1,124.	Annual fee
Web-bill Presentment/Payment Initial Deployment:	\$4,579.	
Available Discount through Feb 28, 2011 Deduct:	\$(1,000).	
Total Initial Deployment:	\$3,579.	

† This arrangement will also require the utility to secure a merchant account and credit card swipe equipment, if any, from a 3rd party vendor (such as The Neil Group 615.846.3000 or 877.977.VISA). Additional fees will be applicable from the 3rd party vendor and they are estimated as follows: \$295 start-up fee, monthly transaction fees and percentage transaction fees (range from 1.90% to 2.00 % per transaction). These transaction fees can be passed along to the customer or absorbed by the utility.

Please see the following sites for a sampling of our work:
<http://arthurshawnee.utilitydistrict.com/>

- <http://www.wadg.us/index.aspx>
- <http://www.mauycountywatersystem.com/>
- <http://www.rpleygasandwater.com/index.shtml>
- <http://www.metroutilitydepartment.com/>
- <http://www.laurelwater.com>

If you would like to reserve a domain name (e.g. www.yourutilityname.com), the following reservation fees apply:
2 years = \$66, 3 years = \$96, 4 years = \$128, 5 years = \$150, 6 years = \$174, 7 years = \$198, 8 years = \$222, 9 years = \$246

United Systems & Software, Inc.

Thank you,

Scott W. Smith

Continued on next page...



P.O. Box 547, 205 Ash Street, Barton, Kentucky 42025
Phone: (270) 527-3293 • Toll-Free: 1-800-455-3293
FAX: (270) 527-3132 • www.united-systems.com

TERMS & CONDITIONS:

Both parties agree to the following terms and conditions as they related to the software, hardware and services outlined within this Sales Order:

1. This quotation shall remain firm for ninety (90) days from the date submitted, unless modified in writing by USS prior to USS acceptance.
2. This quotation supersedes all previous quotations, and all previous quotations are null and void.
3. The Client will be billed 50% upon signing this Addendum and the final 50% upon the delivery of products/services. Related invoices shall be paid on a 'Net 10 day' basis.
4. Computer hardware, if any, is warranted one-year, unless otherwise noted. Unless on-site warranty is specified, warranty services will be provided on a Return-to-United (RTU) basis with the equipment manufacturer's warranty provisions prevailing.
5. USS shall provide and deliver within 30-90 days. USS shall not be responsible for any delays beyond its control.

Client acknowledges that Client has read this Agreement, understands it, and agrees to be bound by its terms. Client further agrees this is the complete and exclusive statement of Agreement between the parties, which supersedes all implied, oral, and written communications between the parties relating to this Agreement Addendum.

This Agreement shall be effective when signed by both parties. This Agreement is entered into as of this 15 day of February, 2011.

United Systems & Software, Inc.

By/Title: Scott W. Smith / Treasury Manager

Brown County Water Utility

By:/Title: Doug Small

Investment Options

	Solution I: Counter Receipts	Solution III: RealTime	Solution IV: Digital EFT
How it can process:	Card reader to swipe cards/keyboard for non-swipe entries	Any computer connected to the internet	Any computer connected to the internet
VISA/MC/Discover fee*:	1.7%	2.2%	N/A
Per Item fee:	20 cents	25 cents	6 to 12 cents (volume dependent)
Monthly fee:	\$10	\$29.95 \$19.95	\$65.00
Investment:	\$100	\$395	\$95 initial license, \$1495 - 2495 for the scanner, and \$150 annually

*Important Note: Visa and MasterCard have certified The Neil Group to allow you to collect a convenience fee from your customers on non-swiped transactions to offset the cost of accepting cards. Many offices collect a sufficient amount on card not present sales to offset any fees from walk-in customers they don't charge.

Who is The Neil Group?

The Neil Group LLC is a nationwide point-of-sale equipment and financial service company, with years of experience specializing in payment transaction solutions for small- to medium-sized businesses. We offer the equipment and supplies to accept Visa, MasterCard, American Express, Discover, Diners Club, electronic checks, and check/debit cards. With a team of experienced professionals, we are here to serve as your business partner.

How to get started



You will be up and running in a matter of days and **your money will be deposited into your local business checking account** with in 24 to 72 hours after each transaction.

To learn more call Robert Mohon at (877) 977-VISA today.

"We recommend The Neil Group's solutions to all of our ALLIANCE Suite software customers that are looking to increase customer service by accepting credit card payments. We have been completely comfortable in working with The Neil Group, as their service disposition is very responsive and professional."

-United Systems & Software, Inc.

The Neil Group LLC

9005 Overlook Blvd. #309

Brentwood, Tennessee 37027

Tel: 615.846.3000 or Toll-Free: 1.877.977.VISA

www.theneilgroup.com

Sample Tariff Sheet

Schedule F

Page 1 of 3

BROWN COUNTY WATER UTILITY, INC.
 P.O. Box 134
 Helmsburg, Indiana 47435

SCHEDULE OF RATES AND CHARGES

Per Indiana Utility Regulatory commission Cause No. 43203

Approved: October 17, 2007

Phase 2

(a) Metered User Block Schedule (Rural Customers)

For the use of and service rendered by the Brown County Water Utility, based on the use of water supplied by said waterworks system:

<u>Consumption per month</u>		<u>Rate per 1,000 Gallons</u>
First	4,000 gallons per month	\$ 12.72
Next	2,000 gallons per month	12.30
Next	2,000 gallons per month	11.99
Next	2,000 gallons per month	10.50
Next	5,000 gallons per month	8.98
Next	35,000 gallons per month	5.98
Over	50,000 gallons per month	4.49

(b) Metered User Minimum Schedule (Retail Customers)

Each user shall pay a minimum charge in accordance with the following applicable size of meter installed, for which the user will be entitled to the quantity of water set out in the above schedule of rates:

<u>Meter Size</u>	<u>Gallons</u>	<u>Minimum Charge</u>
5/8 inch meter	2,000	\$ 25.44
3/4 inch meter	3,000	38.16
1 inch meter	5,000	63.19
1 1/2 inch meter	10,000	120.47
2 inch meter	15,000	165.34
3 inch meter	30,000	254.98
4 inch meter	70,000	464.36
6 inch meter	120,000	689.02

(c) Wholesale Rates and Charges (Town of Nashville)

For use of and service rendered by the Brown County Water Utility to the Town of Nashville.

Fixed monthly charges:

- Standby Water Service Charge (SWI 79)	\$3,925.00
- Standby Water Service Charge (SWI 94)	7,339.32

Variable rate based upon metered water usage (per month):

- Water Volume Payment (WVP) - per 1,000 gallons	\$ 1.23
--	---------

Brown County Water Utility, Inc.

Schedule of Rates and Charges

Cause No. 43203

Approved: October 17, 2007

Phase 2

(d) Membership Fee (non-refundable) \$ 100.00

(e) Connection Charge

Each user at the time he is connected with the waterworks system shall pay a charge to cover the costs of: excavating and tapping the main, furnishing and installing service pipe from the main to the lot line, furnishing and installing corporation and stop cocks, and furnishing and installing meter cock, yoke, and meter. The charge for a 5/8 and 3/4 inch meter tap shall be \$800.00. The charge for a tap larger than the 5/8 inch shall be the cost of labor, materials, power machinery, transportation, and overhead incurred for installing the tap, but shall not be less than the charge for a 5/8 and 3/4 inch meter tap.

(f) Reconnection Charge / Disconnection Charge

During Business Hours	\$ 40.00
After Business Hours	60.00

When the service is turned off for non-payment of bill, or whenever for any reason beyond the control of the waterworks, a re-establishment of service is required by any one customer, this charge will be made by the waterworks to cover the cost of discontinuance and re-establishment of service. The charge, together with any arrears due the waterworks, shall be paid by the customer before service will be re-established.

(g) General Service Charge \$ 20.00

When any non-routine service call is made by the Utility at the request of the customer, this charge shall be paid.

(h) Deferred Payment Charge

Each user that does not submit payment of his bill within seventeen (17) days after the date of the billing shall pay the following deferred payment charge:

10% of the first	\$ 3.00
3% of the excess over	3.00

In the event that a user's bill is not paid within thirty (30) days of the billing, this will result in disconnection. If a user's bill is not paid within sixty (60) days of the billing, this will result in the invalidation of the user's membership certificate.

