

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF JACKSON COUNTY)
WATER UTILITY, INC., FOR)
AUTHORITY TO ISSUE LONG TERM) CAUSE NO.44986
DEBT AND CHANGES TO ITS RATES,)
CHARGES AND TARIFF)**

PREFILED DIRECT TESTIMONY OF

LORI A. YOUNG. P.E.

PHASE II

ON BEHALF OF JACKSON COUNTY WATER UTILITY, INC.

**PREFILED DIRECT TESTIMONY OF
LORI A. YOUNG, P.E.
ON BEHALF OF JACKSON COUNTY WATER UTILITY, INC.**

1 **Q.1. PLEASE STATE YOUR NAME AND ADDRESS.**

2 A.1. My name is Lori A. Young. My business address is Curry & Associates, Inc., 110
3 Commerce Drive, Danville, IN 46122.

4 **Q.2. PLEASE TELL THE COMMISSION YOUR PROFESSION AND WITH WHOM
5 YOU ARE EMPLOYED.**

6 A.2. I am a Professional Engineer, registered in the State of Indiana since 2000. My
7 Professional Engineer registration number is PE IN10000117. I have been employed by
8 Curry & Associates, Inc., since 1995. I am both an owner and officer of Curry &
9 Associates, Inc. I serve our clients as a Project Engineer. As president of Curry &
10 Associates, Inc., I am also responsible for the business operations of our firm.

11 **Q.3. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL
12 EXPERIENCE; AND THE PROFESSIONAL EXPERIENCES OF YOUR FIRM
13 WHICH YOU BELIEVE ARE RELEVANT TO YOUR TESTIMONY.**

14 A.3. I graduated from Purdue University with a Bachelor of Science degree in Civil
15 Engineering in 1995. I graduated from Purdue University with a Master of Science
16 degree in Civil Engineering in 1996. I graduated from Indiana Wesleyan University in
17 2004 with a Master's in Business Administration. I have served as the lead project
18 engineer on a number of water and wastewater projects in Indiana. Projects have
19 included water and wastewater assessments and planning studies, utility relocations,
20 infrastructure rehabilitation, water and wastewater treatment, water distribution systems,

1 sanitary sewer collection systems, stormwater drainage, and advisory roles to
2 governmental entities and private utilities. Although my role for a particular client may
3 vary, I typically assist clients on all project phases from preliminary planning through
4 budgeting, funding, design, bidding and contract administration. I have assisted clients in
5 selection of funding alternatives, along with application for grant and loan funds from
6 various state and federal agencies.

7
8 I am a member of various professional organizations including the American Water
9 Works Association (AWWA), Alliance of Indiana Rural Water, Indiana Rural Water
10 Association (IRWA) and the American Council of Engineering Companies (ACEC). I
11 serve on the Environmental Business Committee for ACEC.

12
13 I have personally worked with the Indiana Finance Authority's State Revolving Loan
14 ("SRF") program. I have personally worked on projects for this Petitioner since 1997.

15 **Q.4. HAVE YOU PREVIOUSLY TESTIFIED ON BEHALF OF JACKSON COUNTY**
16 **WATER UTILITY, INC. ("PETITIONER")?**

17 A.4. Yes I testified in the Phase I portion of this Cause.

18 **Q.5. PLEASE DESCRIBE THIS PETITIONER AND ITS SERVICE TERRITORY.**

19 A.5. Jackson County Water Utility is a rural not-for-profit corporation organized to provide
20 potable water service to customers in various rural and municipal areas in Jackson,
21 Lawrence, Brown, Bartholomew, and Jennings Counties, Indiana. Generally its service
22 territory covers a large area in south central Indiana along I-65 including areas not
23 currently served. The areas to be served, by the construction of new mains described in

1 the Preliminary Engineering Report ("PER"), is considered part of Petitioner's service
2 territory. This territory does not include the cities of Columbus or Seymour, but does
3 include numerous other communities such as Brownstown, as well as the unincorporated
4 rural areas generally in southern Bartholomew County, eastern Lawrence County,
5 southern Brown County, western Jennings Counties, and throughout Jackson County.
6 The development of its service area has occurred over time with capital provided by the
7 United States Department of Agriculture and the Indiana Finance Authority's State
8 Revolving Fund (SRF). Petitioner currently serves approximately 5,300 customers which
9 include residential, commercial and light industrial customers.

10 **Q.6. MS. YOUNG, PLEASE GENERALLY DESCRIBE THE CURRENT FACILITIES**
11 **OWNED AND OPERATED BY THE PETITIONER.**

12 A.6. Petitioner currently owns and operates a water treatment plant in Brownstown, Indiana
13 rated at 2,000 gallons per minute. This water plant is a catalytic reactor-type water
14 treatment plant. The treatment process is designed to:

- 15 a. Reduce hardness from 330 ppm to approximately 180 ppm;
- 16 b. Remove iron;
- 17 c. Remove manganese;
- 18 d. Disinfect the water using chorine;
- 19 e. Fluoridate the water; and
- 20 f. Measure both raw water and finished water flow.

21
22 Raw water for this water treatment plant originates from six (6) existing wells which are
23 capable of producing an aggregate flow of approximately 2,800 gallons per minute. The
24 existing facilities include hundreds of miles of water transmission and distribution mains
25 of various diameters and of different materials. Petitioner's facilities also include above-
26 ground storage facilities, booster pumps, an office, and storage buildings. A more

1 detailed description, referencing the location, age, use, and evaluation of Petitioner's
2 current facilities is described in the PER which I filed as Exhibit LAY-1 in the Phase I
3 portion of this Cause.

