

STATE OF INDIANA

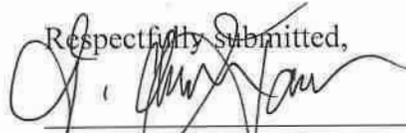
INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF
STUCKER FORK CONSERVANCY DISTRICT
FOR APPROVAL OF A NEW SCHEDULE OF
RATES AND CHARGES FOR WATER
SERVICE

CAUSE NO.: 46167

**PREFILED DIRECT TESTIMONY AND EXHIBITS
OF DOUGLAS L. BALDESSARI, CPA**

Prefiled Direct Testimony of Douglas L. Baldessari, CPA	<u>Petitioner's Exhibit 3</u>
Consulting Report on Cost of Service Study	<u>Petitioner's Exhibit 4</u>
Agreement Regarding Implementation of Cost of Service Study	<u>Petitioner's Exhibit 5</u>

Respectfully Submitted,


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Counsel for Stucker Fork Conservancy District

Petitioner's Exhibit 3

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VERIFIED DIRECT TESTIMONY AND EXHIBITS

OF

DOUGLAS L. BALDESSARI, CPA

ON BEHALF OF PETITIONER,

STUCKER FORK CONSERVANCY DISTRICT

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I.
Introduction

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

A. My name is Douglas L. Baldessari and my business address is 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-0458.

2. Q. WHAT IS YOUR PROFESSION AND FOR WHO ARE YOU EMPLOYED?

A. I am a Certified Public Accountant and a principal in the firm of Baker Tilly Municipal Advisors, LLC ("BTMA"). BTMA is a registered municipal advisor with the Securities and Exchange Commission ("SEC") and controlled subsidiary of Baker Tilly Advisory Group, LP ("BTAG"), a tax and consulting firm. Additionally, I am a principal in Baker Tilly US, LLP ("BTUS") (collectively, with BTMA and BTAG, "Baker Tilly"), an assurance practice operating as a firm of certified public accountants.

3. Q. CAN YOU DESCRIBE YOUR FIRM AND ITS AREA OF EXPERTISE?

A. The Baker Tilly entities collectively comprise a national full-service advisory, tax, and assurance practice of nearly 6,700 professionals across the country and internationally. In addition, Baker Tilly is an independent member of Baker Tilly International, the world's 10th largest network made up of 126 independent accounting and business services firms in 145 territories with 34,000 professionals. BTMA focuses exclusively on providing services to public sector organizations, including municipal utilities as independent municipal advisors and utility consultants. BTMA brings more than 65 years of experience in solid financial

1 consulting and planning for governmental units, not-for-profit corporations and
2 special districts and has resulted in completed projects and improved management
3 and operations for utilities, municipalities, counties, schools, libraries, and other
4 governmental units. A large part of our practice involves financial studies in
5 connection with changes in utility rates and the financial planning associated with
6 the acquisition of capital such as tax-exempt and taxable bonds and notes and other
7 evidences of indebtedness.

8 **4. Q. WHAT IS YOUR EDUCATIONAL EXPERIENCE?**

9 A. In May 1991, I received a Bachelor of Science Degree in Finance from the
10 University of Connecticut, School of Business, Storrs, Connecticut. In August
11 2001, I received my Master of Professional Accountancy from Indiana University
12 Kelly School of Business, Indianapolis, Indiana. Since then, I have completed
13 various professional courses sponsored by the American Institute of Certified
14 Public Accountants, Indiana CPA Society, American Water Works Association,
15 and other professional organizations.

16 **5. Q. PLEASE DESCRIBE YOUR RELEVANT PROFESSIONAL**
17 **EXPERIENCE.**

18 A. I joined the firm of Umbaugh in March 2000 and, in 2002, completed the
19 requirements to become licensed as a Certified Public Accountant in the State of
20 Indiana. I became a Partner with the firm in January 2013. As a result of the
21 combination with Baker Tilly and Springsted, I became a partner in Baker Tilly on
22 March 1, 2019. During the past twenty four (24) years, I have been involved with

1 many professional engagements including financial studies for municipally-owned
2 water and sewage utilities, not-for-profit water corporations, regional water and
3 sewer districts, and conservancy districts. These studies quite often have involved
4 the determination of utility revenue requirements, cost of service studies, and the
5 financial planning associated with the issuance of tax-exempt and taxable bonds
6 and loans.

7 **6. Q. WHAT PROFESSIONAL ORGANIZATIONS ARE YOU ASSOCIATED**
8 **WITH?**

9 **A.** I am a member of the American Institute of Certified Public Accountants, American
10 Water Works Association, and Indiana Water Environment Association where I in
11 the past have served on the Board of Directors and currently serve as the Junior
12 WEF Delegate. In addition, our firm is a member of both the Indiana Rural Water
13 Association and the Indiana Water and Wastewater Alliance.

14 **7. Q. HAVE YOU TESTIFIED BEFORE AS AN EXPERT WITNESS?**

15 **A.** Yes, I have testified before the Indiana Utility Regulatory Commission
16 (“Commission”) on many occasions. My prior testimony has covered a myriad of
17 topics, including, but not limited to, the development of appropriate revenue
18 requirements, utility valuation, financing approval, and across-the-board and cost
19 of service analysis and rate design.
20

II.

Historical Relationship With Petitioner

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3 8. Q. MR. BALDESSARI, HAS YOUR FIRM PREVIOUSLY TESTIFIED ON
4 BEHALF OF THE PETITIONER, STUCKER FORK CONSERVANCY
5 DISTRICT (“PETITIONER” OR “STUCKER FORK”)?

6 A. Yes, our firm has represented Stucker Fork since its inception in 1964.

7 9. Q. CAN YOU DESCRIBE YOUR INVOLVEMENT AND THE NATURE OF
8 THE PROCEEDINGS IN STUCKER FORK’S FOUR PRIOR RATE
9 CASES, CAUSE NOS. 42752, 43780, 44164, AND 44687, AND 44987?

10 A. Yes, I can. In Cause No. 42752, the Commission approved our cost of service study
11 and agreed with the Petitioner to “phase-in” the results of the cost of service study
12 to avoid rate shock for the Petitioner’s large volume wholesale and industrial users.
13 In that Cause, Stucker Fork implemented the first phase of its cost of service study.
14 In Cause No. 43780, we prepared and presented a new cost of service study (using
15 the same methodology approved by the Commission in Cause No. 42752) and
16 requested that the Commission implement what would effectively be the
17 penultimate phase of the cost of service study. As part of the settlement agreement
18 in that case with the Office of Utility Consumer Counselor (“OUCC”) (which was
19 ultimately approved by the Commission in its final Order), Stucker Fork was
20 required to use the cost of service study in Cause No. 43780 as the basis for making
21 a final move to cost based rates in its next rate case (i.e. Cause No. 44164).
22 In Cause No. 44164, the Petitioner proposed the final phase-in of cost of service-
23 based rates consistent with the requirement to follow or use the cost of service study

1 previously approved in Cause No. 43780. In its final Order, the Commission
2 accepted the cost of service study but deferred the implementation of full cost-based
3 rates to the industrial and wholesale rate classes due to concerns of rate shock. The
4 Order also created requirements that the Petitioner must complete or meet before
5 preparing a new cost of service study.

6 In Cause No. 44687, the Petitioner proposed roll-in of the fully allocated cost of
7 service study to the industrial and wholesale rate classes previously approved in
8 Cause Nos. 43780 and 44164, along with a small adjustment to other customer
9 classes necessary to support the revenue requirements. In its final Order, the
10 Commission accepted the final phase-in of cost of service-based rates, but also
11 reaffirmed the requirements from Cause No. 44164 that the Petitioner must
12 complete when preparing its next cost of service study.

13 In Cause No. 44987, the Petitioner requested an across the board increase in rates
14 and charges. A cost of service was not done at that time as there was changing
15 customer usage especially for the Petitioner's largest customer, Morgan Foods, Inc.
16 ("Morgan Foods"), during the test year and projects such as a recently completed
17 storage tank could have affected a cost of service study. It was anticipated that a
18 cost of service study could be performed for the Petitioner's next rate case.

19 **10. Q. TO YOUR KNOWLEDGE, DID MORGAN FOODS INTERVENE AND**
20 **PARTICIPATE IN CAUSE NOS. 42752, 43780, 44164, 44687, and 44987?**

21 **A.** Yes, Morgan Foods participated in all of Stucker Fork's above-referenced rate
22 cases. In a more recent case, Cause No. 44987, the settlement agreement reached

1 between the Petitioner, OUCC, and Morgan Foods requires the Petitioner to meet
2 with Morgan Foods prior to the Petitioner preparing and developing its next cost of
3 service study and that the Petitioner will provide Morgan Foods with written notice
4 prior to the Petitioner filing its next rate case. Counsel for the Petitioner contacted
5 Morgan Foods on August 29, 2024, seeking input regarding the cost of service
6 study. As will be described below, Stucker Fork and its consultants have had
7 multiple meetings and conversations with Morgan Foods and its consultants
8 regarding cost of service-related issues and Stucker Fork's anticipated request for
9 relief in this Cause.

10 **11. Q. HAS YOUR FIRM BEEN RETAINED BY THE PETITIONER IN**
11 **CONNECTION WITH THESE PROCEEDINGS?**

12 **A.** Yes. We were retained to conduct a cost of service study and propose additional
13 changes to Petitioner's present schedule of rates and charges for service that are
14 necessary to enable the Petitioner to adequately render service.

15 **III.**

16 **Need For Rate Adjustment**

17 **12. Q. HAVE THE RESULTS OF YOUR ANALYSIS AND ADVICE TO THE**
18 **PETITIONER REGARDING THIS CAUSE BEEN REDUCED TO**
19 **WRITING?**

20 **A.** Yes. Our firm prepared a consulting report dated November 21, 2024 ("Consulting
21 Report", Petitioner's Exhibit 4) summarizing the results of our studies.

22 **13. Q. GENERALLY SPEAKING, WHY IS THE PETITIONER SEEKING**
23 **RATE ADJUSTMENT?**

1 **16. Q. WHAT TEST YEAR WAS SELECTED FOR THE CONSULTING**
2 **REPORT?**

3 **A.** The Consulting Report used the 12 months ended December 31, 2023 as the test
4 year.

5 **17. Q. WOULD YOU PLEASE EXPLAIN WHY THE TEST YEAR ENDED MORE**
6 **THAN 270 DAYS PRIOR TO FILING THE CASE IN CHIEF AS**
7 **GENERALLY REQUIRED?**

8 **A.** The test year selected is greater than 270 days old so that the Petitioner could
9 comply with the settlement agreement reached in Order 44987. In the settlement
10 agreement, the Petitioner agreed to meet with Morgan Foods to discuss cost of
11 service and rate design issues with the goal of avoiding protracted litigation over
12 these issues in the current rate case. The settlement required 60 days written notice
13 to Morgan Foods prior to filing the rate case. The Petitioner used this time to hold
14 multiple meetings with Morgan Foods. These meetings were fruitful resulting in a
15 settlement agreement between Morgan Foods and the Petitioner agreeing to the
16 cost-of-service methodology and phasing in of rates as further described in my
17 testimony. The test year ended December 31, 2023 together with the pro forma
18 adjustments, accurately reflects the pro forma annual revenue requirements of the
19 Petitioner and an updated test year period is not required.

20 **18. Q. WOULD YOU PLEASE EXPLAIN THE CONSULTING REPORT TO**
21 **THE EXTENT NOT OTHERWISE SELF-EXPLANATORY?**

1 A. The Consulting Report is divided into three sections. The first section of the
2 Consulting Report (pages 2 through 22) contains estimated financial information
3 based on the 12 months ended December 31, 2023, which was the test year used to
4 develop the estimated annual revenue requirements, along with a schedule of
5 estimated project costs and funding, the accompanying proposed bond amortization
6 schedule, and a proposed combined amortization schedule.

7 The second section of the Consulting Report (pages 23 to 7) contains the cost of
8 service study and resulting rates and charges.

9 The third section of the Consulting Report (pages 48 to 54) contains the proposed
10 phased-in cost of service study and the proposed rates and charges.

11 The fourth section of the Consulting Report (pages 55 to 64) contains supplemental
12 financial data, including account balances along with amortization schedules of the
13 outstanding waterworks bonds.

14 Pages 7 through 15 of the Consulting Report present the estimated annual operating
15 and maintenance expenses. Adjustments to test year expenses have been made for
16 fixed, known, and measurable items. The test year cash operating expenses have
17 been adjusted to reflect the cost of payroll adjustments, employee benefits, and
18 insurance, among others. Consistent with my earlier testimony, there are also
19 adjustments for the expected cost of periodic maintenance requirements. The
20 Petitioner has an expansive waterworks system ("Utility") extending over all or
21 portions of six counties including two water treatment plants, fifteen water tanks,
22 and a vast distribution system that all require substantial periodic maintenance. The

1 allowances for periodic maintenance expense have been updated by the Petitioner's
2 consulting engineers from those approved in Petitioner's prior rate case, Cause No.
3 44987. Other adjustments include the hiring of three new maintenance employees
4 needed to operate the Utility, and the retention of professional services for on-going
5 accounting support, financial reporting, and financial guidance. The test year cash
6 operating expenses of \$3,874,478 have been increased by \$280,657 to arrive at
7 estimated annual cash operating expenses of \$4,155,135.

8 The Petitioner's anticipated capital improvements needed in the immediate future
9 are shown on page 16. Per the consulting engineers, it is anticipated that the
10 Petitioner will spend almost \$13 million over the next 5 to 7 year period on a myriad
11 of capital improvement including work trucks, booster station switch gear,
12 expansion of the Marble Hill treatment plant, new Marble Hill supply wells, Austin
13 treatment plant raw water intake structure, and main replacement. These items do
14 not include the inevitable line breaks and other unexpected maintenance expenses
15 that typically occur.

16 As reflected on page 21, reference No. 6, the annual depreciation expense on the
17 Petitioner's facilities is \$990,030. Consistent with the Order in Cause No. 44164
18 (p. 16, ¶ 10)¹, the Petitioner is requesting a depreciation allowance of \$990,030 in
19 this proceeding which is, over time, a better and smoother guide to the Petitioner's
20 cash funded capital replacements and improvements.

¹ See also Commission Order in Cause No. 44687, p. 13-14; ¶4, entitled *Extension and Replacements/Depreciation Expense*, and Commission Order in Cause No. 44987, p. 4; ¶5B and 13; ¶12.

1 Page 17 is an estimated project cost and funding schedule for projects that the
2 Petitioner proposes to finance with a water revenue bond. The Petitioner is
3 proposing to finance the Marble Hill treatment plant expansion and new supply
4 wells, construction contingencies, IURC rate case expenses, and legal, bond
5 counsel, financial advisory, and general project contingencies totaling \$7,325,000
6 according to Mr. Richard Burch, the Petitioner's consulting engineer. While the
7 Commission does not approve debt issuance for conservancy districts, it is the
8 Petitioner's current plan to defer in issuing long-term debt to fund the proposed
9 projects until the Commission has issued an Order in this Cause. The Petitioner
10 was recently downgraded to an underlying S&P rating of "A-" on the Petitioner's
11 outstanding debt and the Petitioner could estimate stronger bond coverage with
12 additional revenues, and thus receive the best rating and interest rate possible.

13 Page 18 contains a proposed amortization scheduled for the proposed \$7,325,000
14 revenue bond issue at an assumed interest rate of 4.0%. The Petitioner anticipates
15 applying to fund the project through the State Revolving Fund ("SRF") Loan
16 Program in Spring 2025 to issue debt in SRF's next fiscal year, which is July 1,
17 2025, through June 30, 2026. Depending on SRF's Project Priority List ("PPL"),
18 the actual interest rates will depend on the current quarter's interest rate based on
19 the average residential user rate and MHI for the area. If the project does not score
20 well on the PPL, then the actual interest rates may be obtained through a
21 competitive sale of bonds. The proposed bonds have been amortized around the
22 Petitioner's currently outstanding bonds to achieve debt service that is as level as
23 practicable.

1 Pages 19 and 20 contain a proposed combined bond amortization schedule which
2 includes the outstanding and proposed debt service on the Petitioner's bonds.

3 A summary of the estimated revenue requirements of the Petitioner (determined on
4 the preceding schedules) is shown on page 21 with explanations of the adjustments
5 appearing on page 22. The revenue requirements have been adjusted to incorporate
6 the Petitioner's adjusted operation and maintenance expenses as shown on pages 7
7 through 15. Also included in the revenue requirements is the average annual debt
8 service on the outstanding bonds. The average annual debt service on the proposed
9 bonds as shown on page 18 has also been included, along with the associated debt
10 service reserve funding. Finally, an allowance for replacements and improvements
11 equal to the annual depreciation expense on the Petitioner's facilities is included
12 resulting in total revenue requirements of \$6,669,941. Total revenue requirements
13 are then reduced by test year interest income, penalties, and other income resulting
14 in net revenue requirements to be funded through rates of \$6,577,801.

15 In order to provide sufficient revenues to meet the estimated annual revenue
16 requirements, annual revenues of \$5,002,874, (which were adjusted to remove the
17 Washington Township settlement payment included in the wholesale water revenue
18 shown on page 21) would need to be increased by \$1,574,927, or approximately
19 31.5 percent across-the-board.

20 Beginning on page 23, the second section of the report contains the cost of service
21 analysis in which each of the revenue requirements are first allocated to the
22 functional cost categories, and then allocated to each customer classification based

1 upon each of the classes' responsibility for those functional costs. The allocated
2 cost of service for each customer classification is then used as a basis for developing
3 the fully allocated rates and charges. The method selected for use in allocating
4 costs is the base-extra capacity method promulgated by the AWWA.

5 Pages 23 - 24 lays out the test year consumer study including number of bills, usage,
6 and billings of the Petitioner's customers by meter size, usage block, and customer
7 class. Page 25 summarizes the consumer analysis and compares the calculated
8 billings to reported meter revenues which shows a 1.16% variance.

9 Page 26 summarizes the number of bills and billings of the Petitioner's fire
10 protection customers and compares them to the reported fire protection revenues
11 which shows a -2.22% variance. Overall, the calculated metered and fire protection
12 revenues compared with the recorded revenues results in a variance of 0.01%.

13 Page 27 presents the calculation of the estimated equivalent meters. Test year
14 average connections have been adjusted by the appropriate equivalency factor to
15 arrive at estimated equivalent connections.

16 Page 28 presents the calculation of the estimated equivalent fire hydrant
17 connections. Test year connections have been adjusted by the appropriate
18 equivalency ratio, based upon the sum of the squares methodology, to arrive at
19 estimated equivalent connections.

20 Summarized on page 29 of the report are the test year units of service for each
21 customer classification based upon information extracted from the utility's billing
22 records and capacity factors for each classification based upon capacity factors as

1 determined by the test year usage data and the consulting engineers. The
2 classifications include residential, commercial, industrial, government, and
3 wholesale. The column entitled "Test Year Annual Sales" reflects the recorded
4 billed consumption for each rate classification during the test year. The
5 governmental test year annual sales have been normalized to remove usage for a
6 major water leak on a customer premise and non-recurring usage from City of
7 Scottsburg whose treatment operations were down for a portion of the test year.
8 The total sales are used as the basis of allocating the base costs of service. For
9 instance, during the test year, the average daily demand for service amounted to
10 3,583,000 gallons. The residential average demands amounted to 1,093,000
11 gallons or approximately 30 percent of the total average daily demand.
12 Consequently, the residential users would be responsible for approximately 30.5
13 percent of the base costs of providing water service.

