

ORIGINAL

| Commissioner | Yes | No | Not Participating |
|--------------|-----|----|-------------------|
| Zay | √ | | |
| Deig | √ | | |
| Swinger | | | √ |
| Veleta | √ | | |
| Ziegner | | | √ |

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**IN THE MATTER OF THE PETITION OF THE)
CITY OF MISHAWAKA, INDIANA, FOR)
APPROVAL OF A REGULATORY ORDINANCE) CAUSE NO. 46221
ESTABLISHING A SERVICE TERRITORY FOR)
THE CITY’S MUNICIPAL WATER AND SEWER) APPROVED: APR 22 2026
SYSTEM PURSUANT TO IND. CODE CH. § 8-1.5-6)**

ORDER OF THE COMMISSION

Presiding Officers:

David E. Veleta, Commissioner

Sean Gorman, Administrative Law Judge

On April 16, 2025, the City of Mishawaka, Indiana (“Mishawaka” or “City”) filed a verified petition (“Petition”) with the Indiana Utility Regulatory Commission (“Commission”) requesting approval of a water and wastewater regulatory ordinance under Ind. Code ch. 8-1.5-6. Mishawaka contemporaneously prefiled the direct testimony and exhibits of Kenneth B. Prince, Executive Director of Planning and Community Development for Mishawaka and President of the Mishawaka Utilities Utility Board for Mishawaka.

On April 29, 2025, the St. Joseph Regional Water and Sewer District (“District”) filed its petition to intervene. Granger Water Utility, LLC (“Granger Water”) filed its petition to intervene on May 9, 2025. The Commission granted these petitions on May 13, 2025 and May 20, 2025, respectively.

On June 4, 2025, St. Joseph County, Indiana, through its Board of Commissioners (“County”) filed its petition to intervene, which the Presiding Officers granted on June 13, 2025.

On October 29, 2025, Mishawaka filed a Stipulation and Settlement Agreement entered into by Mishawaka, District, and County (collectively, “Settling Parties”). On October 31, 2025, the County prefiled the settlement testimony and exhibits of William S. Schalliol, the County’s Executive Director of Economic Development; on the same day Mishawaka prefiled Mr. Prince’s settlement testimony.

On November 17, 2025, Granger Water prefiled the direct testimony of J. Patrick Matthews, the Manager of Granger Water. Also on November 17, 2025, the Indiana Office of Utility Consumer Counselor (“OUCC”) prefiled the direct testimony of James T. Parks, Senior Utility Analyst in the OUCC’s Water/Wastewater Division.

On November 21, 2025, the County prefiled Mr. Schalliol’s settlement rebuttal testimony and Mishawaka prefiled Mr. Prince’s settlement rebuttal testimony.

On December 9, 2025, Mishawaka late-filed Mr. Prince's supplemental testimony.

The Commission conducted an evidentiary hearing in this Cause on December 15, 2025, at 9:30 a.m. in Hearing Room 222, 101 West Washington Street, Indianapolis, Indiana. Mishawaka, the County, the District, Granger Water, and the OUCC, each by counsel, attended this hearing, during which their respective exhibits were admitted into the record without objection.

Based upon the applicable law and the evidence herein, the Commission now finds:

1. **Statutory Notice and Commission Jurisdiction.** Notice of the hearing in this Cause was given and published as required by law. Mishawaka owns and operates a municipal utility as that term is defined in Ind. Code § 8-1.5-6-1. Under Ind. Code §§ 8-1.5-6-6 and -9, the Commission has jurisdiction to approve a municipality's regulatory ordinance. Therefore, the Commission has jurisdiction over Mishawaka and the subject matter of this proceeding.

2. **Petitioner's Characteristics.** Mishawaka is a municipality located in St. Joseph County, Indiana. Mishawaka owns and operates municipal water and wastewater utilities, which provide wastewater utility service to the public inside its corporate limits and to certain customers outside its corporate boundaries.

3. **Petitioner's Requested Relief.** Mishawaka requests approval of a regulatory ordinance, specifically its Ordinance 2025-08 ("Regulatory Ordinance"), as modified under the Stipulation and Settlement Agreement. The Regulatory Ordinance states Mishawaka's intention to be the exclusive provider of water and wastewater service to areas within four miles of Mishawaka's corporate boundaries as initially depicted in Attachment A to Petitioner's Exhibit 1. ("Proposed Service Area"). During the pendency of this Cause, Petitioner modified its Proposed Service Area to reflect the terms of the Stipulation and Settlement Agreement. Exhibit A to the Stipulation and Settlement Agreement is a map depicting Petitioner's amended wastewater service territory. Exhibit B to the Stipulation and Settlement Agreement is a map depicting Petitioner's amended water service territory (together, "Amended Regulatory Territory").

4. **Summary of the Evidence.**

A. **Mishawaka's Direct Evidence.** Kenneth B. Prince stated that he has been a member of Mishawaka's Board of Public Works and Utility Board since 2005 and has served as its President since 2017. Mr. Prince described Mishawaka's water service utility. Mr. Prince explained that in 2003, Mishawaka and the County adopted an amendment to the comprehensive plan designating Mishawaka Utilities as the provider of public water and sewer services to the Capital Avenue area (the "Comprehensive Plan Amendment"). Mr. Prince sponsored a map depicting the Comprehensive Plan Amendment boundaries and the proposed location of a proposed data center facility near Capital Avenue. The map displays the Capital Avenue area as entirely within the Proposed Service Area for which Mishawaka seeks Commission approval to obtain exclusive service rights.

Mr. Prince explained that Mishawaka recently completed \$40 million of capital water investments resulting from the Comprehensive Plan Amendment. These investments included the new Juday Creek wellfield and filtration plant, created to serve the needs of existing customers and future public water growth with projects of the proposed data center's scale in mind. Mr. Prince testified that, over the past year, Mishawaka engaged in good-faith discussions with County economic development officials and representatives from Microsoft to provide reliable, high-capacity water and sewer service to the proposed data center consistent with the Comprehensive Plan Amendment. Mr. Prince stated that these efforts built on Mishawaka's strategic investments in utility infrastructure positioning the City as a capable partner in attracting major economic projects to the region.

Mr. Prince testified that despite Mishawaka's involvement in discussions with the County and Microsoft to provide water and sewer service to the proposed data center over the past year, Mishawaka then learned that the District intended to serve the data center instead. Mr. Prince described this approach as contrary to the 2003 Comprehensive Plan Amendment, inconsistent with Mishawaka's extensive prior investments and infrastructure extensions to the area, and impractical due to the County's absence of existing facilities to meet the site's demands. Mr. Prince stated that Mishawaka therefore seeks Commission approval of Ordinance 2025-08 to establish itself as the exclusive water and wastewater service provider.

Mr. Prince testified that Mishawaka began providing wastewater service shortly after establishing the Mishawaka Public Utility Company in 1903 to provide water service to its citizens. He stated that, as of April 17, 2025, Mishawaka Utilities serves 16,626 residential, commercial, and industrial wastewater customers consisting of 15,594 inside the city limits and the remaining 1,032 outside. Mr. Prince further noted that Mishawaka primarily serves residential customers, with only 2,129 commercial/industrial customers. He testified that the water and wastewater utilities, combined, operate facilities both inside and outside city boundaries, serving approximately 60,000 people through 375 miles of storm sewer, sanitary sewer, and force main systems. Further, Mishawaka operates a sewage treatment plant originally built in 1952 and expanded multiple times, with a design average capacity of 20 million gallons per day ("MGD"), a peak capacity of 42 MGD, and current daily average of 8.7 MGD.

Mr. Prince also testified that, as of April 17, 2025, Mishawaka's water utility served a total of 17,750 residential, commercial, and industrial customers with 15,688 inside existing city limits and 2,026 outside. Mr. Prince further noted that all current customers outside city limits are within the Proposed Service Area. He stated that Mishawaka has 15,552 residential water customers and 2,198 commercial/industrial customers and the water distribution system consists of approximately 325.6 miles of water main lines. Mr. Prince stated that water is sourced from groundwater through 28 wells feeding four treatment facilities that tap the St. Joseph County aquifer. He testified that the plants include Juday Creek built in 2024, Division Street built in 2001, Gumwood built in 1990 and scheduled for retirement in 2026, and Virgil Street built in 1928. He testified that, combined, these plants have a designed treatment capacity of 39 MGD.

Mr. Prince testified that based on his background, experience, and knowledge of Mishawaka's water and wastewater systems, he believes Mishawaka is fully able to serve the Proposed Service Area. He further testified that his longstanding experience has made him very

familiar with key personnel who will maintain and manage water and wastewater facilities and emphasized that the staff has the technical and managerial capability to operate and maintain the required facilities. He stated that he believes Mishawaka can provide safe, efficient, and cost-effective service to the area.

Mr. Prince testified that because Mishawaka is a municipal utility operated on a not-for-profit basis, Mishawaka charges only what is needed to maintain the system and address future needs. He stated that the utility maintains cash balances consistent with standard accounting practices and evaluates rate adjustments as reserves are depleted. He provided that for 2025, Mishawaka's water utility has budgeted revenue of \$15,887,649 with estimated expenses of \$14,999,211 and holds a cash position of \$12,214,681 as of April 17, 2025. Further, Mr. Prince testified that sewer maintenance expenses for 2025 are budgeted at \$2,148,029. Mr. Prince also noted that Mishawaka's wastewater division budget for 2025 is \$21,531,993, the 2025 estimated revenue for sewer maintenance and wastewater is \$24,688,322, and that the wastewater division has a cash position of \$13,365,830 as of April 17, 2025. Mr. Prince testified that Mishawaka has relied on multiple funding sources beyond rates to support expansion and improvements including the State Revolving Loans Funds, Tax Increment Financing, and developer driven expansions. He also testified that Mishawaka possesses a diversified customer base and the financial ability to expand over time to provide water and wastewater service to the Proposed Service Area. Mr. Prince stated that the area represents a logical extension of Mishawaka's existing infrastructure, serving customers in and around the area and aligning with the Comprehensive Plan Amendment.

Mr. Prince explained that in 2014, the City passed Ordinance 5437 ("2014 Ordinance") designating an exclusive service territory outside its boundaries nearly identical to the Proposed Service Area. However, the City did not request Commission approval of the 2014 Ordinance. On April 14, 2025, the City reaffirmed and amended the 2014 Ordinance through Ordinance 2025-08, for which the City seeks Commission approval in this proceeding. He testified that Ordinance 2025-08 updates the 2014 Ordinance and more clearly identifies the Proposed Service Area boundaries on the east side to clarify that the Proposed Service Area does not extend beyond St. Joseph County. Mr. Prince noted the capital investments Mishawaka has made since 2014 to build capacity for this area. He further emphasized that Mishawaka has decades of experience operating and maintaining extensive water and wastewater facilities to serve customers in and around the Proposed Service Area.

Mr. Prince testified that Mishawaka has sufficient funds to replace infrastructure and maintain compliance with state and federal requirements. He stated that extensions into underserved areas of the Proposed Service Area will be market and development driven, with policies adopted for future requests. To protect ratepayers, the City does not fund main extensions with ratepayer money based on speculative development or connections.

Mr. Prince testified to growth within Mishawaka's corporate boundaries, noting historical expansion through annexations with accompanying water and wastewater services. He stated that, as of April 17, 2025, Mishawaka spans 18.56 square miles. Since 1980, annexations have added 5.47 square miles with services extended as development occurred. Mr. Prince testified that the 2024 building permits totaled \$148.8 million in estimated costs, below 2023's \$172 million record but above the ten-year average of \$115.8 million. He stated that, since 2023, building permits have

been issued for nearly 700 new housing units. Late 2024 approvals include a 234-unit senior housing and \$5.7 million award to fund construction of a brewery renovation with 100 new apartment units. Mr. Prince also testified that Mishawaka is projected to add 1,300 new housing units between 2023 and 2025, a 5% growth in city housing. He noted a decades-long pattern of industrial growth trialing commercial and residential.

Mr. Prince testified that Mishawaka benefits from its central South Bend/Elkhart location and strategic investments promoting development: downtown revitalization, infrastructure to Toll Road Exit 83, medical hub, and the Mishawaka Fieldhouse located along Veteran's Parkway. He stated that private commercial investment remains steady, and 2025 investments and construction are expected to continue aligning within the ten-year average. Mr. Prince explained that significant portions of the Proposed Service Area currently lack Mishawaka's water and sewer lines, and that incremental improvements are planned to capture growth and extend services within.

Mr. Prince discussed potential customers in the Proposed Service Area expansion, noting that much of it currently relies on private wells and septic systems. He noted that public water and sewer availability is expected to enable significantly higher-density growth than in unincorporated St. Joseph County areas historically served by wells and septic. For scale, the City has recently added 50-75 developable acres annually.

Mr. Prince highlighted the 2024 rezoning of approximately 900 acres in unincorporated St. Joseph County for a potential data center in the Proposed Service Area. Mr. Prince confirmed Mishawaka's capacity to serve the area with water and sewer facilities within 3.5 miles and developer-funded extensions costing over \$10 million. He said that, per the Comprehensive Plan Amendment, Mishawaka acquired rights-of-way to extend sewer along the Capital Avenue corridor currently ending approximately 1.5 miles from the proposed data center site. Mr. Prince testified that Microsoft subsequently purchased the rezoned property, potentially bringing billions in investment, over 300 jobs, massive power needs, and high-water demand for cooling.

Mr. Prince testified that Mishawaka's completion of the Juday Creek wellfield projection currently produces 8.2 MGD and is expandable to 12.5 MGD with two additional wells. He noted that last year's peak flow for the northern city portion was 2 MGD, leaving 6.2 MGD available for the Proposed Service Area. Mr. Prince stated that the 8.2 MGD capacity was built specifically to serve expansion areas including the Capital Avenue corridor for the proposed data center. He explained that the additional expandable capacity was planned to address potential further needs in existing unincorporated subdivisions within the Proposed Service Area due to water quality concerns.