(i) Non-Sufficient Funds (NSF) Check Charge \$ 25.00

Brown County Water Utility, Inc.
Schedule of Rates and Charges
Cause No. 43203
Approved: October 17, 2007
Phase 2

(j) Online Credit and Debit Card Payment

(N)

Customers may pay their monthly water bill online with a Credit and Debit Card. Water customers electing to pay their monthly water bill online shall pay the an additional charge for such service. The monthly water bill will be charged the following fee for such service. The additional charge will cover the cost paid to the credit card company, the transaction fee and the annual operating expense of such service.

Transaction Fee	\$ 0.35
Percentage of Water Bill (Credit Card)	2.20% Times monthly water bill
Percentage of Water Bill (Debit Card)	2.20% Times monthly water bill

Sample Customer Notice – the customer classes that will be affected and how they will be affected should also be included.

From: Peter Campbell King of
Cline, King & King, P.C.
675 Reeves Way, Suite B
P.O. Box 250
Columbus, IN 47202-0250
(812) 372-8461
Email: pck@lawdogs.org

PUBLIC NOTICE OF SPECIAL MEETING OF
BROWN COUNTY WATER UTILITY, INC.

PLEASE TAKE NOTICE that on May 17, 2011, Brown County Water Utility, Inc. filed a request with the Indiana Utility Regulatory Commission requesting approval of the Commission for a new charge for customers utilizing on-line payment of water bills pursuant to a thirty- (30) day filing to amend the tariff issued under Commission Cause No. 43203.

Please be advised that a special meeting of Brown County Water Utility, Inc. will be held on the 16th day of August, 2011, commencing at 8:00 a.m. local time in the offices of Brown County Water Utility, Inc. located at 5130 State Road 135 North, Morgantown, Indiana 46160, to inform the public regarding proposed service charges associated with customers who wish to voluntarily use electronic payment procedures for the payment of water bills. Those customers voluntarily using this new service will be charged as follows: a flat transaction fee of Thirty-Four Cents (\$0.34) plus two point two percent (2.2%) of the amount paid per payment.

The Board of Directors anticipate a ruling on the filing as early as August 30, 2011.

Any member wishing to object may do so by filing an objection with the Secretary of the Indiana Utility Regulatory Commission, Brenda Howe, 101 W. Washington Street Room, Internal Operations, Indianapolis, IN 46204; and with the Indiana Office of Utility Consumer Counselor, PNC Center, 115 W. Washington St., Suite 1500 South, Indianapolis, Indiana 46204.

The Board of Directors will receive any comments from members of Brown County Water Utility, Inc. concerning such payments at the special meeting.

A copy of the request and Public Notice is available for inspection at the offices of Brown County Water Utility, Inc. located at 5130 State Road 135 North, Morgantown, Indiana 46160.

Dated this 20th day of June, 2011.

By order of the Board of Directors of Brown County Water Utility, Inc.

- end -

2 - Commission's Main Extension Rules

The Commission's main extension rules apply to not-for-profit and investor-owned utilities. The water utility rules are outlined in 170 IAC 6-1.5 while the sewer utility rules are listed under 170 IAC 8.5-4. Under the Commission's rules for main extensions, the applicant ("original depositor") requesting a main extension pays the cost or "total required deposit" for the requested extension less an "immediate revenue allowance." The immediate revenue allowance is defined as three (3) times the estimated annual revenue.

- If the immediate revenue allowance is greater than the cost of the main extension, the main extension is provided by the utility at no cost to the applicant.
- If the utility's future extension plans require a larger main than necessary to serve the applicant, the incremental cost for the larger main size and increased material and installation costs is paid by the utility and not included in the original depositor's total required deposit.
- If a utility charges separate fees to connect a customer such as a tap fee or system development charge, these charges are not to be included in the main extension cost.

The original depositor may receive a "refund" of some of his or her total deposit if a "prospective customer"¹ approaches the utility for service along the main extension within ten years from the date the main extension was completed. The prospective customer is required to pay a "subsequent connector fee" to the utility based on a per unit cost of the main extension less a revenue allowance called a subsequent connector revenue allowance. These fees should be determined and included in the original depositor's main extension agreement. To calculate the subsequent connector fee, the utility must determine the number of "lots" for which service could be requested on the original depositor's main extension and the "cost per lot." If the property along the main extension is platted, the number of lots platted along the main shall be used. For unplatted property, the number of lots is determined by dividing the total land frontage along the main extension by 100 feet.

The Commission's main extension rule provides two methods to determine the cost per lot. Under the first method, the cost of the main extension is divided by the total number of lots calculated pursuant to this rule. Under the second method, the cost of the main extension is

¹ A prospective customer means a person who is not an original depositor, but whose lot as platted or frontage directly abuts the main extension between its original beginning and its original end point.

divided proportionately on the basis of land frontage for all lots along the main extension. Below are two examples that illustrate how a utility would implement this rule using the two different “cost per lot” methods described above. The first example uses the first method to determine the cost per lot and assumes the property along both sides of the main is unplatted. The second example includes a mix of platted and unplatted property along both sides of the main and calculates the cost per lot based on a proportionate allocation of cost (the second method). Both examples assume an immediate revenue allowance of \$900 (\$25 average monthly residential customer bill * 12 months * 3 years.)

Example 1

The original depositor/applicant requests service, which requires a 6” main extension of 200’. The estimated cost for this main extension is \$10,000. The “total required deposit” paid by the original depositor is \$9,100 (see below):

Proposed Cost to Extend 6" Main 200'	\$ 10,000
Less: Immediate Revenue Allowance:	
Average Monthly bill for residential class: \$ 25	
Times: 36 months	36
Immediate Revenue Allowance	900
Cost to Original Depositor	<u>\$ 9,100</u>

Calculation of subsequent connector fee:

The cost per lot would be computed as follows:

Main Extension Cost - 6" main @ 200'	\$10,000
Divided By: 4 - 100' lots	4*
Cost Per Lot:	<u>\$ 2,500</u>

*Both sides of the road are considered. The original depositor owns 1-100' lot.

A subsequent connector also benefits from a revenue allowance, called a subsequent connector revenue allowance. Thus, each subsequent connector would be required to pay a \$1,600 (\$2,500 cost per lot - \$900 subsequent connector revenue allowance) subsequent connector fee to the utility. The utility will forward the payment to the original depositor. In this illustration, the utility will forward three subsequent connector fees to the original depositor, if connected within a ten year period, or \$4,800 (\$1,600 x 3). The utility also pays the original depositor the revenue allowances for each of the three subsequent connectors or \$2,700. Note that the original depositor pays the same amount of \$1,600 if all three lots are subsequently connected (\$9,100 -

\$4,800 - \$2,700 = \$1,600). The first method is used in this example because the four lots along both sides of the main are of equal size.

Example 2

The original depositor/customer requests service, which requires a 6” main extension 500’. The cost estimate for this main extension is \$23,500. The “total required deposit” paid by the original depositor is \$22,600 (see below):

Proposed Cost to Extend 6" Main 500'	\$ 23,500
Less: Immediate Revenue Allowance:	
Average Monthly bill for residential class: \$ 25	
Times: 36 months	36
Immediate Revenue Allowance	900
Cost to Original Depositor	\$ 22,600

As part of the main extension agreement with the original depositor, a subsequent connector fee is determined. First, the number of “lots” available for subsequent connection must be determined. In this example, it is assumed that there are seven (7) 100’ sections of land in unplatted areas, which includes the original depositor’s 100’ lot, and four (4) 75’ platted lots within a 25 lot subdivision that will connect directly to the 6” main. Next, the “cost per lot” is computed as follows:

Proposed Cost for 6" Main 500'	\$ 23,500
Divided By: Total lot frontage along main in feet	1,000
Cost Per Foot:	\$ 23.50
 Cost per 75' platted lot: 75' @ \$23.50/foot	 \$ 1,762.50
 Cost per 100' unplatted lot: 100' @ \$23.50	 \$ 2,350.00

Each subsequent connector benefits from a revenue allowance, called a subsequent connector revenue allowance. Thus, each prospective customer’s subsequent connector fee is calculated as follows:

Cost per 75' platted lot:	
75' @ \$23.50/foot	\$1,762.50
Less: Subsequent connector revenue allowance	<u>900.00</u>
Subsequent Connector Fee	<u>\$ 862.50</u>
Cost per 100' unplatted lot:	
100' @ \$23.50	\$2,350.00
Less: Subsequent connector revenue allowance	<u>900.00</u>
Subsequent Connector Fee	<u>\$1,450.00</u>

In this example, the utility pays the original depositor, ten subsequent connector fees or \$12,150 ((\$862.50 * 4 prospective customers on 75' platted lots) + (\$1,450 * 6 prospective customers on 100' unplatted lots)) based on all property along the main extension connecting within ten years of installation. The utility will also pay the revenue allowances to the original depositor for each of the ten subsequent connectors or \$9,000. The second method is used in this example to divide proportionately the cost of the water main extension to both the original depositor and the subsequent connectors due to the different lot sizes along the main.