4 **Q.7. HOW MUCH OF PETITIONER'S CURRENT POTABLE WATER CAPACITY**
5 **IS BEING USED FOR ITS EXISTING CUSTOMERS?**

6 A.7. JCWU has water production and treatment capacity of 2.4 MGD, and the average
7 pumpage for 2016 was 1,376,000 gpd. Current use is approximately 57% of water
8 production capacity. The proposed new service area shall be served in the Chestnut
9 Ridge Network. The existing booster station, water transmission mains and water storage
10 infrastructure serving the Chestnut Ridge Network can support service to approximately
11 1,900 customers. The Chestnut Ridge Network is currently at approximately 42% of
12 capacity, with available capacity to serve approximately 1,100 additional customers.
13 JCWU has water production capacity and distribution capacity to serve the proposed new
14 customers.

15 **Q.8. WILL THE NEW AREA TO BE SERVED THAT YOU DESCRIBED IN THE**
16 **PHASE I PORTION OF THIS CAUSE, ALLOW CUSTOMERS TO BETTER USE**
17 **THE EXISTING WATER CAPACITY?**

18 A.8. Yes it will.

19 **Q.9. WILL THE NEW AREA DESCRIBED IN PHASE I, ALSO USE THE WATER**
20 **MAINS, ABOVE GROUND STORAGE FACILITIES, BOOSTER PUMPS,**
21 **OFFICE, AND STORAGE BUILDINGS?**

22 A.9. Yes. The new project will be connected to the water mains already in existence. The
23 customers will draw water from the existing above ground storage facilities and obtain

1 the benefit of a number of the booster pumps in existence. The new area will also be
2 served through the existing office, storage buildings, water wells, and treatment plant
3 currently in existence.

4 **Q.10. WILL ANY OF THE CAPACITY OF ANY OF THE EXISTING WATER**
5 **FACILITIES OPERATED BY THE PETITIONER BE REQUIRED TO BE**
6 **EXPANDED TO SERVE THE AREA DESCRIBED BY YOUR PER?**

7 A.10. No.

8 **Q.11. HAS THE PROJECT DESCRIBED IN YOUR PER BEEN BID?**

9 A.11. Yes it has. We received eight bids for the construction of this project. The lowest bidder,
10 which the Board has now selected, was Lykins Contracting, Inc. They proposed
11 construction costs that were significantly below the estimate in the PER. Based on
12 discussions with SRF about the need to insure that we have sufficient easements, we
13 believe the total cost of the project now should be estimated at \$6,680,000 rather than the
14 \$7,500,000 as authorized in Phase I.

15 **Q.12. WHAT IS THE ISSUE ABOUT SUFFICIENCY OF EASEMENTS?**

16 A.12. The SRF initially asked in June if Jackson County Water had all private easements in
17 hand for the project. Jackson County Water did not at that time. Since June, all
18 necessary easements have been obtained for Area A. Notably, the Contractor plans to
19 begin construction in Area A, with an anticipated construction period of 8 months, which
20 will run through approximately April 2019. We have proposed to continue to work on
21 easements for Areas B and C. We expect to have all easements for B and C by year end.
22 However, we have also kept the contingency funds at a sufficient level to cover the cost
23 of moving into the county right-of-way, if necessary. I would note that this approach on

1 easements has not changed the total borrowing from SRF. It remains \$6,680,000 as I
2 reference above.

3 **Q.13. WHAT IS THE EXPECTED USEFUL LIFE OF THE IMPROVEMENTS**
4 **REFERENCED IN YOUR PER AND CONSIDERED IN PHASE I?**

5 A.13. I estimate the minimum useful life for the facilities to be constructed is 50 years. Like all
6 of the improvement projects that Jackson County Water has constructed over the last
7 several years, this project was designed to meet several generations of customers to be
8 served by this Petitioner. Thus both current residents of the service area and future
9 residents of the service area will be able to obtain the benefits provided by this project.

10 **Q.14. MS. YOUNG BASED ON YOUR FAMILIARITY WITH THE PROJECT, AND**
11 **TAKING INTO ACCOUNT YOUR EARLIER COMMENTS ABOUT**
12 **CONSTRUCTION BIDS AND EASEMENTS, DO YOU BELIEVE THAT THE**
13 **REVENUE REQUIREMENT PREPARED BY WITNESS RIDLEN PROVIDES**
14 **SUFFICIENT FUNDS TO COMPLETE THE PROJECT AND TO REPAY SRF?**

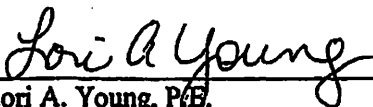
15 A.14. Yes I do.

16 **Q.15. DOES THIS CONCLUDE YOUR PREFILED DIRECT TESTIMONY IN THIS**
17 **PHASE II PORTION OF THIS CAUSE?**

18 A.15. Yes.

VERIFICATION

I affirm under the penalties of perjury that the foregoing Pre-filed Direct Testimony is true to the best of my knowledge, information and belief as of the date here filed.


Lori A. Young, P.E.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the following counsel of record by electronic delivery the 27th day of July, 2018:

Mark W. Cooper
Attorney at Law, No. 4139-49
1449 N. College Ave.
Indianapolis, IN 46202
attymcooper@indyrr.com

Daniel M. LeVay
Indiana Office of Utility Consumer
Counselor
115 West Washington Street, Suite 1500S
Indianapolis, IN 46204
dlevay@oucc.in.gov
infomgt@oucc.in.gov



L. Parvin Price