Mr. Prince explained that, due to the data center's isolated location, the developer would need to fund major water and sewer line extensions, investments commensurate with the project's scale. He noted Mishawaka's preliminary estimate that the data center may require a peak of 1 MGD and that the Juday Creek wellfield has the capacity to serve both the data center and surrounding undeveloped areas once extensions are made. Mr. Prince stated that the Town of Osceola has repeatedly inquired about connecting areas with failing septic systems to Mishawaka's sewer, but has not pursued it due to costs; Mishawaka has the capacity and ability to provide service if desired.

Mr. Prince explained how Mishawaka selected the Proposed Service Area boundaries, which largely align with the 2014 Ordinance designating an exclusive four-mile radius service territory around municipal boundaries. The area thus includes regions where Mishawaka has existing infrastructure or sufficient capacity to extend water and wastewater services. Mr. Prince testified that it encompasses the Town of Osceola but excludes areas currently served by Granger Water or the District. He stated that inclusion of significant unserved areas supports long-term utility planning and investment.

Mr. Prince testified that, based on his experience, Mishawaka can provide reasonably adequate water and wastewater service to the Proposed Service Area with significant capacity available and no need to expand the treatment facility or modify effluent limits. The Juday Creek Wellfield operated at 25% capacity, was designed for future growth, and offers system-wide water capacity. He explained that Mishawaka continues sewer separation improvements for regulatory compliance while accommodating growth, with capacity in both collection and treatment systems. Mr. Prince acknowledged some long-developed areas in the Proposed Service Area that are reliant on septic and wells may not be financially feasible to serve currently, with water extensions more likely than sewer due to predominant water quality issues. He noted that the Juday Creek plant's expandable capacity to 12.5 MGD was deferred pending confirmed need. Mr. Prince explained that Mishawaka's routine engineering assessments confirm existing production and treatment capacity sufficient for decades of growth into unserved areas. He noted that space for potential plant expansion exists but is not planned. Mr. Prince explained that Mishawaka's system historically included combined sewer overflows and that ongoing separation projects are preferred over plant expansion for economic and environmental reasons. He testified that, over the past 20 years, these projects reduced dry weather flow over 12 MGD to under 9 MGD despite development growth, with further reductions possible through continued regulatory compliance efforts.

Mr. Prince discussed other providers' ability to serve the Proposed Service Area, stating that no other utilities currently serve it except the District and Granger Water. He described a conversation with the County's Economic Development Director indicating that the District is considering acquiring Granger Water, who has received significant county tax incentives but has continually faced approval and compliance issues. Mr. Prince referenced the OUCC's review in the Commission's Cause No. 45568, noting that Granger Water's cost-benefit analysis omitted key life-cycle factors including substantial operation, maintenance, customer interaction, and plant expansion cost; and Granger Water's lack of full-time staff, trucks, and equipment. He stated that the Commission's conditional order approving Granger Water's limited water service, combined with these issues, confirms Granger Water lacks capacity to serve beyond the small subdivisions in its petition to the Commission.

Mr. Prince testified that Granger Water currently provides water to approximately 30 homes in a small subdivision within the Proposed Service Area. He stated that Mishawaka agrees with the OUCC's technical suggestion that Granger Water's infrastructure should eventually be abandoned and connected to Mishawaka's system. Mr. Prince stated that he believes that Granger Water's service authority is questionable due to apparent noncompliance with the Commission's April 13, 2022 Order in Cause No. 45568, and he opines that it lacks adequate facilities or the financial, technical, and managerial ability to serve beyond its subdivision. He also stated that the District only has wastewater collection lines and a lift station, lacking infrastructure to provide

additional service in the area. Further, Mr. Prince noted that no other nearby utilities, including South Bend and Elkhart, have plans to serve the Proposed Service Area and that their geographic positions make cost-effective service unlikely.

Mr. Prince testified that no other utility can presently, quickly, sustainably, comprehensively, or cost-effectively serve the area as Mishawaka can. He stated that allowing the District to include the Microsoft property harms Mishawaka ratepayers given decades of infrastructure investment via joint custody planning under the Comprehensive Plan Amendment. Further, it would allow the cherry-picking of large users, create redundant capacity and regional isolation, set a precedent for competing utilities along Capital Avenue, and burden non-Microsoft Granger Water customers in an undiversified system. Noting Mishawaka's 2012 withdrawal from Commission jurisdiction, Mr. Prince explained that the Proposed Service Area customers would pay the same Common Council-approved rates as existing customers, with potential special contracts for mega-load users.

Mr. Prince confirmed that Mishawaka has no contracts for utility service in the Proposed Service Area with any other municipalities, municipal utilities, or utilities.

Mr. Prince testified that the Regulatory Ordinance would positively impact present and future economic development. He stated that the data center project will bring substantial community investment and significant water consumption. Mr. Prince testified that Mishawaka has already planned, designed, permitted, and built water and wastewater facilities currently in use that can be readily extended to serve this project. Mr. Prince testified that Mishawaka seeks Commission approval of its Regulatory Ordinance to protect these investments. Without such protection, Mr. Prince stated that multiple utilities could build duplicative facilities, leading to confusion for property owners and developers, substandard or underutilized infrastructure, and higher rates for regional users.

B. Mishawaka's Settlement Evidence. The Stipulation and Settlement Agreement provides that the territory covered by Mishawaka's Regulatory Ordinance will be amended to reflect the exclusive sewer territory depicted in the Stipulation and Settlement Agreement's Exhibit A, including an area to be served jointly by Mishawaka and the District ("Joint Participation Area") as indicated by a blue crosshatch, and the exclusive water service area as depicted in the Stipulation and Settlement Agreement's Exhibit B. In the Joint Participation Area, the Stipulation and Settlement Agreement provides that Mishawaka will have the prioritized and non-exclusive right to provide sewer service except where the parties cooperatively determine there are more practical solutions for the District to provide sewer services in partnership with other providers, such as the City of South Bend. In exchange for the County's consent to the exclusive territory for both water and sewer, the Stipulation and Settlement Agreement provides that upon request of the County, the City will provide water and sewer service to projects supported by the County within the County's economic development areas located within the City's exclusive water and sewer service areas. The Stipulation and Settlement Agreement provides that the City will not unreasonably deny County requests for water or sewer service within a defined area shown on the map attached as Stipulation and Settlement Agreement Exhibit C or within any future, additional economic development areas mutually agreed to by both the County and City. Should the City elect to not provide the requested water or sewer in the City's exclusive water and

sewer service territory, the Stipulation and Settlement Agreement provides that the County may seek utility service from other utility providers including but not limited to the District, and the City will take all action necessary, including relinquishing its service area or providing a consent to serve to another utility provider, to allow such other utility provider to provide utility service. The Stipulation and Settlement Agreement provides that the County and the City will work together as the City annexes property within the Capital Avenue economic development area, or within any future, additional economic development areas mutually agreed to by both the County and City, to ensure that the annexation does not adversely affect the County's ability to service debt payable from tax increment financing. The Stipulation and Settlement Agreement requires that upon Commission approval of the Stipulation and Settlement Agreement, the Settling Parties will act in accordance with their Memorandum of Understanding ("MOU") governing the arrangement for economic development, financing, the provision of sewer capacity to the District, and deployment considerations to achieve the coordinated and regionalized offering of water and sewer in the area, including but not limited to the potential siting of a large user in the Capital Avenue corridor.

Mr. Prince testified that the Stipulation and Settlement Agreement resolves all issues between Mishawaka, the County, and the District regarding their intervention in this Cause, subject to Commission incorporation into a final order without unacceptable modifications or conditions. He stated that the Stipulation and Settlement Agreement provides that the County and District do not oppose Mishawaka's requested relief, subject to the Stipulation and Settlement Agreement's conditions, and reflects the parties' mutual view that it is a fair, just, and reasonable resolution without prejudice to future proceedings. Mr. Prince noted the other primary elements of the Stipulation and Settlement Agreement include amendments to the Regulatory Ordinance, the Settling Parties' MOU, and standard stipulation terms.

Mr. Prince described the Stipulation and Settlement Agreement's requirements for amending the Regulatory Ordinance to align water and sewer service areas with maps in the Stipulation and Settlement Agreement's Exhibits A and B depicting the Amended Regulatory Territory. He stated that the Amended Regulatory Territory shifts the southern boundary from inside Madison Township to the Penn/Madison Township line. The exclusive wastewater territory was further adjusted to accommodate District expansion and designate an area to be served jointly by Mishawaka and the District as the Joint Participation Area.

Mr. Prince explained the rationale for reducing Mishawaka's water service territory: the Regulatory Ordinance originally made Mishawaka the exclusive water provider for Woodland in Madison Township, but the District raised concerns that wastewater service there could be more cost-effective by the District or another provider due to location. The District requested shifting the boundary to the Penn/Madison Township line, and Mishawaka agreed to amend the Regulatory Ordinance accordingly. Mr. Prince explained that no other changes to the water service territory were required by the Stipulation and Settlement Agreement. Mr. Prince explained that the original Regulatory Ordinance inadvertently overlapped with part of the District's wastewater service territory because Mishawaka relied on outdated information from the County's website, unaware of the District's post-adoption expansion of the Granger Water collection system. Accordingly, Mishawaka agreed to remove the overlapping area from its exclusive wastewater service territory.

Mr. Prince testified regarding the Stipulation and Settlement Agreement's terms for the Joint Participation Area, marked as Exhibit A to the Stipulation and Settlement Agreement. The Settling Parties agreed that Mishawaka shall have a prioritized, non-exclusive right to provide sewer service there, except where the parties cooperatively determine more practical solutions exist for the District to provide service. Mr. Prince explained that the Joint Participation Area was designated because sufficient studies have not yet determined the optimal provider. He stated that the area is largely developed with single-family homes on septic and wells, with the likely marginal demand for municipal sewer making standard large-scale planning impractical. Mr. Prince testified that if the Stipulation and Settlement Agreement is approved, Mishawaka will amend its Regulatory Ordinance to reflect its prioritized role while preserving flexibility for cooperative solutions.

Mr. Prince discussed the Stipulation and Settlement Agreement's reference to a MOU requiring the Settling Parties to follow it for economic development, financing, provision of sewer capacity to the District, and coordinated regional water/sewer deployment including large users in the Capital Avenue corridor. Mr. Prince stated that the MOU details were omitted from the Stipulation and Settlement Agreement as they exceed the Commission's public interest factors under Ind. Code §§ 8-1-1.5-6-9(g) and 8-1.5-6-8(g). He said that the Settling Parties are finalizing the MOU, and committed to file the executed version in this Cause before the evidentiary hearing.

Mr. Prince noted that the Stipulation and Settlement Agreement provides that the Settling Parties shall not cite the Stipulation and Settlement Agreement or the Commission order approving it as precedent. He explained that the Settling Parties also agreed that neither party shall treat the Stipulation and Settlement Agreement or agreed order as an admission by the other, except as needed to enforce its terms before the Commission or a court of competent jurisdiction.

Mr. Prince discussed the negotiation process for the Stipulation and Settlement Agreement, stating that the Settling Parties, through counsel, engaged in extensive arm's-length discussions on utility service in the area covered by the Regulatory Ordinance, including potential service to a proposed data center. The Settling Parties exchanged multiple proposals, culminating in the Stipulation and Settlement Agreement addressing each entity's respective interests and concerns.

Mr. Prince testified that the Stipulation and Settlement Agreement is in the public interest, as it addresses cost-effective service concerns by modifying the southern boundary of Mishawaka's water and wastewater territories, accommodates the District's expanded territory, and fosters mutual cooperation in the Joint Participation Area. He explained that it supports Mishawaka's ability to serve the Amended Regulatory Territory by leveraging Mishawaka's technical/managerial experience, financial strength, and existing infrastructure. Mr. Prince testified that the Stipulation and Settlement Agreement excludes Granger Water; the Amended Regulated Territory preserves the Commission-approved area for Granger Water without altering the status quo. He stated that Mishawaka remains open to future discussions with Granger Water on a regional solution once infrastructure is funded and details can be negotiated. Mr. Prince further testified that the Stipulation and Settlement Agreement positively affects customers' rates and charges in the Amended Regulatory Territory by enabling extension of the rate benefits described in his direct testimony.

Mr. Prince also testified that the Stipulation and Settlement Agreement will positively impact present and future economic development in the Amended Regulatory Territory by fostering cooperation among the Settling Parties. He stated that the agreement reflects extensive cooperation, potentially enabling the data center to benefit all parties while advancing coordinated regional economic efforts. Mr. Prince testified that the Stipulation and Settlement Agreement promotes ongoing cooperation by resolving disputes in a mutually acceptable manner, provides certainty for long-term infrastructure planning, avoids duplicative facilities, and minimizes stranded assets. He further testified that the Stipulation and Settlement Agreement aligns with the historical utility service in the Amended Regulatory Territory. He stated that the sewer and water territories are consistent with the Comprehensive Plan Amendment and fundamentally align with the 2014 Ordinance designating exclusive territories. The Amended Regulatory Territory reflects Mishawaka's current service to existing customers and preserves regional service agreements.

Mr. Prince concluded by stating that the Stipulation and Settlement Agreement represents the Settling Parties' mutual resolution of various disagreements. He testified that it promotes economic development, will positively affect rates and charges, and aligns with the historical utility service in the area. Mr. Prince explained that the Stipulation and Settlement Agreement exemplifies the parties' successful past collaborations and urged the Commission to support their continued cooperative efforts.

C. County's Settlement Evidence. William Schalliol testified for the County in support of the Stipulation and Settlement Agreement. He stated that the Settling Parties obtained necessary approvals at public meetings on October 28, 2025, and requested the Commission to find the Stipulation and Settlement Agreement reasonable and approve it without modifications or conditions. Mr. Schalliol noted that if the Commission does not approve the Stipulation and Settlement Agreement in its entirety, any Settling Party may notify the others within 15 days of the final order that the modifications are unacceptable, rendering the Stipulation and Settlement Agreement null, void, and withdrawn. He testified that in such a case, the Settling Parties request that the Commission schedule an attorneys' conference to set a procedural schedule for continued litigation.