14 The average daily demands for each rate classification have been multiplied by the
15 extra capacity factors to determine the responsibility each customer class has for
16 the extra capacity costs associated with meeting maximum day demands and
17 maximum hour demands for service. For instance, the total maximum day demand
18 has been calculated at 6,465,000 gallons per day. This exceeds the average day
19 demand of 3,583,000 gallons and results in extra maximum day capacity of
20 2,882,000 gallons. The extra maximum day capacity of the residential customers
21 amounts to 2,350,000 gallons per day, or approximately 36 percent of the total
22 maximum day extra capacity. Accordingly, 36 percent of the costs related to

1 meeting the extra maximum day demands for service are allocable to the residential
2 customers. The maximum hour demand has been calculated at a rate of 9,575,000
3 gallons per day. This capacity exceeds the average daily demands of 3,583,000
4 gallons and the extra capacity for maximum day demands of 6,465,000 gallons,
5 resulting in extra capacity for maximum hour demands of 3,110,000 gallons.

6 The number of bills for each customer classification that were obtained directly
7 from the billing records of the District was used as a basis for allocating customer
8 costs related to billing. The number of connections for each customer classification
9 has been weighted by equivalency factors to equate larger size meters to a standard
10 residential 5/8-inch water meter. These calculations are shown on page 27 of the
11 report. The equivalent connections for each customer classification are used as a
12 basis for allocating customer related costs associated with meters and services.

13 On pages 30 through 31 of the report, each of the recorded utility plant accounts at
14 December 31, 2023, has been allocated to the various functional cost categories
15 according to the methodologies described in the sixth edition of *Principles of Water*
16 *Rates, Fees, and Charges*, AWWA M1 Manual (the "AWWA Rates Manual.") The
17 functional categories include base costs of service, extra capacity costs for
18 maximum day and maximum hour demands, customer meters and services, and
19 direct fire protection service.

20 The allocated costs of utility plant are reduced by contributions to arrive at the
21 allocated net plant in service. The estimated revenues to be generated from rates in

1 excess of the estimated cash operating expenses have been allocated in ratio to the
2 allocated net plant in service.

3 Pages 32 through 34 of the report contain the allocation of the estimated annual
4 cash operating expenses to each of the functional cost categories. The estimated
5 annual cash operating expenses have been obtained from pages 6 through 14 of the
6 report. The total allocated cash operating expenses of \$4,155,135 are reduced by
7 the estimated amount of funds available from other sources to arrive at the
8 allocation of functionalized net cash operation and maintenance expenses. Once
9 again, the allocations are based upon the methodologies and techniques described
10 in the AWWA Rates Manual.

11 On page 35 the estimated costs of service, as allocated to each of the functional cost
12 categories on the preceding pages, are divided by the units of service as calculated
13 on page 29 to arrive at the estimated cost of service per unit. For example, page 32
14 of the report shows \$1,534,406 of the net cash operation and maintenance expenses
15 as being allocable to the base cost of service. Page 35 also shows \$650,987 of the
16 debt service and debt service reserve allowances along with \$422,683 of the
17 estimated annual allowance for replacements and improvements being allocable to
18 the base cost of service. In total, \$2,608,076 of estimated costs of service to be
19 recovered through rates is allocable to base cost. Dividing these allocated base
20 costs by the recorded test year billed usage results in an estimated base cost of
21 service of approximately \$1.9940 per unit of service.

1 The Petitioner provides fire protection service to only those customers in the City
2 of Austin, Indiana ("Austin"). Based upon this information we allocated the fire
3 protection costs using the Maine Public Utilities Association Commission's
4 methodology as described in the AWWA Rates Manual. Using this methodology
5 we have calculated that 26.0% of the inside Austin revenues would be allocated to
6 fire protection service.

7 On page 36 the cost of service per unit is then applied to the corresponding units
8 for each customer classification as developed on page 29 to arrive at each customer
9 classes' responsibility for those functional costs. For example, applying the base
10 cost of service of \$1.9940 per unit of service to the recorded billed consumption of
11 the residential users arrives at a base cost of service for the residential users of
12 \$795,438. Applying the cost of service per unit for maximum day extra capacity
13 of \$540.3109 to the residential units of service allocates \$679,171 of extra capacity
14 maximum day costs to residential users. The sum of each customer classifications
15 responsibility for each of the functional cost categories equals the total allocated
16 cost of service for each customer classification. Of the \$6,577,801 of total
17 estimated revenue requirements to be provided through rates and charges,
18 \$2,999,621 are allocable to residential customers, or 45.60 percent, \$145,392 are
19 allocable to the commercial customers, or 2.21 percent, \$1,889,800 are allocable to
20 industrial customers, or 28.73 percent, \$67,253 are allocable to government
21 customers, or 1.02 percent, \$1,251,349 are allocable to the wholesale customers, or

1 19.03 percent, with the remaining \$224,386, or 3.41 percent, allocable to fire
2 protection.

3 Page 37 calculates the monthly base charge by meter size. The meter cost per unit
4 is adjusted based on the appropriate equivalency factor for each meter size and then
5 added to the billing cost per unit to arrive at the monthly base charge.

6 Page 38 calculates the fully allocated fire hydrant and sprinkler charges. Although
7 the District currently only provides private fire protection service for 6, 8, 10, and
8 12-inch connections, we have calculated automatic sprinkler charges for various
9 connection sizes using the sum of the squares methodology.

10 The calculation of equivalent connections for public fire protection is shown on
11 page 39. This schedule converts the number of inside-the-city of Austin customers
12 to total equivalent connections based on each customer's meter size ratio to a 5/8"
13 meter.

14 Page 40 calculates the portion of the total allocated cost of service for fire protection
15 that is to be recovered through public fire protection charges. That amount is then
16 divided by the total equivalent connections to calculate the proposed annual and
17 monthly charge per equivalent connection. Page 41 then goes on to demonstrate
18 that the proposed charge per connection is sufficient to recover the allocated cost
19 of service.

20 On page 42, the proposed annual charge per meter size for public fire protection is
21 divided by twelve months to determine the proposed monthly charge per meter size.
22

1 Page 43 of the report compares the fully allocated cost of service as determined on
2 page 36 with the annual revenue anticipated to be generated under the adjusted rates
3 and charges for each customer classification.

4 Page 44 of the report shows the calculation of the estimated annual revenues for
5 each rate classification at the proposed rates and charges.

6 Page 45 compares typical monthly bills for various meter sizes and various levels
7 of water usage under present and adjusted rates if the Petitioner were to implement
8 the fully allocated cost of service study.

9 Pages 46 and 47 of the report summarize the water rates and charges that would
10 result based upon the fully allocated cost of service. The rates proposed for
11 residential, commercial, industrial, and governmental users consist of a two-part
12 rate. The first part of the rate consists of a monthly service charge based upon the
13 size of the meter installed with the larger size meters bearing a greater share of the
14 cost. The second component of the retail rate consists of a volume charge which is
15 a metered block rate for each 1,000 gallons of water used each month. Based on
16 the fully allocated cost of service, the rate blocks begin with a rate of \$5.10 per
17 1,000 gallons for the first 10,000 gallons of water used each month, declining to a
18 proposed rate of \$4.74 per 1,000 gallons for the next 240,000 gallons of water used
19 each month, declining to a proposed rate of \$3.95 per 1,000 gallons for the next
20 250,000 gallons of water used each month, and a final rate block declining to a
21 proposed rate of \$3.55 per 1,000 gallons for usage in excess of 500,000 gallons per
22 month. The wholesale rate consists of a volumetric charge per 1,000 gallons of

1 water consumed. The public fire protection charge is billed monthly to the Austin
2 customers. Private fire protection charges are billed annually.

3 Beginning on page 48, the third section of the report contains the analysis where
4 the allocated costs of service for each customer classification, as determined on
5 page 36, will be used as a basis for developing the adjusted (phased-in) rates and
6 charges.

7 Over time, it is common for inequities in water rates and charges to develop that
8 result in one customer class subsidizing another. The various customer
9 classifications place different demands on a water system. Consequently, as
10 customers are connected (particularly large customers) and as improvements are
11 made, the cost of providing service to each class will vary. This situation was
12 exacerbated by the fact Petitioner has not had a cost of service study since Cause
13 No. 44687, for which an Order was approved on December 14, 2016. After
14 multiple meetings, Stucker Fork and Morgan Foods agreed that the elimination of
15 the rate subsidies would be phased in over time.

16 As summarized on page 48, the adjusted cost of service revenues are compared to
17 the allocated cost of service for the industrial and wholesale customers. The
18 difference between the allocated cost of service and the revenues under the existing
19 rates represents the subsidy that currently exists between the industrial and
20 wholesale customers and the residential and governmental customers. In effect, the
21 residential and government customers are paying more than their allocated cost of
22 service to subsidize or lower the rates of the industrial and wholesale customers.

1 But, because of the magnitude of the subsidies, the Petitioner proposes to eliminate
2 the subsidies over the course of the next two general rate adjustments including the
3 current cause. Consequently, the additional proposed revenues to be generated
4 from the industrial and wholesale customers are comprised by eliminating fifty
5 percent of the now existing, calculated subsidy. Any revenues in excess of test year
6 levels necessary to satisfy the estimated revenue requirements are going to continue
7 to be provided by the residential and government customers until the subsidies are
8 fully eliminated as part of the Petitioner's next Cause.

9 Page 49 calculates the adjusted cost of service for industrial and wholesale
10 customers by adding the test year revenues with the revenues generated from the
11 fifty percent reallocation of the existing subsidies calculated on page 48.
12 Residential and government customers are allocated the additional revenues that
13 are required to satisfy the estimated revenue requirements.

14 Page 50 of the report compares the adjusted allocated cost of service as determined
15 on page 49 with the normalized annual revenue generated under the existing rates
16 and charges for each customer classification. The schedule indicates that at the
17 present rates the residential users are presently providing about 77 percent of their
18 adjusted cost of service. The commercial customers are providing approximately
19 75 percent of their adjusted cost of service. The government customers are
20 providing approximately 97 percent of their adjusted cost of service and fire
21 protection provides 91 percent of its adjusted cost of service. The industrial and
22 wholesale customers are providing only 73 percent of their adjusted cost of service.

1 In total, the existing rates and charges recover about 76 percent of the total cost of
2 service given the District's current revenue requirements.

3 To achieve the adjusted, cost-based targets, residential revenues must be increased
4 29.31%, commercial customers' rates must be increased by 33.50%, industrial
5 customers' rates must be increased by 36.62%, government customers' rates must
6 be increased by 3.25%, wholesale customers' rates must be increased by 36.54%
7 and fire protection rates must be increased by 9.91%. Overall, this results in the
8 31.48% overall increase in revenues.

9 Page 50 of the report also compares the estimated revenue to be generated under
10 the proposed rates for each rate classification with the allocated adjusted cost of
11 service for each customer classification. As indicated in the schedule, the proposed
12 rates would provide approximately 99.97 percent of the required residential
13 customers, 103.75 percent of the required revenue from the commercial customers,
14 100.00 percent of the required revenue from the industrial customers, 96.33 percent
15 of the required revenue from the government customers, 99.83 percent of the
16 required revenue from wholesale customers, and 100.00 percent of the required
17 revenue from the fire protection customers.

18 Page 51 of the report shows the calculation of the estimated annual revenues for
19 each rate classification at the proposed rates and charges.

20 Page 52 compares typical monthly bills for various meter sizes and various levels
21 of water usage under present and proposed rates.

1 Pages 53 and 54 of the report summarize the proposed water rates and charges. The
2 rates proposed for residential, commercial, government and industrial users consist
3 of a two-part rate. The first part of the rate consists of a monthly service charge
4 based upon the size of the meter installed with the larger size meters bearing a
5 greater share of the cost. The second component of the retail rate consists of a
6 volume charge which is a metered block rate for each 1,000 gallons of water used
7 each month. The rate blocks begin with a rate of \$5.42 per 1,000 gallons for the
8 first 10,000 gallons water used each month, declining to a proposed rate of \$3.41
9 per 1,000 gallons for usage in excess of 500,000 gallons per month. The wholesale
10 rate consists of volumetric charge per 1,000 gallons of water consumed. The public
11 fire protection charge is billed monthly to the Austin customers. Private fire
12 protection charges are billed annually. The third section of the Consulting Report
13 contains supplemental financial data starting on page 55. Pages 55 and 56 compare
14 the account balances of the Petitioner as of December 31, 2023, with the minimum
15 balances either required to be maintained by the outstanding resolution in effect
16 with respect to the Petitioner's outstanding long-term indebtedness or is typically
17 maintained by public utilities such as the Petitioner, including a separate restricted
18 account for periodic maintenance expense monies. The amortization schedules of
19 the outstanding 2014 Refunding Bonds, 2014 Bonds, 2017 Bonds, 2020 Refunding
20 Bonds, and 2020 Taxable Bonds are shown on pages 57 through 62. Pages 63 and
21 64 show the schedule of combined amortization.

22 **19. Q. DOES THIS CONCLUDE THE EXPLANATION OF THE CONSULTING**
23 **REPORT?**

1 44164 and 44687, which included cost of service issues, the amount of rate case
2 expensed exceeds the estimate of \$325,000. Based on preparing a cost of service
3 study, complexations of the case, the likelihood of an intervenor, and my 24 years
4 of experience in working on similar cases, I believe that \$325,000 is a reasonable
5 estimate assuming there is not extensive discovery and the rate case is not too
6 protracted.

7 **24. Q. CAN YOU DESCRIBE THE TASKS THAT YOU CONSIDERED WHEN**
8 **ESTABLISHING THE RATE CASE EXPENSE?**

9 A. Yes. As with many clients, the process for adjusting rates and seeking Commission
10 approval for the same remained relatively unchanged. As in prior cases, I, along
11 with my fellow professionals, met with the Board; discussed and developed options
12 to meet the Board's needs; prepared consulting reports, ordinances, resolutions,
13 engineering reports, and capital improvement plans; provided our findings to
14 Morgan Foods; and prepared and pre-filed testimony and exhibits. I also anticipate
15 that we will respond to discovery and assist in filing all proposed orders and items
16 in the cause.

17 **25. Q. CAN YOU EXPLAIN THE ADJUSTMENT FOR THREE (3) NEW**
18 **EMPLOYEES AND THE NEED FOR SAME?**

19 A. Yes, I can. As noted previously in my testimony, I have offered an adjustment to
20 test year expense to include three (3) new employees. Those new employees will
21 be assigned to maintenance of the water treatment plants and distribution system.
22 The need for these employees are to cover vacant positions that were terminated

1 prior to the test year. In calculating the adjustment for the three employees, we
2 have met with the Petitioner's management to determine an amount for salaries and
3 benefits that is appropriate and reasonable for the respective positions.

4 **26. Q. IS IT YOUR OPINION THAT THE RATES PROPOSED IN YOUR**
5 **CONSULTING REPORT ARE FAIR, JUST, NON-DISCRIMINATORY**
6 **AND REASONABLE AND NECESSARY TO MEET THE PROJECTED**
7 **REVENUE REQUIREMENTS OF THE UTILITY?**

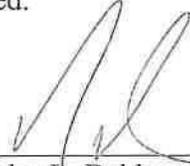
8 **A.** Yes, it is my opinion they are.

9 **27. Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY IN THIS CAUSE?**

10 **A.** Yes, it does.
11

VERIFICATION

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



Douglas L. Baldessari, CPA

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the following counsel of record via electronic mail this 25th day of November, 2024:

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



J. Christopher Janak

Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
(317) 684-5000 Telephone
(317) 684-5173 Facsimile

Petitioner's Exhibit 4

Petitioner's Exhibit

IURC Cause No. _____

*Stucker Fork Conservancy District
Water Utility*

*Consulting Report On
Cost of Service Study*

November 21, 2024

*Baker Tilly Municipal Advisors, LLC
Indianapolis, Indiana*

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November 21, 2024

Board of Directors
Stucker Fork Conservancy District Water Utility
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Austin, IN 47102

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In connection with the Stucker Fork Conservancy District Water Utility's proposed adjustments to water rates and charges, we have at your request, prepared this special purpose report for submission to the Indiana Utility Regulatory Commission.

This report has been prepared for the purpose of requesting approval of adjustments to water rates and charges by the Indiana Utility Regulatory Commission and should not be used for any other purpose.

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected, and the resulting differences could be material. We have no responsibility to prepare subsequent reports or update the schedules.

Baker Tilly Municipal Advisors, LLC

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

ESTIMATED INFORMATION

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

GENERAL COMMENTS

The Stucker Fork Conservancy District Water Utility (the District), an Indiana conservancy district, was organized in 1964 and provides potable water services to approximately 8,000 residential, commercial, industrial and wholesale customers. The service area includes the Town of Austin and portions of Scott, Jefferson, Jackson, Jennings, Washington, and Clark counties.

The water rates being proposed are based upon the results of a cost of service study utilizing the base-extra capacity method, to provide sufficient revenues for the anticipated expenses of operation and maintenance, to provide for the payment of principal and interest on the existing bonds and to provide for capital improvements. The Board of Directors of the District proposes to increase water rates and charges subject to the approval of the Indiana Utility Regulatory Commission (the IURC).

ESTIMATED INFORMATION

Estimated Annual Operation and Maintenance Expenses – Pages 7 - 15

The recorded operating expenses for the twelve months ended December 31, 2023 (the Test Year) have been adjusted for fixed, known and measurable changes as explained on pages 7 through 15 to arrive at estimated annual operating expenses. Significant among the adjustments are those for periodic maintenance requirements, capital and non-recurring items and rate case costs.

Capital Improvement Plan – Page 16

Page 16 details the anticipated capital improvements over the next five years as provided by the District's consulting engineers. This information is presented for information only as the District's proposed revenue requirement is based upon the allowance for depreciation.

Schedule of Estimated Project Costs and Funding – Page 17

This schedule shows the estimated construction costs, non-Construction costs for the Marble Hill WTP expansion project to be funded through the Proposed Waterworks Revenue Bonds, Series 2025 (the Proposed 2025 Bonds).

Schedule of Amortization of \$7,325,000 Principal Amount of Proposed Waterworks Revenue Bonds, Series 2025 – Page 18

This schedule shows the amortization of the Proposed 2025 Bonds and annual debt service with the assumed interest rate of 4%, based on the SRF pooled interest rate in spring 2024.

Schedule of Proposed Combined Bond Amortization – Pages 19 - 20

This schedule shows the combined bond amortization of the Outstanding and Proposed 2025 Bonds.

(Continued on next page)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

GENERAL COMMENTS

Estimated Annual Revenue Requirements and Annual Revenues – Pages 21 - 22

The recorded Test Year operating expenses have been adjusted for fixed, known and measurable changes as explained on pages 7 to 15 to arrive at the estimated annual operating expenses. The annual debt service requirement reflects estimated average annual principal and interest payments for five years ending January 1, 2031 on the outstanding and Proposed 2025 Bonds. The allowance for replacements and improvements is equal to the annual depreciation allowance to fund the capital improvement plan and arrive at the total revenue requirements. The total revenue requirements are reduced for test year interest income, penalties, and other revenues to arrive at net revenue requirements.

