

STATE OF INDIANA

FILED

INDIANA UTILITY REGULATORY COMMISSION

August 4, 2017

IN THE MATTER OF THE PETITION)
OF BLOOMINGTON, INDIANA, FOR)
AUTHORITY TO ISSUE BONDS, NOTES,)
OR OTHER OBLIGATIONS, FOR)
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR WATER SERVICE,)
AND FOR APPROVAL OF A NEW)
SCHEDULE OF WATER RATES AND)
CHARGES)

INDIANA UTILITY
REGULATORY COMMISSION

CAUSE NO. 44855

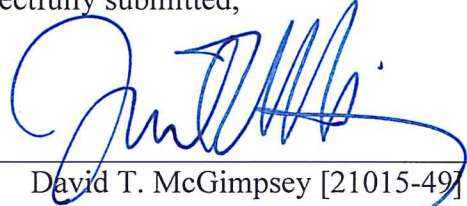
**PETITIONER’S SUBMISSION OF TRUE-UP REPORT AND
FILING OF TRUED-UP TARIFF**

The City of Bloomington, Indiana (“Bloomington”), Petitioner herein, by counsel, respectfully files its True-Up Report and trued-up tariff (the “Tariff”) with the Indiana Utility Regulatory Commission (the “Commission”) required in Ordering Paragraph 6 and Finding Paragraph 8 of the Commission’s March 29, 2017 Order (the “Order”) in this Cause. The True-Up Report is attached as Exhibit A and includes the actual principal amount borrowed, the interest rate, the term of the bonds, the actual average annual debt service and reserve requirements, and the impact of the difference between expected and actual debt service requirements on Bloomington’s rates and charges.

The actual average annual debt service requirements are lower than those provided for in the rates and charges authorized in the Order. Bloomington’s Tariff is trued-up with the actual average annual debt service requirements and reflects a 20.06% increase in rates and charges, as contrasted with the authorized 20.15% increase. Bloomington’s Tariff is attached as Exhibit B, and Bloomington requests its Tariff be approved effective as of August 4, 2017.

Respectfully submitted,

By:



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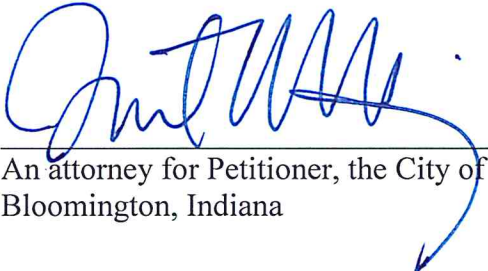
Attorneys for Petitioner,
City of Bloomington, Indiana

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petitioner's Submission of True-Up Report and Filing of Trued-Up Tariff has been served upon the following counsel via electronic service this 4th day of August, 2017.

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Bloomington, Indiana

Exhibit A

True-Up Report

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Statement of Revenue Requirements

| | <u>Agreed</u> <u>Amount (1)</u> | <u>True Up</u> <u>Calculation (2)</u> |
|--------------------------------------|------------------------------------|--|
| Operation and Maintenance Expense | \$ 8,094,907 | \$ 8,094,907 |
| Taxes Other Than Income | 691,679 | 691,679 |
| Depreciation Expense | 2,755,827 | 2,755,827 |
| 2013 Capital Lease Payment | 32,823 | 32,823 |
| 2014 Capital Lease Payment | 53,549 | 53,549 |
| Working Capital | - | - |
| Debt Service | 5,646,558 | 5,633,811 |
| Debt Service Reserve | - | - |
| Total Revenue Requirements | <u>17,275,343</u> | <u>17,262,596</u> |
| Less: Interest Income | - | - |
| Other Income | <u>(40,233)</u> | <u>(40,233)</u> |
| Net Revenue Requirement | 17,235,110 | 17,222,363 |
| Less: Revenue at Current Rates | (13,961,231) | (13,961,231) |
| Other Revenue at Current Rates | <u>(499,883)</u> | <u>(499,883)</u> |
| Net Revenue Increase Required | 2,773,996 | 2,761,249 |
| Divided by Revenue Conversion Factor | <u>0.986</u> | <u>0.986</u> |
| Calculated Increase | <u>2,813,383</u> | <u>2,800,455</u> |
| | | |
| Calculated Percentage Increase | <u>20.15%</u> | <u>20.06%</u> |

(1) Per Page 7 of the Indiana Utility Regulatory Commission (IURC) Order dated March 29, 2017.

(2) Reflects the actual average annual debt service between 2018 and 2022 after incorporating the City of Bloomington, Indiana Waterworks Revenue Bonds of 2017 that closed on July 25, 2017.