Mr. Schalliol explained that the initial settlement discussions included the City, County, District, and Granger Water. He stated that the Settling Parties concluded that acquiring Granger Water is not currently in the best interest of the City, County, or District for service provision. Accordingly, Mr. Schalliol testified that the City, County, and District proceeded with discussions without Granger Water, resulting in the Stipulation and Settlement Agreement.

Mr. Schalliol also summarized the Stipulation and Settlement Agreement's key provisions: it amends the Regulatory Ordinance by establishing an exclusive service territory for Mishawaka's water and wastewater utilities within corporate boundaries and a regulated territory beyond them. For wastewater service, it excludes areas for District service and creates a Joint Participation Area where Mishawaka has prioritized but non-exclusive rights, except for agreed practical District alternatives. For water, it incorporates areas previously District-marked, resulting in the Amended Regulatory Territory. Mr. Schalliol testified that the Stipulation and Settlement Agreement includes an agreement whereby Mishawaka will relinquish its exclusive service area or consent to another utility serving if it refuses to provide water and sewer service in areas shown on Stipulation

and Settlement Agreement Exhibit C or within the County's existing and future economic development areas and Tax Increment Financing districts.

Mr. Schalliol testified that the Stipulation and Settlement Agreement is reasonable and in the public interest, resulting from good-faith negotiations beneficial to the parties and the customers. He explained that it enables collaboration to provide countywide water and wastewater services. Mr. Schalliol also stated that most of the Amended Regulated Territory relies on septic and wells, risking future public health crises. He explained that the Stipulation and Settlement Agreement allows alternative providers in County economic development areas if Mishawaka cannot serve reasonably, reducing health risks.

Mr. Schalliol testified that the Stipulation and Settlement Agreement allows the District to continue and expand wastewater service in its Granger Water sub-district and other Granger Water areas, while enabling Mishawaka to extend service in the Amended Regulated Territory, facilitating economic development in underserved parts of St. Joseph County. He noted that the Settling Parties are finalizing a MOU to detail collaborative efforts on economic development, infrastructure financing, additional wastewater capacity from the City to the District, and coordinated regional water and wastewater deployment. Mr. Schalliol explained that the Settling Parties agree the Stipulation and Settlement Agreement ensures service by the best-positioned entity in each area of the Regulatory Territory. He stated that it also preserves existing service by the District in the Granger Water area, allows District wastewater expansion there, and provides cooperative determination for unserved units in the Joint Participation Area. Mr. Schalliol further explained that the Settling Parties concur that Mishawaka is best suited to serve the Amended Regulatory Territory, supporting approval of the Regulatory Ordinance as modified by the Stipulation.

Mr. Schalliol testified on the effect of a Commission order on rates in the Amended Regulatory Territory, explaining that, per Mr. Prince's testimony, customers would pay Mishawaka's existing rates with large-load customers subject to special contracts. He explained that these rates are the same for current City customers and agreed by the Settling Parties to be just and reasonable. He stated that approval of the modified Regulatory Ordinance promotes economic development. He testified that the Stipulation and Settlement Agreement provides developers certainty on providers, encouraging development. Mr. Schalliol noted that most of the Amended Regulated Territory is undeveloped, underserved by utilities, reliant on septic and wells, with no historical provider in the area. He discussed the Stipulation and Settlement Agreement's preservation of existing District wastewater and Granger Water's water service, allowance of wastewater expansion, and enabling Mishawaka service to unserved areas. Finally, Mr. Schalliol cited Ind. Code § 8-1.5-6-10's preference for mutual agreements resolving territory disputes if in the public interest; as the Stipulation and Settlement Agreement meets this standard, he believes it should be viewed favorably.

Mr. Schalliol concluded by stating that the County recommends the Commission approve the Stipulation and Settlement Agreement in its entirety, order Mishawaka to amend the Regulatory Ordinance to reflect the Amended Regulated Territory as depicted in the Stipulation and Settlement Agreement Exhibits A and B, and grant the City's requested relief subject to the Stipulation and Settlement Agreement's terms and conditions.

D. OUCC's Evidence. OUCC's Senior Utility Analyst James Parks testified regarding this Cause and the Stipulation and Settlement Agreement. Mr. Parks explained that, after review of the testimony, attachments, and Stipulation and Settlement Agreement, Mishawaka appears to have met the criteria for establishment of exclusive water and wastewater services outside its corporate boundaries as amended by the Stipulation and Settlement Agreement.

Mr. Parks testified that he inspected Granger Water's wells and treatment facility, two District lift stations in the Granger Water wastewater sub-district, Mishawaka's Juday Creek wellfield and treatment plant, and the Gumwood elevated storage tank. He explained that he reviewed maps of the Amended Regulatory Territory, details of the planned data center, and information on data center water and wastewater demands. Mr. Parks also reviewed meeting minutes from Mishawaka's Waterworks Board, the District, and other county entities. He reviewed Indiana Department of Environmental Management ("IDEM") records for Mishawaka's water and wastewater systems, Granger Water's system, and the District's formation and expansion documents. Mr. Parks also reviewed data requests, responses, exchanges between Petitioner and Intervenor, and Granger Water's annual reports to the Commission. Mr. Parks clarified that the scope of his testimony is limited to the items addressed.

Mr. Parks testified that Mishawaka is allowed under Ind. Code § 36-9-2-18 to provide water and wastewater services within four miles outside its corporate boundaries. He testified that Mishawaka seeks to be the exclusive water and wastewater service provider to the Amended Regulatory Territory. Mr. Parks explained that the original Proposed Service Area was reduced under the terms of the Settling Parties' Stipulation and Settlement Agreement. He explained that Mishawaka has chosen to be constrained in settlement as follows: on the north by the Indiana/Michigan state line and generally by the Indiana Toll Road with a Joint Participation area in a portion of Clay Township and eastern Harris Township; on the east by the St. Joseph County line with Elkhart County; on the south by Layton Road; and on the west by South Bend and Mishawaka's informal boundaries in unincorporated areas. Mr. Parks explained that, in the Stipulation and Settlement Agreement, Mishawaka excluded portions of Clay and Harris Townships north of Mishawaka which reduced the total area. He stated that Mishawaka agreed to amend the Regulatory Ordinance once approved by the Commission.

Mr. Parks described Mishawaka's water utility consistent with Mr. Prince's testimony. He noted that the Great Lakes compact prohibits diversions of water outside the Great Lakes basin with limited exceptions. He stated that original proposed service territories included Madison Township outside the Great Lakes basin, potentially requiring diversion approval for water supply and mandatory wastewater return to the basin. Mr. Parks explained that the Amended Regulatory Territory remains fully within the basin by stopping at Layton Road. He explained that this amendment appeared to be at the request of the District and not because of the Great Lakes Compact considerations.

Mr. Parks described Mishawaka's wastewater utility as described in Mr. Prince's testimony and as generally described in National Pollution Discharge Elimination System Permit No. IN0025640. He explained that Mishawaka's wastewater treatment plant currently operates as a Class IV conventional activated sludge facility and includes screening, grit removal, primary clarification, chlorination/dichlorination, and post-aeration. Mr. Prince stated that the sludge

processing involves gravity belt thickening, anaerobic digestion, belt press dewatering, and land application. He noted that the collection system is 25% combined sewer with permitted Combined Sewer Overflow locations. Mr. Parks explained the mass limits for CBOD5, TSS, ammonia-nitrogen are based on a 42 MGD peak design flow in order to maximize treatment in accordance with the OUCC's Combined Sewer Overflow Policy.

Mr. Parks testified that Mishawaka does not need to expand the water treatment plant in order to serve the proposed data center or Amended Regulatory Territory. He explained that Mishawaka's wastewater treatment plant operates below 90% of its 20 MGD design capacity and has not received IDEM Sewer Early Warning letters urging expansion planning. Mr. Parks stated that the facility has sufficient hydraulic and organic capacity to accommodate additional flows from the regulated service territory and the proposed Microsoft data center. He discussed Mishawaka's space on the existing property for potential expansion without current plans to proceed. Mr. Parks also noted Mishawaka's successful sewer separation projects reducing inflows and that ongoing separations should create additional capacity to support growth in the regulated territory. He explained Mishawaka's proposal of five consecutive 3.75% annual wastewater rate increases starting January 1, 2026, using a gradual approach to fund capital projects, maintenance, and regulatory compliance while minimizing ratepayer impact. Mr. Parks also noted the Comprehensive Plan Amendment's designation of Mishawaka Utilities to provide water and sanitary sewer service to the area east of Capital Avenue, the area of the proposed Microsoft data center. He explained that this designation is reaffirmed in the updated 2045 St. Joseph County Comprehensive Plan, supporting regional development through coordinated infrastructure.

Mr. Parks testified that the Amended Regulatory Territory excludes two utilities within four miles of Mishawaka's city limits: Granger Water for water service and the District for wastewater service. He testified that, per Commission directive, Mishawaka notified potentially affected utilities of its Petition and filed confirmation of compliance on May 5, 2025. He also noted that the regulated territories are limited to municipalities, and neither South Bend nor Elkhart has regulatory ordinances for territories outside their corporate boundaries.

Mr. Parks further testified that Mishawaka addressed the factors set forth in Ind. Code § 8-1.5-6-9(b). He also explained that Mishawaka has significant water treatment assets adjacent to the Amended Regulatory Territory and that adding a provider other than Mishawaka would be unnecessarily duplicative. Mr. Parks testified that the rates would remain the same as current Mishawaka customers. To conclude his testimony, Mr. Parks testified that the OUCC is not aware of any facts indicating that Mishawaka did not meet the filing requirements in Ind. Code § 8-1.5-6-9(b), that the City has met all the requirements of Ind. Code § 8-1.5-6, and that the OUCC offers no objections to the Commission's approval of the Settling Parties' Stipulation and Settlement Agreement.

E. Granger Water's Evidence. J. Patrick Matthews testified in opposition to Mishawaka's requested relief, and he asserted that the Commission should reject the Stipulation and Settlement Agreement as not in the public interest. Mr. Matthews testified that Granger Water is Indiana's first investor-owned water utility in about 20 years, created to serve The Hills at St. Joe Farm Subdivision ("The Hills") development after Mishawaka declined to provide service. He explained that The Hills is platted for 229 residential lots with community water, sewer, and fire

protection, plus an option on an adjacent 75-acre parcel for expansion. He stated that Granger Water's current system can support up to 600 units with minor upgrades; infrastructure for sections 1 and 2 is installed, with about 35 homes occupied. Mr. Matthews also acknowledged that Granger Water is not in technical compliance with the Commission's April 13, 2022 Order in Cause No. 45568, as it has not installed meters, established volumetric rates, or completed a life-cycle cost analysis. Despite this, he explains, Granger Water provides reliable water meeting Safe Drinking Water Act standards and is fully compliant with IDEM requirements. Mr. Matthews emphasized that limited capital is being prioritized for human health and safety over full regulatory compliance.

Mr. Matthews testified that the Petition was triggered by Microsoft's consideration of Granger Water and the District for water and sewer service, respectively, for its proposed data center near Granger Water's system. He describes the Stipulation and Settlement Agreement as a bilateral deal between the County and the City with no meaningful negotiation on water territory issues because Mishawaka conceded on sewer and tax increment financing matters. Mr. Matthews noted that the County and the District share counsel in this Cause. He further testified that Paragraph 5 of the Stipulation and Settlement Agreement effectively grants Mishawaka a right of first refusal in the areas shown in Exhibit A and Exhibit B to the Stipulation and Settlement Agreement: If Mishawaka elects to serve an area, it provides water and sewer; if it declines, the County may seek service from other providers and the City must cooperate by relinquishing its service area or granting consent. Mr. Matthews argued this arrangement is not in the public interest and violated the five-year freeze-out provision in Ind. Code § 8-1.5-6-9(e). Even if the Stipulation and Settlement Agreement granted Mishawaka a true monopoly territory as originally sought, he contended that too would not serve the public interest. To protect the public interest, Mr. Matthews stated that any resolution must either involve the acquisition of Granger Water or allow it to grow and expand for continued viability. He contended that the Stipulation and Settlement Agreement achieves neither and should be rejected.

Mr. Matthews testified that the Stipulation and Settlement Agreement would confine Granger Water to its existing service territory with no meaningful opportunity for expansion, forcing all costs and expenses to be borne by its current, relatively small customer base. As a result, he argued, Granger Water would need to raise rates significantly without the ability to spread those costs across a larger, growing customer base.

Mr. Matthews argued that the right of first refusal would prevent Granger Water from serving nearby areas efficiently, even if it were better positioned to do so. He stated that if Mishawaka declines to serve, the County may seek service from other providers, but the language limits this to the County rather than developers, landowners, or customers directly. Mr. Matthews contended that Granger Water would be forced to seek Mishawaka's permission to serve areas the City declined, discouraging oversizing of infrastructure due to uncertainty about future developments. This structure, he argued, risks poor planning, duplicated facilities, inefficient investment, and higher rates for all utilities.

Mr. Matthews testified that granting Mishawaka a right of first refusal, combined with the resulting restrictions on expansion, would doom Granger Water's financial viability and force it to sell at a significant loss unless the City acquires it. He stated that, without growth opportunities to add customers and spread costs, Granger Water would remain unable to comply with

Commission orders or achieve economies of scale. Mr. Matthews testified that the Stipulation and Settlement Agreement is not in the public interest under Ind. Code § 8-1.5-6-8(g), as other utilities are better positioned to serve key areas including the Microsoft data center site. He noted the site is located just across the Indiana Toll Road from Granger Water's system and adjacent to its territory, and that Granger Water could serve it at a lower cost than Mishawaka with identified upgrades.

Mr. Matthews testified that Granger Water is better positioned to economically serve many areas near its current territory, including the Microsoft data center, as well as regions to the north, east, and likely west of its existing service area. He noted that Mishawaka's proposed water service territory extends all the way to the County border, with only a small exception in the extreme northeast corner. Mr. Matthews argued that utilities outside the County could be better situated to serve parts of the Amended Regulatory Territory. He emphasized that evaluating service options should not be limited to St. Joseph County, alone, as other entities already provide service in parts of the County.

