

**VERIFIED DIRECT TESTIMONY**  
of  
**BRUCE L. COOLEY**

**On**  
**Behalf of**  
**Joint Petitioners,**

**CITIZENS REGIONAL WATER RESOURCES, LLC,**  
**CITIZENS WATER AND CITIZENS WATER OF WESTFIELD, LLC**

**Cause No. 45896**

**Joint Petitioners' Exhibit No. 3**

1       **I.       INTRODUCTION AND BACKGROUND**

2       **Q1.   PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3       A1.   My name is Bruce L. Cooley. My business address is 2150 Dr. Martin Luther King  
4       Jr. Street, Indianapolis, Indiana, 46202.

5       **Q2.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6       A2.   I am employed by the Board of Directors for Utilities of the Department of Public  
7       Utilities of the City of Indianapolis, which does business as Citizens Energy Group  
8       ("Citizens"). I serve as a Project Manager in Capital Programs & Engineering  
9       ("CP&E") for Citizens. In that capacity, I am responsible for the planning, design,  
10      and construction of specific projects and programs of the capital programs of  
11      Citizens' utilities. As it relates to this case, I execute the capital planning and  
12      deployment of the Joint Petitioner, Citizens Water. Citizens Water is the division  
13      of Citizens which owns and operates the water utility system serving the City of  
14      Indianapolis. In this capacity I also execute capital planning and deployment of  
15      specific projects of the other Joint Petitioners, Citizens Regional Water Resources,  
16      LLC, or "CRW," and Citizens Water of Westfield, LLC, which are each affiliates  
17      of Citizens Water under the common ownership of Citizens.

18      **Q3.   HOW LONG HAVE YOU BEEN EMPLOYED BY CITIZENS?**

19      A3.   I have been employed by Citizens since February 2019.

20      **Q4.   WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL**  
21      **BACKGROUND?**

22      A4.   I received a Bachelor of Science in Agricultural and Biological Engineering with  
23      specialty in Machine Systems Engineering and Environmental & Natural Resource

1 Engineering from Purdue University and a Master of Science in Engineering in  
2 Sustainable Water Engineering from the University of California, Los Angeles. I  
3 am a Professional Engineer (PE No.: PE11500669) registered in the State of Indiana  
4 by the State Board of Professional Engineers and Land Surveyors. I am a Board-  
5 Certified Environmental Engineer by the American Academy of Environmental  
6 Engineers and Scientists with a specialty in Water Supply and Wastewater. Prior  
7 to joining Citizens, I worked as an engineering consultant for Black & Veatch  
8 Corporation specializing in water infrastructure planning, design, and construction  
9 in Kansas City, MO; Singapore; Dallas, TX; and Indianapolis, IN. I was the  
10 Engineering Manager responsible for the planning, design, and construction for  
11 various water infrastructure projects including such project types as new and  
12 existing water treatment plant improvements on plants ranging from 2 million  
13 gallons per day to over 770 million gallons per day; new and existing pumping  
14 systems ranging in capacity from a 0.25 million gallons per day to over 30 million  
15 gallons per day; hard-rock tunnels in Fort Wayne, IN, Indianapolis, IN, and  
16 Louisville, KY; wastewater treatment plant improvements of various sizes; drought  
17 resiliency planning; quarry conversions; and pipelines ranging from 1.5 inches to  
18 108-inches in diameter. Upon transitioning to Citizens, I have continued execution  
19 of planning, design, and construction of new and existing infrastructure focused  
20 primarily on potable water source, supply, and treatment.

21 **Q5. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

22 A5. No.

1 **Q6. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**  
2 **PROCEEDING?**

3 A6. The purpose of my direct testimony is to describe and support the capital program  
4 for design and installation of new infrastructure and infrastructure improvements  
5 associated with the project to supply 10 million gallons per day (10.0 MGD) of  
6 treated water, acquired wholesale from Citizens Water, to CRW, in order to enable  
7 CRW to supply such quantity of water to its customer, Lebanon Utilities by January  
8 2027. In particular, I provide an overview of the capital projects necessary for  
9 CRW, Citizens Water, and Citizens Water of Westfield, in connection with this  
10 undertaking, as well as the estimated total cost of \$200,000,000 currently projected  
11 for design and construction of the associated infrastructure. I explain the different  
12 components that make up the total program, and how we have arrived at our current  
13 estimates for the cost of each component. I also provide an overview of the general  
14 timeline associated with the project, and with funding for the project, how this  
15 timeline fits into the approvals sought from the Commission in this Cause, and other  
16 approvals being sought, as a part of the overall capital program that I am  
17 overseeing.

18 **Q7. ARE YOU SPONSORING ANY ATTACHMENTS?**

19 A7. No. However, I have included, as a confidential workpaper, a summary of the  
20 various projects that make up the current project cost estimate. Moreover, I may  
21 refer to certain Attachments, but these are being sponsored in this Cause by other  
22 witnesses for the Joint Petitioners.