COST OF SERVICE ANALYSIS

Consumer Analysis of Test Year – Pages 23 – 24

Shows the number of bills, usage, and billings of the District's customers by meter size, usage block, and customer class.

Consumer Analysis Summary – Page 25

Summarizes the consumer analysis by customer class and compares the calculated billings to reported meter revenues.

Fire Protection Consumer Analysis Summary – Page 26

Summarizes the number of bills and billings of the District's fire protection customers and compared to reported fire protection revenues.

Calculation of Test Year Equivalent Meters - Page 27

Based upon the test year analysis of water billings, the equivalent meters are calculated on this schedule. The equivalent meters are used in the allocation of costs associated with customer meters and services.

Calculation of Equivalent Fire Hydrant Connections - Page 28

Based upon the test year analysis of fire hydrant billings, the equivalent fire connections are calculated on this schedule. The equivalent fire connections are used in the allocation of costs associated with fire connections.

(Continued on next page)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

GENERAL COMMENTS

Test Year Units of Service - Page 29

This schedule calculates the demand allocation factors and summarizes the monthly bills and equivalent monthly bills. The calculation of demand allocation factors was made using the base-extra-capacity method. The capacity factors as presented on this schedule were determined with the assistance of the consulting engineers.

Allocation of Utility Plant to Functional Cost Components - Pages 30 - 31

With the assistance of the consulting engineers, the various functional elements of utility plant in service have been allocated to the various functional cost components based upon the demand allocation factors on the preceding page and upon the methodologies described in the American Water Works Association (AWWA) Water Rates Manual, as shown on this schedule.

Allocation of Estimated Cash Operation and Maintenance Expenses to Functional Cost Components - Pages 32 - 34

Estimated annual operation and maintenance expenses are allocated to the functional cost categories with the assistance of the consulting engineers as explained on this schedule.

Unit Costs of Service - Page 35

This schedule calculates the unit costs of service for each function of the waterworks facilities.

Cost of Service Allocated to Customer Classes - Page 36

Unit costs of service determined on the preceding schedules, when applied to units of service by customer class, calculate the total costs of service for each customer class.

Calculation of Proposed Monthly Service Charges - Page 37

This schedule calculates the monthly base charge proposed to be applicable to each meter size.

Calculation of Fire Protection Charges Based Upon Allocated Cost of Service - Page 38

This schedule calculates the private fire protection charges based upon equivalent fire connections for fully allocated cost of service.

Calculation of Equivalent Connections for Public Fire Protection - Page 39

This schedule calculates the total equivalent connections of those users who benefit from public fire protection.

(Continued on next page)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

GENERAL COMMENTS

Calculation of Public Fire Protection Charge per Equivalent Connection Based Upon Allocated Cost of Service - Page 40

This schedule calculates total revenues to be recovered from public fire protection charges and the resulting proposed monthly charge per equivalent connection.

Allocation of Annual Public Fire Protection Revenue by Meter Size - Page 41

This schedule calculates the proposed annual charge per connection by meter size and confirms that the annual revenues required are being met.

Summary of Monthly Public Fire Protection Charges Based Upon Allocated Cost of Service - Page 42

This schedule calculates the proposed monthly public fire protection charge by meter size.

Comparison of Allocated Cost of Service with Revenue Under Adjusted Rates - Page 43

This schedule compares the revenues, by user class, generated by adjusted rates with the fully allocated cost of service.

Estimated Annual Operating Revenue at Adjusted Rates and Charges Based Upon Allocated Cost of Service - Page 44

This schedule summarizes the calculations used to determine the projected revenues at adjusted rates assuming the fully allocated cost of service.

Comparison of Present and Adjusted Monthly Bills at Selected Usage Amounts Based Upon Allocated Cost of Service - Page 45

The adjusted rates are compared with the existing rates for various water usage amounts, meter sizes, and wholesale users on this schedule.

Summary of Adjusted Water Rates and Charges Based Upon Allocated Cost of Service Charges - Pages 46 - 47

The adjusted rates and charges, based upon the fully allocated cost of service, as calculated on the preceding schedules are summarized on this page and presented alongside the present rates and charges.

(Continued on next page)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

GENERAL COMMENTS

COST OF SERVICE ANALYSIS – PHASED-IN

Calculation of Subsidy to be Phased Out – Page 48

This schedule calculates the amount of subsidy for Industrial and Wholesale customer classes proposed to be phased in as part of this Cause. Allocated cost of service is adjusted to reflect across-the-board increase and only 50% of the remaining increase over and above the across-the-board rate increase.

Calculation of Adjusted Cost of Service – Page 49

This schedule calculates the adjusted cost of service where the subsidy for Industrial and Wholesale customer classes are allocated pro-rata to the Residential and Government customer classes.

Comparison of Adjusted Cost of Service with Revenue under Proposed Rates – Page 50

This schedule compares the revenues, by user class, generated by existing rates and proposed rates with the phased-in cost of service.

Estimated Annual Operating Revenue at Proposed Rates and Charges – Page 51

This page details the calculations used to determine the projected revenues at proposed rates.

Comparison of Present and Proposed Monthly Bills at Selected Usage Amounts Based upon Adjusted Cost of Service – Page 52

The proposed rates are compared with existing rates for various water usage amounts, meter sizes, and wholesale users on this schedule.

Summary of Present and Proposed Water Rates and Charges – Pages 53 – 54

The proposed phased-in cost of service rates and charges, calculated on the preceding schedules are summarized on this page next to the present rates and charges.

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

ESTIMATED INFORMATION

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

ESTIMATED ANNUAL OPERATION AND MAINTENANCE EXPENSES

See explanation of adjustments on pages 8 - 15.

	12 Months Ended 12/31/23	Adjustments	Ref.	Estimated
Treatment:				
Salaries and wages	\$303,233	\$12,676	(2)	\$315,909
Purchased power	523,798	(590)	(1)	523,208
Chemicals	281,412			281,412
Materials and supplies	19,830			19,830
Contractual services	83,854	87,790	(3)	171,644
Total Treatment	1,212,127	99,876		1,312,003
Transmission and Distribution:				
Salaries and wages	474,943	111,270	(2)	586,213
Purchased power	44,135	590	(1)	44,725
Materials and supplies	189,499	(2,992)	(3)	186,507
Contractual services	455,996	(35,838)	(3)	420,158
Transportation	48,209			48,209
Total Transmission and Distribution	1,212,782	73,030		1,285,812
Customer Accounts:				
Salaries and wages	192,678	9,429	(2)	202,107
Contractual services	7,471			7,471
Transportation	28,704			28,704
Total Customer Accounts	228,853	9,429		238,282
Administrative and General:				
Salaries and wages	164,119	12,177	(2)	176,296
Employee pensions and benefits	565,230	77,281	(4)	642,511
Purchased power	4,477			4,477
Materials and supplies	15,931			15,931
Contractual services	358,252	(8,164)	(6)(7)	350,088
Transportation	6,657			6,657
Insurance	94,881	17,028	(5)	111,909
Other	11,169			11,169
Total Administrative and General	1,220,716	98,322		1,319,038
Total Operating Expenses	\$3,874,478	\$280,657		\$4,155,135

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

ESTIMATED ANNUAL OPERATION AND MAINTENANCE EXPENSES
(Explanation of Adjustments)

Adjustment 1 - Purchased Power

To adjust test year expense to normalize for 12 monthly bills.

Estimated treatment	\$523,208	
Less test year expense	<u>(523,798)</u>	
Sub-total		(\$590)
Estimated transmission and distribution	44,725	
Less test year expense	<u>(44,135)</u>	
Sub-total		590
Estimated administrative and general	4,477	
Less test year expense	<u>(4,477)</u>	
Sub-total		<u>-</u>
Adjustment		<u>\$ -</u>

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT

(Cont'd)

ESTIMATED ANNUAL OPERATION AND MAINTENANCE EXPENSES
(Explanation of Adjustments)

Adjustment 2 - Salaries and Wages

To adjust test year expense to reflect estimated salaries and wages and additional 3 employees, per utility management.

Estimated treatment	\$315,909	
Less test year expense	<u>(303,233)</u>	
Sub-total		\$12,676
Estimated transmission and distribution	586,213	
Less test year expense	<u>(474,943)</u>	
Sub-total		111,270
Estimated customer accounts	202,107	
Less test year expense	<u>(192,678)</u>	
Sub-total		9,429
Estimated administrative and general	176,296	
Less test year expense	<u>(164,119)</u>	
Sub-total		<u>12,177</u>
Adjustment		<u>\$145,552</u>

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

ESTIMATED ANNUAL OPERATION AND MAINTENANCE EXPENSES
(Explanation of Adjustments)

Adjustment 3 - Periodic Maintenance

To adjust test year to allow for periodic maintenance on the wells, pumps, intake valves, filter media, lagoon cleaning and tank maintenance, per consulting engineer and utility management.

I. <u>Intake Structure Cleaning and Pump Maintenance</u>		
a.	Cleaning (\$20,000 every 5 years)	\$4,000
b.	Intake pump maintenance (\$2,000 each per year, for 3 pumps)	6,000
II. <u>Well Maintenance</u>		
a.	Wells and pumps - chemical cleaning (\$1,900 each per year, for 5 wells)	9,500
b.	Wells and pumps - pump maintenance (\$2,500 each per year, for 5 wells)	12,500
III. <u>Austin WTP Maintenance</u>		
a.	High service pump maintenance (\$1,500 each per year, for 8 pumps)	12,000
b.	Low service pump maintenance (\$600 each per year, for 3 pumps)	1,800
c.	Backwash pump maintenance (\$1,000 each per year, for 2 pumps)	2,000
d.	Pump control valve maintenance (\$600 each per year, for 4 valves)	2,400
e.	Plant production meter calibration (\$600 each per year, for 7 meters)	4,200
f.	Turbidity meter maintenance (\$600 each per year, for 9 meters)	<u>5,400</u>
	Sub-total forward	<u>\$59,800</u>

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

ESTIMATED ANNUAL OPERATION AND MAINTENANCE EXPENSES
(Explanation of Adjustments)

Adjustment 3 - Periodic Maintenance (cont'd)

III. Austin WTP Maintenance (cont'd)

	Sub-total carried forward	\$59,800
g.	Generator maintenance (\$1,900 per year, for 1 generator)	1,900
h.	Fire extinguisher maintenance	400
i.	Filter maintenance (\$8,500 per year, for 8 filters)	68,000
j.	Lagoon cleaning (\$7,600 every 5 years)	1,520
k.	U.V. system maintenance/bulb replacement (3 reactors w/ 4 bulbs each, \$600 annually per bulb)	7,200

IV. Marble Hill WTP Maintenance

a.	High service pump maintenance (\$1,500 each per year, for 3 pumps)	4,500
b.	Backwash pump maintenance (\$1,000 each per year, for 1 pump)	1,000
c.	Pump control valve maintenance (\$600 each per year, for 3 valves)	1,800
d.	Plant production meter calibration (\$600 each per year, for 4 meters)	2,400
e.	Fire extinguisher maintenance	400
f.	Filter media maintenance (\$2,400 per year, for 4 filters)	9,600
	Sub-total forward	<u>\$158,520</u>

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

ESTIMATED ANNUAL OPERATION AND MAINTENANCE EXPENSES
(Explanation of Adjustments)

Adjustment 3 - Periodic Maintenance (cont'd)

	Sub-total carried forward	\$158,520
V.	<u>Tank Maintenance</u>	
a.	Cleaning and inspection	7,600
b.	Tank painting	
1.	Austin tank (500,000 gallons) (\$400,000 every fifteen years)	26,700
2.	Little York tank (100,000 gallons) (\$260,000 every fifteen years)	17,300
3.	Blocher tank (150,000 gallons) (\$300,000 every fifteen years)	20,000
4.	Commiskey tank (100,000 gallons) (\$260,000 every fifteen years)	17,300
5.	Polk Road tank (100,000 gallons) (\$260,000 every fifteen years)	17,300
6.	Double or Nothing Road tank (500,000 gallons) (\$400,000 every fifteen years)	26,700
7.	Radiotower Road (500,000 gallons) (\$400,000 every fifteen years)	26,700
8.	Lovett tank (100,000 gallons) (\$260,000 every fifteen years)	17,300
9.	Paynesville Road tank (500,000 gallons) (\$400,000 every fifteen years)	26,700
10.	Fairview Road tank (250,000 gallons) (\$379,000 every fifteen years)	25,300
11.	Austin tank 2 (1,000,000 gallons) (\$500,000 every fifteen years)	33,300
12.	Marble Hill ground tank (500,000 gallons) (\$250,000 every fifteen years)	16,700
13.	1 MG Ground Storage Tank (\$15,000 every fifteen years)	1,000
14.	Marble Hill WTP aeration tank (\$170,000 every fifteen years)	11,300
15.	Marble Hill WTP aeration tank (\$170,000 every fifteen years)	<u>11,300</u>
	Sub-total forward	<u>\$461,020</u>

(Continued on next page)

(See Consultant's Report)

**STUCKER FORK CONSERVANCY DISTRICT
Water Utility**

(Cont'd)

ESTIMATED ANNUAL OPERATION AND MAINTENANCE EXPENSES
(Explanation of Adjustments)

Adjustment 3 - Periodic Maintenance (cont'd)

Sub-total carried forward		\$461,020
VI. <u>Booster Station Maintenance and Pump Replacement</u>		
a. Booster station No. 4 maintenance		3,800
b. Booster station No. 7 maintenance		1,900
c. Booster station No. 8 maintenance		1,900
VII. <u>Meter/Control Valve Pit Maintenance</u>		
a. Tank 2 control valve pit maintenance		1,500
b. Tank 3 control valve/metering pit maintenance		1,500
c. Tank 4 control valve/metering pit maintenance		1,500
d. Tank 7 control valve/metering pit maintenance		1,500
e. Tank 8 control valve/metering pit maintenance		1,500
f. Sommerville control valve/metering pit maintenance		1,500
g. Marysville control valve/metering pit maintenance		1,500
h. Rural membership control valve/metering pit maintenance		1,500
i. Scottsburg control valve/metering pit maintenance		1,500
j. Crothersville control valve/metering pit maintenance		1,500
k. Pepsi control valve/metering pit maintenance		<u>1,500</u>
Sub-total		485,120
Less test year expense		<u>(436,160)</u>
Adjustment		<u><u>\$48,960</u></u>

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

ESTIMATED ANNUAL OPERATION AND MAINTENANCE EXPENSES
(Explanation of Adjustments)

Adjustment 4 - Employee Benefits

To adjust test year FICA expense to reflect estimated payroll expense

Estimated payroll	\$1,280,525	
Times FICA rate	7.65%	
Sub-total	97,960	
Less test year expense	(86,713)	
Sub-total		\$11,247

To adjust test year PERF expense to reflect estimated payroll expense and the 2024 PERF rate

Estimated payroll (eligible for PERF)	1,222,814	
Times PERF rate	11.20%	
Sub-total	136,955	
Less test year expense	(119,483)	
Sub-total		17,472

To adjust the test year to reflect estimated health insurance

Estimated annual health insurance expense	418,672	
Less test year expense	(370,110)	
Sub-total		48,562
Adjustment		\$77,281

Adjustment 5 - Vehicle, Property, Dam, General Liability, Workmans Comp Insurance

To adjust the test year to reflect estimated vehicle, property, general liability, workmans comp insurance

Estimated annual vehicle, property, dam, general liability, workmans comp expense	\$102,229	
Less test year expense	(85,201)	
Adjustment		\$17,028

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

ESTIMATED ANNUAL OPERATION AND MAINTENANCE EXPENSES
(Explanation of Adjustments)

Adjustment 6 - State Board of Accounts Audit

To provide an allowance for annual audit costs

Cost of 2021-2022 examination	\$27,000
Divided by 2 years	<u>2</u>
Sub-total	13,500
Less test year expense	<u>(27,000)</u>
Adjustment	<u>(\$13,500)</u>

Adjustment 7 - Accounting Contractual Services

To adjust test year expense to include annual accounting contractual services, per utility management.

Pro forma monthly accounting contractual services	\$9,950
Times 12 months	<u>12</u>
Sub-total	119,400
Less test year expense	<u>(114,064)</u>
Adjustment	<u>\$5,336</u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CAPITAL IMPROVEMENT PLAN
(Per Consulting Engineers)

Work Trucks (6 @ \$45,000 each)	\$270,000
Marble Hill WTP Electrical Improvements (Switch Gear and Generator)	460,000
Booster Station (3) Switch Gear Including One Portable Generator	380,000
Marble Hill WTP Building Expansion (3,600 sq. ft.) and WTP Expansion to 8 MGD	5,250,000
New Marble Hill Supply Wells (2 EA. @ \$500,000 Per well)	1,000,000
Austin WTP Raw Water Intake Structure Improvements (Mechanical Screen Installation)	570,000
16" Main Replacement Double or Nothing Road and Slab Road (33,820 L.F.)	<u>4,875,000</u>
Sub-total	12,805,000
Less proposed financing	<u>(6,250,000)</u>
Total Capital Improvements Funded Through Utility Revenues	<u><u>\$6,555,000</u></u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SCHEDULE OF ESTIMATED PROJECT COSTS AND FUNDING
(Per Consulting Engineers)

ESTIMATED PROJECT COSTS

Estimated Construction and Engineering Costs:

Marble Hill WTP Building Expansion (3,600 sq. ft.) and WTP Expansion to 8 MGD	\$5,250,000
New Marble Hill Supply Wells (2 EA. @ \$500,000 Per well)	<u>1,000,000</u>
Sub-totals	6,250,000
Construction Contingencies	<u>550,000</u>
Total Estimated Construction and Engineering Costs	<u>6,800,000</u>

Estimated Non-Construction Costs:

IURC Rate Case Expenses	325,000 *
Legal, Bond Counsel, Financial Advisory and General Project Contingencies	<u>200,000</u>
Total Estimated Non-Construction Costs	<u>525,000</u>
Total Estimated Project Costs	<u><u>\$7,325,000</u></u>

ESTIMATED PROJECT FUNDING

Proposed Bonds	<u><u>\$7,325,000</u></u>
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- * Cause No. 44164 actual rate case expenses were \$467,768.64.
Cause No. 44687 actual rate case expenses were \$367,481.70.
Cause No. 44987 actual rate case expenses were \$317,060.47.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SCHEDULE OF AMORTIZATION OF \$7,325,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS, SERIES 2025

Principal payable annually, January 1st, beginning January 1, 2028.

Interest payable semi-annually, January 1st and July 1st, beginning January 1, 2026.

Assumed interest rate as indicated.

Assumes bonds dated September 1, 2025.