Mr. Matthews argued that the Stipulation and Settlement Agreement's right of first refusal structure incentivizes Mishawaka to cherry-pick low-cost, high-revenue areas while leaving higher-cost or lower-density areas to others, leading to fragmented service, duplicated facilities, lost economies of scale, and ultimately higher rates for customers. He cited Mishawaka's past refusal to serve The Hills as evidence of this risk. In contrast, he stated that allowing Granger Water to grow, particularly by serving the Microsoft data center, would enable it to moderate its currently higher rates and become more competitive. Mr. Matthews presented cost estimates showing Granger Water could connect to the Microsoft data center for \$20.9 million versus Mishawaka's \$33.19 million, demonstrating Granger Water's cost effectiveness. He testified that the Commission should reject the Stipulation and Settlement Agreement, allow competition to determine service, and only approve a regulated territory for Mishawaka if it based on a clear plan of showing cost-of-service superiority.

Mr. Matthews testified that the Stipulation and Settlement Agreement would hinder economic development by introducing uncertainty, delay, and fragmentation through Mishawaka's right-of-first-refusal structure, leading to selective cherry-picking of high-tax-yield areas while neglecting lower-margin or infrastructure-incentive sites. He emphasized that economic development requires timely, predictable, and fairly priced access to utilities, particularly portable water, and that Mishawaka's approach risks creating a patchwork network, stranding some areas and increasing costs. Mr. Matthews pointed to Mishawaka's history of declining service and its policy of requiring annexation potential and paired water/sewer service, which he said deters development near the City's borders. He also noted that Mishawaka lacks a comprehensive master plan for the Proposed Regulatory Territory, currently possessing only a preliminary report covering a limited portion which raises concerns about its ability to provide service at a reasonable cost.

Mr. Matthews also testified that the history of the utility service in the Proposed Regulatory Territory shows Mishawaka's reluctance to serve, as evidenced by its refusal to provide water to The Hills and its ongoing denial of sewer service to a current project despite having sewer lines on the property line. He stated that Granger Water was created only because Mishawaka declined

to serve, and the City's failure to oppose Granger Water's establishment in Cause. No 45568 further proves it lacks genuine interest in broad service. Mr. Matthews contended that Mishawaka's true motive is to secure the tax revenue from the Microsoft data center rather than provide cost-effective utility service, noting that Microsoft considered alternatives from Granger Water and the District instead of committing to Mishawaka. He testified that Mishawaka's selective service approach under the right-of-first refusal structure will perpetuate this pattern, leaving most customers underserved.

Mr. Matthews urged the Commission to consider additional factors: inefficient utility planning, duplication of infrastructure, the lack of any service plan for the Proposed Regulatory Territory, the civil penalty provisions in the Regulatory Ordinance, and the ordinance's highly anti-competitive effect that would devalue Granger Water. He stated that the Stipulation and Settlement Agreement's right-of-first refusal structure would lead to duplication of facilities and inefficient infrastructure development, as other providers may under-invest due to uncertainty or over-invest in anticipation of full area service, only to face oversizing or redundancy when Mishawaka later elects to serve lucrative areas. Mr. Matthews reiterated that Mishawaka lacks a master plan for serving the territory, making it impossible to size infrastructure properly, and predicted that this uncertainty would drive up per-customer costs and ultimately result in higher rates for customers.

Mr. Matthews also criticized the large size of the Proposed Regulatory Territory, which he estimated is at least twice the area of Mishawaka's current water service limits, effectively granting exclusive rights over potentially centuries of future development to a utility with no master plan or demonstrated ability to serve. He testified that the Commission is not required to approve such territories and should demand a clear showing of public interest, which the Stipulation and Settlement Agreement and supporting evidence fail to provide. Mr. Matthews contended that the Petition's true purpose is to capture tax revenue from the Microsoft data center, not to promote sound utility planning, and that awarding such a vast, poorly planned area would be inappropriate.

Mr. Matthews expressed concern over the civil penalty provisions in the Regulatory Ordinance, noting that Section 1 of the Regulatory Ordinance defines the regulated territory as the area shown on Exhibit A of the Stipulation and Settlement Agreement, excluding area within South Bend's corporate limits and customers served by other existing utilities as of February 17, 2024. He pointed out that Granger Water, established after that date, is not explicitly named as an excluded utility, and although its service appears to be carved out in Exhibit A of the Stipulation and Settlement Agreement, the 2014 cutoff date creates uncertainty. Mr. Matthews argued that the civil penalties are not in the public interest and could subject Granger Water to fines rather than allowing disputes to be resolved through Commission enforcement of service territory rights. If the Commission approves the Stipulation and Settlement Agreement, he requested assurance that Granger Water would not face such penalties.

Mr. Matthews testified that approving Mishawaka's Proposed Regulatory Territory would render Granger Water financially non-viable, substantially devaluing its assets and forcing a sale at a significant loss. He argued that while municipalities may operate as monopolies, they are not permitted to pressure another utility to sell or lease its assets through such means, which he characterized as anti-competitive conduct, potentially an antitrust violation, and akin to inverse

condemnation. Mr. Matthews added that Mishawaka has no plan to serve Granger Water's existing customers if it succeeds in displacing it, and the Commission should not allow Mishawaka to drive Granger Water out of business for a fraction of its value.

Mr. Matthews acknowledged that Granger Water requested territorial limits in its Certificate of Public Convenience and Necessity in Cause No. 45568 to preserve capacity for The Hills development but clarified that its intent from the outset was to expand beyond The Hills to serve additional customers, as he stated in his direct testimony to that proceeding. He testified that Microsoft is willing to fund upgrades to Granger Water's system to enable service to the data center. Mr. Matthews contended that allowing Mishawaka to block Granger Water from serving customers it is better positioned to serve would be anti-competitive and contrary to the public interest. He noted that the Stipulation and Settlement Agreement preserves the District's ability to serve customers in the Joint Participation Area.

Mr. Matthews recommended that the Commission reject the Stipulation and Settlement Agreement and direct the City, the District, the County, and Granger Water to collaborate on a long-term solution that addresses all relevant concerns. He argued that the current agreement resolves nothing, merely postpones issues, and would lead to higher rates, duplicated facilities, stifled economic development, and ongoing uncertainty.

F. Mishawaka's Settlement Rebuttal Evidence. Mr. Prince responded to Mr. Matthews' testimony, stating that it is unfounded, should be rejected, and that the Stipulation and Settlement Agreement should be approved by the Commission. Mr. Prince testified that Granger Water's owner is upset because the Settling Parties did not offer to immediately acquire his non-compliant utility. Mr. Prince testified to correct Granger Water's characterizations of the background and history of the Petition, explain why Mishawaka is not willing to acquire Granger Water at this time, and establish the following:

- Mishawaka has prudently extended service when requested;
- The Stipulation and Settlement Agreement's Joint Participation Area is in the public interest, consistent with Mishawaka's regional planning, and supports flexible, coordinated service among providers;
- Granger Water is not entitled to reserve additional territory for future competition while failing to properly serve its existing certificated area, especially when the Settling Parties offer a well-reasoned regional solution;
- No other utilities have intervened to oppose the Stipulation and Settlement Agreement or claim it will cause duplication of facilities;
- Granger Water misstates key facts in claiming it is better positioned to serve the proposed Microsoft data center;
- Mishawaka has shown beneficial rate impacts from serving the proposed area;
- Mishawaka has demonstrated long-term utility planning for the region and has appropriately planned to meet the needs of the Amended Regulatory Territory based on current information; and
- The Commission should reject Granger Water's interpretation of Ind. Code § 8-1.5-6-9 that implies a non-existent "lock out period" in this case.

Mr. Prince recommended that the Commission reject Granger Water's request to send the parties back to negotiations, noting that (1) Granger Water itself walked away from prior settlement discussions, and (2) Granger Water's position effectively asks the Commission to force Mishawaka to acquire its non-compliant utility at an undisclosed price. He testified that the Commission should reject Granger Water's arguments and approve the Stipulation and Settlement Agreement.

Mr. Prince testified that Granger Water mischaracterized the background of the Regulatory Ordinance by suggesting it was a baseless "land grab" to secure service to the proposed data center. He explained that Mishawaka has partnered with the County for twenty years and invested approximately \$40 million in infrastructure specifically planned and built to serve the Capital Avenue corridor. When the County began deviating from that long-standing plan, Mishawaka enacted the Regulatory Ordinance. Mr. Prince stated that the Stipulation and Settlement Agreement restores the original collaborative arrangement, reflects Mishawaka's decades-long efforts to work with the County, neighboring utilities, and other entities to support regional economic development, and promotes an efficient, coordinated, regional approach to utility service. If approved, Mr. Prince testified that Mishawaka will amend the Regulatory Ordinance to align with the Stipulation and Settlement Agreement's terms.

Mr. Prince testified that Granger Water and the Settling Parties entered into an August 28, 2025 MOU in which Granger Water expressed interest in transferring its operations to Mishawaka, but Granger Water later chose not to join the Stipulation and Settlement Agreement despite participating in some negotiations. He stated that Granger Water's primary objection appears to be its desire for an immediate sale at a high price, even though its assets have little to no value to Mishawaka, particularly because Granger Water's collection system does not meet Mishawaka's design standards, despite repeated warnings. Mr. Prince argued that Granger Water's financial difficulties stem from the poor decision to create a developer-owned private water utility, compounded by its lack of technical and managerial experience evidenced by obtaining a loan for its treatment plant without Commission approval. He emphasized that Granger Water's owner is primarily focused on property development, not utility operation, and that Mishawaka had previously advised against creating the utility but was ignored. He concluded that the Stipulation and Settlement Agreement represents a thoughtful, coordinated regional solution after months of negotiation and should not be rejected merely because Granger Water's owner did not receive the financial bailout he sought.

Mr. Prince testified that Mishawaka has not ruled out ever acquiring Granger Water, and the County and City are continuing to explore options for a future acquisition that would allow Granger Water's customers to be served by Mishawaka's water utility. He explained that any such acquisition would depend on future economic development funds, including funds from the proposed data center, and would likely occur years from now only by mutual agreement. Mr. Prince emphasized that it is currently not in the financial interest of Mishawaka's ratepayers to bear the costs of acquiring and operating Granger Water's non-compliant system at a loss. He noted that the Stipulation and Settlement Agreement excludes Granger Water's certificated service area, preserving Granger Water's right to continue operating, growing, and serving hundreds of homes within that territory indefinitely if it chooses.

Mr. Prince rejected Granger Water's claim that Mishawaka has a pattern of arbitrarily refusing service, stating that the two examples cited by Granger Water are mischaracterized. In the first instance, (Attachment JPM-6 to Granger Water Exhibit 1), the provided letter relates to a developer's request to connect to a temporary, pumped Mishawaka lift station built as part of the County Settlement for failing septic systems at Creston Hills. He explained that the developer declined to pursue service through the County and District and refused to comply with Mishawaka's connection policies. Mr. Prince stated that communication was limited to a few emails with the assistant director of engineering, with no effort to engage higher level City officials on potential partnerships or long-term investments. He viewed the complaint as reflecting the developer's impatience rather than any unreasonable refusal by Mishawaka, which remains open to regionalized, responsible development. In the second instance, Mr. Matthews implied that the City refused service to The Hills subdivision. Mr. Prince disputed this, noting that in Mr. Matthews' own direct testimony dated June 22, 2021 in Cause No. 45568, he did not claim Mishawaka refused service. Mr. Prince explained that Mr. Matthews testified that the costs of connecting to three nearby utilities were excessive, which prompted the creation of Granger Water to serve the development.

Mr. Prince confirmed the existence of a May 29, 2020 letter from Granger Water to Mishawaka, sent to fulfill Granger Water's statutory obligation to notify Mishawaka of its intent to develop a new water supply system for The Hills. Mr. Prince testified that, in that letter, Granger Water asked Mishawaka to indicate "yes" or "no" to whether it was interested in providing water to the subdivision. Mr. Prince stated that Granger Water contacted the City only after it had already decided to construct its own private water utility. He explained that Mishawaka offered to study the facilities needed to serve The Hills, but Mr. Matthews refused. Mr. Prince explained that given the location outside Mishawaka's boundaries and that the County and District supported Granger Water's creation of its own utility, Mishawaka did not object to Granger Water's formation and circled "no" on the form to indicate it was not interested in providing service.

Mr. Prince further noted that in Cause No. 45568, OUC witness Mr. Parks testified that Granger Water never provided basic details on its water supply needs, did not timely notify nearby utilities of the need for service, and had no meaningful follow-up with those utilities outside of a meeting requested by Mishawaka. Mr. Parks recommended that Granger Water formally request a main extension from Mishawaka, including cost and a 3-year revenue allowance under the main extension rules, but Granger Water never made such a request. Mr. Prince concluded that these facts show Mishawaka did not refuse to serve The Hills; rather, Mr. Matthews chose to build his own for-profit water utility as part of his real estate development plans instead of connecting to an existing utility.

Mr. Prince rejected Granger Water's claim that the Stipulation and Settlement Agreement is not in the public interest and allows Mishawaka to cherry-pick customers. He clarified that in the Joint Participation Area, Mishawaka has a prioritized but non-exclusive right to provide sewer service, with flexibility for collaborative solutions involving the District or others. Mr. Prince disputed Granger Water's "right of first refusal" characterization and noted the inconsistency in Granger Water's accusations of land grabs and cherry-picking. He explained that the Stipulation and Settlement Agreement promotes a flexible, regionalized approach that ensures efficient service and supports economic development. Mr. Prince emphasized that Granger Water lacks the ability

to serve beyond its current territory, cannot comply with Commission rules for its existing 35 homes, and offered no evidence of capacity for expansion. He further noted that the Stipulation and Settlement Agreement preserves Granger Water's certificated area while advancing a coordinated regional solution. Mr. Prince recommended the Commission reject Granger Water's objection and approve the Stipulation and Settlement Agreement.

