

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF
NORTH DEARBORN WATER AUTHORITY
FOR EXPEDITED APPROVAL TO ISSUE
LONG-TERM DEBT AND ADJUST ITS
RATES AND CHARGES

CAUSE NO. 45618

VERIFIED PETITION

IURC
PETITIONER'S
EXHIBIT NO. 1-25-22
DATE 1-25-22 REPORTER JP

TO THE INDIANA UTILITY REGULATORY COMMISSION:

North Dearborn Water Authority ("Petitioner" or "North Dearborn"), respectfully requests authority on an expedited basis to issue long-term debt and adjust its rates and charges. In support of its Petition, North Dearborn states:

1. North Dearborn is a water authority constituted under Ind. Code § 13-18-16-16, organized and existing under and through the laws of the State of Indiana. North Dearborn's office is located at 28208 State Road 1, Suite 105, West Harrison, IN 47060.
2. Under Ind. Code § 13-18-16-16(h), North Dearborn's rates and charges are subject to the jurisdiction of the Indiana Utility Regulatory Commission ("Commission") as set forth in Ind. Code § 8-1.5-3-8.
3. Under Ind. Code §§ 8-1-2-78 through 8-1-2-80, the Commission has jurisdiction over North Dearborn's issuance of bonds, notes, or other evidences of indebtedness.
4. North Dearborn believes the following statutes may also be applicable to this case: Ind. Code §§ 8-1-2-42, 8-1-2-61, 8-1-2-83, and other applicable statutes located in Ind. Code ch. 8-1-2.
5. North Dearborn owns, operates, and maintains wells, treatment facilities, transmission facilities, distribution facilities, land, land rights, equipment, materials, supplies, working capital, and other property which are used and useful for the rendering of water service to its customers. North Dearborn provides water to primarily residential, commercial, and agricultural customers in Dearborn, Ripley, and Franklin Counties, Indiana.
6. North Dearborn must make necessary extensions, replacements, and improvements to its waterworks system, most importantly, the replacement of its water treatment plant

OFFICIAL
EXHIBITS

("WTP"). North Dearborn proposes to obtain the necessary funds for said extensions, replacements, and improvements from the issuance of new debt through the Drinking Water State Revolving Fund Loan Program ("DWSRF").

7. Although the North Dearborn was initially outside of the fundable range for receiving a subsidized loan from the DWSRF (see Attachment A, DWSRF July 16, 2021 Project Priority List), the DWSRF recently notified North Dearborn that it would provide North Dearborn with a subsidized loan provided North Dearborn could close on such loan on or before June 30, 2022.
8. In order to have sufficient funds to close on the DWSRF loan by June 30, 2022, make the requisite debt service payments on the prospective DWSRF debt, and pay its other lawful expenses to own and operate the utility, North Dearborn must adjust its rates and charges. Without such an adjustment, North Dearborn's current rates and charges will be unjust, unreasonable, insufficient, and confiscatory of North Dearborn's property.
9. To satisfy the DWSRF's timeline and requirements, North Dearborn requires an order approving the long-term debt and approving rates sufficient to show that North Dearborn can meet the financial requirements of the DWSRF loan by March 31, 2022.
10. North Dearborn's current base rates and charges for water utility service were approved in the Commission's October 1, 2009 Order in Cause No. 43736. As required by Ind. Code § 8-1-2-42, more than 15 months have passed since the filing date of Petitioner's last request for a general increase in its basic rates and charges.
11. North Dearborn proposes a historic test year comprising the 12-month period ending December 31, 2020, with adjustments for changes that are fixed, known, and measurable and in effect within 12 months after the test year.
12. North Dearborn will propose in this case new water rates and charges which will be sufficient to pay its expenses as set forth in Ind. Code § 8-1.5-3-8, resulting in an estimated \$186,451 (Phase 1) and \$172,127 (Phase 2) increase in its revenue requirement, which is an approximately 23% across-the-board increase (Phase 1) and approximately 17.26% across-the-board increase (Phase 2).
13. North Dearborn proposes in this Cause to incur long-term debt in the amount of \$4,250,000 through the DWSRF, which comprises \$3,950,000 in estimated project costs plus a \$300,000 construction contingency amount to allow for the possibility of higher than expected costs. The proceeds from the debt will be used to pay for a new water treatment

plant and other necessary extensions, replacements, and improvements to its waterworks system.