Payment Date	Principal Balance (In \$1,000's)	Assumed Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total (-----In Dollars-----)	
01/01/26	\$7,325			\$97,666.67	\$97,666.67	\$97,666.67
07/01/26	7,325			146,500.00	146,500.00	
01/01/27	7,325			146,500.00	146,500.00	293,000.00
07/01/27	7,325			146,500.00	146,500.00	
01/01/28	7,325	4.00	\$1	146,500.00	147,500.00	294,000.00
07/01/28	7,324			146,480.00	146,480.00	
01/01/29	7,324	4.00	1	146,480.00	147,480.00	293,960.00
07/01/29	7,323			146,460.00	146,460.00	
01/01/30	7,323	4.00	1	146,460.00	147,460.00	293,920.00
07/01/30	7,322			146,440.00	146,440.00	
01/01/31	7,322	4.00	1	146,440.00	147,440.00	293,880.00
07/01/31	7,321			146,420.00	146,420.00	
01/01/32	7,321	4.00	1	146,420.00	147,420.00	293,840.00
07/01/32	7,320			146,400.00	146,400.00	
01/01/33	7,320	4.00	1	146,400.00	147,400.00	293,800.00
07/01/33	7,319			146,380.00	146,380.00	
01/01/34	7,319	4.00	1	146,380.00	147,380.00	293,760.00
07/01/34	7,318			146,360.00	146,360.00	
01/01/35	7,318	4.00	1	146,360.00	147,360.00	293,720.00
07/01/35	7,317			146,340.00	146,340.00	
01/01/36	7,317	4.00	1	146,340.00	147,340.00	293,680.00
07/01/36	7,316			146,320.00	146,320.00	
01/01/37	7,316	4.00	1	146,320.00	147,320.00	293,640.00
07/01/37	7,315			146,300.00	146,300.00	
01/01/38	7,315	4.00	1	146,300.00	147,300.00	293,600.00
07/01/38	7,314			146,280.00	146,280.00	
01/01/39	7,314	4.00	692	146,280.00	838,280.00	984,560.00
07/01/39	6,622			132,440.00	132,440.00	
01/01/40	6,622	4.00	719	132,440.00	851,440.00	983,880.00
07/01/40	5,903			118,060.00	118,060.00	
01/01/41	5,903	4.00	747	118,060.00	865,060.00	983,120.00
07/01/41	5,156			103,120.00	103,120.00	
01/01/42	5,156	4.00	777	103,120.00	880,120.00	983,240.00
07/01/42	4,379			87,580.00	87,580.00	
01/01/43	4,379	4.00	808	87,580.00	895,580.00	983,160.00
07/01/43	3,571			71,420.00	71,420.00	
01/01/44	3,571	4.00	841	71,420.00	912,420.00	983,840.00
07/01/44	2,730			54,600.00	54,600.00	
01/01/45	2,730	4.00	875	54,600.00	929,600.00	984,200.00
07/01/45	1,855			37,100.00	37,100.00	
01/01/46	1,855	4.00	909	37,100.00	946,100.00	983,200.00
07/01/46	946			18,920.00	18,920.00	
01/01/47	946	4.00	946	18,920.00	964,920.00	983,840.00
Totals			\$7,325	\$5,150,506.67	\$12,475,506.67	\$12,475,506.67
Average annual debt service for the five bond years ending January 1, 2031						\$293,752.00

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SCHEDULE OF PROPOSED COMBINED BOND AMORTIZATION

Payment Date	Outstanding					Proposed 2025 Bonds	Combined	Bond Year
	2014 Refunding Bonds	2014 Bonds	2017 Bonds	2020 Refunding Bonds	2020 Bonds			
01/01/24	\$282,525.00	\$77,212.50	\$155,018.75	\$294,275.00	\$86,133.25		\$895,164.50	\$895,164.50
07/01/24	8,475.00	77,212.50	38,725.00	60,825.00	65,568.25		250,805.75	
01/01/25	288,475.00	77,212.50	158,725.00	295,825.00	86,568.25		906,805.75	1,157,611.50
07/01/25	4,275.00	77,212.50	37,225.00	57,300.00	64,975.00		240,987.50	
01/01/26	289,275.00	77,212.50	157,225.00	302,300.00	86,975.00	\$97,666.67	1,010,654.17	1,251,641.67
07/01/26		77,212.50	35,725.00	53,625.00	64,353.50	146,500.00	377,416.00	
01/01/27		347,212.50	185,725.00	303,625.00	87,353.50	146,500.00	1,070,416.00	1,447,832.00
07/01/27		72,825.00	33,662.50	49,875.00	63,703.75	146,500.00	366,566.25	
01/01/28		352,825.00	188,662.50	309,875.00	88,703.75	147,500.00	1,087,566.25	1,454,132.50
07/01/28		68,275.00	31,531.25	45,975.00	62,997.50	146,480.00	355,258.75	
01/01/29		358,275.00	186,531.25	315,975.00	88,997.50	147,480.00	1,097,258.75	1,452,517.50
07/01/29		63,200.00	29,206.25	41,925.00	62,263.00	146,460.00	343,054.25	
01/01/30		358,200.00	194,206.25	316,925.00	90,263.00	147,460.00	1,107,054.25	1,450,108.50
07/01/30		57,300.00	26,731.25	37,800.00	61,472.00	146,440.00	329,743.25	
01/01/31		367,300.00	191,731.25	322,800.00	90,472.00	147,440.00	1,119,743.25	1,449,486.50
07/01/31		51,100.00	24,050.00	33,525.00	60,652.75	146,420.00	315,747.75	
01/01/32		376,100.00	199,050.00	323,525.00	91,652.75	147,420.00	1,137,747.75	1,453,495.50
07/01/32		44,600.00	21,206.25	29,175.00	59,777.00	146,400.00	301,158.25	
01/01/33		384,600.00	196,206.25	329,175.00	92,777.00	147,400.00	1,150,158.25	1,451,316.50
07/01/33		37,800.00	18,143.75	24,675.00	58,844.75	146,380.00	285,843.50	
01/01/34		382,800.00	203,143.75	334,675.00	92,844.75	147,380.00	1,160,843.50	1,446,687.00
07/01/34		30,900.00	14,906.25	20,025.00	57,884.25	146,360.00	270,075.50	
01/01/35		390,900.00	204,906.25	340,025.00	93,884.25	147,360.00	1,177,075.50	1,447,151.00
07/01/35		23,700.00	11,343.75	15,225.00	56,867.25	146,340.00	253,476.00	
01/01/36		403,700.00	206,343.75	345,225.00	95,867.25	147,340.00	1,198,476.00	1,451,952.00
07/01/36		16,100.00	7,687.50	10,275.00	55,765.50	146,320.00	236,148.00	
01/01/37		411,100.00	212,687.50	345,275.00	96,765.50	147,320.00	1,213,148.00	1,449,296.00
07/01/37		8,200.00	3,843.75	5,250.00	54,607.25	146,300.00	218,201.00	
01/01/38		418,200.00	208,843.75	355,250.00	97,607.25	147,300.00	1,227,201.00	1,445,402.00
07/01/38					53,392.50	146,280.00	199,672.50	
01/01/39					98,392.50	838,280.00	936,672.50	1,136,345.00
07/01/39					52,121.25	132,440.00	184,561.25	
01/01/40					100,121.25	851,440.00	951,561.25	1,136,122.50
07/01/40					50,765.25	118,060.00	168,825.25	
01/01/41					101,765.25	865,060.00	966,825.25	1,135,650.50
07/01/41					49,324.50	103,120.00	152,444.50	
01/01/42					103,324.50	880,120.00	983,444.50	1,135,889.00
07/01/42					47,799.00	87,580.00	135,379.00	
01/01/43					104,799.00	895,580.00	1,000,379.00	1,135,758.00
07/01/43					46,188.75	71,420.00	117,608.75	
01/01/44					106,188.75	912,420.00	1,018,608.75	1,136,217.50
07/01/44					44,493.75	54,600.00	99,093.75	
01/01/45					107,493.75	929,600.00	1,037,093.75	1,136,187.50
Subtotals	<u>\$873,025.00</u>	<u>\$5,488,487.50</u>	<u>\$3,182,993.75</u>	<u>\$5,320,225.00</u>	<u>\$3,282,766.75</u>	<u>\$10,508,466.67</u>	<u>\$28,655,964.67</u>	<u>\$28,655,964.67</u>

(Continued on next page)

(See Consultant's Report)

**STUCKER FORK CONSERVANCY DISTRICT
Water Utility**

(Cont'd)

SCHEDULE OF PROPOSED COMBINED BOND AMORTIZATION

Payment Date	Outstanding				Proposed 2025 Bonds	Combined	Bond Year	
	2014 Refunding Bonds	2014 Bonds	2017 Bonds	2020 Refunding Bonds				2020 Bonds
Subtotals carried forward	\$873,025.00	\$5,488,487.50	\$3,182,993.75	\$5,320,225.00	\$3,282,766.75	\$10,508,466.67	\$28,655,964.67	\$28,655,964.67
07/01/45					42,714.00	37,100.00	79,814.00	
01/01/46					109,714.00	946,100.00	1,055,814.00	1,135,628.00
07/01/46					40,821.25	18,920.00	59,741.25	
01/01/47					110,821.25	964,920.00	1,075,741.25	1,135,482.50
07/01/47					38,843.75		38,843.75	
01/01/48					112,843.75		112,843.75	151,687.50
07/01/48					36,753.25		36,753.25	
01/01/49					115,753.25		115,753.25	152,506.50
07/01/49					34,521.50		34,521.50	
01/01/50					117,521.50		117,521.50	152,043.00
07/01/50					32,176.75		32,176.75	
01/01/51					120,176.75		120,176.75	152,353.50
07/01/51					29,690.75		29,690.75	
01/01/52					122,690.75		122,690.75	152,381.50
07/01/52					27,063.50		27,063.50	
01/01/53					125,063.50		125,063.50	152,127.00
07/01/53					24,295.00		24,295.00	
01/01/54					128,295.00		128,295.00	152,590.00
07/01/54					21,357.00		21,357.00	
01/01/55					130,357.00		130,357.00	151,714.00
07/01/55					18,277.75		18,277.75	
01/01/56					134,277.75		134,277.75	152,555.50
07/01/56					15,000.75		15,000.75	
01/01/57					137,000.75		137,000.75	152,001.50
07/01/57					11,554.25		11,554.25	
01/01/58					140,554.25		140,554.25	152,108.50
07/01/58					7,910.00		7,910.00	
01/01/59					143,910.00		143,910.00	151,820.00
07/01/59					4,068.00		4,068.00	
01/01/60					148,068.00		148,068.00	152,136.00
Totals	<u>\$873,025.00</u>	<u>\$5,488,487.50</u>	<u>\$3,182,993.75</u>	<u>\$5,320,225.00</u>	<u>\$5,564,861.75</u>	<u>\$12,475,506.67</u>	<u>\$32,905,099.67</u>	<u>\$32,905,099.67</u>

Average annual debt service for the five bond years ending January 1, 2031

\$1,450,815.40

(See Consultant's Report)

**STUCKER FORK CONSERVANCY DISTRICT
Water Utility**

**ESTIMATED ANNUAL REVENUE REQUIREMENTS
AND ANNUAL REVENUES**

See Explanation of References, page 22.

<u>Revenue Requirements:</u>	<u>12 Months Ended 12/31/23</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Estimated</u>
Operation and maintenance	\$3,874,478	\$280,657	(1)	\$4,155,135
Debt service:				
Outstanding bonds	1,154,866	2,197	(2)	1,157,063
Proposed bonds	-	293,752	(3)	293,752
Debt service reserve:				
Outstanding bonds	15,211	-	(4)	15,211
Proposed bonds	-	58,750	(5)	58,750
Replacements and improvements	408,929	581,101	(6)	990,030
Sub-totals	5,453,484	1,216,457		6,669,941
Less interest income	(54,582)	28,952	(7)	(25,630)
Less penalties	(19,271)	-	(8)	(19,271)
Less other income	(65,337)	18,098	(9)	(47,239)
Total Net Revenue Requirements	<u>\$5,314,294</u>	<u>\$1,263,507</u>		<u>\$6,577,801</u>
<u>Annual Revenues:</u>				
Metered water revenue	\$2,913,129	-	(8)	\$2,913,129
Morgan Foods water revenue	1,001,830	-	(8)	1,001,830
Wholesale water revenue	988,824	(105,069)	(10)	883,755
Fire protection	204,160	-	(8)	204,160
Total Annual Present Rate Revenues	<u>\$5,107,943</u>	<u>(105,069)</u>		<u>\$5,002,874</u>
Additional Revenues Required				<u>\$1,574,927</u>
Overall Increase in Revenues Required (If Across-The-Board)				<u>31.5%</u>

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

ESTIMATED ANNUAL REVENUE REQUIREMENTS
AND ANNUAL REVENUES
(Explanation of References)

(1) To reflect estimated operation and maintenance expenses, see pages 7 to 15.		<u>\$280,657</u>
	Adjustment	
(2) To reflect the average annual debt service on the outstanding bonds.		
	Average annual principal and interest payment (see page 64)	\$1,157,063
	Less test year amount	<u>(1,154,866)</u>
	Adjustment	<u>\$2,197</u>
(3) To reflect the average annual debt service on the Proposed 2025 Bonds.		
	Adjustment (see page 18)	<u>\$293,752</u>
(4) To provide an allowance for funding the debt service reserve over a ten-year period.		
	Debt service reserve requirement for 2020 Bonds	\$152,112
	Divided by 10 year funding period	<u>10</u>
	Adjustment	<u>\$15,211</u>
(5) To provide an allowance for funding the debt service reserve on the Proposed 2025 Bonds over a five-year period.		
	Incremental debt service reserve requirement for Proposed 2025 Bonds	\$293,752
	Divided by 5 year funding period	<u>5</u>
	Adjustment	<u>\$58,750</u>
(6) To provide an allowance for replacements and improvements equal to the annual depreciation allowance.		
	Utility plant in service as of 12/31/2023	\$50,086,638
	Less land and land rights	<u>(585,142)</u>
	Depreciable capital assets	49,501,496
	Times composite depreciation rate	<u>2.0%</u>
	Annual depreciation allowance	990,030
	Less test year amount	<u>(408,929)</u>
	Adjustment	<u>\$581,101</u>
(7) To remove non-cash activity recorded for the amortization of original issue bond premiums on the outstanding bonds.		
	2014 Refunding Bonds premium annual amortization	\$1,549
	2014 Bonds premium annual amortization	6,372
	2017 Bonds premium annual amortization	194
	2020 Refunding Bonds premium annual amortization	<u>20,837</u>
	Adjustment	<u>\$28,952</u>
(8) Based on test year amounts.		
(9) To remove capital credits from Clark County REMC and Jackson County REMC recorded to Miscellaneous Service Revenue.		
	Adjustment	<u>\$18,098</u>
(10) To remove Washington Township settlement payment of \$105,069.12 for not meeting the minimum volume requirement from May 2018 to December 2019.		<u>\$105,069</u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

COST OF SERVICE ANALYSIS

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CONSUMER ANALYSIS OF TEST YEAR
(12 Months Ended 12/31/2023)

		Number of Bills	Times Rate	Service Revenue	Usage Billings (Water)			
					First 10,000 Gal. Block Usage	Next 240,000 Gal. Block Usage	Next 250,000 Gal. Block Usage	Over 500,000 Gal. Block Usage
Residential								
5/8	inch meter	92,075	\$7.85	\$722,789	321,034,432	63,664,998	911,120	-
3/4	inch meter	7	8.30	58	10,120	-	-	-
1	inch meter	981	9.45	9,270	4,686,790	3,559,300	-	-
2	inch meter	102	15.35	1,566	793,310	4,255,660	-	-
Subtotals		<u>93,165</u>		<u>\$733,683</u>	<u>326,524,652</u>	<u>71,479,958</u>	<u>911,120</u>	<u>-</u>
Times Rate					<u>\$4.44</u>	<u>\$3.56</u>	<u>\$3.33</u>	<u>\$2.54</u>
Totals					<u>\$1,449,769</u>	<u>\$254,469</u>	<u>\$3,034</u>	<u>\$ -</u>
Total Residential Revenues								<u>\$2,440,955</u>
Commercial:								
5/8	inch meter	1,643	\$7.85	12,898	4,109,820	6,234,300	387,480	-
1	inch meter	190	9.45	1,796	863,850	2,142,220	-	-
1 1/2	inch meter	52	11.00	572	252,950	1,723,540	-	-
2	inch meter	66	15.35	1,013	473,450	3,234,310	166,710	-
3	inch meter	28	47.20	1,322	176,900	2,880,000	1,810,200	482,300
Subtotals		<u>1,979</u>		<u>\$17,601</u>	<u>5,876,970</u>	<u>16,214,370</u>	<u>2,364,390</u>	<u>482,300</u>
Times Rate					<u>\$4.44</u>	<u>\$3.56</u>	<u>\$3.33</u>	<u>\$2.54</u>
Totals					<u>\$26,094</u>	<u>\$57,723</u>	<u>\$7,873</u>	<u>\$1,225</u>
Total Commercial Revenues								<u>\$110,516</u>

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

CONSUMER ANALYSIS OF TEST YEAR
(12 Months Ended 12/31/2023)

		Number of Bills	Times Rate	Service Revenue	Usage Billings (Water)			
					First 10,000 Gal. Block Usage	Next 240,000 Gal. Block Usage	Next 250,000 Gal. Block Usage	Over 500,000 Gal. Block Usage
Industrial:								
5/8	inch meter	48	\$7.85	377	212,080	38,200	-	-
1	inch meter	24	9.45	227	135,910	258,080	-	-
2	inch meter	12	15.35	184	1,690	-	-	-
3	inch meter	12	47.20	566	120,000	1,646,400	-	-
6	inch meter	26	86.40	2,246	240,000	5,760,000	6,000,000	511,265,000
Subtotals		122		\$3,600	709,680	7,702,680	6,000,000	511,265,000
Times Rate					\$4.44	\$3.56	\$3.33	\$2.54
Totals					\$3,151	\$27,422	\$19,980	\$1,298,613
Total Industrial Revenues								\$1,352,766
Government:								
5/8	inch meter	338	\$7.85	2,653	575,110	102,360	-	-
1	inch meter	12	9.45	113	120,000	950,600	-	-
2	inch meter	74	15.35	1,136	587,990	3,498,860	922,200	6,030,410
3	inch meter	12	47.20	566	114,800	461,800	-	-
4	inch meter	14	58.95	825	120,000	1,474,780	-	-
6	inch meter	12	86.40	1,037	100,000	1,761,000	514,000	2,188,000
Subtotals		462		\$6,330	1,617,900	8,249,400	1,436,200	8,218,410
Times Rate					\$4.44	\$3.56	\$3.33	\$2.54
Totals					\$7,183	\$29,368	\$4,783	\$20,875
Total Government Revenues								\$68,539
Wholesale								
6	inch meter	60			600,000	14,400,000	15,000,000	317,135,582
Times Rate					\$2.54	\$2.54	\$2.54	\$2.54
Totals					\$1,524	\$36,576	\$38,100	\$805,524
Total Wholesale Revenues								\$881,724
Total Bills								95,788
Total Usage Gal.								1,316,188,612
Total Calculated Revenues								\$4,854,500

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CONSUMER ANALYSIS SUMMARY
(12 Months Ended 12/31/2023)