10 subsequent connector fees	\$ 12,150
10 subsequent connector revenue allow.	<u>9,000</u>
Sub-total	21,150
Divided By: Frontage of Main Per Foot for Subsequent Connectors	<u>900</u>
Main Extension Cost Per Subsequent Connector per foot	<u>\$ 23.50</u>
Total Cost of Main Extension:	\$ 23,500
Less: Cost reimbursed by the Utility:	<u>21,150</u>
Main Extension Cost to Original Depositor	\$ 2,350
Divided By: Frontage of Main for Original Depositor	100
Main Extension Cost to Original Depositor per foot	<u>\$ 23.50</u>

If the unplatted area develops in a manner different from the six 100' lots contemplated in the original depositor's main extension agreement such that some or all of the lots will not require service directly from that main extension, the customer is considered to have requested a lateral extension from the main extension to serve his or her land. In that case, the utility shall collect a subsequent connector's fee for each equivalent lot of the frontage land used to determine the main extension cost per lot. Thus, if a subsequent connector purchases land with 200' of frontage along the main, the property owner would pay two subsequent connector fees or \$2,900. However, the utility is required to pay two revenue allowances to that subsequent connector. It is also worth noting that the 21 platted lots in the subdivision that are not directly connected to the main are not considered in these calculations.

For more information regarding the Commission's water main extension rules go to the following web address:

<http://www.in.gov/legislative/iac/T01700/A00060.PDF>

and view Rule 1.5 Extension of Water Mains. For more information regarding the Commission's sewer main extension rules go to the following web address:

<http://www.in.gov/legislative/iac/T01700/A00085.PDF>

and view Rule 4 Extension of Sewer Mains or call the Commission's Water/Sewer Division at (317) 232-2750.

3 - Small Utility Rate Application Checklist

The small utility rate application was established to provide small utilities with an opportunity to increase rates and charges through a less costly regulatory procedure. Under the small utility rate application procedure, a utility completes standard forms that can be obtained through the Indiana Utility Regulatory Commission (Commission). These forms can be filed with the Commission without the need for an attorney or accountant. Utilities primarily providing retail service to fewer than 5,000 customers and do not extensively serve another utility qualify for this process.

If utility personnel have questions when completing the forms, the utility can contact the Indiana Office of Utility Consumer Counselor (OUCC) or the Commission.

A checklist of items needed to file a small utility rate application is provided below.

- Application Form*
 - A completed rate change application form. Forms can be obtained by calling the Commission at (317) 232-2750.
 - Be sure to include a complete proposed tariff
- Authorization (See example resolution, page 6)*
 - A copy of the authorization from the utility's governing body for the requested rate change. (i.e., rate ordinance or board resolution)
- Proposed Public Legal Notice (See example legal notice, page 3)*
 - A copy of the utility's proposed written notice for publication.
- Proof of Publication (See example publisher's affidavit, page 4)*
 - Proof of publication (i.e., publisher's affidavit) of the actual notice must be filed within fifteen (15) days after the utility's filing of its application with the Commission.
- Actual Copy of Customer Notice (See example customer notice, page 5)*

- An actual copy of the customer notice sent to each customer must be filed within fifteen (15) days after the filing of the utility's application with the Commission.
- *Verified Statement of Federal Indebtedness (Not-for-Profit Utility only – See examples on pages 7 and 8)*
 - A verified statement as to whether or not the small utility has outstanding indebtedness to the federal government. If utility has federal indebtedness, it must supply written consent to apply for a rate change from the federal agencies that are creditors.

Hearings: If a request for a formal public hearing is made, it shall be filed with the Commission within forty (40) calendar days of the initial filing of the utility's application. The Commission may conduct a formal public hearing or field hearing upon request from the Public – 10 individuals, firms, corporations or the OUCC. The Commission may require a formal hearing on its own motion. In the event of a formal hearing, the Utility may elect to designate its application to serve as its pre-filed evidence. However, the utility is not precluded from filing additional evidence.

For more information regarding the small utility rate application filing or to have a rate application sent to you call the Commission's Water/Sewer Division at (317) 232-2750, or for a complete set of the Commission's rules regarding small utility rate application filings go the following web address:

<http://www.in.gov/legislative/iac/T01700/A00140.PDF?>

Example: Legal Notice 170 IAC 14-1-2(b)(1)

NOTICE OF PROPOSED INCREASE IN WATER RATES
FOR CUSTOMERS OF THE
MEGAGREAT WATER COMPANY

Notice is hereby given that the Megagreat Town Council/Utility Board/etc. did on MONTH, DAY, YEAR, file an Application with the Indiana Utility Regulatory Commission to increase the water rates charged to customers of the Megagreat Water Company.

This application was filed pursuant to Ind. Code 8-1-2-61.5 without the necessary cost of a Utility Regulatory Commission hearing; however, a public hearing by the Utility Regulatory Commission may be held if any public or municipal corporation, ten (10) individuals, firms, corporations or associations, or ten (10) complainants of all or any of these classes affected by the proposed rate change requests a formal public hearing by filing a written, signed request with the Secretary of the Commission, Utility Regulatory Commission, 101 W. Washington Street, Suite 1500 East, Indianapolis, Indiana, 46204. Said request must be received by the Utility Regulatory Commission within forty (40) days after the date the application was filed with the Utility Regulatory Commission and declared complete. In addition, a public hearing may be held if the same is requested by the Utility Consumer Counselor.

The proposed increase in the water rate requested by the application is approximately xxx% and is proposed to be an “Across the Board” increase.

In the absence of a written request as provided herein, there likely will be no hearing conducted by the Utility Regulatory Commission on this application.

MEGAGREAT TOWN COUNCIL/UTILITY BOARD

XXXXXX, PRESIDENT

XXXXXX, SECRETARY

Example: Proof of Publication 170 IAC 14-1-2(b)(1)

PUBLISHER'S CLAIM

LINE COUNT

Display Matter (Must not exceed two actual lines, neither of which shall total more than four solid lines of type in which the body of the advertisement is set) -- number of equivalent lines.....
 Head -- number of lines.....
 Body -- number of lines..... 43
 Tail -- number of lines.....
 Total number of lines in notice..... 43

COMPUTATION OF CHARGES

43 lines, _____ columns wide equals _____ equivalent lines at .339 cents per line..... \$ 14.51
 Additional charge for notices containing rule or tabular work (50 percent of above amount).....
 Charge for extra proofs of publication (\$1.00 for each proof in excess of two).....
 TOTAL AMOUNT OF CLAIM..... \$ 14.51

DATA FOR COMPUTING COST

Width of single column 10.5 ems
 Number of insertions 1
 Size of type 6 point

Pursuant to the provisions and penalties of Chapter 155, Acts 1953,

I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing credits, and that no part of the same has been paid.

Nancy G. Nale
 Title: _____ President

RECEIVED Date: July 8, 1999

JUL 27 1999

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

NOTICE OF PROPOSED INCREASE IN WATER RATES FOR CUSTOMERS OF THE PALMYRA WATER COMPANY
 Notice is hereby given that the Palmyra Town Council did on March 15, 1999, the application with the Indiana Utility Regulatory Commission to increase the water rates charged to customers of the Palmyra Water Company.

This application was filed pursuant to Ind. Code 8-1-2-41.5 without the regulatory cost of a Utility Regulatory Commission hearing; however a public hearing by the Utility Regulatory Commission will be held if any public or municipal corporation, ten (10) individuals, firm, corporations or associations or ten (10) complainants of all or any of these classes affected by the proposed rate change requests a formal public hearing by filing a written, signed request with the Secretary, Utility Regulatory Commission, 919 State Office Building, Indianapolis, Indiana 46204. Said request must be received by the Utility Regulatory Commission within forty (40) days after the date the application was filed with the Utility Regulatory Commission. In addition, a public hearing will be held if the same is requested by the Utility Consumer Counselor.

The proposed increase in the water rates requested by the application is approximately _____ per cent and is proposed to be an increase the benefit increase. In the absence of a written request as provided herein, there shall be no hearing conducted by the Utility Regulatory Commission on this application.