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Combined Amortization Schedule

| <u>Year</u> | <u>2000 SRF Loan</u> | <u>2003 A SRF Loan</u> | <u>2003 B SRF Loan</u> | <u>2003 Refunding Bonds</u> | <u>Amended 2006 Bonds</u> | <u>2011 A SRF Loan</u> | <u>2011 B Bonds</u> | <u>2017 Bonds</u> | <u>Total</u> |
|--|----------------------------|----------------------------|----------------------------|-------------------------------------|-----------------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| 2017 | \$ 1,076,084 | \$ 294,639 | \$ 551,552 | \$ 554,913 | \$ 379,833 | \$ 486,099 | \$ 1,972,850 | \$ 140,876 | \$ 5,456,846 |
| 2018 | 1,075,867 | 294,521 | 551,313 | 567,638 | 382,739 | 484,205 | 1,961,625 | 296,394 | 5,614,302 |
| 2019 | 1,075,838 | 295,139 | 551,595 | 568,563 | 379,838 | 481,937 | 1,969,950 | 297,994 | 5,620,854 |
| 2020 | 1,075,954 | 295,443 | 551,399 | | 381,207 | 484,200 | 2,544,726 | 299,444 | 5,632,373 |
| 2021 | | 296,451 | 551,691 | | 381,836 | 485,996 | 3,632,413 | 295,844 | 5,644,231 |
| 2022 | | 295,145 | 551,455 | | 376,721 | 482,229 | 3,654,500 | 297,244 | 5,657,294 |
| 2023 | | | 551,691 | | 380,895 | 482,994 | 3,965,800 | 298,494 | 5,679,874 |
| 2024 | | | 551,349 | | 374,101 | 483,292 | 4,002,800 | 299,694 | 5,711,236 |
| 2025 | | | | | 376,743 | 482,933 | 4,587,900 | 299,244 | 5,746,820 |
| 2026 | | | | | 378,382 | 487,106 | 4,634,300 | 303,169 | 5,802,957 |
| 2027 | | | | | | 485,436 | 5,093,300 | 301,794 | 5,880,530 |
| 2028 | | | | | | 483,205 | 5,155,900 | 300,344 | 5,939,449 |
| 2029 | | | | | | | | 303,669 | 303,669 |
| 2030 | | | | | | | | 301,769 | 301,769 |
| 2031 | | | | | | | | 304,644 | 304,644 |
| 2032 | | | | | | | | 306,907 | 306,907 |
| 2033 | | | | | | | | 308,859 | 308,859 |
| 2034 | | | | | | | | 310,500 | 310,500 |
| 2035 | | | | | | | | 311,569 | 311,569 |
| 2036 | | | | | | | | 312,306 | 312,306 |
| 2037 | | | | | | | | 315,038 | 315,038 |
| Totals | <u>\$ 4,303,743</u> | <u>\$ 1,771,338</u> | <u>\$ 4,412,045</u> | <u>\$ 1,691,114</u> | <u>\$ 3,792,295</u> | <u>\$ 5,809,632</u> | <u>\$ 43,176,064</u> | <u>\$ 6,205,796</u> | <u>\$ 71,162,027</u> |
| Five Year Average Annual Debt Service (2018 though 2022) | | | | | | | | | <u>\$ 5,633,811</u> |