<u>Consumer Class</u>	<u>Number of Bills</u>	<u>Gallons Sold</u>	<u>Calculated Revenues</u>
Residential	93,165	398,915,730	\$2,440,955
Commercial	1,979	24,938,030	110,516
Industrial	122	525,677,360	1,352,766
Government	462	19,521,910	68,539
Wholesale	<u>60</u>	<u>347,135,582</u>	<u>881,724</u>
Total	<u><u>95,788</u></u>	<u><u>1,316,188,612</u></u>	<u><u>\$4,854,500</u></u>
Control			<u><u>\$4,798,714</u></u>
Variance			<u><u>1.16% *</u></u>

* Variance is partially due to an issue with meter reading in January and February, 2023. Customers were billed based on an average usage until the meters were fixed and/or replaced.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

FIRE PROTECTION CONSUMER ANALYSIS SUMMARY
(12 Months Ended 12/31/2023)

Public Fire Protection

<u>Meter Size</u>	<u>Monthly charge</u>	<u>Number of Bills</u>	<u>Annual Fire Protection Revenues</u>
5/8"	\$8.74	15,973	\$139,604
3/4"	13.14	-	-
1"	21.88	121	2,647
1 1/2"	43.75	12	525
2"	70.00	108	7,560
3"	131.25	36	4,725
4"	218.74	12	2,625
6"	437.47	12	5,250
Totals		<u>16,274</u>	<u>\$162,936</u>

Private Fire Protection

<u>Annual Charge</u>	<u>Hydrants Number</u>	<u>Hydrant Rental Revenues</u>
\$1,061.56	<u>20</u>	<u>\$21,231</u>

Automatic sprinkler

<u>Meter size</u>	<u>Annual Charge</u>	<u>No. of Connections</u>	<u>Sprinkler Revenues</u>
6 inch meter	\$1,061.56	2	\$2,123
8 inch meter	1,887.23	1	1,887
10 inch meter	2,948.81	1	2,949
12 inch meter	4,246.27	2	8,493
Totals		<u>6</u>	<u>\$15,452</u>

Total Private Fire Protection Revenues \$36,683

Total Fire Protection Revenues \$199,619

Control \$204,160

Variance -2.22%

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CALCULATION OF TEST YEAR EQUIVALENT METERS
(12 Months Ended 12/31/2023)

<u>Customer Class</u>		<u>Annual Bills</u>	<u>Average Connections</u>	<u>5/8 Inch Factor</u>	<u>Equivalent Meters and Services</u>
Residential:					
5/8	inch meter	92,075	7,673	1.0	7,673
3/4	inch meter	7	1	1.5	2
1	inch meter	981	82	2.5	205
2	inch meter	102	9	8.0	72
Sub-totals		<u>93,165</u>	<u>7,765</u>		<u>7,952</u>
Commercial:					
5/8	inch meter	1,643	137	1.0	137
1	inch meter	190	16	2.5	40
1 1/2	inch meter	52	4	5.0	20
2	inch meter	66	6	8.0	48
3	inch meter	28	2	15.0	30
Sub-totals		<u>1,979</u>	<u>165</u>		<u>275</u>
Industrial:					
5/8	inch meter	48	4	1.0	4
1	inch meter	24	2	2.5	5
2	inch meter	12	1	8.0	8
3	inch meter	12	1	15.0	15
6	inch meter	26	2	50.0	100
Sub-totals		<u>122</u>	<u>10</u>		<u>132</u>
Government:					
5/8	inch meter	338	28	1.0	28
1	inch meter	12	1	2.5	3
2	inch meter	74	6	8.0	48
3	inch meter	12	1	15.0	15
4	inch meter	14	1	25.0	25
6	inch meter	12	1	50.0	50
Sub-totals		<u>462</u>	<u>38</u>		<u>169</u>
Wholesale:					
Town of Crothersville		12	1	50.0	50
Rural Membership Water Corp.		24	2	50.0	100
Washington Twp. Water Corp.		12	1	50.0	50
Marysville-Otisco-Nabb Water Corp.		12	1	50.0	50
Sub-totals		<u>60</u>	<u>5</u>		<u>250</u>
Totals		<u><u>95,788</u></u>	<u><u>7,983</u></u>		<u><u>8,778</u></u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CALCULATION OF EQUIVALENT FIRE HYDRANT CONNECTIONS
(12 Months Ended 12/31/2023)

	<u>Number*</u>	<u>Equivalency Ratio**</u>	<u>Equivalent Fire Connections</u>
Public fire hydrants	167	1.0	167
Private fire hydrants	<u>20</u>	1.0	<u>20</u>
Sub-totals	<u>187</u>		<u>187</u>
Automatic Sprinkler Connection:			
6 inch meter	2	1.0000	2
8 inch meter	1	1.7778	2
10 inch meter	1	2.7778	3
12 inch meter	<u>2</u>	4.0000	<u>8</u>
Totals	<u><u>193</u></u>		<u><u>202</u></u>

* Per utility management.

** Reflects the sum of the squares methodology.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

TEST YEAR UNITS OF SERVICE

Base-Extra Capacity Method
(12 Months Ended 12/31/2023)
(Per consulting engineer)

	Base		Maximum Day			Maximum Hour			Customer	
	Test Year Annual Sales (1)	Average Day (2)	Capacity Factor (3) %	Total Capacity	Extra Capacity (4) (2)	Capacity Factor (3) %	Total Capacity (2)	Extra Capacity (5) (2)	Equivalent Connections	Bills
Retail Service:										
Residential	398,915.7	1,093	215	2,350	1,257	350	3,826	1,476	7,952	93,165
Commercial	24,938.0	68	195	133	65	325	221	88	275	1,979
Industrial	525,677.4	1,440	170	2,448	1,008	225	3,240	792	132	122
Government (6)	11,283.7	31	195	60	29	325	101	41	169	462
Wholesale	347,135.6	951	155	1,474	523	230	2,187	713	250	60
Totals	1,307,950.4	3,583		6,465	2,882		9,575	3,110	8,778	95,788

Reference Explanations

- (1) 1,000's of gallons
- (2) 1,000's of gallons per day
- (3) Calculated based on test year usage data
- (4) Capacity in excess of average day usage
- (5) Capacity in excess of maximum day usage
- (6) Normalized test year annual sales to remove usage related to a major water leak on customer premise and non-recurring usage from City of Scottsburg who's treatment operations were down for a portion of the test year.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

ALLOCATION OF UTILITY PLANT TO FUNCTIONAL COST COMPONENTS

Base-Extra Capacity Method
(Per consulting engineer)

Source of Supply Plant:	Utility Plant in Service at 12/31/2023	Base	Extra Capacity		Customer Meters and Services	Direct Fire Protection Service	Percentage Allocation					Ref.
			Maximum Day	Maximum Hour*			BAS	MXD	MXH	CUS	FP	
Structures and improvements	\$1,556,150	\$862,107	\$694,043				55.40	44.60				(2)
Collecting and impounding reservoirs	1,558,557	1,558,557					100.00					(1)
Wells and springs	1,640,339	1,640,339					100.00					(1)
Supply mains	95,819	53,084	42,735				55.40	44.60				(2)
Pumping equipment	503,893	279,157	224,736				55.40	44.60				(2)
Water Treatment:												
Structures and improvements	15,472,731	8,571,893	6,900,838				55.40	44.60				(2)
Water treatment equipment	1,390,046	770,085	619,961				55.40	44.60				(2)
Other Plant and miscellaneous equipment	1,850	1,025	825				55.40	44.60				(2)
Transmission and Distribution:												
Structures and improvements	2,073,932	207,393		\$1,866,539			10.00		90.00			(3)
Distribution reservoirs and standpipe	2,564,043	256,404		2,307,639			10.00		90.00			(3)
Mains	13,753,606	5,146,600	4,139,835	4,467,171			37.42	30.10	32.48			(4)
Services	1,096,938				\$1,096,938					100.00		(5)
Meters and meter installations	3,458,609				3,458,609					100.00		(5)
Hydrants	148,777					\$148,777					100.00	(6)
General Plant:												
Land	585,142	249,796	163,021	111,587	58,807	1,931	42.69	27.86	19.07	10.05	0.33	(7)
Structures and improvements	220,675	94,206	61,480	42,083	22,178	728	42.69	27.86	19.07	10.05	0.33	(7)
Laboratory Equipment	12,136	5,181	3,381	2,314	1,220	40	42.69	27.86	19.07	10.05	0.33	(7)
Power operated equipment	390,613	166,753	108,824	74,490	39,257	1,289	42.69	27.86	19.07	10.05	0.33	(7)
Communications equipment	264,595	112,956	73,716	50,458	26,592	873	42.69	27.86	19.07	10.05	0.33	(7)
Office furniture and equipment	128,865	55,012	35,902	24,575	12,951	425	42.69	27.86	19.07	10.05	0.33	(7)
Transportation equipment	1,174,871	501,552	327,319	224,048	118,075	3,877	42.69	27.86	19.07	10.05	0.33	(7)
Stores equipment	4,305	1,838	1,199	821	433	14	42.69	27.86	19.07	10.05	0.33	(7)
Tools, shop and garage equipment	82,078	35,039	22,867	15,652	8,249	271	42.69	27.86	19.07	10.05	0.33	(7)
Other tangible plant	1,843,934	787,176	513,720	351,638	185,315	6,085	42.69	27.86	19.07	10.05	0.33	(7)
Miscellaneous equipment	64,134	27,379	17,868	12,230	6,445	212	42.69	27.86	19.07	10.05	0.33	(7)
Sub-totals	50,086,638	21,383,532	13,952,270	9,551,245	5,035,069	164,522	42.69	27.86	19.07	10.05	0.33	(7)
Less Contributions	(10,652,351)	(4,547,489)	(2,967,745)	(2,031,403)	(1,070,561)	(35,153)	42.69	27.86	19.07	10.05	0.33	(7)
Rate Base	\$39,434,287	\$16,836,043	\$10,984,525	\$7,519,842	\$3,964,508	\$129,369	42.69	27.86	19.07	10.05	0.33	

* Maximum hour demand in excess of maximum day demand.

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

ALLOCATION OF UTILITY PLANT TO FUNCTIONAL COST COMPONENTS

Explanation of Allocations

(1) Allocated 100% to base.

(2) Allocated in ratio to maximum day demand.

	1,000's of Gallons	%
Average day demand	3,583	55.40
Maximum day excess capacity	2,882	44.60
Totals	6,465	100.0

(3) Allocated 10% to base and 90% to maximum hour.

(4) Allocated in ratio to maximum hour demand.

	1,000's of Gallons	%
Average day demand	3,583	37.42
Maximum day excess capacity	2,882	30.10
Maximum hour excess capacity	3,110	32.48
Totals	9,575	100.0

(5) Allocated 100% to meters and services.

(6) Allocated 100% to fire protection.

(7) Allocated pro rata to all other allocable utility plant.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

ALLOCATION OF ESTIMATED CASH OPERATION AND MAINTENANCE EXPENSES
TO FUNCTIONAL COST COMPONENTS
Base-Extra Capacity Method

	Estimated Expense	Base	Extra Capacity		Customer Costs		Direct Fire Protection Service	Percentage Allocation						Ref.
			Maximum Day	Maximum Hour*	Meters and Services	Billing and Collection		BAS	MXD	MXH	MET	BILL	FP	
Treatment:														
Salaries and wages	\$315,909	\$175,077	\$140,832					55.42	44.58					(2)
Purchased power	523,208	289,962	233,246					55.42	44.58					(2)
Chemicals	281,412	281,412						100.00						(1)
Materials and supplies	19,830	10,990	8,840					55.42	44.58					(2)
Contractual services	171,644	95,125	76,519					55.42	44.58					(2)
Transmission and Distribution:														
Salaries and wages	586,213	142,392	105,049	\$219,361	\$115,601		\$3,810	24.29	17.92	37.42	19.72		0.65	(3)
Purchased power	44,725	16,736	13,462	14,527				37.42	30.10	32.48				(4)
Materials and supplies	186,507	45,303	33,422	69,791	36,779		1,212	24.29	17.92	37.42	19.72		0.65	(3)
Contractual services	420,158	102,057	75,292	157,223	82,855		2,731	24.29	17.92	37.42	19.72		0.65	(3)
Transportation	48,209	11,710	8,639	18,040	9,507		313	24.29	17.92	37.42	19.72		0.65	(3)
Customer Accounts:														
Salaries and wages	202,107												100.00	(5)
Contractual services	7,471												100.00	(5)
Transportation	28,704												100.00	(5)
Administrative and General:														
Salaries and wages	176,296	50,687	39,256	35,022	18,456	32,267	608	28.74	22.27	19.87	10.47	18.30	0.35	(6)
Employee pensions and benefits	642,511	184,724	143,069	127,638	67,264	117,599	2,217	28.74	22.27	19.87	10.47	18.30	0.35	(7)
Purchased power	4,477	1,329	1,016	995	524	596	17	29.68	22.69	22.23	11.71	13.30	0.39	(8)
Materials and supplies	15,931	4,729	3,615	3,541	1,866	2,119	61	29.68	22.69	22.23	11.71	13.30	0.39	(8)
Contractual services	350,088	103,899	79,449	77,807	41,006	46,576	1,351	29.68	22.69	22.23	11.71	13.30	0.39	(8)
Transportation	6,657	1,976	1,511	1,478	780	886	26	29.68	22.69	22.23	11.71	13.30	0.39	(8)
Insurance	111,909	47,779	31,173	21,340	11,250	-	367	42.69	27.86	19.07	10.05		0.33	(9)
Other	11,169	3,315	2,535	2,482	1,308	1,486	43	29.68	22.69	22.23	11.71	13.30	0.39	(8)
Total Operating Expenses	4,155,135	1,569,202	996,925	749,245	387,196	439,811	12,756	37.77	23.99	18.03	9.32	10.58	0.31	(10)
Less Other Income	(47,239)	(17,840)	(11,334)	(8,518)	(4,402)	(5,000)	(145)	37.77	23.99	18.03	9.32	10.58	0.31	(10)
Less Penalties	(19,271)	(7,277)	(4,624)	(3,475)	(1,796)	(2,040)	(59)	37.77	23.99	18.03	9.32	10.58	0.31	(10)
Less Interest Income	(25,630)	(9,679)	(6,149)	(4,622)	(2,388)	(2,713)	(79)	37.77	23.99	18.03	9.32	10.58	0.31	(10)
Net Operating Expenses	\$4,062,995	\$1,534,406	\$974,818	\$732,630	\$378,610	\$430,058	\$12,473	37.77	23.99	18.03	9.32	10.58	0.31	

* Maximum hour demand in excess of maximum day demand.

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

ALLOCATION OF ESTIMATED CASH OPERATION AND MAINTENANCE EXPENSES
TO FUNCTIONAL COST COMPONENTS
(Explanation of Allocations)

(1) Allocated 100% to base.

(2) Allocated in ratio to maximum day demand.

	1,000's of Gallons	%
Average day demand	3,583	55.42
Maximum day excess capacity	2,882	44.58
Totals	6,465	100.0

(3) Allocated pro rata based on the allocation of total Transmission and Distribution plant.

	Transmission and Distribution Plant	%
Average day demand	\$5,610,397	24.29
Maximum day excess capacity	4,139,835	17.92
Maximum hour excess capacity	8,641,349	37.42
Meters and services	4,555,547	19.72
Direct fire protection	148,777	0.65
Totals	\$23,095,905	100.0

(4) Allocated in ratio to maximum hour demand.

	1,000's of Gallons	%
Average day demand	3,583	37.42
Maximum day excess capacity	2,882	30.10
Maximum hour excess capacity	3,110	32.48
Totals	9,575	100.0

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

ALLOCATION OF ESTIMATED CASH OPERATION AND MAINTENANCE EXPENSES
TO FUNCTIONAL COST COMPONENTS

- (5) Allocated 100% to billing and collection.
- (6) Allocated pro rata to all other functionalized payroll.
- (7) Allocated pro rata based upon total payroll.
- (8) Allocated in ratio to all other functionalized expenses exclusive of purchased power and chemicals.
- (9) Allocated pro rata based upon utility plant.
- (10) Allocated pro rata based on all other functionalized cash operating expenses.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

UNIT COSTS OF SERVICE
(12 Months Ended 12/31/2023)

	Net Estimated Revenue Requirements	Allocable To All Customers					Direct Fire Protection Service Equiv. Hydrants	Ref.
		Base	Extra Capacity		Customer Costs			
			Maximum Day (-----1,000's of Gallons-----)	Maximum Hour*	Meters and Services Equiv. Meters	Billing and Collection Bills		
<u>Units of Service</u>		<u>1,307,950.4</u>	<u>2,882.0</u>	<u>3,110.0</u>	<u>8,778</u>	<u>95,788</u>	<u>202</u>	(1)
<u>Projected Cost of Service</u>								
Net operation and maintenance expense	\$4,062,995	\$1,534,406	\$974,818	\$732,630	\$378,610	\$430,058	\$12,473	(2)
Debt service and debt service reserve	1,524,776	650,987	424,742	290,760	153,286		5,001	(3)
Replacements and improvements	<u>990,030</u>	<u>422,683</u>	<u>275,783</u>	<u>188,789</u>	<u>99,528</u>		<u>3,247</u>	(3)
Sub-totals	6,577,801	2,608,076	1,675,343	1,212,179	631,424	430,058	20,721	
Allocate estimated fire protection			<u>(118,167)</u>	<u>(85,498)</u>			<u>203,665</u>	(4)
Net Cost of Service	<u>\$6,577,801</u>	<u>\$2,608,076</u>	<u>\$1,557,176</u>	<u>\$1,126,681</u>	<u>\$631,424</u>	<u>\$430,058</u>	<u>\$224,386</u>	
Total Unit Costs of Service		<u>\$1.9940</u>	<u>\$540.3109</u>	<u>\$362.2768</u>	<u>\$71.9326</u>	<u>\$4.4897</u>	<u>\$1,110.8218</u>	

* Maximum hour demand in excess of maximum day demand.

- (1) See "Test Year Units of Service", page 29.
- (2) As calculated in "Allocation of Estimated Cash Operation and Maintenance Expenses to Functional Cost Components", pages 32 - 34.
- (3) Allocated in ratio to plant values, page 30.
- (4) Assumes 26% of inside Austin revenues from Consumer analysis work paper based upon the Maine Public Utilities Commission's methodology. Estimated fire protection is re-allocated pro rata to maximum day and maximum hour requirements.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

COST OF SERVICE ALLOCATED TO CUSTOMER CLASSES
(12 Months Ended 12/31/2023)

Total Costs of Service	Allocable To All Customers					Direct Fire Protection Service Equiv. Hydrants	
	Base	Extra Capacity		Customer Costs			
		Maximum Day (-----1,000's of Gallons-----)	Maximum Hour**	Meters and Services Equiv. Meters	Billing and Collection Bills		
<u>Unit Costs of Service*</u>	<u>\$1.9940</u>	<u>\$540.3109</u>	<u>\$362.2768</u>	<u>\$71.9326</u>	<u>\$4.4897</u>	<u>\$1,110.8218</u>	
<u>Allocated Costs of Service</u>							
Residential:							
Units of service		398,915.7	1,257.0	1,476	7,952	93,165	-
Cost	\$2,999,621	\$795,438	\$679,171	\$534,721	\$572,008	\$418,283	\$ -
Commercial:							
Units of service		24,938.0	65.0	88	275	1,979	-
Cost	145,392	\$49,726	\$35,120	\$31,880	\$19,781	\$8,885	\$ -
Industrial:							
Units of service		525,677.4	1,008.0	792	132	122	-
Cost	1,889,800	\$1,048,201	\$544,633	\$286,923	\$9,495	\$548	\$ -
Government:							
Units of service		11,283.7	29	41	169	462	-
Cost	67,253	\$22,500	\$15,669	\$14,853	\$12,157	\$2,074	\$ -
Wholesale:							
Units of service		347,135.6	523.0	713	250	60	-
Cost	1,251,349	\$692,211	\$282,583	\$258,304	\$17,983	\$268	\$ -
Fire Protection:							
Units of service		-	-	-	-	-	202
Cost	224,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$224,386
<u>Total Allocated Cost of Service</u>	<u>\$6,577,801</u>	<u>\$2,608,076</u>	<u>\$1,557,176</u>	<u>\$1,126,681</u>	<u>\$631,424</u>	<u>\$430,058</u>	<u>\$224,386</u>

* See page 35.