PALMYRA TOWN COUNCIL
 Larry Embry, Pres.
 Howard T. Jones
 Paul Eversidge
 DZ7c1

RECEIVED

JUL 19 1999

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

PUBLISHER'S AFFIDAVIT

State of Indiana)
) ss:
 Washington County)

Personally appeared before me, a notary public in and for said county and state, signed Nancy G. Nale _____, being duly sworn, says that _____ President of the _____ newspaper of general circulation printed and published in the English language in _____ in state and county aforesaid, and that the printed matter hereto _____, which was duly published in said paper for 1 _____, the dates of publication being as follows:

July 8

Nancy G. Nale
 Subscribed and sworn to before me this 8 day of July
John M. Parley
 Notary Public

My commission expires: 1-23-00

Example: Customer Notice 170 IAC 14-1-2(b)(2)

**WATER CUSTOMERS OF
MEGAGREAT WATER COMPANY**

In Re: Proposed Water Rate Increase

Dear Water Customer:

The purpose of this letter is to notify you that the Megagreat Town Council/Utility Board did on MONTH, DAY, YEAR, file an application with the Indiana Utility Regulatory Commission to increase the water rate charged to customers of the Megagreat Water Company.

This application was filed pursuant to Ind. Code 8-1-2-61.5 without the necessary cost of a Utility Regulatory Commission hearing; however, a public hearing by the Utility Regulatory Commission may be held if any public or municipal corporation, ten (10) individuals, firms, corporations or associations, or ten (10) complainants of all or any of these classes affected by the proposed rate change requests a formal public hearing by filing a written, signed request with the Secretary of the Commission, Utility Regulatory Commission, 101 W. Washington Street, Suite 1500 East, Indianapolis, Indiana, 46204. Said request must be received by the Utility Regulatory Commission within forty (40) days after the date the application was filed with the Utility Regulatory Commission and declared complete. In addition, a public hearing may be held if the same is requested by the Utility Consumer Counselor.

The proposed increase in the water rate requested by the application is approximately xxxx% and is proposed to be an "Across the Board" increase.

In the absence of a written request as provided herein, there likely will be no hearing conducted by the Utility Regulatory Commission on this application.

MEGAGREAT TOWN COUNCIL/UTILITY BOARD

XXXXXX, PRESIDENT

XXXXXX, SECRETARY

Example: Resolution 170 IAC 14-1-2(b)(4)

MEGAGREAT WATER, CORPORATION

RESOLUTION 99-1

WHEREAS, the Megagreat Water Corporation was heretofore established by Order of the Indiana Utility Regulatory Commission, in Cause No. XXXXX; and

WHEREAS, the Corporation was organized for the purpose of providing water service including treatment and distribution for domestic use through mains, pipes, and conduits within the Megagreat Water area, located in South County, Indiana;

NOW THEREFORE, be it resolved that the Megagreat Water Corporation is hereby authorized to apply to the Indiana Utility Regulatory Commission for an increase in the District's rates to cover the cost of said sewer operations and maintenance. Be it further resolved that this increase shall be across the board.

Dated: This _____ day of _____, 20_____.

ATTEST:

Secretary

REQUIRED FOR NOT-FOR-PROFIT UTILITIES ONLY 170 IAC 14-1-2-(c)(1)

Example: Verified Statement of Federal Indebtedness

AFFIDAVIT OF UTILITY OFFICER/MANAGER

Comes now Utility Officer/Director/Manager and being first duly sworn upon his oath, states as follows:

1. That I am an officer/manager/director of the Megagreat Water Corporation located at xxxx, Wander, IN xxxxx.
2. That the Megagreat Water Corporation is a non-for-profit water utility.
3. That I am familiar with the financial affairs and condition of the Megagreat Water Corporation.
4. That the Megagreat Water Corporation currently has/does not have outstanding indebtedness to the United States Government.

Further, the affiant sayeth naught.

UTILITY OFFICER/MANAGER

The undersigned, being first and duly sworn upon oath says;

I am the affiant in the above entitled cause. I have read the foregoing Affidavit and the facts stated therein are true.

UTILITY OFFICER/MANAGER

STATE OF INDIANA, COUNTY OF SOUTH, ss:

Before me, a Notary Public in and for said County and State, personally appeared XXXXXXXX, and executed the above and foregoing Affidavit.

Commission expires: _____

Resident of _____ County, Indiana

REQUIRED FOR NOT-FOR-PROFIT UTILITIES ONLY 170 IAC 14-1-2-(c)(2)
Example: Written Consent of Federal Government to Change Rates



**Rural
Development**

30 W. Indiana Avenue
P.O. Box 191
Bloomfield, Indiana
47424

Phone 812/384-3517
Fax 812/384-8131
TDD 317/290-3343

June 23, 1999

Ms. Rita Baldwin
Indiana Office of Utility Consumer Counselor
Indiana Government Center North
100 North Senate, Room N501
Indianapolis, Indiana 46204

RE: Palmyra Water Utility

Dear Ms. Baldwin:

This office has reviewed information contained in the State Board of Accounts Audit Report filed 12-3-98 for the above reference utility. Based on this information it appears that a rate increase is necessary. The utility, based on the audit, appears to be exhibiting a net loss during the period from 1995-1997. Although data for 1998 has not been reviewed, a water supplier to the town has passed on a rate increase that logically calls for a general rate increase for the users of the Palmyra utility.

Please consider this letter to be Rural Development's written consent for the Palmyra Water Utility to request approval by the IURC of a general rate increase in user fees and charges without a public hearing.

If you need additional information, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Devault', is written over a horizontal line.

DANIEL E. DEVAULT
Rural Development Specialist

DED/st

CC: Town Council
Town of Palmyra

4 - Annual Report Checklist

The following checklist is used by the IURC's analysts when reviewing the utility's annual report filing. If this information is not complete, a letter will usually be sent to the utility requesting this information be completed or reconciled.

GENERAL REVIEW

- All applicable information completed – No section or question should be blank. Insert “None” or “N/A” if a section or question does not apply

EXECUTIVE SECTION

- General Information form (page E-1) is completed and emergency contract information provided
- Utility Profile section (page E-2) is up to date
- Officer and Director information is up to date (pages E-2 and E-3)
- Personnel Data is complete (page E-4)
- Contractual Services form is completed (page E-5)
- Certification page is signed and notarized (page E-7)

FINANCIAL SECTION

- Comparative Balance sheet balances (“Total Assets and Other Debits” (page F-1(b) = “Total Equity Capital and Liabilities” (page F-2))
- On all reference pages, the account balances agree to each account balances shown on the balance sheet (pages F-1 and F-2) For example, for Account 101 – 106 “Utility Plant” on page F-1 of the balance sheet has a reference page of F-5. Thus, the “Total Utility Plant” amount shown on page F-5 should agree with the “Utility Plant” amount shown on page F-1. NOTE: Complete pages F-5 through F-21 before completing pages F-1 through F-4
- Statement of Retained Earnings form (page F-14 or F-15) – “Balance Transferred From Income” agrees with “Net Income” shown on the Comparative Operating Statement - (page F-3)
- Additions to Contributions in Aid of Construction (CIAC) are described on pages F-19 and F-20 or F-21

- For water utilities, the “Itemized Unit Costs” form (page F-21) is completed - make sure “Total number gallons of water pumped during year” agrees with the “Total Pumped from Sources. . .” shown on page W-6

OPERATION SECTION(S)

- The Beginning and ending year number of customers are provided for each customer class (page W-1)
- Operating revenues for each customer class are provided and the “Total Water or Wastewater Operating Revenues” (page W-1 or S-1, depending on type of utility) agree with Account 400, “Operating Revenues” shown on the “Comparative Operating Statement” - (page F-3)
- The total for the current year, shown on the “Comparative Detail of Operation and Maintenance Expenses (page W-2(a) or S-2(a)) agrees with Account 401, “Operating Expenses” shown on the “Comparative Operating Statement” (page F-3)
- The total in the “Current Year” column for “Total Utility Plant in Service” shown on page W-3(b) or S-3(b) agrees with the total in Account 101, “Utility Plant in Service” shown on page F-5) NOTE: If prior fixed asset records have not been maintained, it doesn’t preclude you from beginning to maintain these records
- Plant additions and retirements by sub-account are provided on pages W-3(a) or S-3(a). Also, additional information regarding any asset addition or retirement exceeding \$10,000 in a single purchase should be provided on page W-3(c) or S-3(c)
- You are using the correct composite depreciation rate or if not using a composite depreciation rate, a depreciation study must be approved by the Commission (page W-4)
- Make sure Accumulated Depreciation is broken out by sub-account - (pages W-5 or S-5)
- For water utilities, the “Pumping and Purchased Water Statistics” (page W-6) information is completed by Month and all questions answered
- “Other System Information” (page W-8 or S-8) questions are answered completely
- For systems that serve fewer than 10,000 customers, page W-9 is answered completely
- For utilities that elect to participate in the Commission Alternative Regulatory Program, the Performance Measures are completed and reported accurately

For additional questions, call the IURC Water/Sewer Division at (317) 232-2750.