Mr. Prince responded to Granger Water's claim that the Stipulation and Settlement Agreement confines Granger Water to its current service area and that the proposed territory should be reserved for future competition. He explained that the Stipulation and Settlement Agreement establishes a reasonable, agreed-upon service area within four miles of Mishawaka's boundaries, consistent with Ind. Code § 8-1.5-6. Mr. Prince emphasized that Granger Water has provided no evidence of studies, capacity, or plans to serve beyond its existing certificated area. He also disputed Granger Water's credibility in claiming a desire to compete, noting that since receiving its Certificate of Territorial Authority in April 2022, Cause No. 45568, Granger Water has developed and serves only 35 homes in nearly four years, with its treatment plant designed for just 109 customers. Mr. Prince testified that Granger Water has shown no efforts to expand, upgrade, or acquire land for new development. He added that Granger Water has offered no evidence that any customers outside its certificated area have requested or consented to its service.

Mr. Prince dismissed Granger Water's suggestion that other utilities may be better suited to provide service as pure speculation unsupported by evidence. He noted that Mishawaka complied with statutory notice requirements to potentially affected utilities, yet no other utilities intervened in the proceeding. Mr. Prince emphasized that there is no specific evidence showing any other provider has superior ability to serve the area. Mr. Prince disputed Granger Water's claim that it is better suited than Mishawaka to serve the proposed Microsoft data center, calling Granger Water's assertion speculative and based on flawed Jones Petrie Rafinski ("JPR") studies that do not represent a viable service arrangement. He stated that Granger Water's proposed approach, unlike the Stipulation and Settlement Agreement, is not regionalized. Mr. Prince testified that the Settling Parties determined that Mishawaka is the better regional solution due to the configuration of existing and planned facilities, enabling faster service. He noted that Mishawaka's Juday Creek treatment facility, built after decades of cooperative planning with St. Joseph County for the Capital Avenue corridor, already has capacity to serve the data center without upgrades. Mr. Prince further noted that Granger Water provided no evidence of a binding commitment from the data center to fund necessary upgrades to Granger Water's system. Rather than stifling competition, Mr. Prince explained that the Stipulation establishes an orderly, adaptable, and logical framework for regional growth, while Granger Water has shown no comparable benefits or capacity.

Mr. Prince disputed Granger Water's claim that its "all-in" cost to serve the data center is \$20.9 million versus Mishawaka's \$33.19 million, stating that Granger Water's figures are incorrect and based on a misinterpretation of data responses. He explained that the \$20.9 million figure is the District's estimate for serving the data center, including an elevated water tower. Mr. Prince explained that the \$33.19 million figure does not reflect Mishawaka's cost to serve the data center alone; it covers a much larger initial regionalized service area, including infrastructure upgrades such as an additional elevated tower, looped large water main, and pressure district interconnection. He noted that Mishawaka's actual cost to serve the data center is confidential

under a Non-Disclosure Agreement. Mr. Prince added that the JPR studies Granger Water relies on contain fatal flaws, underestimate costs, and do not represent a viable arrangement. He noted that an elevated tower is not required for Mishawaka to serve the data center immediately, and regional upgrades also account for potential future service to The Hills if Granger Water is ever acquired.

Mr. Prince rejected Granger Water's claims about the Stipulation and Settlement Agreement's rate impacts, identifying two flaws:

1. Granger Water asserts that the Joint Participation Area will lead to duplicated facilities and higher regional rates. Mr. Prince countered that this mischaracterizes the Stipulation and Settlement Agreement; the Settling Parties intend to avoid duplication and collaborate to build efficient, logical infrastructure that meets needs as they arise.
2. Granger Water admits its rates are currently higher than Mishawaka's but claims they will become competitive with growth. Mr. Prince noted that Granger Water has served only 35 homes after 3½ years, while regional economic development will be better served by established providers under the Stipulation and Settlement Agreement's assurances. He expressed concern that waiting for Granger Water to grow and compete would risk losing development opportunities.

Mr. Prince also argued that Granger Water's own growth model would cherry-pick projects, resulting in non-regional, compartmentalized infrastructure. He claims that this would require massive investment for a few customers, placing existing customers at risk due to an undiversified base, with no rate study to support the approach. Mr. Prince recommended that the Commission reject Granger Water's arguments on rate impacts.

Mr. Prince rejected Granger Water's assertion that Mishawaka lacks a master plan or has not assessed infrastructure needs for the Amended Regulatory Territory. He stated that his direct testimony provides extensive evidence of Mishawaka's long-term, prudent planning for the region, including studies to determine appropriate facility locations as service requests arise. Mr. Prince denied any implication that Mishawaka has failed to study the area or plan for service. For the proposed data center specifically, he noted that Mishawaka is actively engaged in discussions to size and time facilities to meet the customer's needs while delivering regional benefits. Like other well-managed utilities, Mr. Prince explained that Mishawaka will conduct detailed engineering once service needs are more precisely defined.

Mr. Prince testified that the Stipulation and Settlement Agreement does not conflict with any "lock out period" in Ind. Code § 8-1.5-6-9. He stated that Granger Water misreads the statute by implying a non-existent lock-out period. Mr. Prince explained that sections (c) and (e) must be read together:

- Subsection (c) authorizes the Commission, after notice and hearing, to resolve all issues in the petition, including enforceability of the Regulatory Ordinance, in the manner it determines is in the public interest, considering the factors in § 8-1.5-6-8(g), and issue an order within 300 days.

- Subsection (e) allows a municipality to petition to rescind or modify an order issued under (c) only after five years.

Mr. Prince testified that if the Commission approves the Stipulation and Settlement Agreement, its order will establish the territorial division, including the Joint Participation Area. He explained that the Settling Parties will then be authorized to follow the Stipulation and Settlement Agreement's provisions, and Mishawaka would have no need to seek rescission or modification under subsection (e).

Mr. Prince concluded by recommending that the Commission approve the Stipulation and Settlement Agreement. He described it as the Settling Parties' mutual resolution of challenging issues, which promotes economic development, logical and orderly growth, regionalization, and positive impacts on rates and charges, while remaining consistent with the area's service history. Mr. Prince reiterated that Granger Water is not positioned to serve beyond its certificated area, and its desire for a financial bailout does not justify rejecting the Stipulation and Settlement Agreement.

G. County's Settlement Rebuttal Evidence. Mr. Schalliol also testified in response to Mr. Matthews's testimony. He disagreed with Granger Water's position that the Stipulation and Settlement Agreement is not in the public interest. Mr. Schalliol testified that Granger Water is not ready, willing, or able to serve an expanded territory at this time, as it has not complied with the Commission's order in Cause No. 45568 and admits it cannot serve nearby areas efficiently. He noted that Mishawaka identified the District, Granger Water, the City of South Bend, and the City of Elkhart as potentially affected utilities in its Petition. Mr. Schalliol noted that neither South Bend nor Elkhart intervened in the proceeding. As a result, he concluded that the only parties ready, willing, and able to serve the regulated territory are Mishawaka and the District, both of which are parties to the Stipulation and Settlement Agreement.

Mr. Schalliol disagreed with Mr. Matthews' characterization of the Stipulation and Settlement Agreement as granting Mishawaka a "right of first refusal." He explained that, if approved, the Stipulation and Settlement Agreement would make Mishawaka the exclusive water and wastewater provider in the Amended Regulated Territory. Mr. Schalliol emphasized that the agreement allows the County to promptly seek service from other providers if Mishawaka becomes unable to serve, ensuring economic development projects can proceed without delay and avoiding future disputes. He also rejected the claim that the Stipulation and Settlement Agreement gives the County a veto over customers seeking service from other providers. Instead, Mr. Schalliol testified that the provision enables the County to assist developers in finding alternative solutions when necessary, which supports economic development in St. Joseph County.

Mr. Schalliol disagreed with Mr. Matthews' claim that the Stipulation and Settlement Agreement would inhibit economic development. He agreed that timely, predictable, and fairly priced water service is essential for development but stated that the Stipulation and Settlement Agreement provides exactly that. He emphasized that the County is committed to facilitating economic development projects within its economic development areas, and Mishawaka has the capacity to serve the Amended Regulated Territory. If circumstances change and Mishawaka cannot serve, Mr. Schalliol testified that the agreement allows the County to work with other

providers to meet developers' needs, ensuring development is not delayed. He described this flexibility as an economic development tool designed to prevent stagnation in St. Joseph County and noted that the Stipulation and Settlement Agreement incorporates a MOU in which the Settling Parties commit to collaborating on bringing economic development projects to the County.

Mr. Schalliol disagreed with Mr. Matthews' characterization of the Stipulation as essentially an agreement between Mishawaka and the County alone. He pointed out that this ignores the District's significant role in the Stipulation and Settlement Agreement. Mr. Schalliol explained that the County and District negotiated separate provisions and that both entities independently approved the agreement: the County's Board of Commissioners and the District's Board of Trustees each voted to adopt it. As separate entities with distinct governing boards, Mr. Schalliol testified that the County and District reviewed and approved the Stipulation and Settlement Agreement independently.

Mr. Schalliol disagreed with Mr. Matthews' claim that Granger Water's "all-in" cost to serve the Microsoft data center is substantially lower than Mishawaka's. He explained that Mr. Matthews' figures rely on a JPR Report constituting a preliminary analysis of what would be required for the District to provide water and wastewater service to the data center and surrounding areas. Mr. Schalliol noted that the estimated costs for upgrading Granger Water's facilities in the JPR Report are based on the District's plan to acquire Granger Water and provide service itself to the Microsoft data center and surrounding areas, rather than Granger Water independently upgrading its system to serve the data center.

Mr. Schalliol testified that the Stipulation and Settlement Agreement does not conflict with Ind. Code § 8-1.5-6-9. He stated that Granger Water's interpretation of subsection (e) is overly narrow and ignores the Commission's broad authority under subsection (c) to resolve all issues in the petition. Mr. Schalliol explained that if the Commission approves the Stipulation and Settlement Agreement, its order will explicitly address the County's ability to request service from another provider if Mishawaka becomes unable to serve, thereby resolving the matter within the Commission's order.

Mr. Schalliol rejected Granger Water's recommendation to send the parties back to negotiations, noting that the Stipulation and Settlement Agreement is already the result of extensive efforts by the Settling Parties to resolve the issues collaboratively. He pointed out that all parties, including Granger Water, entered into a MOU on August 28, 2025, acknowledging their intent to work together to resolve the issues in this proceeding, yet Granger Water ultimately chose not to join the Stipulation and Settlement Agreement. Mr. Schalliol stated that Granger Water's position of requiring its acquisition by Mishawaka as a condition for approving either the Stipulation and Settlement Agreement or the regulated territory is inappropriate for this proceeding. He testified that whether Granger Water should be acquired is not a valid basis for rejecting the Stipulation and Settlement Agreement.

Mr. Schalliol recommended that the Commission approve the Stipulation and Settlement Agreement. He testified that the Settling Parties have shown the Stipulation and Settlement Agreement is in the public interest and satisfies the factors outlined in Ind. Code § 8-1.5-6-8(g). Mr. Schalliol further testified that the agreement resolves the issues in this proceeding, will

positively impact the community, promote economic development, and help prevent health crises in areas historically reliant on septic systems and wells.

H. Mishawaka’s Supplemental Settlement Testimony. Mr. Prince also testified in support of the MOU and to discuss Mishawaka’s amended rates and charges enacted on November 17, 2025. Mr. Prince explained that the MOU is an agreement between the City, County, and the District referenced in the Stipulation and Settlement Agreement. He noted that Paragraph 5 of the Stipulation and Settlement Agreement requires the Settling Parties to act in accordance with the MOU, which governs economic development, financing, sewer capacity allocation to the District, and deployment considerations to achieve coordinated, regionalized water and sewer service in the area. Mr. Prince explained that the MOU terms are not included in the Stipulation and Settlement Agreement itself because they extend beyond the factors required for the Commission’s public interest determination regarding the Regulatory Ordinance. The MOU was included in Mr. Prince’s supplemental settlement testimony after its execution on December 9, 2025.

Mr. Prince also testified that, on November 17, 2025, the Mishawaka Common Council enacted Ordinance No. 5954 to set the current wastewater utility rates and charges. He explained that these rates, shown in Exhibit B to the Petition and as amended by the Ordinance, apply to customers in the Amended Regulatory Territory and may be adjusted periodically by the Common Council. Mr. Prince testified that the recent adjustment of Mishawaka’s wastewater rates and charges do not change his recommendation. He stated that he continues to believe the Stipulation and Settlement Agreement will positively impact rates and charges, promote economic development, foster logical and orderly growth, support regionalization, and remain consistent with the area’s service history.

5. Commission Discussion and Findings.

A. Stipulation and Settlement Agreement. Mishawaka, the County, and the District presented the Stipulation and Settlement Agreement to the Commission, which reflects a mutual agreement to apportion utility service in the Amended Regulatory Territory. The Stipulation and Settlement Agreement provides that the territory covered by Mishawaka’s Regulatory Ordinance will be amended to reflect the wastewater service area depicted in the Stipulation and Settlement Agreement’s Exhibit A, including the Joint Participation Area as indicated by a blue crosshatch, and the water service area as depicted in the Stipulation and Settlement Agreement’s Exhibit B. Pet. Ex. 3. In the Joint Participation Area, the Stipulation and Settlement Agreement provides that Mishawaka will have the prioritized and exclusive right to provide wastewater service except where the parties cooperatively determine there are more practical solutions for the District to provide wastewater services in partnership with other providers, such as the City of South Bend. *Id.* In exchange for the County’s consent to the City’s exclusive territory for both water and wastewater, the Stipulation and Settlement Agreement provides that upon request of the County, the City will provide water and wastewater service to projects supported by the County within the County’s economic development areas located within the City’s exclusive water and wastewater service areas. *Id.* The Stipulation and Settlement Agreement provides that the City will not unreasonably deny providing water or wastewater service within a defined area shown on the map attached as Stipulation and Settlement Agreement

Exhibit C or within any future, additional economic development areas mutually agreed to by both the County and City. *Id.* Should the City elect to not provide the requested water or wastewater in the City's exclusive water and wastewater service territory, the Stipulation and Settlement Agreement provides that the County may seek utility service from other utility providers including but not limited to the District, and the City will take all action necessary, including relinquishing its service area or providing a consent to serve to another utility provider, to allow such other utility provider to provide utility service. *Id.* The Stipulation and Settlement Agreement provides that the County and the City will work together as the City annexes property within the Capital Avenue economic development area, or within any future, additional economic development areas mutually agreed to by both the County and City, to ensure that the annexation does not adversely affect the County's ability to service debt payable from tax increment financing. *Id.* The Stipulation and Settlement Agreement requires that upon Commission approval of the Stipulation and Settlement Agreement, the Settling Parties will act in accordance with their MOU governing the arrangement for economic development, financing, the provision of wastewater capacity to the District, and deployment considerations to achieve the coordinated and regionalized offering of water and wastewater in the area, including but not limited to the potential siting of a large user in the Capital Avenue corridor. *Id.*

Settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum v. Ind. Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coal. Of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coal.*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coal. Of Ind., Inc. v. Pub. Serv. Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Before the Commission can approve the Settlement Agreement, the Commission must determine what evidence in this Cause supports the conclusion that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2, and that such agreement serves the public interest.