** Maximum hour demand in excess of maximum day demand.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CALCULATION OF PROPOSED MONTHLY SERVICE CHARGES

<u>Meter Size</u>	<u>5/8 Inch Equivalency Factor</u>	<u>Meter Cost Per Equiv. Unit (1)</u>	<u>Meter Cost Per Unit</u>	<u>Billing Cost Per Unit</u>	<u>Total</u>	<u>Rounded</u>
5/8 inch meter	1.0	\$5.9944	\$5.9944	\$4.4897	\$10.4841	\$10.50
3/4 inch meter	1.5	5.9944	8.9916	4.4897	13.4813	13.50
1 inch meter	2.5	5.9944	14.9860	4.4897	19.4757	19.50
1 1/4 inch meter	4.0	5.9944	23.9775	4.4897	28.4672	28.45
1 1/2 inch meter	5.0	5.9944	29.9719	4.4897	34.4616	34.45
2 inch meter	8.0	5.9944	47.9551	4.4897	52.4448	52.45
3 inch meter	15.0	5.9944	89.9158	4.4897	94.4055	94.40
4 inch meter	25.0	5.9944	149.8596	4.4897	154.3493	154.35
6 inch meter	50.0	5.9944	299.7192	4.4897	304.2089	304.20
8 inch meter	80.0	5.9944	479.5507	4.4897	484.0404	484.05
10 inch meter	115.0	5.9944	689.3541	4.4897	693.8438	693.85

(1) Calculated as follows:

Annual charge per equivalent meter (page 35)	\$71.9326
Divided by 12 months	<u>12</u>
Monthly charge per equivalent meter	<u><u>\$5.9944</u></u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CALCULATION OF FIRE PROTECTION CHARGES BASED UPON
ALLOCATED COST OF SERVICE

Automatic Sprinkler Charges:

Size of Connection	Number of Private Sprinkler Connections	Equivalency Ratio*	Number of Fire Protection Equivalent Units	Adjusted Rate for 6 Inch Connection	Adjusted Rates**
1 inch connection		0.02778		\$1,110.82	\$30.86
2 inch connection		0.11111		1,110.82	123.42
3 inch connection		0.25000		1,110.82	277.71
4 inch connection		0.44444		1,110.82	493.69
6 inch connection	2	1.00000	2.0000	1,110.82	1,110.82
8 inch connection	1	1.77778	1.7778	1,110.82	1,974.79
10 inch connection	1	2.77778	2.7778	1,110.82	3,085.61
12 inch connection	2	4.00000	8.0000	1,110.82	4,443.28
Totals	<u>6</u>		<u>14.5556</u>		

* Reflects the sum of the squares methodology.

** Rate for 6" equivalent connection time equivalency ratio.

Fire Hydrants:

Total costs to be recovered from fire protection, see page 36	\$224,386
Divide by 6" equivalent fire hydrant connections, see page 28	<u>202</u>
Annual charge per equivalent connection	<u>\$1,110.82</u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CALCULATION OF EQUIVALENT CONNECTIONS
FOR PUBLIC FIRE PROTECTION

<u>Meter Size</u>	<u>Total Customers</u>	<u>Ratio to 5/8" Meter</u>	<u>Total Equivalent Connections</u>
5/8"	1,331	1.0	1,331
3/4"	-	1.5	-
1"	10	2.5	25
1 1/2"	1	5.0	5
2"	9	8.0	72
3"	3	15.0	45
4"	1	25.0	25
6"	1	50.0	50
Totals	<u>1,356</u>		<u>1,553</u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CALCULATION OF PUBLIC FIRE PROTECTION CHARGE PER
EQUIVALENT CONNECTION BASED UPON ALLOCATED COST OF SERVICE

Total costs to be recovered from fire protection, see page 36		\$224,386
Less:		
Annual charge per equivalent connection	\$1,110.82	
Times private sprinkler equivalent connections	<u>14.5556</u>	
Sub-total		(16,169)
Annual charge per equivalent connection	\$1,110.82	
Times equivalent private fire hydrants	<u>20</u>	
Sub-total		<u>(22,216)</u>
Remaining cost to be recovered through the monthly public fire protection charges		<u>\$186,001</u>
Total public fire protection revenues to be recovered		\$186,001
Divided by total equivalent connections		<u>1,553</u>
Proposed annual charge per equivalent connection		<u>\$119.77</u>
Proposed monthly charge per equivalent connection		<u>\$9.98</u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

ALLOCATION OF ANNUAL PUBLIC FIRE
PROTECTION REVENUE BY METER SIZE

<u>Meter Size</u>	<u>Proposed Annual Charge Per Equivalent Connection</u>	<u>Equivalency Factor</u>	<u>Proposed Annual Charge Per Connection</u>	<u>Total Number of Connections</u>	<u>Annual Revenues Required</u>
5/8"	\$119.77	1.0	\$119.77	1,331	\$159,414
3/4"	119.77	1.5	179.66	-	-
1"	119.77	2.5	299.43	10	2,994
1 1/4"	119.77	4.0	479.08	-	-
1 1/2"	119.77	5.0	598.85	1	599
2"	119.77	8.0	958.16	9	8,623
3"	119.77	15.0	1,796.55	3	5,390
4"	119.77	25.0	2,994.25	1	2,994
6"	119.77	50.0	5,988.50	1	5,989
8"	119.77	80.0	9,581.60	-	-
10"	119.77	115.0	13,773.55	-	-
Estimated total revenue					186,003
Annual public fire protection revenue to be recovered (page 40)					<u>(186,001)</u>
Variance					<u><u>\$2</u></u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SUMMARY OF MONTHLY PUBLIC FIRE PROTECTION
CHARGES BASED UPON ALLOCATED COST OF SERVICE

<u>Meter Size</u>	<u>Proposed Annual Charge</u>	<u>Divided by 12 Months</u>	<u>Proposed Monthly Charge</u>
5/8"	\$119.77	12	\$9.98
3/4"	179.66	12	14.97
1"	299.43	12	24.95
1 1/4"	479.08	12	39.92
1 1/2"	598.85	12	49.90
2"	958.16	12	79.85
3"	1,796.55	12	149.71
4"	2,994.25	12	249.52
6"	5,988.50	12	499.04
8"	9,581.60	12	798.47
10"	13,773.55	12	1,147.80

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

COMPARISON OF ALLOCATED COST OF SERVICE
WITH REVENUE UNDER ADJUSTED RATES

<u>Customer Classification</u>	<u>Cost of Service</u>	<u>Revenue Under Existing Rates</u>	<u>Increase (Decrease)</u>		<u>Revenue Under Adjusted Rates</u>	<u>Variance Between Adjusted Revenues and Cost of Service</u>	
			<u>%</u>	<u>Amount</u>			
Residential	\$2,999,621	\$2,405,430	24.70	\$594,191	\$2,999,544	(\$77)	0.00%
Commercial	145,392	108,908	33.50	36,484	146,590	1,198	0.82%
Industrial	1,889,800	1,333,079	41.76	556,721	1,888,865	(935)	-0.05%
Government	67,253	67,542	(0.43)	(289)	65,972	(1,281)	-1.90%
Wholesale	1,251,349	883,755	41.59	367,594	1,253,159	1,810	0.14%
Fire Protection	224,386	204,160	9.91	20,226	224,386	-	0.00%
Totals	<u>\$6,577,801</u>	<u>\$5,002,874</u>	<u>31.48</u>	<u>\$1,574,927</u>	<u>\$6,578,516</u>	<u>\$715</u>	<u>0.01%</u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

ESTIMATED ANNUAL OPERATING REVENUE AT ADJUSTED RATES AND CHARGES BASED UPON ALLOCATED COST OF SERVICE

			Percent of Use %	Billing Determinants		Allocated Cost of Service Rates	Projected Revenue Under Adjusted Rates
				Annual Consumption (1,000's of gals.)	Equivalent Bills/Bills		
Residential:							
Service Charge:							
Meters and services					95,424	\$6.00	\$572,544
Billing and collecting					93,180	4.50	419,310
Volume Charge:							
First	10,000	gallons	81.85	326,524.7		5.10	1,665,276
Next	240,000	gallons	17.92	71,480.0		4.74	338,815
Next	250,000	gallons	0.23	911.1		3.95	3,599
Over	500,000	gallons	-	-		3.55	-
Sub-totals			100.00	398,915.7			2,999,544
Commercial:							
Service Charge:							
Meters and services					3,300	6.00	19,800
Billing and collecting					1,980	4.50	8,910
Volume Charge:							
First	10,000	gallons	23.57	5,877.0		5.10	29,973
Next	240,000	gallons	65.02	16,214.4		4.74	76,856
Next	250,000	gallons	9.48	2,364.4		3.95	9,339
Over	500,000	gallons	1.93	482.3		3.55	1,712
Sub-totals			100.00	24,938.0			146,590
Industrial:							
Service Charge:							
Meters and services					1,584	6.00	9,504
Billing and collecting					120	4.50	540
Volume Charge:							
First	10,000	gallons	0.14	709.7		5.10	3,619
Next	240,000	gallons	1.47	7,702.7		4.74	36,511
Next	250,000	gallons	1.14	6,000.0		3.95	23,700
Over	500,000	gallons	97.26	511,265.0		3.55	1,814,991
Sub-totals			100.00	525,677.4			1,888,865
Government:							
Service Charge:							
Meters and services					2,028	6.00	12,168
Billing and collecting					456	4.50	2,052
Volume Charge:							
First	10,000	gallons	14.07	1,587.9		5.10	8,098
Next	240,000	gallons	66.73	7,529.4		4.74	35,689
Next	250,000	gallons	6.08	686.2		3.95	2,710
Over	500,000	gallons	13.12	1,480.2		3.55	5,255
Sub-totals			100.00	11,283.7			65,972
Wholesale:							
Volume Charge:							
Charge per 1,000 gallons			100.00	347,135.6		3.61	1,253,159
Fire Protection							224,386
Total							\$6,578,516

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

COMPARISON OF PRESENT AND ADJUSTED MONTHLY BILLS AT SELECTED
USAGE AMOUNTS BASED UPON ALLOCATED COST OF SERVICE

<u>Meter Size</u>	<u>Monthly Usage</u>	<u>Monthly Bill</u>			
		<u>Current</u>	<u>Adjusted</u>	<u>Increase/Decrease</u>	
Metered Users				<u>(Dollars)</u>	<u>(%)</u>
5/8 inch meter	0 gallons	\$7.85	\$10.50	\$2.65	33.8%
	1,000 gallons	12.29	15.60	3.31	26.9%
	2,000 gallons	16.73	20.70	3.97	23.7%
	3,000 gallons	21.17	25.80	4.63	21.9%
	4,000 gallons	25.61	30.90	5.29	20.7%
	5,000 gallons	30.05	36.00	5.95	19.8%
	10,000 gallons	52.25	61.50	9.25	17.7%
1 inch meter	25,000 gallons	107.25	141.60	34.35	32.0%
	50,000 gallons	196.25	260.10	63.85	32.5%
	100,000 gallons	374.25	497.10	122.85	32.8%
6 inch meter	1,000,000 gallons	3,087.70	4,255.30	1,167.60	37.8%
	10,000,000 gallons	25,947.70	36,205.30	10,257.60	39.5%
	20,000,000 gallons	51,347.70	71,705.30	20,357.60	39.6%
	30,000,000 gallons	76,747.70	107,205.30	30,457.60	39.7%
Wholesale Users					
	1,000,000 gallons	2,540.00	3,610.00	1,070.00	42.1%
	5,000,000 gallons	12,700.00	18,050.00	5,350.00	42.1%
	10,000,000 gallons	25,400.00	36,100.00	10,700.00	42.1%

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SUMMARY OF ADJUSTED WATER RATES AND CHARGES
BASED UPON ALLOCATED COST OF SERVICE

<u>Metered Usage Per Month</u>		Rate Per 1,000 Gallons	
		Present	Proposed
First	10,000 gallons	\$4.44	\$5.10
Next	240,000 gallons	3.56	4.74
Next	250,000 gallons	3.33	3.95
Over	500,000 gallons	2.54	3.55

<u>Monthly Service Charge</u>		Per Month	
		Present	Proposed
Meter Size			
5/8	inch	\$7.85	\$10.50
3/4	inch	8.30	13.50
1	inch	9.45	19.50
1 1/4	inch	10.20	28.45
1 1/2	inch	11.00	34.45
2	inch	15.35	52.45
3	inch	47.20	94.40
4	inch	58.95	154.35
6	inch	86.40	304.20
8	inch	117.95	484.05
10	inch	153.30	693.85

<u>Wholesale Customers</u>	Present	Proposed
Rate per 1,000 gallons (Subject to contract minimums)	\$2.54	\$3.61

<u>Monthly Public Fire Protection Charge</u> (City of Austin customers)		Per Month	
		Present	Proposed
5/8	inch meter	\$8.74	\$9.98
3/4	inch meter	13.14	14.97
1	inch meter	21.88	24.95
1 1/4	inch meter	34.99	39.92
1 1/2	inch meter	43.75	49.90
2	inch meter	70.00	79.85
3	inch meter	131.25	149.71
4	inch meter	218.74	249.52
6	inch meter	437.47	499.04
8	inch meter	699.97	798.47
10	inch meter	1,006.19	1,147.80

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

SUMMARY OF ADJUSTED WATER RATES AND CHARGES
BASED UPON ALLOCATED COST OF SERVICE

<u>Fire Protection Charges (Cont'd)</u>	<u>Per Annum</u>	
	<u>Present</u>	<u>Proposed</u>
Private fire hydrant rental	\$1,061.56	\$1,110.82
Automatic sprinkler:		
1 inch connection	29.48	30.86
2 inch connection	117.96	123.42
3 inch connection	165.40	277.71
4 inch connection	471.81	493.69
6 inch connection	1,061.56	1,110.82
8 inch connection	1,887.23	1,974.79
10 inch connection	2,948.81	3,085.61
12 inch connection	4,246.27	4,443.28
<u>Tapping Fee</u>		
5/8 inch meter	\$1,380.00	\$1,380.00
Larger meters	At cost	At cost
<u>Customer Deposit</u>	\$70.00	\$70.00
<u>Discontinuance of Service and Re-Connection Charge</u>	\$45.00	\$45.00
<u>Disconnect Charge</u>	\$25.00	\$25.00
<u>Bad Check Charge</u>	\$25.00	\$25.00
<u>Credit/Debit Card Charge</u>		
- Residential and small commercial	\$0.80	\$0.80
- All other (based on total transaction amount)	2.00%	2.00%

Present rates adopted by IURC Cause No. 44987, dated July 25, 2018. The Tariff was approved July 25, 2018.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

COST OF SERVICE ANALYSIS - PHASED-IN

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CALCULATION OF SUBSIDY TO BE PHASED OUT

<u>Customer Class:</u>	<u>Revenue Under Existing Rates</u>	<u>Allocated Cost of Service</u>	<u>Increase</u>	<u>Required Revenues with Across the Board Increase (1)</u>	<u>50% of Remaining Increase (2)</u>	<u>Adjusted Cost of Service</u>
Industrial	\$1,333,079	\$1,889,800	\$556,721	\$1,752,738	\$68,531	\$1,821,269
Wholesale	883,755	1,251,349	367,594	1,161,965	44,692	1,206,657
Totals	<u>\$2,216,834</u>	<u>\$3,141,149</u>	<u>\$924,315</u>	<u>\$2,914,703</u>	<u>\$113,223</u>	<u>\$3,027,926</u>

(1) Revenues required if doing an across-the-board increase. Reflects an increase of 31.5%. See page 21.