5 - System Development Charges (SDC)

SDCs are utility fees paid by property owners who connect their properties to the utility's system for the first time. These fees are primarily intended to recover a utility's cost to provide new customers with source of supply, treatment and storage facilities; SDCs can be more than \$1,400 for water connections, and \$3,000 for wastewater connections. The use of SDCs supports the notion that "growth should pay for growth," and reduces the likelihood that existing customers will pay for construction of new facilities.

Basically, there are two methods for calculating a SDC, the equity method and the incremental cost method. Depending on the utility's financial goals and objectives, either method may be appropriate. These objectives may include:

- New development pay its own way;
- to fund major system expansion;
- to generate sufficient cash to fund a portion of capital improvements;
- minimize debt; or
- to equitably recover capital costs from current and future customers.

More information can be found on this subject in Chapter 28 of the AWWA's M1 manual or you can contact the OUCC or IURC. Utilities regulated by the Commission need to have SDCs approved and listed on their tariff. The Commission's 30-Day Filing Process is *not* available to implement an SDC. However, the Commission supports the use as a means to finance certain capital projects resulting from customer growth.

6 - Indiana Finance Authority – State Revolving Fund

The State Revolving Fund Loan Programs (SRF Loan Programs) mission is to provide eligible entities with the lowest interest rates possible on the financing of such projects while protecting public health and the environment. The SRF Loan Programs provide low-interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure and is administered by the Indiana Finance Authority (IFA). For wastewater loans, an entity can receive a reduction in interest rate for solving a non-point source problem or for incorporation of a green infrastructure component in a proposed project.

Who is Eligible

- Incorporated cities, towns, counties, regional sewer/water districts, conservancy districts and water authorities are eligible for wastewater and drinking water SRF Loan Program financing.
- Private and non-profit facilities are also eligible only for Drinking Water SRF Loan Program financing.

Source of Funds

- The State of Indiana applies to the Environmental Protection Agency (EPA) annually for capitalization grants to fund its SRF Loan Programs. To increase the availability of funds, the State leverages its EPA capitalization grant funds in the municipal bond market. These funds are combined with the EPA required State match and are then made available to Indiana communities in the form of low-interest-rate loans. For more information on the EPA's involvement in the SRF Loan Programs, visit the EPA's Web sites.

Examples of Types of Projects Eligible for Funding

- Wastewater projects include:
 - Treatment plant improvements and upgrades;
 - Sewer line extensions to existing unsewered properties;
 - Combined sewer overflow corrections; and
 - Infiltration/inflow projects.

- Drinking Water projects include:
 - Source intake structures and wells;
 - Treatment plant facilities;
 - Water storage facilities; and
 - Transmission/distribution mains, including water line extensions to existing unserved properties with water quality issues.

- Non-point source projects include:
 - Wetland protection and restoration measures;
 - On-site sewage disposal systems;
 - Best Management Practices for agriculture and stormwater runoff;
 - Riparian Buffers and Conservation Easements; and
 - Wellhead and Source Water Protection measures.

Examples of Types of Projects are Not Eligible for Funding

- Projects that are solely intended for economic development;
- Projects that are primarily for fire suppression; and
- Stormwater projects that have no water quality benefits.

Loan Terms

- The SRF loan is a fixed rate, 20-year loan.
- Interest rates are reset quarterly and are at or below 90% of the average 20-year AAA-rated, general obligation bond Municipal Market Data. Rates are further discounted based on an applicant's median household income (from current census data) and local user rates.

More Information

For more information about SRF program administration and the SRF Loan Programs, contact the IFA at (317) 232-8655 or go to the following website: <http://www.in.gov/ifa/srf/index.htm>

Shelley Love
 Wastewater SRF Program Administrator
 317-232-4396; slove@ifa.in.gov

Sarah Hudson
 Drinking Water SRF Program Administrator
 317-232-8663; sahudson@ifa.in.gov

7 - USDA Rural Development Loan/Grant Program

USDA Rural Development Water and Environmental Programs (WEP) provides loans, grants and loan guarantees for drinking water, sanitary sewer, storm drainage facilities and solid waste in rural areas and cities and towns of fewer than 10,000. Public bodies and non-profit organizations may qualify for assistance. WEP also makes grants to nonprofit organizations to provide technical assistance and training to assist rural communities with their water, wastewater and solid waste problems.

Water and Waste Disposal Loans

The purpose of the loans is to develop water and waste disposal (including solid waste disposal and storm drainage) systems in rural areas and towns with a population fewer than 10,000. The funds are available to public entities such as municipalities, counties, special-purpose districts and non-profit corporations. The Rural Utilities Service also guarantees water and waste disposal loans made by banks and other eligible lenders.

Loan Terms

- Fixed rate loan with terms are up to 40 years. Interest rates are reset quarterly and may be obtained from any Rural Development office.

Water and Waste Disposal Grants

The purpose of the grants is to reduce water and waste disposal costs to a reasonable level for rural users. In some cases, grants may be made for up to 75 percent of eligible project costs. The same types of applicants are eligible for grants as are for loans.

Other Grants for utilities are available in four general forms:

- Technical Assistance and Training Grants
- Solid Waste Management Grants
- Rural Water Circuit Rider Technical Assistance
- SEARCH Grants

The Technical Assistance and Training Grant Program is designed to:

1. Identify and evaluate solutions to water and waste disposal problems in rural areas.
2. Assist applicants in preparing applications for water and waste grants made at the State level offices.
3. Improve operation and maintenance of existing water and waste disposal facilities in rural areas.

The Solid Waste Management Grant Program is designed to 1) Reduce or eliminate pollution of water resources in rural areas and 2) Improve planning and management of solid waste sites in rural areas.

The Rural Water Circuit Rider Technical Assistance Program provides on-site technical assistance at no charge to rural water systems. Assistance with day-to-day operational, financial and managerial problems is available.

The SEARCH Grant Program provides grants for predevelopment planning for water and wastewater projects, including but not limited to, feasibility studies, design and technical assistance, in financially distressed rural areas with populations 2,500 or fewer. Maximum grant amount is \$30,000 with no matching funds required.

In 2011, USDA made \$26,103,400 in loans and \$8,914,000 in grants in Indiana.

Forms for all the programs discussed above are available on the USDA website:

http://www.rurdev.usda.gov/Utilities_LP.html

8 - Community Development Block Grants - OCRA

Through the Indiana Office of Community and Rural Affairs, Indiana requests federal funds to help rural communities with a variety of projects such as sewer and water systems, community centers, health and safety programs and many others.

There are a number of funding options for water/wastewater utilities under this program, which are listed below.

1. Community Focus Funds (CFF)

CFF Grants are funded with federal Community Development Block Grant (CDBG) dollars from the U.S. Department of Housing and Urban Development (HUD). The goal of the CFF program is to encourage communities with eligible populations to focus on long-term community development. Eligibility for Community Focus Fund dollars is based on the following criteria:

- The area to be served has a substantial low and moderate income population (51% or greater) or is designated a slum or blighted area by local resolution.
- The project addresses the long-term planning and development efforts for the community.
- The funds granted will have a significant impact on the proposed project.
- The project is ready to proceed and will be completed within 18 months after being awarded.

Eligible CFF projects include, but are not limited to water projects, sewer projects or storm drainage projects. Grant awards can be up to \$600,000. Non-profit utilities can be a sub-recipient through an application filing from an incorporated county (excluding Lake Co. and most of Hamilton Co.), a small (non-entitlement) city or incorporated town. Approximately \$20 million in grant funds is available annually.

2. Planning Grant

Planning Grants are funded with Federal Community Development Block Grant (CDBG) dollars from the U.S. Department of Housing and Urban Development (HUD). The goal of the program

is to encourage communities to plan for long-term community development. Community leaders can apply for projects relating to such issues as utility infrastructure, downtown revitalization and community facilities. To be competitive, projects must demonstrate:

- They meet a goal of the Federal Act;
- The particular planning initiative addresses established long-term community priorities;
- The funds granted will have a significant impact on the overall project;
- The community has a strong commitment to the project; and
- The project is ready to proceed upon the grant being awarded and will be completed within 14 months.

Planning grants can be awarded up to \$30,000 for utility infrastructure studies. An additional \$10,000 for a subsequent utility can also be awarded. Types of plans that can be funded include asset management plans, feasibility studies, preliminary engineering and master utility plans.