14. Included with this *Verified Petition*, North Dearborn is submitting its case-in-chief, which includes the pre-filed testimony and exhibits of Lori A. Young, P.E., and Douglas L. Baldessari, CPA, including supporting attachments, schedules, and workpapers.
15. North Dearborn believes that time is of the essence in that a subsidized loan is being made available through the DWSRF Program only if North Dearborn is able to obtain in a timely manner approval of its request to incur debt and change its rates.
16. Pursuant to the best practices set forth in the Commission's GAO 2013-5 (July 3, 2013), North Dearborn has consulted with the Indiana Office of Utility Consumer Counselor regarding a proposed expedited procedural schedule. Concurrent with this petition, North Dearborn will file a motion for adoption of the expedited proposed schedule.
17. The attorneys representing North Dearborn in this proceeding who are authorized to accept service of papers on behalf of the North Dearborn are:

J. Christopher Janak, Atty. No. 18499-49
Jeffrey A. Earl, Atty. No. 27821-64
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
(317) 684-5249 Direct Dial
(317) 223-0249 Fax
JJanak@boselaw.com
JEarl@boselaw.com

WHEREFORE, the Petitioner, North Dearborn Water Authority, respectfully requests that the Commission: (a) promptly establish a procedural schedule in this Cause; (b) conduct such hearings as the Commission believes necessary and appropriate; (c) authorize North Dearborn to incur long-term debt as supported by the evidence; (d) authorize North Dearborn to increase its rates and charges for water utility service; (e) approve North Dearborn's new schedule of rates and charges; (f) issue a final order in this Cause on or before March 31, 2022; and (g) for all other appropriate relief.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'JAE', is positioned above a horizontal line.

J. Christopher Janak, Atty. No. 18499-49

Jeffrey A. Earl, Atty. No. 27821-64

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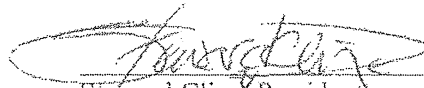
JEarl@boselaw.com

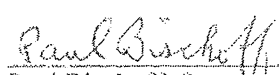
Counsel for North Dearborn Water Authority

VERIFICATION

I have read the foregoing Petition and the allegations contained therein are true and correct to the best of my knowledge and belief.

NORTH DEARBORN WATER AUTHORITY


Steward Cline, President
Board of Directors


Paul Bischoff, Secretary
Board of Directors

CERTIFICATE OF SERVICE

I certify that on 24 September 2021, the foregoing was filed electronically with the Indiana Utility Regulatory Commission using the Commission's electronic filing system and was served electronically on the parties below:

Indiana Office of Utility Consumer Counselor
infomgt@oucc.in.gov

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

Jeffery A. Earl, Atty. No. 27821-64

Attachment A

SFY 2022 - Drinking Water

Indiana Drinking Water State Revolving Fund (DWSRF) Loan Program
SFY 2022 Project Priority List, July 16, 2021, 1st Quarter Final*
Projects Applying for Financial Assistance in State Fiscal Year 2022 (July 1, 2021 - June 30, 2022)