Given this background, we address our consideration of the statutory factors below.

B. Sufficiency of the Petition. Pursuant to Ind. Code § 8-1.5-6-9(b), a municipality's petition for approval of a regulatory ordinance must contain the following information:

- (1) A description of the service territory established in the regulatory ordinance.
- (2) Proposed rates and charges for the services to be provided in the service territory.
- (3) A list of any administrative or judicial proceedings involving the regulatory ordinance.

- (4) A list of any utilities actually or potentially affected by the regulatory ordinance.

The Mishawaka Regulatory Ordinance, as amended and depicted by the Stipulation and Settlement Agreement, describes the Amended Regulatory Authority and includes a map that depicts the area. The record evidence establishes that the rates and charges for the services to be provided in the Amended Regulated Territory are Mishawaka's existing rates and charges, most recently amended on November 17, 2025, which were admitted into evidence as Petitioner's Exhibits 1 and 6, and as may be amended by the Mishawaka Common Council from time to time. The Petition also stated that Mishawaka's Regulatory Ordinance is not the subject of any other administrative or judicial proceeding and identified the utilities that may be impacted as including the County, the District, Granger Water, Elkhart, and South Bend.

Mr. Parks testified that Mishawaka included the statutorily required information in its Verified Petition. Pub. Ex. 1. No party offered legal arguments or evidence that Mishawaka did not meet the Ind. Code § 8-1.5-6-9(b) filing requirements.

Based on our review of the Petition, the Commission finds that Mishawaka has complied with the filing requirements of Ind. Code § 8-1.5-6-9(b).

C. Determination of the Public Interest. Under Ind. Code § 8-1.5-6-9(c), the Commission is required to resolve all issues presented in a statutorily complete petition, including the enforceability of the regulatory ordinance in a manner that the Commission determines is in the public interest. In making its public interest determination, the Commission shall consider the factors set forth in Ind. Code § 8-1.5-6-8(g), which include:

- (1) The ability of another utility to provide service in the regulated territory.
- (2) The effect of a commission order on customer rates and charges for service provided in the regulated territory.
- (3) The effect of the commission's order on present and future economic development in the regulated territory.
- (4) The history of utility service in the regulated territory, including any contracts for utility service entered into by the municipality that adopted the regulatory ordinance and any other municipalities, municipal utilities, or utilities.
- (5) Any other factors the commission considers necessary.

As an initial matter, we note that, unlike the Commission's determination under Ind. Code § 8-1.5-6-9(b), the Commission's determination under Ind. Code § 8-1.5-6-9(c) is not an evaluation of whether the municipality has "complied" with each of the statutorily identified factors. Instead, this section of the statute requires the Commission to evaluate the evidence presented in light of the statutory factors to resolve any disputes among the parties with respect to the regulatory ordinance in a manner that is in the public interest. In so doing, we note the Indiana Legislature has encouraged regionalization and/or consolidation of utilities and utility services to maximize efficiency and economies of scale, avoid duplication of facilities, and protect affordability. *See e.g.*, Ind. Code § 8-1-30-3. We also note that Ind. Code § 8-1.5-6-10(c) provides

in pertinent part that "... the Commission shall, where feasible, promote the resolution of the dispute ... through a mutual agreement between the utilities that apportions the provision of utility service in the regulated territory. *A mutual agreement ... is the preferred way of resolving a dispute ...*" (*Emphasis added*).

i. Ability to Serve the Amended Regulated Territory.

a. Mishawaka. The Amended Regulatory Territory aligns with Mishawaka's 2014 Ordinance for service expansion and is consistent with the Comprehensive Plan Amendment adopted by the County and Mishawaka. Mr. Prince confirmed that the inclusion of areas that are unserved has been part of the utility's long-term planning and investment. Pet. Ex. 2. Mr. Prince provided unrefuted evidence of Mishawaka's technical, managerial and financial ability to provide water and wastewater service in the Amended Regulatory Territory. *Id.* Mr. Prince's direct testimony explains that Mishawaka either has or can extend infrastructure with sufficient capacity to serve customers needing wastewater or water service in the Amended Regulatory Territory. *Id.*

In regard to the wastewater system, Mr. Parks noted that Mishawaka's wastewater plant has a design average flow of 20 MGD and design peak flow of 42 MGD, but that the plant currently treats an average daily flow of 8.7 MGD. Pub. Ex. 2. Mr. Parks testified that Mishawaka will not need to expand its wastewater treatment plant to serve the proposed data center and near-term growth in the regulated territory. *Id.*

The record establishes that Mishawaka has made strategic investments to position it to serve the Amended Regulatory Territory, including the proposed data center, by constructing a new wellfield and a \$40 million treatment facility to prepare the utility's capacity with projects of the proposed data center in mind. Pet. Ex. 2. Mr. Prince's testimony also shows Mishawaka's efforts to identify and undertake cost-effective strategies to maximize its existing wastewater infrastructure and minimize ratepayer expenses. *Id.* Mishawaka has sufficient space to expand a wastewater treatment plant and has determined that it could expand its wastewater capacity in a more economical and environmentally sound manner by instead performing separation projects of its combined sewer system. *Id.* The success of this undertaking is evident through the fact that Mishawaka has reduced its dry weather flow by 25% through such work.

Mishawaka has sufficient water capacity to serve the Amended Regulatory Territory. The Juday Creek Wellfield is only operating at approximately 25% of its current capacity. Pet. Ex. 2. Mishawaka's plant can produce 8.2 MGD and with last year's peak flow, Mishawaka has an additional 6.2 MGD to serve the Amended Regulated Territory. Notably, the plant is expandable to 12.5 MGD and is sized "to meet public water growth needs for decades to come, including . . . where the proposed data center is located." *Id.*

Mr. Prince noted that that the Stipulation and Settlement Agreement addresses cost-effective service concerns through amending the water and wastewater service territories. Mr. Schalliol indicated that the Stipulation and Settlement Agreement ensures that service to all areas of the Regulated Territory are supported by the party best positioned to do so. County Ex. 1. The

Stipulation and Settlement Agreement accommodates the District's expanded service territory and provides for mutual cooperation in the Joint Participation Area.

Mr. Prince also discussed Mishawaka's ability to serve the proposed data center specifically. He stated that Mishawaka Utilities has the capacity to serve the proposed data center. Pet. Ex. 2. He explained that Mishawaka's preliminary understanding was that the data center may need a million gallons a day as a peak load. He stated that the Juday Creek Wellfield has the capacity to serve the proposed data center and the surrounding area. He noted Mishawaka has water facilities within two miles and wastewater facilities within 3.5 miles of the property where the proposed data center will be located. *Id.* Mr. Prince described Mishawaka's procured rights-of-way, which he said terminate approximately 1.5 miles from the Microsoft Property. *Id.* No party offered evidence refuting Mishawaka's ability to provide reasonably adequate water and wastewater service in the Amended Regulatory Territory as provided by the Stipulation and Settlement Agreement.

b. Granger Water. The evidence shows that Granger Water lacks the ability to serve the Amended Regulated Territory and the proposed data center. First, the evidence shows Granger Water lacks the technical and managerial experience to operate a large utility. *See* Granger Response to Mishawaka Data Request 1.65, Pet. Ex. 7. This is evident particularly through its non-compliance with our Order issued over three years ago in Cause No. 45568. *See* County Ex. 5. Granger Water not only lacks experience, but it also lacks full-time staff, trucks, and equipment. Nor does Granger Water have operational experience serving more than three dozen homes, much less large load customers. The evidence shows that Granger Water's lack of stability posed concern for Microsoft. *See* Granger Water's Response to OUCC's Data Request 1.5, County Ex. 3. There is no evidence in the record indicating that Granger Water has the financial ability to expand into and serve any part of the Amended Regulated Territory. The evidence instead indicates that Granger Water does not have the financial ability to even purchase meters that, through Cause No. 45568, we previously required it to install. Granger Water stated in response to Mishawaka Data Request 1.73 that it did not install meters in part because "they are too expensive and Granger [Water] does not have the necessary funds to purchase them." Pet. Ex. 7. Granger admitted it remains indebted for its 2024 loan of \$1.2 million. Granger Response to OUCC Data Request 3.2; Pet. Ex. 7. According to Granger Water's response to Mishawaka Data Request 1.62, Granger Water does not have a map of its anticipated service area in the Amended Regulatory Authority. Nor does Granger Water have plans to comply with the requirements we set forth in the 45568 Order. Through OUCC Data Request 1-10, the OUCC asked Granger Water for its plans to comply with the requirements of our Order issued in Cause No. 45568. Pet. Ex. 7. Rather than providing these plans, Granger Water instead stated that it "plans to seek a sale or transfer to another entity more capable of complying with the Commission's Order in Cause No. 45568 or to another entity that is not subject to Commission jurisdiction in order to solve the compliance problem." *Id.*

Nonetheless, Granger Water contends that it will be able to serve the proposed data center at a lower cost than Mishawaka. Granger Water also asserts that it can more easily and economically serve many of the areas surrounding its current service territory. Granger Ex. 1. There is no evidence that the plans set forth in Attachment JPM-2 to Granger Exhibit 1, which include certain upgrades necessary for the District to provide water service to the proposed

Microsoft data center and surrounding areas if it were to acquire Granger Water, are the same plans that Granger Water has to provide service to the Microsoft data center. In fact, Granger Water admitted it did not know every asset it might need to acquire, upgrade, or connect to provide water and fire protection services to the Microsoft data center. *See* Granger Water’s Response to Mishawaka’s Data Request 1.10, County Ex. 4. Further, there is no evidence that Granger Water has the financial ability to undertake the plans set forth in Granger Water’s Attachments JPM-3 nor JPM-4 nor that it would have the managerial and technical ability to competently operate and maintain these facilities even if it could pay for them.

We are not persuaded by Mr. Matthews’ testimony that Granger Water’s cost to serve the proposed data center is less than Mishawaka’s cost. First, Mr. Matthews’ cited cost estimate is from the District and is based upon the District’s plans to serve the Microsoft data center and surrounding areas. Second, as Mr. Prince explained, Mr. Matthews’ \$33.19 million cost for Mishawaka to serve the data center is actually the cost for Mishawaka to serve a great portion of the region, not this single customer. Further, the record is undisputed that Mishawaka presently has the capacity to serve the data center without any upgrades.

c. **Other Utilities.** Mr. Matthews asserts that “there may be other utilities better situated to provide the service Mishawaka seeks to provide in its proposed Regulated Territory.” Granger Water Ex. 1. However, he offers no evidence to support such a contention. Mishawaka provided notice to potentially impacted utilities. Only three entities responded—the District, County, and Granger Water. Mr. Prince stated that neither South Bend nor the City of Elkhart had plans to provide service within the Amended Regulatory Authority. Further, the District and County agreed to the Amended Regulated Territory pursuant to the Stipulation and Settlement Agreement. As discussed above, Granger Water lacks the ability to serve.

Mr. Prince stated that if Granger Water were to serve the data center, then Granger Water and Mishawaka would have redundant capacity. He noted that if Granger Water were allowed to expand into the Amended Regulatory Territory, this would disenfranchise Mishawaka Utility rate payers and create a burden for non-Microsoft Granger Water utility customers that would be liable for operating expenses in the future in a system that is not rate diversified as Granger Water would be overly reliant on the data center. Pet. Ex. 5.

d. **Conclusion.** We therefore find that that the ability to serve factor set forth in Ind. Code § 8-1.5-6-8(g)(1) supports approval of the Stipulation and Settlement Agreement.

ii. **Effect on Customer Rates and Charges with the Commission’s Approval of the Amended Regulated Territory.** The Regulatory Ordinance will have a positive effect on Amended Regulated Territory customer rates and charges. Mishawaka provided its current rates and charges through Exhibit B to the Petition, as amended in November 2025 by Mishawaka’s Ordinance No. 5954. With the exception of large load customers, who will be charged rates pursuant to a special contract, these rates apply to all of Mishawaka’s customers, including customers in the Amended Regulated Territory. Mishawaka’s rates will be protected by

the fact that Mishawaka's service expansion will be market and development driven, rather than using rate payer funds on speculative development or service connections.

Conversely, Mr. Matthews testified that the Stipulation and Settlement Agreement will "destine" homeowners in the Amended Regulated Territory to high rates. Granger Water Ex. 1. In support, he asserts that the Joint Participation Area as one in which Mishawaka will "cherry pick" customers and leave less lucrative customers to other utilities based upon what he described as Mishawaka's "right of first refusal." *Id.* We disagree with this characterization. The Stipulation and Settlement Agreement, reached by three governmental entities accountable to the public, reasonably balances certainty of a known service provider with adaptability in ensuring service is provided in a cost-effective manner. Such a collaborative process promotes regionalization and fosters economic development. Mr. Prince specifically stated that the Settling Parties instead seek to prevent duplication and to promote collaboration through the Stipulation and Settlement Agreement.