3. Community Economic Development Fund (CEDF)

CEDF grants are funded with federal Community Development Block Grant (CDBG) dollars from the U.S. Department of Housing and Urban Development (HUD). These funds are used to spur economic development activities for the purpose of job creation or retention. Most job creation or retention activities are classified as eligible under one of several economic development-oriented categories. For example, if a business is looking to locate in an Indiana community but requires water service that would otherwise not be available, the community could apply for this funding to bring water service to the area the business proposes to locate.

4. Urgent Need

Urgent need grants are funded with federal Community Development Block Grant (CDBG) dollars from the U.S. Department of Housing and Urban Development (HUD). An activity must be designed to alleviate existing conditions, certified by the local government and determined by the state to pose a serious and immediate threat to the health or welfare of the community. Urgent need grants will be considered if the threat is of recent origin or recently became urgent,

the state grant recipient is unable to finance the activity on its own, or if other sources of funding are not available to carry out the activity (<http://www.in.gov/ocra/2370.htm>).

Program Application

All of the programs listed above have application forms that need to be completed. If you have any questions on the CDBG programs or would like an application, please contact your Community Liaison (a link of a district may is shown below):

http://www.in.gov/ocra/files/Community_Liaison_Map_3.11.08.pdf

Northwest District
Gerry White
317-694-8372 (cell)
317-233-3762 (office)
gewhite@ocra.in.gov

Southwest District
Ellen Harper
317-439-8905 (cell)
317-233-3762 (office)
eharper@ocra.in.gov

Southeast District
Erica Speer
317-690-9736 (cell)
317-232-5296 (office)
espeer@ocra.in.gov

Northeast District
Keith Gillenwater
317-650-1609 (cell)
317-233-3762 (office)
kgillenwater@ocra.in.gov

West Central District
Jill Rateike
317-450-5078 (cell)
317-232-8786 (office)
jrateike@ocra.in.gov

South Central District
Matthew Crouch
317-750-7670 (cell)
317-232-4949 (office)
mcrouch@ocra.in.gov

East Central District
Michael Thissen
317-509-0657 (cell)
317-234-3418 (office)
mthissen@ocra.in.gov

North Central District
Steven Ray
317-460-4234 (cell)
317-232-8904 (office)
sray@ocra.in.gov

9 - EPA Financing Alternatives Comparison Tool (FACT)

The Financing Alternatives Comparison Tool (FACT) is a financial analysis tool available FREE to municipalities, utilities, and environmental organizations that helps identify the most cost effective method to fund a wastewater or drinking water management project. This tool produces a comprehensive analysis that compares various financing options for these projects by incorporating financing, regulatory, and other important costs. FACT creates a variety of useful reports to effectively communicate the results of a comprehensive analysis. These include:

- ***A Summary Report*** – provides a side by side comparison of the various financing options using key financial figures. (e.g., Total Cost, Average Annual Cost, Net Present Value)
- ***A Detailed Cost Schedule*** – This schedule tracks disbursements, debt service payments, and other relevant costs throughout the life of a financing option.
- ***Annual Cost Graph*** – A line graph that tracks and compares annual costs of various financing options over time.
- ***Cumulative Cost Graph*** – A line graph that tracks and compares total costs of various financing options over time.

The key features of FACT include:

- Compares multiple financing options for a specific water infrastructure project.
- Setup financing options using multiple funding sources (e.g., a project that is partially funded by a grant with the remaining amount financed by a SRF loan).
- Use “Typical Values” for unknown financing and annual costs. This allows users to incorporate these important costs when the data may not be readily available.
- Provides line items labeled “Other”. This allows users to include customized costs that may occur with specific analyses.
- Contains a detailed help file, which includes a glossary that defines all assumptions and costs entered by the user.

FACT can greatly assist potential borrowers in identifying the most cost effective method to fund a water or sewer infrastructure project.

Installing and using FACT requires Microsoft Access 2000 or higher. To obtain a copy of this financing tool FREE, call Mark Mylin at (202) 564-0607 or by email at mylin.mark@epa.gov or to learn more go to the following web address:

<http://www.epa.gov/owm/cwfinance/cwsrf/fact.htm>

10 - Self Evaluation Toolkit for Drinking Water Systems

NOTE: This toolkit is very similar to EPA's CUPSS toolkit. It was developed for utilities that maintain their books and records manually. However, the Drinking Water and Wastewater handbook for Local Officials contained in this toolkit may benefit elected, administrative and managerial officials.

This toolkit called "Staying Ahead of the Curve" was developed by the Maryland Center for Environmental Training, with funding from the Environmental Protection Agency (EPA) to help managers and operators of local water utilities accomplish three major objectives:

- Obtain an accurate measurement of the technical managerial, and financial strength of the drinking water system;
- Develop capital and operation and maintenance planning strategies, and parallel budget making expertise;
- Incorporate into a daily routine a proactive approach to complying with existing and future regulatory requirements imposed by the Safe Drinking Water Act and other state laws and regulations.

Staying Ahead of the Curve, which contains a series of questionnaires to complete, consists of four sections. In Part I - General System Information, utilities must complete worksheets describing their general system such as current population, projected population, number and type of customers, and production broken down by class of customers. Part I also requests information on compliance history.

In Part II - Operation and Maintenance, utilities must complete worksheets on the details of the groundwater and surface water sources including capacity of wells, water quality, water quantity, treatment systems, pumps and pumping equipment, and corrective and emergency maintenance. Utilities must also complete worksheets on storage facilities and the distribution system, including piping, valves, pumps and pumping equipment, and meters.

In Part III - Management and Administration, utilities must complete worksheets on system sampling and testing, preventative maintenance management, safety, emergency planning, cross-connection control program, conservation programs, organization and staffing, long-term planning, public relations, and recordkeeping.

Finally, in Part IV - Financial Management, utilities must complete worksheets on the utilities basic finances, budget analysis, rate setting, and money management.

Along with the paper worksheets, the booklet includes a videotape and diskette.

The toolkit also provides “The Drinking Water and Wastewater Handbook for Local Officials” (Handbook), which has been designed to help elected, administrative, and managerial officials understand the various legal and technical requirements for the treatment, storage, and discharge of water and wastewater.

The Handbook contains eight major chapters covering the regulatory setting, legal responsibilities, operations, maintenance, personnel management, procurement of professional services, public relations, and financial management and business planning.

The Handbook also contains an extensive bibliography, contacts and resources (EPA and state resources), a sample monthly reporting form, and a glossary.

For a free copy of the toolkit or for more information contact the Maryland Center for Environmental Training at 301-934-7500 or go to the following web address:

<http://www.mcet.org/Resources/publications.html>

11 - Check-Up Program for Small Systems (CUPSS)

CUPSS is a free, easy-to-use, asset management tool for small drinking water and wastewater utilities. CUPSS provides a simple, comprehensive approach based on EPA's successful Simple Tools for Effective Performance (STEP) Guide series. Use CUPSS to help you develop:

- A record of your assets
- A schedule of required tasks
- An understanding of your financial situation
- A tailored asset management plan

CUPSS was developed in response to a clear need from communities and trainers to consolidate and package asset management materials in an easy-to-use, clear and update-to-date fashion. EPA's Office of Groundwater and Drinking Water (OGWDW) developed CUPSS with the help of a workgroup that included representatives from state agencies, technical assistance organizations, EPA Regional offices, and small wastewater and drinking water utilities. With this collaborative approach, EPA was able to develop a comprehensive computer software application that provides all the tools required to implement an asset management program and develop effective asset management plans.

How is CUPSS structured?

CUPSS leads users through a series of modules to collect information on a utility's assets, operation and maintenance activities, and financial status to produce a prioritized asset inventory, a set of financial reports and an asset management plan. These modules include the following:

- **Set up** - The first step in the CUPSS setup process is to identify a project team. CUPSS contains a team assembly wizard that allows users to create team members, define roles and enter contact information. Users have the ability to establish or modify their team at any time but are encouraged to set up a team the first time they run CUPSS. CUPSS allows users to export the team roster and associated data into a Microsoft Excel file.
- **CUPSS Training** - This module has been developed to help the user understand CUPSS and the asset management process through clear, concise instructional materials. In this

section, the user finds a real-life introductory training video. The help section includes a keyword search and has a glossary section in addition to example forms and reports.