Petitioner's Exh. 2

PPL Rank ¹	PPL Score	Participant	MHI ^{2,3}	Population Served	PWSID No(s)	SRF Project No.	Project Description	Estimated Green Project Reserve Cost	Green Project Reserve Category ⁴	Current User Rate (per 4,000 gallons) ²	Estimated Post-Project User Rate (per 4,000 gallons) ²	Requested Funds	Cumulative Requested Funds	SFY 2022 Fundable Range (\$80 Million)
1	97	Nashville	\$43,542	1,326	5207002	DW220307 01	Water Main Extension, Storage, and Distribution System Improvements	\$0	N/A	\$58.22	\$58.22	\$2,800,000	\$2,800,000	Fundable Range \$80 Million (Borrowers are eligible for up to \$7.5 Million at a Subsidized Rate)
2	74	Wheatland	\$42,292	184	5242016	DW220142 01	Distribution System Improvements	\$0	N/A	\$42.47	\$126.02	\$3,700,000	\$6,500,000	
3	72	Monticello - RCA Neighborhood	\$44,276	2,574	5291011	DW220791 02	Distribution System Improvements and Lead Service Line Replacement	\$0	N/A	\$22.05	\$25.07	\$1,400,000	\$7,900,000	
4	70	Evansville - Treatment Plant	\$42,600	173,000	5282002	DW220482 03	New Treatment Plant	TBD	TBD	\$33.74	\$45.86	\$250,000,000	\$257,900,000	
5	53	Fort Wayne	\$49,855	270,402	5202020	DW210212 05	Supply, Storage, Distribution System, and Treatment Improvements; Lead Service Line Replacement	TBD	WE	\$25.32	\$30.32	\$45,000,000	\$302,900,000	
6	50	Jackson County Water Utility	\$49,506	14,155	5236003 5263008	DW210336 04	Distribution System Improvements and Lead Service Line Replacement	\$0	N/A	\$46.15	TBD	\$3,500,000	\$306,400,000	
7	50	Grabill	\$55,536	1,250	5202006	DW201302 02	Supply, Treatment, and Distribution System Improvements	\$296,000	EE, WE	\$17.96	\$41.14	\$5,200,000	\$311,600,000	
8	47	Lapel	\$52,841	2,068	5248013	DW210548 02	Supply, Storage, and Distribution System Improvements	\$0	N/A	\$35.10	\$59.47	\$9,300,000	\$320,900,000	
9	47	Maysville Regional Water and Sewer District	\$62,504	487	5202037	DW220502 01	Water Main Extension, Storage, and Distribution System Improvements	\$0	N/A	\$36.25	\$65.00	\$2,500,000	\$323,400,000	
10	46	Andrews	\$40,333	1,149	5235001	DW160935 01	New Plant	TBD	TBD	\$29.60	\$121.04	\$6,000,000	\$329,400,000	
11	43	Monticello - Water Main Replacement	\$44,276	5,300	5291011	DW210191 02	Distribution System Improvements	\$0	N/A	\$22.05	\$25.07	\$2,200,000	\$331,600,000	
12	36	Cromwell	\$43,229	550	5257004	DW211657 02	Supply, Treatment, Storage, and Distribution System Improvements	\$32,000	EE	\$45.26	\$97.31	\$3,500,000	\$335,100,000	
13	35	L & M Regional Water District	\$29,722	490	5268013	DW211568 01	Distribution System Improvements	\$5,000	WE	\$36.20	\$41.36	\$1,600,000	\$336,700,000	
14	35	Dillsboro	\$40,250	2,000	5215002	DW201515 01	Storage and Distribution System Improvements	\$0	N/A	\$34.64	\$54.11	\$2,600,000	\$339,300,000	
15	35	Hoosier Hills Regional Water District	\$44,734	8,642	5269002	DW210469 01	Storage and Distribution System Improvements and Water Main Extension	TBD	TBD	\$34.82	\$37.00	\$3,300,000	\$342,600,000	
16	34	Edwardsville Water Corporation	\$30,300	10,200	5222001	DW201122 01	Storage and Distribution System Improvements	TBD	GI, EE	\$38.26	\$42.47	\$8,000,000	\$350,600,000	
17	33	Leavenworth	\$31,772	233	5213004	DW210913 01	Storage and Distribution System Improvements	\$0	N/A	\$21.69	\$34.15	\$1,900,000	\$352,500,000	
18	31	Lebanon	\$50,480	16,098	5206003	DW181306 02	Storage and Distribution System Improvements	\$0	N/A	\$34.26	\$40.16	\$8,300,000	\$360,800,000	
19	31	Brown County Water Utility	\$61,455	11,300	5207001	DW201407 03	Supply and Distribution System Improvements	\$0	N/A	\$55.32	TBD	\$4,300,000	\$365,100,000	
20	30	Northwest Jasper Regional Water District Distribution System Improvements	\$47,083	3,815	5237015	DW191737 01	Supply, Plant and Distribution System Improvements	\$0	N/A	\$44.01	\$49.50	\$5,498,933	\$370,598,933	
21	30	North Dearborn Water Corporation	\$65,096	5,435	5215008	DW201615 02	Supply, Plant and Distribution System Improvements	TBD	WE	\$26.07	TBD	\$3,800,000	\$374,398,933	
22	29	New Market	\$62,917	765	5254008	DW210754 02	Plant and Distribution System Improvements	TBD	WE	\$57.14	\$65.42	\$1,900,000	\$376,298,933	
23	28	Edinburgh	\$50,200	4,792	5241002	DW211041 01	New Supply, Supply Improvements, and New Plant	\$0	N/A	\$20.98	\$23.48	\$5,800,000	\$382,098,933	
24	28	Russellville	\$51,250	380	5267008	DW201867 02	Storage and Distribution System Improvements	\$0	N/A	\$45.00	\$100.47	\$2,400,000	\$384,498,933	
25	27	Dana	\$45,804	660	5283005	DW200483 01	Plant, Storage and Distribution System Improvements	\$0	N/A	\$39.02	\$87.58	\$1,900,000	\$386,398,933	
26	26	Van Bibber Lake Conservancy District	\$25,313	830	5267010	DW191067 01	Distribution System Improvements	\$0	N/A	\$78.00	\$253.91	\$8,700,000	\$395,098,933	
27	25	Evansville - Main Replacement	\$42,600	173,000	5282002	DW181282 02	Distribution System Improvements	\$0	N/A	\$33.74	\$45.86	\$97,000,000	\$492,098,933	
28	25	Chandler	\$50,904	19,295	5287002	DW181987 03	Distribution System Improvements	\$0	N/A	\$35.21	\$35.21	\$18,000,000	\$510,098,933	
29	25	Cedar Lake	\$65,067	5,550	5245047 5245067	DW201745 04	Supply, Storage, and Distribution System Improvements	\$0	N/A	\$36.04	\$40.18	\$4,000,000	\$514,098,933	
30	24	New Chicago	\$37,037	5,500	5245032	DW210645 02	Distribution System Improvements	\$0	N/A	TBD	TBD	\$2,300,000	\$516,398,933	
31	24	Carmel	\$113,714	88,077	5229004	DW181129 01	Plant, Storage and Distribution System Improvements	TBD	TBD	\$25.31	\$29.87	\$51,000,000	\$567,398,933	
32	23	IN Recreation Development Commission / Charleslown State Park	N/A	83	2100018	DW220210 02	New Supply and Treatment Expansion	\$0	N/A	N/A	TBD	\$6,400,000	\$573,798,933	
33	21	Gibson Water, Inc.	\$63,056	4,390	5226009	DW180826 02	Distribution System Improvements	TBD	TBD	\$38.80	\$38.80	\$2,400,000	\$576,198,933	