(2) Only including 50% of remaining increase over and above the across-the-board rate increase for industrial and wholesale customer classes to ease effect of rate increase.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

CALCULATION OF ADJUSTED COST OF SERVICE

<u>Customer Class:</u>	<u>Revenue Under Existing Rates</u>	<u>Cost of Service</u>	<u>Subsidy (1)</u>	<u>Adjusted Cost of Service</u>	<u>% Increase</u>
Residential	\$2,405,430	\$2,999,621	\$110,740	\$3,110,361	29.31
Commercial	108,908	145,392		145,392	33.50
Industrial	1,333,079	1,889,800	(68,531)	1,821,269	36.62
Government	67,542	67,253	2,483	69,736	3.25
Wholesale	883,755	1,251,349	(44,692)	1,206,657	36.54
Fire Protection	<u>204,160</u>	<u>224,386</u>		<u>224,386</u>	<u>9.91</u>
Totals	<u>\$5,002,874</u>	<u>\$6,577,801</u>	<u>\$ -</u>	<u>\$6,577,801</u>	<u>31.48</u>

(1) Subsidy for Industrial and Wholesale rates is allocated prorata to the Residential and Government customer classes.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

COMPARISON OF ADJUSTED COST OF SERVICE
WITH REVENUE UNDER PROPOSED RATES

<u>Customer Classification</u>	<u>Adjusted Cost of Service</u>	<u>Revenue Under Existing Rates</u>	<u>Proposed Increase (Decrease)</u>		<u>Revenue Under Proposed Rates</u>	<u>Variance Between Proposed Revenues and Cost of Service</u>	
			<u>%</u>	<u>Amount</u>			
Residential	\$3,110,361	\$2,405,430	29.31	\$704,931	\$3,109,537	(\$824)	-0.03%
Commercial	145,392	108,908	33.50	36,484	150,839	5,447	3.75%
Industrial	1,821,269	1,333,079	36.62	488,190	1,821,354	85	0.00%
Government	69,736	67,542	3.25	2,194	67,177	(2,559)	-3.67%
Wholesale	1,206,657	883,755	36.54	322,902	1,204,560	(2,097)	-0.17%
Fire Protection	224,386	204,160	9.91	20,226	224,386	-	0.00%
Totals	<u>\$6,577,801</u>	<u>\$5,002,874</u>	<u>31.48</u>	<u>\$1,574,927</u>	<u>\$6,577,853</u>	<u>\$52</u>	<u>0.00%</u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

ESTIMATED ANNUAL OPERATING REVENUE
AT PROPOSED RATES AND CHARGES

		Percent of Use %	Billing Determinants		Allocated Cost of Service Rates	Projected Revenue Under Adjusted Rates
			Annual Consumption (1,000's of gals.)	Equivalent Bills/Bills		
Residential:						
Service Charge:						
Meters and services				95,424	\$6.00	\$572,544
Billing and collecting				93,180	4.50	419,310
Volume Charge:						
First	10,000 gallons	81.85	326,524.7		5.42	1,769,764
Next	240,000 gallons	17.92	71,480.0		4.81	343,819
Next	250,000 gallons	0.23	911.1		4.50	4,100
Over	500,000 gallons	-	-		3.41	-
Sub-totals		<u>100.00</u>	<u>398,915.7</u>			<u>3,109,537</u>
Commercial:						
Service Charge:						
Meters and services				3,300	6.00	19,800
Billing and collecting				1,980	4.50	8,910
Volume Charge:						
First	10,000 gallons	23.57	5,877.0		5.42	31,853
Next	240,000 gallons	65.02	16,214.4		4.81	77,991
Next	250,000 gallons	9.48	2,364.4		4.50	10,640
Over	500,000 gallons	<u>1.93</u>	<u>482.3</u>		3.41	<u>1,645</u>
Sub-totals		<u>100.00</u>	<u>24,938.0</u>			<u>150,839</u>
Industrial:						
Service Charge:						
Meters and services				1,584	6.00	9,504
Billing and collecting				120	4.50	540
Volume Charge:						
First	10,000 gallons	0.14	709.7		5.42	3,846
Next	240,000 gallons	1.47	7,702.7		4.81	37,050
Next	250,000 gallons	1.14	6,000.0		4.50	27,000
Over	500,000 gallons	<u>97.26</u>	<u>511,265.0</u>		3.41	<u>1,743,414</u>
Sub-totals		<u>100.00</u>	<u>525,677.4</u>			<u>1,821,354</u>
Government:						
Service Charge:						
Meters and services				2,028	6.00	12,168
Billing and collecting				456	4.50	2,052
Volume Charge:						
First	10,000 gallons	14.07	1,587.9		5.42	8,606
Next	250,000 gallons	66.73	7,529.4		4.81	36,216
Next	240,000 gallons	6.08	686.2		4.50	3,088
Over	500,000 gallons	<u>13.12</u>	<u>1,480.2</u>		3.41	<u>5,047</u>
Sub-totals		<u>100.00</u>	<u>11,283.7</u>			<u>67,177</u>
Wholesale:						
Volume Charge:						
Charge per 1,000 gallons		<u>100.00</u>	<u>347,135.6</u>		3.47	<u>1,204,560</u>
Fire Protection						<u>224,386</u>
Total						<u>\$6,577,853</u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

**COMPARISON OF PRESENT AND PROPOSED MONTHLY BILLS AT
SELECTED USAGE AMOUNTS BASED UPON ADJUSTED COST OF SERVICE**

<u>Meter Size</u>	<u>Monthly Usage</u>	<u>Monthly Bill</u>			
		<u>Current</u>	<u>Adjusted</u>	<u>Increase/Decrease</u>	
Metered Users				<u>(Dollars)</u>	<u>(%)</u>
5/8 inch meter	0 gallons	\$7.85	\$10.50	\$2.65	33.8%
	1,000 gallons	12.29	15.92	3.63	29.5%
	2,000 gallons	16.73	21.34	4.61	27.6%
	3,000 gallons	21.17	26.76	5.59	26.4%
	4,000 gallons	25.61	32.18	6.57	25.7%
	5,000 gallons	30.05	37.60	7.55	25.1%
	10,000 gallons	52.25	64.70	12.45	23.8%
1 inch meter	25,000 gallons	107.25	145.85	38.60	36.0%
	50,000 gallons	196.25	266.10	69.85	35.6%
	100,000 gallons	374.25	506.60	132.35	35.4%
6 inch meter	1,000,000 gallons	3,087.70	4,342.80	1,255.10	40.6%
	10,000,000 gallons	25,947.70	35,032.80	9,085.10	35.0%
	20,000,000 gallons	51,347.70	69,132.80	17,785.10	34.6%
	30,000,000 gallons	76,747.70	103,232.80	26,485.10	34.5%
Wholesale Users					
	1,000,000 gallons	2,540.00	3,470.00	930.00	36.6%
	5,000,000 gallons	12,700.00	17,350.00	4,650.00	36.6%
	10,000,000 gallons	25,400.00	34,700.00	9,300.00	36.6%

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SUMMARY OF PRESENT AND PROPOSED WATER RATES AND CHARGES

<u>Metered Usage Per Month</u>			Rate Per 1,000 Gallons	
			Present	Proposed
				(1)
First	10,000	gallons	\$4.44	\$5.42
Next	240,000	gallons	3.56	4.81
Next	250,000	gallons	3.33	4.50
Over	500,000	gallons	2.54	3.41

<u>Monthly Service Charge</u>			Per Month	
			Present	Proposed
				(1)
5/8	inch		\$7.85	\$10.50
3/4	inch		8.30	13.50
1	inch		9.45	19.50
1 1/4	inch		10.20	28.45
1 1/2	inch		11.00	34.45
2	inch		15.35	52.45
3	inch		47.20	94.40
4	inch		58.95	154.35
6	inch		86.40	304.20
8	inch		117.95	484.05
10	inch		153.30	693.85

<u>Wholesale Customers</u>	Present	Proposed
Rate per 1,000 gallons (Subject to contract minimums)	\$2.54	\$3.47

<u>Monthly Public Fire Protection Charge</u> (City of Austin customers)			Per Month	
			Present	Proposed
				(1)
5/8	inch meter		\$8.74	\$9.98
3/4	inch meter		13.14	14.97
1	inch meter		21.88	24.95
1 1/4	inch meter		34.99	39.92
1 1/2	inch meter		43.75	49.90
2	inch meter		70.00	79.85
3	inch meter		131.25	149.71
4	inch meter		218.74	249.52
6	inch meter		437.47	499.04
8	inch meter		699.97	798.47
10	inch meter		1,006.19	1,147.80

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SUMMARY OF PRESENT AND PROPOSED WATER RATES AND CHARGES

<u>Fire Protection Charges (Cont'd)</u>	Per Annum	
	Present	Proposed (1)
Private fire hydrant rental	\$1,061.56	\$1,110.82
Automatic sprinkler:		
1 inch connection	29.48	30.86
2 inch connection	117.96	123.42
3 inch connection	165.40	277.71
4 inch connection	471.81	493.69
6 inch connection	1,061.56	1,110.82
8 inch connection	1,887.23	1,974.79
10 inch connection	2,948.81	3,085.61
12 inch connection	4,246.27	4,443.28
 <u>Tapping Fee</u>		
5/8 inch meter	\$1,380.00	\$1,380.00
Larger meters	At cost	At cost
 <u>Customer Deposit</u>	\$70.00	\$70.00
 <u>Discontinuance of Service and Re-Connection Charge</u>	\$45.00	\$45.00
 <u>Disconnect Charge</u>	\$25.00	\$25.00
 <u>Bad Check Charge</u>	\$25.00	\$25.00
 <u>Credit/Debit Card Charge</u>		
- Residential and small commercial	\$0.80	\$0.80
- All other	2.00%	2.00%

(1) Reflects an inclusion of a 50% subsidy for the industrial and wholesale customer classes.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SUPPLEMENTAL FINANCIAL DATA

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

COMPARISON OF ACCOUNT BALANCES WITH
MINIMUM BALANCES REQUIRED

<u>Account:</u>	<u>Account Balance 12/31/2023</u>	<u>Minimum Balance Required (1)</u>	<u>Ref.</u>	<u>Variance</u>
Operation and Maintenance:				
Operating	\$846,151	\$352,333	(2)	\$493,818
Periodic Maintenance	665,321	665,321	(3)	-
Sinking:				
Bond and Interest	86,133	86,133	(4)	-
Debt Service Reserve	712,130	697,216	(5)	14,914
Customer Deposits	450,490	450,490	(6)	-
Improvement	821,438	990,030	(7)	(168,592)
Construction	8,500	8,500	(8)	-
	<u>\$3,590,163</u>	<u>\$3,250,023</u>		<u>\$340,140</u>
Totals				

(1) Balances required per Bond Resolution 2019-1.

(2) The balance maintained in the operation and maintenance account should be sufficient to pay the expenses of operation, repair, and maintenance of the utility for the next succeeding two (2) calendar months.

Estimated operation and maintenance expense	\$4,155,135
Times factor for 2 months	0.1667
Sub-total	692,661
Less tank painting annual amount transferred	(340,328)
Minimum Balance Required	\$352,333

(3) Account restricted per IURC Order in Cause No. 44987. The balance in this account should be equal to the agreed annual amount transferred of \$340,328 less any monies expended for periodic maintenance items.

Annual transfer requirement	\$340,328	
Divided by 12 months	12	
Monthly transfer	28,361	
Times 63 months (for October 2018 through December 2023)	63	
Sub-total	\$1,786,743	
Add beginning balance as of 7/25/2018 (Tariff Approved)	72,930	
Less funds used for periodic maintenance	(1,194,352)	
Minimum Balance <u>Recommended</u>	\$665,321	

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

COMPARISON OF ACCOUNT BALANCES WITH
MINIMUM BALANCES REQUIRED

(4) A balance sufficient to provide for the principal and interest due on the next payment date must be accumulated before transfers may be made.

	Amount		Factor		Total
<u>2014 Refunding Bonds</u>					
Principal due 1/1/25	\$280,000	x	0/12		\$ -
Interest due 7/1/24	8,475	x	0/6		-
<u>2014 Bonds</u>					
Principal due 1/1/25	-	x	0/12		-
Interest due 7/1/24	77,213	x	0/6		-
<u>2017 Bonds</u>					
Principal due 1/1/25	120,000	x	0/12		-
Interest due 7/1/24	38,725	x	0/6		-
<u>2020 Refunding Bonds</u>					
Principal due 1/1/25	235,000	x	0/12		-
Interest due 7/1/24	60,825	x	0/6		-
<u>2020 RD Bonds</u>					
Principal due 1/1/24	20,000	x	12/12		20,000
Interest due 1/1/24	66,133	x	6/6		66,133
					\$86,133
Minimum Balance Required					\$86,133

(5) The balance in this account should be equal to maximum annual debt service on the 2014 Refunding Bonds, 2014 Bonds and 2017 Bonds to be accumulated over a five year period from the date of delivery on the 2017 Bonds. The 2020 Refunding Bonds requirement is secured by a debt service reserve surety. The 2020 RD Bonds requirement will be held as a separate reserve and should be equal to the average annual debt service on the 2020 RD Bonds to be accumulated over a ten year period from the date of delivery on the 2020 RD Bonds.

Debt service reserve requirement (2014 Ref. Bonds, 2014 Bonds and 2017 Bonds)				\$650,300
Debt service reserve requirement (2020 RD Bonds)			\$152,112	
Divided by 120 months			120	
Sub-total			1,268	
Times 37 months for December 2020 through December 2023 transfers			37	
Sub-total				46,916
Minimum Balance Required				\$697,216

(6) Account fully restricted.

(7) No minimum balance is required. However, it is suggested that an amount equal to one year's depreciation expense be reserved for replacements and improvements.

Minimum Balance <u>Recommended</u>				\$990,030
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(8) Account fully restricted for project related costs.

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SCHEDULE OF AMORTIZATION OF \$835,000 PRINCIPAL AMOUNT OF
OUTSTANDING WATERWORKS REFUNDING REVENUE BONDS, SERIES 2014

Principal payable annually, January 1st.

Interest payable semi-annually, January 1st and July 1st.

Interest rate as indicated.

Payment Date	Principal Balance (In \$1,000s)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000s)	Interest (-----In Dollars-----)	Total	
01/01/24	\$835	3.00	\$270	\$12,525.00	\$282,525.00	\$282,525.00
07/01/24	565			8,475.00	8,475.00	
01/01/25	565	3.00	280	8,475.00	288,475.00	296,950.00
07/01/25	285			4,275.00	4,275.00	
01/01/26	285	3.00	285	4,275.00	289,275.00	293,550.00
Totals			\$835	\$38,025.00	\$873,025.00	\$873,025.00

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SCHEDULE OF AMORTIZATION OF \$4,000,000 PRINCIPAL AMOUNT OF
OUTSTANDING WATERWORKS REVENUE BONDS, SERIES 2014

Principal payable annually, January 1st.
Interest payable semi-annually, January 1st and July 1st.
Interest rates as indicated.

Payment Date	Principal Balance (In \$1,000s)	Interest Rates (%)	Debt Service			Bond Year Total
			Principal (In \$1,000s)	Interest (-----In Dollars-----)	Total	
01/01/24	\$4,000			\$77,212.50	\$77,212.50	\$77,212.50
07/01/24	4,000			77,212.50	77,212.50	
01/01/25	4,000			77,212.50	77,212.50	154,425.00
07/01/25	4,000			77,212.50	77,212.50	
01/01/26	4,000			77,212.50	77,212.50	154,425.00
07/01/26	4,000			77,212.50	77,212.50	
01/01/27	4,000	3.25	\$270	77,212.50	347,212.50	424,425.00
07/01/27	3,730			72,825.00	72,825.00	
01/01/28	3,730	3.25	280	72,825.00	352,825.00	425,650.00
07/01/28	3,450			68,275.00	68,275.00	
01/01/29	3,450	3.50	290	68,275.00	358,275.00	426,550.00
07/01/29	3,160			63,200.00	63,200.00	
01/01/30	3,160	4.00	295	63,200.00	358,200.00	421,400.00
07/01/30	2,865			57,300.00	57,300.00	
01/01/31	2,865	4.00	310	57,300.00	367,300.00	424,600.00
07/01/31	2,555			51,100.00	51,100.00	
01/01/32	2,555	4.00	325	51,100.00	376,100.00	427,200.00
07/01/32	2,230			44,600.00	44,600.00	
01/01/33	2,230	4.00	340	44,600.00	384,600.00	429,200.00
07/01/33	1,890			37,800.00	37,800.00	
01/01/34	1,890	4.00	345	37,800.00	382,800.00	420,600.00
07/01/34	1,545			30,900.00	30,900.00	
01/01/35	1,545	4.00	360	30,900.00	390,900.00	421,800.00
07/01/35	1,185			23,700.00	23,700.00	
01/01/36	1,185	4.00	380	23,700.00	403,700.00	427,400.00
07/01/36	805			16,100.00	16,100.00	
01/01/37	805	4.00	395	16,100.00	411,100.00	427,200.00
07/01/37	410			8,200.00	8,200.00	
01/01/38	410	4.00	410	8,200.00	418,200.00	426,400.00
Totals			\$4,000	\$1,488,487.50	\$5,488,487.50	\$5,488,487.50

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SCHEDULE OF AMORTIZATION OF \$2,475,000 PRINCIPAL AMOUNT
OF OUTSTANDING WATERWORKS REVENUE BONDS, SERIES 2017

Principal payable annually, January 1st.
Interest payable semi-annually, January 1st and July 1st.
Interest rates as indicated.

Payment Date	Principal Balance (In \$1,000's)	Interest Rates (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
01/01/24	\$2,475	2.25	\$115	\$40,018.75	\$155,018.75	\$155,018.75
07/01/24	2,360			38,725.00	38,725.00	
01/01/25	2,360	2.50	120	38,725.00	158,725.00	197,450.00
07/01/25	2,240			37,225.00	37,225.00	
01/01/26	2,240	2.50	120	37,225.00	157,225.00	194,450.00
07/01/26	2,120			35,725.00	35,725.00	
01/01/27	2,120	2.75	150	35,725.00	185,725.00	221,450.00
07/01/27	1,970			33,662.50	33,662.50	
01/01/28	1,970	2.75	155	33,662.50	188,662.50	222,325.00
07/01/28	1,815			31,531.25	31,531.25	
01/01/29	1,815	3.00	155	31,531.25	186,531.25	218,062.50
07/01/29	1,660			29,206.25	29,206.25	
01/01/30	1,660	3.00	165	29,206.25	194,206.25	223,412.50
07/01/30	1,495			26,731.25	26,731.25	
01/01/31	1,495	3.25	165	26,731.25	191,731.25	218,462.50
07/01/31	1,330			24,050.00	24,050.00	
01/01/32	1,330	3.25	175	24,050.00	199,050.00	223,100.00
07/01/32	1,155			21,206.25	21,206.25	
01/01/33	1,155	3.50	175	21,206.25	196,206.25	217,412.50
07/01/33	980			18,143.75	18,143.75	
01/01/34	980	3.50	185	18,143.75	203,143.75	221,287.50
07/01/34	795			14,906.25	14,906.25	
01/01/35	795	3.75	190	14,906.25	204,906.25	219,812.50
07/01/35	605			11,343.75	11,343.75	
01/01/36	605	3.75	195	11,343.75	206,343.75	217,687.50
07/01/36	410			7,687.50	7,687.50	
01/01/37	410	3.75	205	7,687.50	212,687.50	220,375.00
07/01/37	205			3,843.75	3,843.75	
01/01/38	205	3.75	205	3,843.75	208,843.75	212,687.50
Totals			<u>\$2,475</u>	<u>\$707,993.75</u>	<u>\$3,182,993.75</u>	<u>\$3,182,993.75</u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SCHEDULE OF AMORTIZATION OF \$4,285,000 PRINCIPAL AMOUNT
OF OUTSTANDING WATERWORKS REFUNDING REVENUE BONDS, SERIES 2020

Principal payable annually, January 1st.
Interest payable semi-annually, January 1st and July 1st.
Interest rate as indicated.

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total (-----In Dollars-----)	
01/01/24	\$4,285	3.00	\$230	\$64,275.00	\$294,275.00	\$294,275.00
07/01/24	4,055			60,825.00	60,825.00	
01/01/25	4,055	3.00	235	60,825.00	295,825.00	356,650.00
07/01/25	3,820			57,300.00	57,300.00	
01/01/26	3,820	3.00	245	57,300.00	302,300.00	359,600.00
07/01/26	3,575			53,625.00	53,625.00	
01/01/27	3,575	3.00	250	53,625.00	303,625.00	357,250.00
07/01/27	3,325			49,875.00	49,875.00	
01/01/28	3,325	3.00	260	49,875.00	309,875.00	359,750.00
07/01/28	3,065			45,975.00	45,975.00	
01/01/29	3,065	3.00	270	45,975.00	315,975.00	361,950.00
07/01/29	2,795			41,925.00	41,925.00	
01/01/30	2,795	3.00	275	41,925.00	316,925.00	358,850.00
07/01/30	2,520			37,800.00	37,800.00	
01/01/31	2,520	3.00	285	37,800.00	322,800.00	360,600.00
07/01/31	2,235			33,525.00	33,525.00	
01/01/32	2,235	3.00	290	33,525.00	323,525.00	357,050.00
07/01/32	1,945			29,175.00	29,175.00	
01/01/33	1,945	3.00	300	29,175.00	329,175.00	358,350.00
07/01/33	1,645			24,675.00	24,675.00	
01/01/34	1,645	3.00	310	24,675.00	334,675.00	359,350.00
07/01/34	1,335			20,025.00	20,025.00	
01/01/35	1,335	3.00	320	20,025.00	340,025.00	360,050.00
07/01/35	1,015			15,225.00	15,225.00	
01/01/36	1,015	3.00	330	15,225.00	345,225.00	360,450.00
07/01/36	685			10,275.00	10,275.00	
01/01/37	685	3.00	335	10,275.00	345,275.00	355,550.00
07/01/37	350			5,250.00	5,250.00	
01/01/38	350	3.00	350	5,250.00	355,250.00	360,500.00
Totals			<u>\$4,285</u>	<u>\$1,035,225.00</u>	<u>\$5,320,225.00</u>	<u>\$5,320,225.00</u>

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SCHEDULE OF AMORTIZATION OF \$2,341,000 PRINCIPAL AMOUNT
OF OUTSTANDING TAXABLE WATERWORKS REVENUE BONDS, SERIES 2020

Principal payable annually, January 1st.