We also find unpersuasive Mr. Matthews' claim that Mishawaka has a history of refusing service that will result in fragmentation, duplication of facilities, economies of scale, and introduces uncertainty. Mr. Prince provided testimony refuting those claims, which establish that Mishawaka considers each service request using its extension policies and guidelines in a reasonable and fair manner. Pet. Ex. 5.

Similarly, we reject Mr. Matthews' contention that Granger Water's rates, which Mr. Matthews acknowledged are higher than Mishawaka's rates, will moderate and "be more competitive" if Granger Water is allowed to grow, including through serving the data center that will stabilize Granger Water's system. Mr. Matthews presents no financial or economic analysis for this conclusion. As we noted earlier, given Granger Water's current size, financial status, and failure to comply with Commission requirements, the evidence does not support Mr. Matthews' claim that Granger Water has the financial, technical or managerial ability to grow or serve a user in the scale of a proposed data center. Accordingly, we find that the Stipulation and Settlement Agreement's impact on rates and charges is consistent with the public interest.

iii. Effect on Economic Development in the Amended Regulated Territory. The majority of the Amended Regulated Territory is undeveloped, unserved by water and wastewater utilities, and is on septic systems and wells. The Stipulation and Settlement Agreement promotes economic development in these areas and throughout the Amended Regulated Territory. Mr. Prince provided unrefuted evidence that Mishawaka has "promoted development with long-term strategic decision making." Pet. Ex. 2. He said these facilities could be extended to serve the Amended Regulatory Territory and that Mishawaka could "easily" extend this infrastructure to support the proposed Microsoft data center. *Id.* As explained by Mr. Schalliol, the Settling Parties are committed to working together to bring economic development projects to the County, and the Stipulation and Settlement Agreement contains provisions to ensure that economic development in St. Joseph County will not be stifled.

Mr. Matthews argued that the Stipulation and Settlement Agreement would inhibit economic development due to the Stipulation and Settlement Agreement's creation of a Joint Participation Area, which Mr. Matthews characterizes as Mishawaka's "right of first refusal."

Granger Water Ex. 1. Mr. Matthews claims such an approach will undermine economies of scale and result in a patchwork network. We disagree. As we explained above, the Joint Participation Area promotes regionalization and coordination by allowing flexibility in a defined area where the best suited provider may provide service. The Stipulation and Settlement Agreement supports economic development by promoting continued cooperation between the Settling Parties, provides developers certainty as to who their water and/or wastewater service provider will be, protects long-term improvements by providing utilities with certainty as to their respective service areas, and promotes the coordination of improvements that will help avoid duplicative infrastructure and minimizing the risk of stranded assets. As such, we conclude that the Stipulation and Settlement Agreement's positive impact on economic development supports approval of the Stipulation and Settlement Agreement.

iv. History of Service in the Amended Regulated Territory.

Mishawaka has water and wastewater facilities in or near the Amended Regulatory Territory and it has been serving customers in and near the area. Granting Mishawaka's Petition would be consistent with the history of service in the Amended Regulated Territory. That is, Mishawaka's water and wastewater service territories established through the Stipulation and Settlement Agreement are consistent with the Comprehensive Plan Amendment and are consistent with Mishawaka's 2014 Ordinance. Additionally, approval would be consistent with the service that Mishawaka already provides customers in the Amended Regulated Territory. The Stipulation and Settlement Agreement also allows the District and Granger Water to continue providing their services where they have historically done so while also allowing the District to grow. The Stipulation and Settlement Agreement is therefore consistent with Mishawaka's history of service in the Amended Regulated Territory.

v. Other Factors. In evaluating whether approval of the Stipulation and Settlement Agreement is in the public interest, the Commission may also consider other factors that it determines necessary. In *Town of Hometown, Ind.*, Cause No. 44519, at 53-54 (IURC May 20, 2015), the first case wherein the Commission considered whether a regulatory ordinance for an exclusive utility service area was in the public interest, the Commission noted that it had previously addressed service area disputes under other statutes, including Ind. Code §§ 8-1-2.3-6(a)(3) and 8-1-2-86.5.¹ The Commission noted that many of the factors it considered in service area disputes were similar to, or subsets of, the factors enumerated by the Indiana Legislature for review of regulatory ordinances. Those factors included: existing utility service, the need for utility service, customer preference, logical growth of facilities and utilization of existing facilities, annexation plans, existence of fair competition, duplication of facilities, adequacy and reliability of service, and economic feasibility of service. Thus, the Commission reviewed the regulatory ordinance by considering both the statutory factors set forth in Ind. Code § 8-1.5-6-8(g) and other factors previously considered in other service area disputes.

We have also recognized that prior Commission orders may provide some guidance related to resolving disputed issues between utilities, but each case presents unique facts and circumstances that must be considered in reaching its decision. *Kosciusko Rural Elec. Membership Corp.*, Cause No. 43507, at 4 (IURC April 15, 2009). As such, the factors considered by the Commission are neither mutually exclusive nor all inclusive.

¹ Ind. Code § 8-1-2-86.5 was repealed in 2014 when the Indiana Legislature enacted Ind. Code ch. 8-1.5-6.

a. Duplication of Facilities. In *Town of Monrovia, Ind.*, Cause No. 46239 (IURC December 17, 2025), we stated: “Without exclusive territories, an area can become subject to random, sporadic, and reactionary approaches to providing utility service for growth that results in a patchwork of providers and duplication of facilities.” As we note below, through the Stipulation and Settlement Agreement’s regionalization efforts that foster cooperative planning among existing utilities, the Stipulation minimizes the risk of duplication of facilities to serve growth and developments. Denial of the Stipulation and Settlement Agreement, as requested by Granger Water, would thwart these efforts.

b. Regionalization. The Stipulation and Settlement Agreement fosters regionalization. The Commission has stated that “public policy supports the regionalization of water and wastewater utility services where it is feasible.” *Town of Demotte, Indiana*, Cause No. 45444 at 15 (IURC July 28, 2021). The Stipulation and Settlement Agreement is the result of good faith negotiations and compromise between the Settling Parties, who are the key governmental entities providing various utility services in the region. The Stipulation and Settlement Agreement’s recognition of a Joint Participation Area further promotes regionalization by recognizing that where Mishawaka is unable to serve, the Settling Parties will work cooperatively to determine how best to provide service. This coordinated approach is precisely what the Indiana Legislature contemplated when it provided in Ind. Code § 8-1.5-6-10(c) that an agreement is the preferable way of resolving territorial disputes.

c. Cooperative Approach. In *City of New Albany, Ind.*, Cause No. 44860 (IURC April 25, 2018), the Commission approved a regulatory ordinance based on a settlement agreement between two utilities that worked cooperatively to achieve a planned approach to providing service in the regulated territory. We noted that the parties’ cooperative approach would improve communication with potential customers about their designated provider, support future development, allow the parties to prudently plan for future capacity, and avoid duplication of service. *Id.* at 14. The Indiana Legislature makes clear that a mutual agreement is the “preferred way” of resolving territory disputes. Ind. Code 8-1.5-6-10(c). Mr. Schalliol notes that the Settling Parties have an interest in ensuring water and wastewater services are provided throughout St. Joseph County. While they share this point of view, the evidence also indicates that they negotiated at arm’s-length and brought different interests and concerns to the settlement negotiations. It is compelling that three governmental entities worked together to reach a mutually agreeable resolution. We further note that the Settling Parties entered into the Stipulation and Settlement Agreement as part of their resolution of other large regional issues, as indicated by the terms of the MOU. In light of the totality of the evidence, we do not find that Granger Water’s objection to the Stipulation persuasive. We do not find that the Stipulation and Settlement Agreement will result in “cherry picking” of customers because the Stipulation provides mechanisms for cooperation to serve all users in the Amended Regulated Territory. Contrary to Granger Water’s claims, the record evidence does not indicate that the Stipulation and Settlement Agreement will result in higher rates, duplication of facilities, limited economic development, or uncertainty.

D. Approval of the Stipulation and Regulatory Ordinance. Based on the evidence presented, we conclude that the Stipulation and Settlement Agreement is reasonable, just, and consistent with the purposes of Ind. Code ch. 8-1-2. We further conclude that the Stipulation and Settlement Agreement is in the public interest. We find that the Regulatory Ordinance, as

amended by the Stipulation and Settlement Agreement to establish the Amended Regulated Territory, complies with Ind. Code § 8-1.5-6-9 and that our consideration of the public interest factors support approval of the Stipulation and Settlement Agreement. Consequently, we find that Mishawaka shall promptly proceed with adopting the Amended Regulatory Ordinance, consistent with the Stipulation and Settlement Agreement, incorporating the Amended Regulated Territory as defined in the Stipulation and Settlement Agreement into the Amended Regulatory Ordinance and file the Amended Regulatory Ordinance and the map depicting the Amended Regulated Territories with the Commission within 60 days of approval of this Order as a compliance filing and as a precondition to exclusively rendering water and wastewater service to the Amended Regulated Territory. The boundary of each regulated territory shall be filed in geodatabase or shapefile format, electronically.

The Stipulation and Settlement Agreement shall not be used as precedent in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce its terms. With regard to future citation of the Stipulation and Settlement Agreement, we find that the Stipulation and Settlement Agreement and our approval of it should be treated in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434 (March 19, 1997).

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Stipulation and Settlement Agreement is approved in its entirety.
2. Mishawaka shall adopt an amendment to the Regulatory Ordinance to incorporate the Amended Regulatory Territory as specifically described in the Stipulation and Settlement Agreement and as depicted in the maps attached as Exhibits A and B to the Stipulation and Settlement Agreement. Following adoption of such an amendment, Mishawaka shall file the Amended Regulatory Ordinance with this Commission as a compliance filing in this Cause.
3. In accordance with Ind. Code § 8-1-2-70, Petitioner shall pay the following itemized charges within 20 days from the date of the Order into the state general fund described in Ind. Code § 8-1-6-2(b), through the Secretary of the Commission, as well as any additional costs that were incurred in connection with this Cause:

| | |
|----------------------------|-----------------|
| Commission Charges: | \$ 1,416.54 |
| OUCG Charges: | \$ 2,920.43 |
| Legal Advertising Charges: | \$ <u>71.32</u> |
| Total: | \$ 4,408.29 |

4. This Order shall be effective on and after the date of its approval.

ZAY, DEIG, AND VELETA CONCUR; SWINGER NOT PARTICIPATING AND ZIEGNER ABSENT:

APPROVED: APR 22 2026

I hereby certified that the above is a true and correct copy of the Order as approved.

**Dana Kosco
Secretary of the Commission**

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF THE)
CITY OF MISHAWAKA, INDIANA, FOR)
APPROVAL OF A REGULATORY)
ORDINANCE ESTABLISHING A SERVICE) CAUSE NO. 46221
TERRITORY FOR THE CITY'S MUNICIPAL)
WATER AND SEWER SYSTEM PURSUANT)
TO IND. CODE CH. § 8-1.5-6)

STIPULATION AND SETTLEMENT AGREEMENT

The City of Mishawaka acting by and through the City of Mishawaka Board of Public Works and Safety and Utility Board ("City"), the Board of Commissioners of St. Joseph County ("County"), and the St. Joseph Regional Water & Sewer District ("District") (collectively "Settling Parties") enter into this Stipulation and Settlement Agreement ("Stipulation"). The Settling Parties agree that the terms and conditions set forth below represent a fair and reasonable resolution of all issues respective to the County's and District's intervention in this Cause, subject to incorporation into a final order of the Indiana Utility Regulatory Commission ("Commission") without any modification or condition that is not acceptable to the Settling Parties. The Settling Parties stipulate as follows:

1. On or about April 10, 2025, the City adopted Ordinance No. 2025-08, which is a regulatory ordinance (as defined by Ind. Code § 8-1.5-6-3 and referred to hereinafter as the "Regulatory Ordinance") establishing a service territory for the City's water and wastewater utilities within the corporate boundaries of the City and within the "regulated territory," as that term is defined in Ind. Code § 8-1.5-6-2 (the "Regulated Territory"), regulating the furnishing of water and wastewater utility services therein, and prohibiting any other utility from providing water and wastewater utility services within the Regulated Territory. The City seeks Commission approval of its Regulatory Ordinance.

2. After the filing of the City's case-in-chief and the intervention of the County and District, the Settling Parties engaged in informal discussions, which culminated in this Stipulation. The Settling Parties agree that the County and District do not oppose the relief requested by the City, subject to the conditions stated herein.

3. The Settling Parties agree that the territory covered by the Regulatory Ordinance shall be amended to reflect the wastewater service area depicted in the attached Exhibit A, including the Joint Participation area as indicated by a blue crosshatch, and the water service area as depicted in the attached Exhibit B.

4. The Settling Parties agree that in the area marked on Exhibit A as Joint Participation, the City shall have the prioritized and non-exclusive right to provide sewer service except where the parties cooperatively determine there are more practical solutions for the District to provide sewer services in partnership with other providers, such as the City of South Bend.

5. In exchange for the County's consent to the City's exclusive territory for both water and sewer, as modified herein, the City agrees, upon request of the County, to provide water and sewer service (collectively, the "Utility Service") to projects supported by the County within the County's economic development areas (Tax Increment Financing "TIF" areas) located within the City's exclusive water and sewer service areas. The City further agrees that it will not unreasonably deny providing Utility Service within the Capital Avenue EDA- 2025, f/k/a/ the AM General Economic Development Area, as shown on the map attached as Exhibit C or within any future, additional economic development areas mutually agreed to by both the County and City. Should the City elect to not provide the requested Utility Service in the City's exclusive water and sewer service territory, the County would be free to seek utility service from other

utility providers including but not limited to the District, and the City will take all action necessary, including relinquishing its service area or providing a consent to serve to another utility provider, to allow such other utility provider to provide utility service. In addition, the County and the City agree to work together as the City annexes property within the Capital Avenue EDA- 2025, or within any future, additional economic development areas mutually agreed to by both the County and City, to ensure that the annexation does not adversely affect the County's ability to service debt payable from TIF.