23

1        **II.        NEED FOR SRF LOAN FUNDS**

2        **Q8.        PLEASE EXPLAIN WHY CRW IS SEEKING APPROVAL TO SECURE**  
3        **\$200,000,000 IN FUNDING FROM THE INDIANA FINANCE AUTHORITY**  
4        **THROUGH A STATE REVOLVING FUND (“SRF”) LOAN TO CRW.**

5        A8.        The \$200,000,000 SRF Loan amount represents the current estimated total project  
6        cost for design and installation of the new infrastructure and infrastructure  
7        improvements required to allow CRW to supply Lebanon Utilities with the required  
8        amount of treated water by the target schedules, as requested by the Indiana  
9        Economic Development Corporation (“IEDC”) for support of economic growth in  
10       the State of Indiana.

11       **Q9.        WHAT ARE THE DIFFERENT PROJECT COMPONENTS MAKING UP**  
12       **THAT TOTAL AMOUNT?**

13       A9.        Four categories of projects comprise the total program cost—specifically, a water  
14       treatment plant expansion; booster stations; water main extensions; and finished  
15       water storage tanks. The overall program of required investments consisting of  
16       approximately 17 projects is designed specifically to enable CRW to provide  
17       wholesale water service to Lebanon Utilities. The previously planned 15 MGD  
18       expansion at Citizens Water’s White River North Water Treatment Plant will be  
19       expanded by approximately 10 MGD to a total of 25 MGD with the additional 10  
20       MGD specifically needed to meet the needs of Lebanon Utilities. Approximately  
21       three new booster stations and two booster station expansions will be required.  
22       Approximately 50 miles of water main ranging from 16- to 30-inch diameter will  
23       be required, as will one or more finished water storage tanks. Following completion

1 of a Preliminary Engineering Report required to secure SRF funding and receipt of  
2 all applicable approvals, detailed design activities will immediately commence and  
3 material orders will be strategically timed. Additional engineers and contractors  
4 will be engaged as soon as practical to support accelerated design, cost  
5 management, schedule management, and installation for CRW as well as for  
6 infrastructure attributed to Citizens Water and Citizens Water of Westfield.

7 **Q10. YOU HAVE DESCRIBED NOT ONLY NEW INFRASTRUCTURE FOR**  
8 **THE SYSTEM WHICH CRW WILL OWN, BUT ALSO IMPROVEMENTS**  
9 **TO THE SYSTEMS CURRENTLY OWNED AND OPERATED BY**  
10 **CITIZENS WATER AND CITIZENS WATER OF WESTFIELD. HOW**  
11 **MUCH OF THE TOTAL \$200,000,000 SRF LOAN AMOUNT IS INTENDED**  
12 **FOR IMPROVEMENTS TO THOSE SYSTEMS, AS OPPOSED TO CRW'S**  
13 **SYSTEM?**

14 A10. Based on current estimates, approximately \$100,000,000; \$75,000,000; and  
15 \$25,000,000 would be required for the CRW, Citizens Water, and Citizens Water  
16 of Westfield systems, respectively.

17 **Q11. HOW DID YOU ARRIVE AT THE ESTIMATED DOLLAR AMOUNTS**  
18 **ASSIGNED TO THE VARIOUS PROJECT COMPONENTS YOU HAVE**  
19 **DESCRIBED?**

20 A11. Estimates were created by the engineering team during the preliminary modeling  
21 of the program during the Summer and Fall of 2022, making use of historical and  
22 then-current cost data obtained from Capital Project work at Citizens Energy  
23 Group. These initial estimates are considered to be "CLASS 5" estimates per

1 Citizens' normal planning practices, which follow and use cost  
2 estimating methodology and designations that are similar to guidelines  
3 presented by the Association for the Advancement of Cost Engineering  
4 ("AACE"). AACE defines projects at this planning stage to be planned up to two  
5 percent with an expected cost estimating range of minus 50 percent to plus 100  
6 percent of the ultimate project cost. A summary of the current project  
7 estimates is being submitted as a confidential workpaper. A schematic  
8 presentation of the projects is presented on Witness Willman's Confidential  
9 Attachment JAW-3. The estimates will be refined as the project definition

10 **Q12. WERE ANY OF THE CURRENT INFRASTRUCTURE IMPROVEMENT**  
11 **PLANS FOR THE CITIZENS WATER AND CITIZENS WATER OF**  
12 **WESTFIELD SYSTEMS ALREADY CONTEMPLATED PRIOR TO THE**  
13 **NEED TO SUPPLY WATER FOR THE LEAP DISTRICT?**

14 A12. While there were plans within both Citizens Water and Citizens Water of Westfield  
15 to make certain system upgrades, the costs assigned to the LEAP District project  
16 and included in the SRF Loan amount include only those additional costs that are  
17 necessary solely to ensure the supply of water needed for the LEAP District.