- My Inventory - This module allows users to identify and characterize their water system's assets. Users can modify a pre-populated set of assets (based on the user's system schematic, another feature of the CUPSS application) or add new assets, which helps prioritize maintenance activities and better manage revenue for repair and replacement of assets.
- My O&M (Operations and Maintenance) - This module allows users to create and track current, future and past operation and maintenance activities. The user is able to add tasks to the schedule and mark scheduled items as “completed.” This module then records the status and history of each task, alerts users if the task status is past due or critically past due, or alerts the user when to reassess the asset condition if maintenance is not performed as scheduled.
 - ✓ The EPA recommends certain tasks as part of a good preventive maintenance program. These tasks can be found in the [Preventive Maintenance Card File for Small Public Water Systems Using Ground Water](#) document.
- My Finances - This module helps users determine the full costs of doing business and calculate how much is needed for full recovery. This knowledge gives users the ability to discuss their needs within the context of a community budget. The user can provide the current year's budget (at a minimum), what was actually spent (financial statement) from the previous year, and calculate the annual costs of asset rehabilitation and replacement.
- My Check Up - CUPSS generates two customizable reports: “My Asset Check Up” and “My Financial Check Up.” The user can enter information to create targeted reports that will help them manage assets and plan for the future.
- MY CUPSS Plan - This module assembles, using a predefined template, an asset management plan that has been pre-populated with the information and calculations entered by the user. CUPSS allows the user to export the developed plan as a Word document for modification and review.

CUPSS is:

Free: You can download CUPSS from the website shown below or you can request a copy of the application on CD.

A desktop application: CUPSS does not require an Internet connection to function. This allows for greater flexibility in how the program is used and helps keep your records secure.

Fully supported: EPA has developed a [full suite of support documentation](#) including the following:

- Getting Started with CUPSS workbook
- CUPSS User's Guide
- Training material
- Promotional material

What CUPSS helps you achieve:

- Make more informed decisions
- Save time by planning ahead
- Back up budget talks with solid facts
- Improve customer service
- Prepare an asset management plan in seven steps

For more information contact Mary Hoover, Senior Environmental Manager/Capacity Development, IDEM's Office of Water Quality at (317) 234-7433 or visit the following website:

<http://www.epa.gov/cupss/index.html>

12 - EPA Asset Mgmt.: A Handbook for Small Water Systems

The EPA Asset Management: A Handbook for Small Water Systems is a free resource that will help a utility by providing information about:

- 1) How asset management can help improve a system's financial health and ability to provide safe drinking water.
- 2) How asset management fits into the development of an overall plan for a system's future (i.e., strategic planning).
- 3) How to complete a five-step asset management process including:
 - i. Conducting a thorough asset inventory.
 - ii. Prioritizing the rehabilitation and replacement of assets.
 - iii. Developing an annual estimate of needed reserves and an annual budget.
 - iv. Implementing the asset management plan.
 - v. Reviewing and revising the asset management plan.

Asset management is a planning process that ensures a utility gets the most value from each of the assets and have the financial resources to rehabilitate and replace them when necessary. Asset management also includes developing a plan to reduce costs while increasing the efficiency and the reliability of a system's assets. Successful asset management depends on knowing about a system's assets and regularly communicating with management and customers about a system's future needs.

Applying the practices recommended in the EPA Asset Management Handbook will help a utility improve the management of its system by increasing knowledge of its system, which will allow a utility to make better financial decisions. This is useful information when considering options to address various system challenges such as:

- Meeting regulatory requirements or upgrading system security.
- Reducing system "down-time" and the number of emergency repairs.
- Prioritizing rehabilitation and replacement needs and providing time to research cost-effective alternatives.

- Showing investors and the public that a utility is using their money effectively and efficiently, which may make them more likely to increase investment or tolerate rate increases.
- Giving a utility greater access to financial assistance. Some funding sources give applicants extra credit (higher priority ratings) for having an asset management plan or a capital improvement plan.

The EPA Asset Management Handbook provides numerous worksheets to give utilities practice in understanding its assets.

Copies of this guide can be downloaded for free at the website below or by calling the Safe Drinking Water Hotline at 1-800-426-4791 and request document number EPA 816-R-03016.

<http://www.epa.gov/ogwdw/smallsystems/managementhelp.html>

13 - AWWA Water Audit Software v4.2

In 2010, the AWWA Water Loss Control Committee released *Version 4.2* of its own Water Audit Software, available *free* to all users.

The Water Audit Software package includes ten worksheets in a spreadsheet file. The first worksheet provides instructions on the use of the software. The majority of data is entered on a reporting worksheet and prompts the user to enter standard water supply information such as the volume of water supplied, customer consumption, and quantities of losses.

Knowing that many water utilities do not typically tabulate all of this data, the software allows the user to enter either known (measured) or estimated (quantities that must be approximated) values. The software then calculates a variety of performance indicators which are useful in making performance comparisons among water utilities.

Before you begin, here is more information you should know:

- Need Microsoft Excel to download
- Must accept “Terms of Use Agreement” to download program
- A spreadsheet of definitions is provided
- The “Reporting Worksheet” provides a help function at each data input location.
 - ✓ Authorized Consumption Section’s terms are important to understand – should review Definitions to determine what to include
 - ✓ Must specify whether data is measured or estimated
- Information needed to complete the spreadsheets is as follows:
 - ✓ Volume of water supplied (pumped and/or purchased)
 - ✓ Customer consumption (Water Sold)
 - ✓ Known or estimated quantities of losses
 - ✓ Length of Main on system
 - ✓ Average pressure on system
 - ✓ Total Annual Cost of Operating Water System (Revenue Requirement)
 - ✓ Per unit retail cost
 - ✓ Annual Variable Production Cost

- Software calculates a variety of performance indicators, including an Infrastructure Leakage Index, which is a performance indicator for benchmarking the performance of utilities in operational management of real losses.
- Software computes annual costs of apparent and real losses

To download this free software, go to the following web address:

<http://www.awwa.org/Resources/Content.cfm?ItemNumber=590>

14 - Only Tap Water Delivers - AWWA

This service is free, but only available to AWWA utility level members. The Only Tap Water Delivers is a media campaign to assist utilities and public officials communicate the value of tap water service and more importantly, the need to reinvest in water infrastructure to consumers and other stakeholders.

This campaign is designed to:

- Encourage community investment in water service and resources;
- Help utilities communicate with consumers and decision-makers about the value of water service;
- Encourage public officials to speak about the importance of investing in water service and resources; and
- Elevate the value of water service in the minds of consumers.

Campaign Materials include the following:

- Consumer handouts, bill stuffers and fun fact sheets
- Print ads for placement in local publications (in English and Spanish)
- Radio public service announcement (in English and Spanish)
- Children activities
- Web banner
- Campaign speech outline
- PowerPoint presentation
- A five-minute video
- Editorial board briefing guide
- Campaign talking points
- Campaign logos for Web or additional print items

Many water utility customers believe that their water should be free, but don't realize the actual cost to serve because it was the utility's customers before them that paid for the infrastructure that customers enjoy today. Thus, raising customer awareness of the need to reinvest in what is essentially a huge public trust is important to proper asset management of the utility. If you are

not a member and would like to join to have access to these materials, or you are an AWWA utility member who did not receive the materials, contact the numbers below.

Greg Kail at <mailto:gkail@awwa.org> or 303-734-3410; or

Deirdre Mueller at <mailto:dmueller@awwa.org> or 303-347-6140.

For more information regarding this program visit the following web address below:

<http://www.awwa.org/Government/Content.cfm?ItemNumber=3846&navItemNumber=3847>

15 - Training & Technical Assistance – Alliance of Indiana Rural Water

The Alliance is a nonprofit association with hundreds of systems as members and hires only experienced water and wastewater professionals, averaging more than 20 years in the industry. Member systems have convenient access to these industry experts. Training and on-site work is supported by Federal contracts and grants that promote safe water for Indiana communities.

The Alliance staff provides training and onsite technical assistance on Safe Drinking Water Act compliance issues, public health protection (as it relates to drinking water), and managerial, financial and operational issues related to water and wastewater systems in Indiana that are under 10,000 in population.

The Alliance provides water and wastewater utilities with four different assistance programs:

Training and Technical Assistance – Provides water operators, managers, and board members with formal classroom instruction on compliance, operational, financial and managerial issues and with follow-up on-site technical assistance. Alliance conducts over 40 one-day water training sessions a year in various locations throughout Indiana. These sessions are all approved for continuing education units through IDEM for license renewal needs. Board training sessions are also available.

RD Water Circuit Rider – This program provides free on-site technical assistance to water systems through the Circuit Rider Program funded by the U.S. Department of Agriculture's Rural Utilities Service. The Circuit Rider Program provides hands-on assistance to water systems through leak detection assistance, pipe and valve location as well operational matters such as water treatment, testing and emergency management. Assistance with various reports and information regarding water rates, loan and grant applications and other managerial issues is also available under this program.