6. Following Commission approval of the Stipulation, the Settling Parties further agree that the City and County shall act in accordance with their Memorandum of Understanding governing the arrangement for economic development, financing, the provision of sewer capacity to the District, and deployment considerations to achieve the coordinated and regionalized offering of water and sewer in the area, including but not limited to the potential siting of a large user in the Capital Avenue corridor.

7. The Settling Parties agree that all evidence that has been filed in this Cause with respect to the relief provided herein is admissible in evidence and that such evidence constitutes a sufficient evidentiary basis for the issuance of a Commission Order approving this Stipulation.

8. If this Stipulation is not approved in its entirety by the Commission, the Settling Parties stipulate that the terms herein shall not be admissible in evidence or discussed by any party in a subsequent proceeding. If the Commission does not approve the Stipulation in its entirety, the Stipulation shall be null and void and deemed withdrawn upon notice in writing by either Settling Party within 15 days after the date of the final order stating that a modification made by the Commission is unacceptable to such Settling Party. If the Stipulation is withdrawn, either Settling Party may request, and the other Settling Party shall not oppose, the convening

of an attorneys' conference to establish a procedural schedule for the continued litigation of this proceeding.

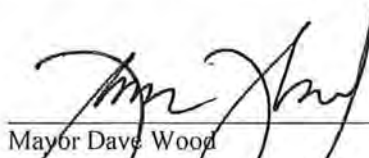
9. The Settling Parties agree this Stipulation reflects a fair, just and reasonable resolution, and is without prejudice to the ability of either party to propose a different term in future proceedings.

10. The Settling Parties agree that neither party shall cite as precedent this Stipulation or the order approving it. The Settling Parties further agree neither party shall assert this Stipulation or agreed order is an admission by the other party except as necessary to enforce its terms before the Commission or a court of competent jurisdiction.

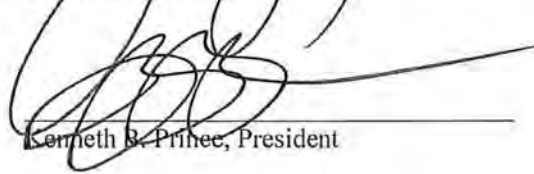
11. The undersigned represent and stipulate that they are fully authorized to execute this Stipulation on behalf of the respective parties who will be bound thereby.

CITY:

CITY OF MISHAWAKA and ITS
BOARD OF PUBLIC WORKS AND SAFETY
AND UTILITY BOARD



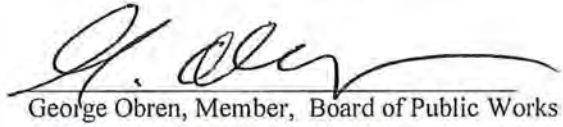
Mayor Dave Wood



Kenneth B. Princee, President



Rebecca Maguire, Vice President



George Obren, Member, Board of Public Works



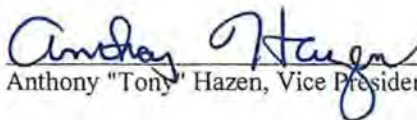
Anthony "Fony" Violi, Utility Board

COUNTY:

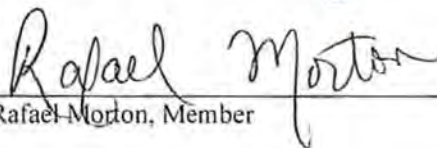
ST. JOSEPH COUNTY BOARD OF COMMISSIONERS



Carl H. Baxmeyer, President



Anthony "Tony" Hazen, Vice President



Rafael Morton, Member

DISTRICT:

ST. JOSEPH COUNTY REGIONAL WATER AND SEWER
DISTRICT

Don Smessaert

Don Smessaert (Oct 28, 2025 16:24:20 EDT)

Don Smessaert, President

Roger T. Nawrot

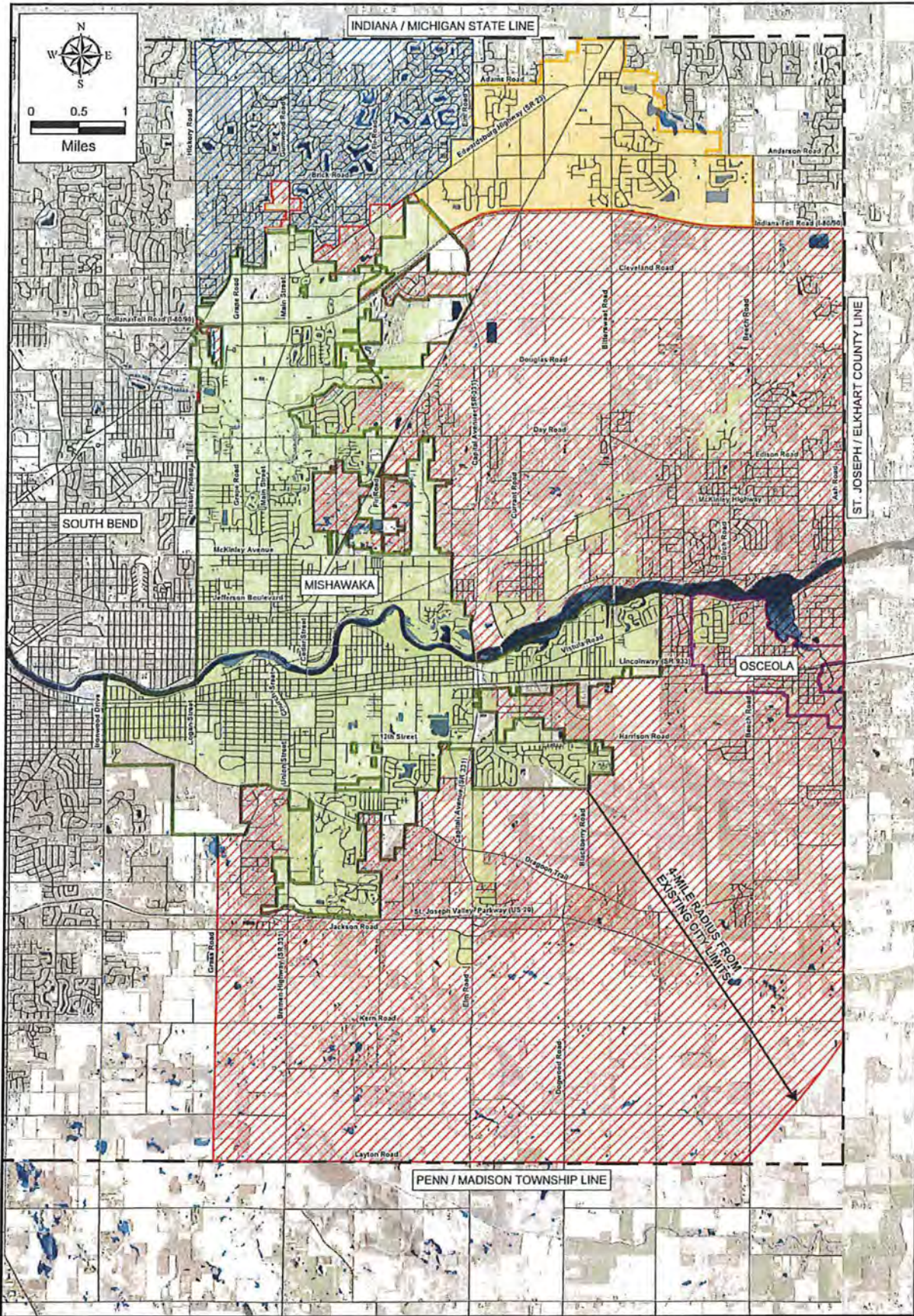
Roger T. Nawrot (Oct 28, 2025 12:10:11 EDT)

Roger Nawrot, Vice President

Jessica Clark

Jessica Clark (Oct 28, 2025 16:22:53 EDT)

Jessica Clark, Treasurer



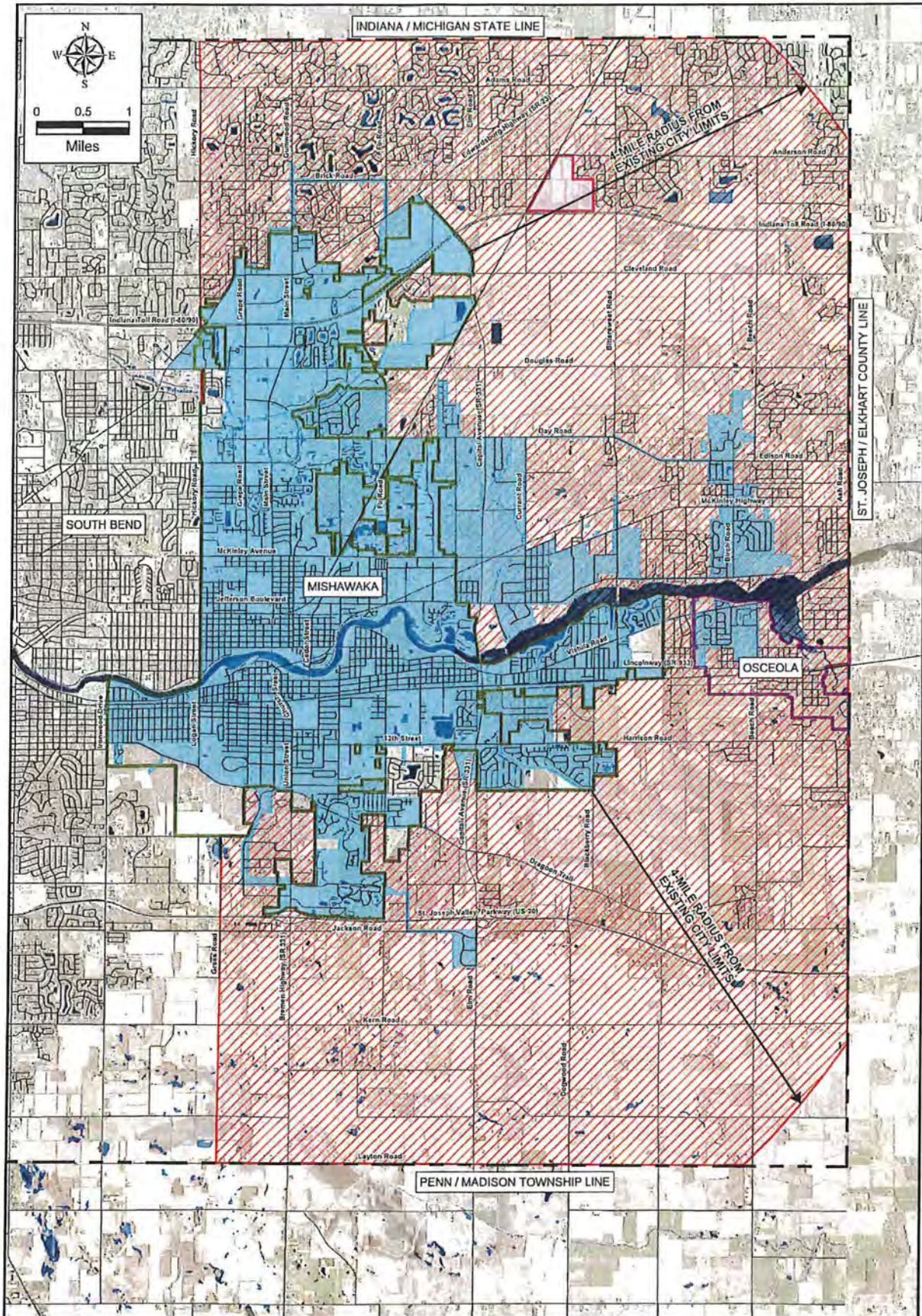
- Legend**
- Mishawaka Utilities Service Area - Sewer
 - St Joseph County Regional Water And Sewer District - Granger Subdistrict Boundary
 - Joint Participation - Mishawaka Utilities & SJC Regional Water And Sewer District

- Current Mishawaka Utilities - Sewer Utility Service Limits
- Mishawaka City Limits
- Osceola Town Limits



Sewer Service Area Boundary Map

Wednesday, October 8, 2025



- Legend**
- Mishawaka Utilities Service Area - Water
 - Current Mishawaka Utilities - Water Utility Service Limits
 - Granger Water Utility, LLC - Approximate Service Limits
 - Mishawaka City Limits
 - Osceola Town Limits



Water Service Area Boundary Map
Wednesday, October 8, 2025

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 29, 2025, the foregoing was served via email transmission upon the following:

Nikki G. Shoultz
Gregory S. Loyd
Jacob T. Antrim
BOSE MCKINNEY & EVANS LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
(317) 684-5000
(317) 684-5173 FAX
nshoultz@boselaw.com
gloyd@boselaw.com
jantrim@boselaw.com

Daniel M. Le Vay
INDIANA OFFICE OF UTILITY CONSUMER
COUNSELOR
115 West Washington Street, Suite 1500S
Indianapolis, IN 46204
dlevey@oucc.IN.gov
infomgt@oucc.IN.gov

David T. McGimpsey
DENTONS BINGHAM GREENEBAUM LLP
212 W. 6th Street
Jasper, IN 47546
david.mcgimpsey@dentons.com

Meaghan K. Haller
DENTONS BINGHAM GREENEBAUM LLP
10 W. Market Street, Suite 2700
Indianapolis, IN 46204
Meaghan.haller@dentons.com

George C. Lepeniotis
KRIEG DEVAULT LLP
4101 Edison Lakes Parkway, Suite 100
Mishawaka, IN 46545
Telephone: (574) 485-2008
Facsimile: (574) 277-1201
Email: gilepeniotis@kdlegal.com

/s/ Jeremy L. Fetty
Jeremy L. Fetty (Atty No. 26811-06)

Parr Richey Frandsen Patterson Kruse LLP
251 N. Illinois Street, Suite 1800
Indianapolis, IN 46204
Telephone: (317) 269-2500
Facsimile: (317) 269-2514
Email: jfetty@parrlaw.com