Interest payable semi-annually, January 1st and July 1st.

Interest rate as indicated.

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
01/01/24	\$2,341	5.650	\$20	\$66,133.25	\$86,133.25	\$86,133.25
07/01/24	2,321			65,568.25	65,568.25	
01/01/25	2,321	5.650	21	65,568.25	86,568.25	152,136.50
07/01/25	2,300			64,975.00	64,975.00	
01/01/26	2,300	5.650	22	64,975.00	86,975.00	151,950.00
07/01/26	2,278			64,353.50	64,353.50	
01/01/27	2,278	5.650	23	64,353.50	87,353.50	151,707.00
07/01/27	2,255			63,703.75	63,703.75	
01/01/28	2,255	5.650	25	63,703.75	88,703.75	152,407.50
07/01/28	2,230			62,997.50	62,997.50	
01/01/29	2,230	5.650	26	62,997.50	88,997.50	151,995.00
07/01/29	2,204			62,263.00	62,263.00	
01/01/30	2,204	5.650	28	62,263.00	90,263.00	152,526.00
07/01/30	2,176			61,472.00	61,472.00	
01/01/31	2,176	5.650	29	61,472.00	90,472.00	151,944.00
07/01/31	2,147			60,652.75	60,652.75	
01/01/32	2,147	5.650	31	60,652.75	91,652.75	152,305.50
07/01/32	2,116			59,777.00	59,777.00	
01/01/33	2,116	5.650	33	59,777.00	92,777.00	152,554.00
07/01/33	2,083			58,844.75	58,844.75	
01/01/34	2,083	5.650	34	58,844.75	92,844.75	151,689.50
07/01/34	2,049			57,884.25	57,884.25	
01/01/35	2,049	5.650	36	57,884.25	93,884.25	151,768.50
07/01/35	2,013			56,867.25	56,867.25	
01/01/36	2,013	5.650	39	56,867.25	95,867.25	152,734.50
07/01/36	1,974			55,765.50	55,765.50	
01/01/37	1,974	5.650	41	55,765.50	96,765.50	152,531.00
07/01/37	1,933			54,607.25	54,607.25	
01/01/38	1,933	5.650	43	54,607.25	97,607.25	152,214.50
07/01/38	1,890			53,392.50	53,392.50	
01/01/39	1,890	5.650	45	53,392.50	98,392.50	151,785.00
07/01/39	1,845			52,121.25	52,121.25	
01/01/40	1,845	5.650	48	52,121.25	100,121.25	152,242.50
Subtotals carried forward			\$544	\$1,976,624.25	\$2,520,624.25	\$2,520,624.25

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

SCHEDULE OF AMORTIZATION OF \$2,341,000 PRINCIPAL AMOUNT
OF OUTSTANDING TAXABLE WATERWORKS REVENUE BONDS, SERIES 2020

Principal payable annually, January 1st.

Interest payable semi-annually, January 1st and July 1st.

Interest rate as indicated.

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
Subtotals carried forward			\$544	\$1,976,624.25	\$2,520,624.25	\$2,520,624.25
07/01/40	\$1,797			50,765.25	50,765.25	
01/01/41	1,797	5.650	51	50,765.25	101,765.25	152,530.50
07/01/41	1,746			49,324.50	49,324.50	
01/01/42	1,746	5.650	54	49,324.50	103,324.50	152,649.00
07/01/42	1,692			47,799.00	47,799.00	
01/01/43	1,692	5.650	57	47,799.00	104,799.00	152,598.00
07/01/43	1,635			46,188.75	46,188.75	
01/01/44	1,635	5.650	60	46,188.75	106,188.75	152,377.50
07/01/44	1,575			44,493.75	44,493.75	
01/01/45	1,575	5.650	63	44,493.75	107,493.75	151,987.50
07/01/45	1,512			42,714.00	42,714.00	
01/01/46	1,512	5.650	67	42,714.00	109,714.00	152,428.00
07/01/46	1,445			40,821.25	40,821.25	
01/01/47	1,445	5.650	70	40,821.25	110,821.25	151,642.50
07/01/47	1,375			38,843.75	38,843.75	
01/01/48	1,375	5.650	74	38,843.75	112,843.75	151,687.50
07/01/48	1,301			36,753.25	36,753.25	
01/01/49	1,301	5.650	79	36,753.25	115,753.25	152,506.50
07/01/49	1,222			34,521.50	34,521.50	
01/01/50	1,222	5.650	83	34,521.50	117,521.50	152,043.00
07/01/50	1,139			32,176.75	32,176.75	
01/01/51	1,139	5.650	88	32,176.75	120,176.75	152,353.50
07/01/51	1,051			29,690.75	29,690.75	
01/01/52	1,051	5.650	93	29,690.75	122,690.75	152,381.50
07/01/52	958			27,063.50	27,063.50	
01/01/53	958	5.650	98	27,063.50	125,063.50	152,127.00
07/01/53	860			24,295.00	24,295.00	
01/01/54	860	5.650	104	24,295.00	128,295.00	152,590.00
07/01/54	756			21,357.00	21,357.00	
01/01/55	756	5.650	109	21,357.00	130,357.00	151,714.00
07/01/55	647			18,277.75	18,277.75	
01/01/56	647	5.650	116	18,277.75	134,277.75	152,555.50
07/01/56	531			15,000.75	15,000.75	
01/01/57	531	5.650	122	15,000.75	137,000.75	152,001.50
07/01/57	409			11,554.25	11,554.25	
01/01/58	409	5.650	129	11,554.25	140,554.25	152,108.50
07/01/58	280			7,910.00	7,910.00	
01/01/59	280	5.650	136	7,910.00	143,910.00	151,820.00
07/01/59	144			4,068.00	4,068.00	
01/01/60	144	5.650	144	4,068.00	148,068.00	152,136.00
Totals			\$2,341	\$3,223,861.75	\$5,564,861.75	\$5,564,861.75

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

SCHEDULE OF COMBINED BOND AMORTIZATION

Payment Date	2014 Refunding Bonds	2014 Bonds	2017 Bonds	2020 Refunding Bonds	2020 Bonds	Combined	Bond Year
01/01/24	\$282,525.00	\$77,212.50	\$155,018.75	\$294,275.00	\$86,133.25	\$895,164.50	\$895,164.50
07/01/24	8,475.00	77,212.50	38,725.00	60,825.00	65,568.25	250,805.75	
01/01/25	288,475.00	77,212.50	158,725.00	295,825.00	86,568.25	906,805.75	1,157,611.50
07/01/25	4,275.00	77,212.50	37,225.00	57,300.00	64,975.00	240,987.50	
01/01/26	289,275.00	77,212.50	157,225.00	302,300.00	86,975.00	912,987.50	1,153,975.00
07/01/26		77,212.50	35,725.00	53,625.00	64,353.50	230,916.00	
01/01/27		347,212.50	185,725.00	303,625.00	87,353.50	923,916.00	1,154,832.00
07/01/27		72,825.00	33,662.50	49,875.00	63,703.75	220,066.25	
01/01/28		352,825.00	188,662.50	309,875.00	88,703.75	940,066.25	1,160,132.50
07/01/28		68,275.00	31,531.25	45,975.00	62,997.50	208,778.75	
01/01/29		358,275.00	186,531.25	315,975.00	88,997.50	949,778.75	1,158,557.50
07/01/29		63,200.00	29,206.25	41,925.00	62,263.00	196,594.25	
01/01/30		358,200.00	194,206.25	316,925.00	90,263.00	959,594.25	1,156,188.50
07/01/30		57,300.00	26,731.25	37,800.00	61,472.00	183,303.25	
01/01/31		367,300.00	191,731.25	322,800.00	90,472.00	972,303.25	1,155,606.50
07/01/31		51,100.00	24,050.00	33,525.00	60,652.75	169,327.75	
01/01/32		376,100.00	199,050.00	323,525.00	91,652.75	990,327.75	1,159,655.50
07/01/32		44,600.00	21,206.25	29,175.00	59,777.00	154,758.25	
01/01/33		384,600.00	196,206.25	329,175.00	92,777.00	1,002,758.25	1,157,516.50
07/01/33		37,800.00	18,143.75	24,675.00	58,844.75	139,463.50	
01/01/34		382,800.00	203,143.75	334,675.00	92,844.75	1,013,463.50	1,152,927.00
07/01/34		30,900.00	14,906.25	20,025.00	57,884.25	123,715.50	
01/01/35		390,900.00	204,906.25	340,025.00	93,884.25	1,029,715.50	1,153,431.00
07/01/35		23,700.00	11,343.75	15,225.00	56,867.25	107,136.00	
01/01/36		403,700.00	206,343.75	345,225.00	95,867.25	1,051,136.00	1,158,272.00
07/01/36		16,100.00	7,687.50	10,275.00	55,765.50	89,828.00	
01/01/37		411,100.00	212,687.50	345,275.00	96,765.50	1,065,828.00	1,155,656.00
07/01/37		8,200.00	3,843.75	5,250.00	54,607.25	71,901.00	
01/01/38		418,200.00	208,843.75	355,250.00	97,607.25	1,079,901.00	1,151,802.00
07/01/38					53,392.50	53,392.50	
01/01/39					98,392.50	98,392.50	151,785.00
07/01/39					52,121.25	52,121.25	
01/01/40					100,121.25	100,121.25	152,242.50
07/01/40					50,765.25	50,765.25	
01/01/41					101,765.25	101,765.25	152,530.50
07/01/41					49,324.50	49,324.50	
01/01/42					103,324.50	103,324.50	152,649.00
07/01/42					47,799.00	47,799.00	
01/01/43					104,799.00	104,799.00	152,598.00
07/01/43					46,188.75	46,188.75	
01/01/44					106,188.75	106,188.75	152,377.50
07/01/44					44,493.75	44,493.75	
01/01/45					107,493.75	107,493.75	151,987.50
Subtotals	\$873,025.00	\$5,488,487.50	\$3,182,993.75	\$5,320,225.00	\$3,282,766.75	\$18,147,498.00	\$18,147,498.00

(Continued on next page)

(See Consultant's Report)

STUCKER FORK CONSERVANCY DISTRICT
Water Utility

(Cont'd)

SCHEDULE OF COMBINED BOND AMORTIZATION

Payment Date	2014 Refunding Bonds	2014 Bonds	2017 Bonds	2020 Refunding Bonds	2020 Bonds	Combined	Bond Year
Subtotals carried forward	\$873,025.00	\$5,488,487.50	\$3,182,993.75	\$5,320,225.00	\$3,282,766.75	\$18,147,498.00	\$18,147,498.00
07/01/45					42,714.00	42,714.00	
01/01/46					109,714.00	109,714.00	152,428.00
07/01/46					40,821.25	40,821.25	
01/01/47					110,821.25	110,821.25	151,642.50
07/01/47					38,843.75	38,843.75	
01/01/48					112,843.75	112,843.75	151,687.50
07/01/48					36,753.25	36,753.25	
01/01/49					115,753.25	115,753.25	152,506.50
07/01/49					34,521.50	34,521.50	
01/01/50					117,521.50	117,521.50	152,043.00
07/01/50					32,176.75	32,176.75	
01/01/51					120,176.75	120,176.75	152,353.50
07/01/51					29,690.75	29,690.75	
01/01/52					122,690.75	122,690.75	152,381.50
07/01/52					27,063.50	27,063.50	
01/01/53					125,063.50	125,063.50	152,127.00
07/01/53					24,295.00	24,295.00	
01/01/54					128,295.00	128,295.00	152,590.00
07/01/54					21,357.00	21,357.00	
01/01/55					130,357.00	130,357.00	151,714.00
07/01/55					18,277.75	18,277.75	
01/01/56					134,277.75	134,277.75	152,555.50
07/01/56					15,000.75	15,000.75	
01/01/57					137,000.75	137,000.75	152,001.50
07/01/57					11,554.25	11,554.25	
01/01/58					140,554.25	140,554.25	152,108.50
07/01/58					7,910.00	7,910.00	
01/01/59					143,910.00	143,910.00	151,820.00
07/01/59					4,068.00	4,068.00	
01/01/60					148,068.00	148,068.00	152,136.00
Totals	<u>\$873,025.00</u>	<u>\$5,488,487.50</u>	<u>\$3,182,993.75</u>	<u>\$5,320,225.00</u>	<u>\$5,564,861.75</u>	<u>\$20,429,593.00</u>	<u>\$20,429,593.00</u>

Average annual debt service for the five bond years ending January 1, 2031

\$1,157,063.40

(See Consultant's Report)

Petitioner's Exhibit 5

AGREEMENT REGARDING IMPLEMENTATION OF COST OF SERVICE STUDY

This Agreement Regarding Implementation of Cost of Service Study (“Agreement”), made and entered to this 25th day of November, 2024 (the “Effective Date”), between the Stucker Fork Conservancy District (“Stucker Fork”) and Morgan Foods Inc., f/k/a Morgan Packing Company, Inc. (“Morgan Foods”) (individually, Stucker Fork and Morgan Foods are a “Party” and collectively they are “Parties”).

RECITALS

A. Stucker Fork is an Indiana conservancy district created pursuant to Ind. Code Ind. Code § 14-33 et. seq. for the purpose of, among other things, providing public water supply to retail, commercial, industrial, and wholesale customers located in Scott, Jefferson, Jackson, Jennings, Washington, and Clark Counties, including Morgan Foods.

B. Morgan Foods is an Indiana corporation that owns and operates a food processing plant (“Plant”) located in Austin, Indiana, that is served by Stucker Fork.

C. In a July 25, 2018 final order issued by the Indiana Utility Regulatory Commission (“Commission”) in Cause No. 44987, the Commission required Stucker Fork and Morgan Foods to meet, discuss, and hopefully resolve any cost-of-service issues between them before Stucker Fork filed its next general rate case.

D. Earlier in 2024, the Board of Directors for Stucker Fork determined that Stucker Fork required a rate increase in order to meet its on-going expense of operating and maintaining its water system, including, but not limited to, paying the principal and interest on its outstanding and proposed bonds.

E. Consistent with the Commission’s July 25, 2018 Order, Stucker Fork and Morgan Foods have met on multiple occasions to discuss cost of service issues.

F. Stucker Fork and Morgan Foods have now reached an agreement on the implementation of a cost of service study.

NOW, THEREFORE, the Parties, in consideration of the mutual promises set out in this Agreement, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. Incorporation of Recitals. The representations, covenants, and recitations set forth in the forgoing recitals are material to this Agreement and are hereby incorporated into and made part of this Agreement as if fully set forth herein.

2. Agreement on Implementation of Cost of Service Study. Stucker Fork has commissioned the completion of a cost of service study (“COSS”) by Baker Tilly Municipal Advisors, LLC, a copy of which is attached hereto as Exhibit A. While the Parties have not agreed to the methodology set forth in the COSS, for purposes of settlement and subject to the Phase-in agreement set forth below, Stucker Fork and Morgan Foods hereby agree that the COSS shall be

the basis upon which Stucker Fork seeks to increase its rates and charges consistent with the terms and conditions set forth herein.

3. Phased in Rate Increase. Following the Commission's approval of the revised rates in the upcoming Stucker Fork rate case and consistent with the Commission's policy of gradualism, the Parties agree that Stucker Fork will implement the rates approved by the Commission in two (2) separate phases. The first phase to be implemented upon the Commission's approval of an Order in the upcoming rate case will result in a fifty percent (50%) reduction of the subsidy identified in the COSS based on the Commission-approved rates and the second phase will implement the remaining fifty percent (50%) reduction as illustrated in Exhibit A. The second phase will occur on the later of: (i) issuance of a Commission Order in Stucker Fork's next general rate case; or (ii) five (5) years from the date of an Order in Stucker Fork's upcoming rate case. Before making a Compliance Filing to implement rates, Stucker Fork will update the COSS to reflect the rates approved by the Commission and provide Morgan Foods three (3) business days to review the rates.

4. Support for COSS. Morgan Foods hereby consents to the implementation of the COSS consistent with the terms and conditions set forth herein. Morgan Foods agrees to support Stucker Fork's proposed COSS before the Commission. Such support may include, among other things, the prefiling of testimony and exhibits in opposition to any changes to the COSS proposed by any party not a signatory to this agreement that would impact the terms of this Agreement. Stucker Fork also agrees to support the phased in rate increase described above. It is understood that Morgan Foods may still challenge the revenue requirements, but Morgan Foods will not challenge the COSS methodology or raise an issue that the test year in this case is stale. All Parties retain all rights in future proceedings to take any position with respect to cost of service and rate design not inconsistent with this Agreement.

5. Entire Agreement. This Agreement constitutes the entire agreement of the Parties and supersedes all prior agreements, arrangements, and understandings relating to the subject matter hereof and does not affect the Parties' rights in this proceeding except as to the COSS and the test year matter set forth above.

6. Counterparts. This Agreement may be executed by one or more of the Parties hereto and all said counterparts taken together shall be deemed to constitute one and the same instrument.

7. Modifications. Neither this Agreement nor any term hereof may be changed, modified, altered, waived, discharged, or terminated, except by written instrument. Failure to insist upon strict adherence to any term of this Agreement shall not be considered a waiver or deprive that Party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

8. Authority to Execute. Each Party and signatory hereto has the authority to enter into this Agreement and at all times has full authority to perform this Agreement. No further approval or consent by any other person or authority is required.

9. Successors and Assigns. The Parties agree that this Agreement should be binding on the Parties' successors and assigns. However, Morgan Foods may not assign this Agreement without the express written consent of Stucker Fork.

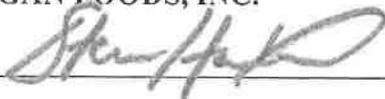
10. No Waiver. No waiver of any provision of this Agreement shall be deemed to have been made unless expressed in writing and signed by the Party charged therewith. No delay or omission in the exercise of any right or remedy accruing upon the breach of this Agreement shall impair such right or remedy or be construed as a waiver of the breach. The waiver by Stucker Fork or Morgan Foods of any breach shall not be deemed a waiver of any other breach of the same or any other provision of this Agreement.

11. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining terms hereof will not be affected, and in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision will be added as part of this Agreement that is as similar to the illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

12. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Indiana.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement and all rights and responsibilities created by this Agreement shall be binding on their successors and assigns.

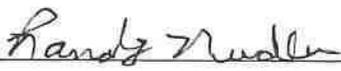
MORGAN FOODS, INC.

By: 

Printed: Steven Hankins

Title: CFO

**STUCKER FORK CONSERVANCY
DISTRICT:**

By: 

Printed: RANDY Needler

Title: Supt.

Exhibit A
COSS