RUS Wastewater Technical Assistance – This program provides free on-site technical assistance and training to small, rural and municipal wastewater systems across Indiana. Funded by Rural Utilities Service, Alliance's goals are to promote proper wastewater treatment, to increase the operational knowledge of system personnel, to increase the management skills and knowledge of board members and system personnel, to increase the professionalism of wastewater and system personnel, and to promote environmental stewardship across the state of Indiana. Alliance conducts over 30 wastewater training sessions a year in various locations throughout Indiana that are IDEM approved for continuing education units (CEU's) and a wastewater license exam review class twice a year.

FSA Source Water Program – A joint project by USDA's Farm Service Agency (FSA) and the Alliance of Indiana Rural Water designed to help prevent source water pollution through grassroots voluntary practices installed by producers at local levels. The goal of the program is to create local teams to collaborate in the development of Rural Source Water Protection plans that promote clean ground water.

Alliance offers the following training and technical assistance free to its members:

- Leak Locates / Water Audits
- Line Locates
- Lab Assistance / Plant Troubleshooting
- Emergency Response Plans & Vulnerability Assessments
- Consumer Confidence Reports
- Source Water Protection Plans
- Board Training
- Industry News
- Legislative Support
- Scholarship Program
- Fleet Vehicle Discount Purchase Plan

Services also offered for an additional fee include the following:

- Short Term Operator or Managerial Contracts
- Safety Program / Training
- GPS Locating
- Standard Operating Procedures
- Preventative Maintenance Programs

Onsite Continuing Education Training For more information about this association, please visit the web address below or call Connie Stevens, Executive Director at (317) 789-4200.

<http://www.inh2o.org/>

16 - Indiana Rural Development Council

The Indiana Rural Development Council (IRDC) is a private-public partnership that advocates for the vitality of rural Indiana. The IRDC mission is to facilitate efforts of citizens and other stakeholders to meet the economic and social needs of rural Indiana by cultivating innovative ideas with rural communities to be great places to live, learn, work and play.

Objectives

- Provide safe, neutral forums to address rural issues.
- Seek community input to identify problems and opportunities.
- Establish partnerships to find solutions, empower partners to take action and educate the public on rural issues.
- Help communities build pride by commemorating their heritage, celebrating their accomplishments and planning their future.

Environmental Infrastructure Working Group (EIWG)

The Environmental Infrastructure Working Group Task Force is comprised of representatives from various state and federal agencies that meet with communities to discuss various options available for water and wastewater infrastructure projects. The group has also reviewed storm water and economic development project funding options. Current participants include the Indiana Office of Community and Rural Affairs, the Indiana Finance Authority, the U.S. Department of Commerce, the U.S. Department of Agriculture, the U.S. Army Corps of Engineers, the Alliance of Indiana Rural Water, the Indiana Rural Water Association and the Indiana Rural Community Assistance Program.

How to meet with EIWG: Communities served by municipalities and small not-for-profit utilities can request a meeting with EIWG by submitting a two-page “In-Take” document found on IRDC’s website. A meeting will then be scheduled between EIWG and the community. Project meetings allow communities to collectively meet with agency representatives to evaluate the community’s situation and to identify funding and technical assistance options. The project meeting and in-take document process allow communities the opportunity to explore all assistance options at one meeting. It also provides for early coordination of multiple funding sources.

For more information, please contact Beth Archer at (317) 745-0947 or visit IRDC’s website:

<http://www.ruralindiana.org/>

17 - Indiana Rural Community Assistance Program

Since 1981, the Indiana Rural Community Assistance Program (RCAP) has provided technical assistance on water, wastewater and solid waste issues to rural communities across the state. While RCAP is restricted to working with communities with a population under 10,000, a typical RCAP community has a population under 1,000. Because the organization is funded entirely with grant money, RCAP is able to provide its services at no cost to communities.

Nationwide funding for the Indiana program comes from the U.S. Department of Agriculture Rural Utility Service, the U.S. Department of Health and Human Services Office of Community Services and the Environmental Protection Agency Safe Drinking Water program. In addition, RCAP is funded by the Indiana Department of Environmental Management through the 104 (b)(3) and drinking water programs.

RCAP Technical Assistance Providers (TAPs) work with residents and local leaders in each community to identify a scope of services that will meet the community's needs. In keeping with the mission of our national organization, RCAP has three major objectives in its communities. These objectives are:

- To ensure that rural residents have access to clean, safe drinking water.
- To increase access to safe, cost effective sewage treatment for rural residents.
- To insure that rural residents are able to dispose of their solid waste in a sanitary and affordable manner.

PROGRAM SERVICES

RCAP's goal is to facilitate the lengthy and often complicated process involved in implementing community water, wastewater and solid waste-related improvements. All services are provided at NO COST to the community. Listed below are examples of services RCAP can provide:

Planning

- Identify community problems by speaking with community leaders, state agencies and local organizations.

- Organize community meetings to gather information and assess resident interested in finding solutions.
- Educate residents about technology, financing options and other relevant topics.
- Create community surveys to provide information to decision makers.
- Analyze results and report findings to community organizations and residents.
- Conduct and/or coordinate income surveys.
- Assess available funding resources and help prepare application materials
- Assist in procuring engineering and professional services.
- Work with the selected consultants to complete studies, grant applications and other materials.
- Work with the community to assess the work of engineers, grant administrators, rate consultants and other professionals to assure it meets community needs.
- Recruit volunteer committees to oversee and assist with projects.
- Assist with environmental reviews and other requirements.

Implementation and Construction:

- Arrange for all necessary funding for the project. Assure that all requirements are being met throughout design and construction.
- Assist in the formation of entities necessary to oversee and operate new systems, including sewer districts and water corporations.
- Coordinate with funding agencies, regulators, consultants and other involved organizations.
- Facilitate public involvement and education.
- Assist existing utilities with management and finances.
- Arrange for technical assistance with operations where necessary.
- Assist with rate studies and other evaluations.

Operation and Maintenance:

- Work with staff to evaluate newly built or existing systems for proper management.
- Evaluate budgets, rate structures and other information to determine the financial condition of the utility.
- Assist existing utilities with management and finances; arrange for technical assistance with operations where necessary.
- Assist utilities in complying with regulatory requirements and solving system problems.
- Work with utilities to complete and implement long-term plans.

For more information about RCAP, please call 1-800-382-9895 or visit following web address:

<http://www.in-rcap.org>

Or, if you would like to check out the publications RCAP offers, including but not limited to, The Big Guide for Small Systems: A Resource for Board Members, Getting Your Project to Flow Smoothly: A Guide to Developing Water and Wastewater Infrastructure and The Basics of Financial Management for Small-community Utilities, visit the following web address:

<http://www.rcap.org/commpubs>

18 - EPA Drinking Water Academy

The EPA's Drinking Water Academy ("Academy") provides information and online training to ensure that public officials, water professionals and involved citizens have the skills and knowledge necessary to protect our drinking water supply. This website also has an "Ask an Expert" feature that allows you access to EPA staff to answer questions regarding the materials provided in the Academy.

Downloadable PDF and PowerPoint training files include the following:

- National Drinking Water Rule
- Public Water System Supervision ("PWSS") Program - Learn about water systems, the PWSS Program, the roles of PWSS Program participants, regulatory development and the National Primary Drinking Water Regulations.
- Public Water System Operation
- Source Water Protection Program - An in depth survey of EPA's Source Water Protection programs and their legal basis.
- Underground Injection Control ("UIC") Program - An intro to injection wells, the framework of the UIC program, relevant geology and the challenges facing today's UIC program.

This website also offers [Safe Drinking Water Act 101](#) an interactive, behind-the-scenes, approach to understanding the regulations, programs and people that protect your drinking water.

Additional training available includes the following:

- [American Government Roles \(PDF\)](#) – A comprehensive explanation of EPA's function within the federal government which highlights the Safe Drinking Water Act and the Clean Water Act.
- [Regulating Microbial Contaminants \(PDF\)](#) – An overview of microbial contaminants, the health risks they pose, treatment techniques, the SDWA, and 6 year review.
- [From Risk to Rule \(PDF\)](#) – How EPA develops risk-based drinking water regulations.

- [Risk Communication under the Safe Drinking Water Act \(PDF\)](#) – Water systems must inform the public of any potential health risk

The website link to the Academy is provided below:

<http://water.epa.gov/learn/training/dwatrainng/index.cfm>

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