PPL Rank ¹	PPL Score	Participant	MHI ^{2,3}	Population Served	PWSID No(s)	SRF Project No.	Project Description	Estimated Green Project Reserve Cost	Green Project Reserve Category ⁴	Current User Rate (per 4,000 gallons) ²	Estimated Post-Project User Rate (per 4,000 gallons) ²	Requested Funds	Cumulative Requested Funds	SFY 2022 Fundable Range (\$80 Million) ⁵
34	21	Tri-Township Water Corporation	\$68,658	9,725	521509	DW220615 01	Storage and Distribution System Improvements	\$775,000	WE	\$26.46	TBD	\$4,600,000	\$580,798,933	
35	17	Columbus	\$63,405	44,061	5203002	DW211403 01	New Supply	\$0	N/A	\$9.82	\$17.49	\$15,400,000	\$596,198,933	
36	16	Washington	\$40,645	13,690	5214007	DW190414 01	Distribution System Improvements	\$0	N/A	\$33.79	\$38.86	\$3,300,000	\$599,498,933	
--	21	Altica	\$49,167	1,360	5223001	DW220823 01	Treatment, Storage, and Distribution System Improvements	\$0	N/A	\$33.25	\$40.88	\$2,400,000	\$601,898,933	
TOTAL REQUESTED FUNDS - PRELIMINARY ENGINEERING REPORTS (PERs)								\$1,108,000				\$601,898,933		

PPL Rank ¹	PPL Score	Participant	MHI ^{2,3}	Population Served	PWSID No(s)	SRF Project No.	Project Description	Estimated Green Project Reserve Cost	Green Project Reserve Category ⁴	Current User Rate (per 4,000 gallons) ²	Estimated Post-Project User Rate (per 4,000 gallons) ²	Estimated Total Project Cost	Cumulative Total
Application Only		Loogootee	\$44,125	3,915	5251005	DW210251 01	Storage and Distribution System Improvements	TBD	TBD	\$31.54	\$46.35	\$2,700,000	\$2,700,000
Application Only		Madison	\$40,231	6,471	5239006	DW22093903	Plant, Storage and Distribution System Improvements	TBD	TBD	\$9.48	\$15.12	\$12,400,000	\$15,100,000
TOTAL REQUESTED FUNDS - APPLICATIONS ONLY								\$0				\$15,100,000	

TOTAL REQUESTED FUNDS - PERs & APPLICATIONS

\$1,108,000

\$616,998,933

Footnotes:

¹ A community must submit a complete Preliminary Engineering Report to the DWSRF Loan Program in order for the project to be scored and ranked on the Project Priority List (PPL).

² Additional subsidization may be provided to participants who have a low Median Household Income (MHI) and/or high post-project user rates as outlined in the Intended Use Plan (IUP). The amount of the additional subsidization shall be determined and set forth in the financial assistance agreement.

³ The Indiana DWSRF Loan Program defines a Disadvantaged Community in Section VII of the IUP.

⁴ EE = Energy Efficiency, EI = Environmentally Innovative, GI = Green Infrastructure, WE = Water Efficiency, CR = Climate Resiliency.

⁵ This project priority list was published on July 2, 2021 for a 2-week comment period.