18 **Q13. HOW ARE THE PREVIOUSLY PLANNED INFRASTRUCTURE**  
19 **IMPROVEMENTS FOR SYSTEM GROWTH AND RENEWAL**  
20 **DIFFERENT FROM THE CURRENTLY PLANNED UPGRADES**  
21 **RELATED TO THE LEAP DISTRICT 10 MGD PROJECT?**

22 A13. Citizens Water and Citizens Water of Westfield continually look at the system  
23 renewal and system growth projects necessary to meet estimated regional growth.

1 Some projects, like the White River North Water Treatment Plant Expansion, were  
2 contemplated in our long-range capital plans to meet the needs of the growing  
3 Central Indiana Community based upon normal, historical growth estimates. The  
4 unique demand for the addition of the 10 MGD by the LEAP District project  
5 requires acceleration and upsizing of infrastructure that was not otherwise planned.  
6 Witness Willman addresses, in more detail, our approach to long-term water  
7 resource planning and related considerations and adjustments for the LEAP  
8 District.

9 **III. TIMING OF SRF LOAN PROCEEDS AND UNDERLYING CONSTRUCTION**  
10 **PROGRAM**

11 **Q14. WHEN IS CRW HOPING TO SECURE THE SRF LOAN PROCEEDS IN**  
12 **ORDER TO COMMENCE THE PROJECT DESCRIBED ABOVE?**

13 A14. CRW desires to secure funding as soon as practically feasible in an effort to support  
14 the State of Indiana's goal of delivering 6 and 10 MGD to the Lebanon area by  
15 January 2026 and January 2027, respectively. The target date to secure funding is  
16 no later than September 2023.

17 **Q15. ARE THE JOINT PETITIONERS ABLE TO COMMENCE ANY WORK**  
18 **ASSOCIATED WITH THE PROJECT PRIOR TO RECEIPT OF THE SRF**  
19 **LOAN PROCEEDS, AND IF SO, HOW ARE THEY PLANNING TO FUND**  
20 **THIS PRELIMINARY WORK?**

21 A15. Citizens, the IEDC, and Lebanon Utilities have executed a MOU, a copy of which  
22 is attached to Witness Jackson's testimony as Attachment CLJ-2, in an effort to  
23 make meaningful progress on work required to secure funding. The IEDC, in such  
24 MOU, has authorized up to \$1,000,000 of funding for the execution of planning



1 work necessary to secure funding through the Indiana Finance Authority. The  
2 planning work only includes engineering-design work necessary to prepare the  
3 Preliminary Engineering Report documentation required to secure funding and  
4 other preparatory activities (cost estimate refinement, schedule refinement, and  
5 similar) to ensure a prompt start to detailed design and construction upon funding;  
6 no material procurement or construction is included. The Joint Petitioners will track  
7 costs associated with the planning work described above. All costs incurred for the  
8 planning work will be reimbursed by the IEDC per the terms of the MOU.

9 **Q16. HAVE THE JOINT PETITIONERS BEGUN ANY OF THE PRELIMINARY**  
10 **WORK ASSOCIATED WITH THIS PROJECT ALREADY, AND IF SO,**  
11 **WHAT SPECIFICALLY?**

12 A16. Yes. We have started preliminary planning work associated with certain water  
13 main extensions, booster station work, and water plant expansions. The main  
14 extensions were preliminarily laid out and assessed at a high-level to determine the  
15 viability of certain alignments. Assessments for the booster stations to be upgraded  
16 have begun to ensure proper scoping of the projects within the forthcoming  
17 Preliminary Engineering Reports. As part of its long-term planning work, Citizens  
18 Water has been preparing for the expansion of the White River North Water  
19 Treatment Plant for a number of years in order to be prepared to respond to normal  
20 system growth needs in a timely manner. Although the current planning work  
21 includes the work required for the LEAP District, the past planning work did not  
22 contemplate the additional 10 MGD demand specifically needed to meet the needs  
23 of Lebanon Utilities.

1   **Q17.  WHAT STEPS CAN THE JOINT PETITIONERS TAKE TO ENSURE THIS**  
2           **PROJECT MOVES FORWARD AS EFFICIENTLY AND AS COST-**  
3           **EFFECTIVELY AS POSSIBLE, AND HAVE ANY SUCH STEPS BEEN**  
4           **TAKEN ALREADY?**

5   A17.  Citizens CP&E professionals routinely manage and execute work required by  
6           capital programs and will continue use of internal systems for schedule monitoring,  
7           early procurement of materials, interdepartmental coordination, resource  
8           monitoring and allocations, value engineering sessions, early vendor coordination,  
9           cost monitoring, internal project accounting, regular reporting including detailed  
10          communications with the client, and similar activities to ensure an efficiently  
11          executed program.


12          **IV.   CONCLUSION**

13   **Q18.  DOES THAT CONCLUDE YOUR PREPARED DIRECT TESTIMONY?**

14   A18.  Yes, at this time.

**VERIFICATION**

The undersigned affirms under the penalties for perjury that the foregoing testimony is true to the best of his knowledge, information and belief.

  
Bruce L. Cooley

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