BLOOMINGTON MUNICIPAL WATER UTILITY

Bloomington, Indiana

Waterworks Revenue Bonds of 2017
Amortization Schedule

| <u>Date</u> | <u>Principal</u> | <u>Coupon</u> | <u>Interest</u> | <u>Period Total</u> | <u>Fiscal Total</u> |
|-------------|---------------------|---------------|---------------------|-------------------------|-------------------------|
| 1/1/18 | \$ 85,000 | 2.000 % | \$ 55,876 | \$ 140,876 | \$ 140,876 |
| 7/1/18 | 85,000 | 2.000 | 63,622 | 148,622 | |
| 1/1/19 | 85,000 | 2.000 | 62,772 | 147,772 | 296,394 |
| 7/1/19 | 85,000 | 2.000 | 61,922 | 146,922 | |
| 1/1/20 | 90,000 | 2.000 | 61,072 | 151,072 | 297,994 |
| 7/1/20 | 90,000 | 2.000 | 60,172 | 150,172 | |
| 1/1/21 | 90,000 | 2.000 | 59,272 | 149,272 | 299,444 |
| 7/1/21 | 90,000 | 2.000 | 58,372 | 148,372 | |
| 1/1/22 | 90,000 | 2.000 | 57,472 | 147,472 | 295,844 |
| 7/1/22 | 90,000 | 2.000 | 56,572 | 146,572 | |
| 1/1/23 | 95,000 | 2.000 | 55,672 | 150,672 | 297,244 |
| 7/1/23 | 95,000 | 2.000 | 54,722 | 149,722 | |
| 1/1/24 | 95,000 | 2.000 | 53,772 | 148,772 | 298,494 |
| 7/1/24 | 95,000 | 2.000 | 52,822 | 147,822 | |
| 1/1/25 | 100,000 | 3.000 | 51,872 | 151,872 | 299,694 |
| 7/1/25 | 100,000 | 3.000 | 50,372 | 150,372 | |
| 1/1/26 | 100,000 | 3.000 | 48,872 | 148,872 | 299,244 |
| 7/1/26 | 105,000 | 3.000 | 47,372 | 152,372 | |
| 1/1/27 | 105,000 | 3.000 | 45,797 | 150,797 | 303,169 |
| 7/1/27 | 110,000 | 3.000 | 44,222 | 154,222 | |
| 1/1/28 | 105,000 | 3.000 | 42,572 | 147,572 | 301,794 |
| 7/1/28 | 110,000 | 3.000 | 40,997 | 150,997 | |
| 1/1/29 | 110,000 | 3.000 | 39,347 | 149,347 | 300,344 |
| 7/1/29 | 115,000 | 3.000 | 37,697 | 152,697 | |
| 1/1/30 | 115,000 | 3.000 | 35,972 | 150,972 | 303,669 |
| 7/1/30 | 115,000 | 3.000 | 34,247 | 149,247 | |
| 1/1/31 | 120,000 | 3.000 | 32,522 | 152,522 | 301,769 |
| 7/1/31 | 120,000 | 3.000 | 30,722 | 150,722 | |
| 1/1/32 | 125,000 | 3.125 | 28,922 | 153,922 | 304,644 |
| 7/1/32 | 130,000 | 3.125 | 26,969 | 156,969 | |
| 1/1/33 | 125,000 | 3.125 | 24,938 | 149,938 | 306,907 |
| 7/1/33 | 135,000 | 3.125 | 22,984 | 157,984 | |
| 1/1/34 | 130,000 | 3.125 | 20,875 | 150,875 | 308,859 |
| 7/1/34 | 140,000 | 3.125 | 18,844 | 158,844 | |
| 1/1/35 | 135,000 | 3.250 | 16,656 | 151,656 | 310,500 |
| 7/1/35 | 145,000 | 3.250 | 14,463 | 159,463 | |
| 1/1/36 | 140,000 | 3.250 | 12,106 | 152,106 | 311,569 |
| 7/1/36 | 145,000 | 3.250 | 9,831 | 154,831 | |
| 1/1/37 | 150,000 | 3.250 | 7,475 | 157,475 | 312,306 |
| 7/1/37 | 310,000 | 3.250 | 5,038 | 315,038 | 315,038 |
| Totals | <u>\$ 4,600,000</u> | | <u>\$ 1,605,796</u> | <u>\$ 6,205,796</u> | |

BLOOMINGTON MUNICIPAL WATER UTILITY

Bloomington, Indiana

Schedule of Present and Proposed Rates and Charges

| | <u>Present Rates (1)</u> | <u>Proposed Rates (2)</u> |
|---|------------------------------|-------------------------------|
| <u>Monthly Usage Charge (Per 1,000 Gallons)</u> | | |
| Residential | \$ 3.11 | \$ 3.73 |
| Commercial, Governmental, Interdepartmental | 2.63 | 3.16 |
| Industrial | 2.43 | 2.92 |
| Indiana University - Master Metered | 1.97 | 2.37 |
| Indiana University - Non-Master Metered | 2.63 | 3.16 |
| Irrigation | 2.85 | 3.42 |
| <u>Contract Sales for Resale Monthly Usage Charge (Per 1,000 Gallons)</u> | | |
| | \$ 1.99 | \$ 2.39 |
| <u>Monthly Service Charge (in addition to Monthly Usage Charge)</u> | | |
| 5/8 inch meter | \$ 4.91 | \$ 5.89 |
| 3/4 inch meter | 6.55 | 7.86 |
| 1 inch meter | 8.82 | 10.59 |
| 1 1/2 inch meter | 15.32 | 18.39 |
| 2 inch meter | 21.82 | 26.20 |
| 3 inch meter | 50.43 | 60.55 |
| 4 inch meter | 82.93 | 99.57 |
| 6 inch meter | 164.19 | 197.13 |
| 8 inch meter | 245.45 | 294.69 |
| 10 inch meter | 326.70 | 392.24 |

(1) Present Rates and Charges were approved by the Indiana Utility Regulatory Commission on March 2, 2011, and effective November 28, 2011.

(2) Reflects the twenty and six hundredths percent (20.06%) rate increase on present rates as proposed by the Utility per Exhibit A.

BLOOMINGTON MUNICIPAL WATER UTILITY

Bloomington, Indiana

Schedule of Present and Proposed Rates and Charges

| | <u>Present Rates (1)</u> | <u>Proposed Rates (2)</u> |
|--|------------------------------|-------------------------------|
| <u>Monthly Public Fire Protection Charge - Inside City</u> | | |
| <u>(excluding Indiana University - Master Metered)</u> | | |
| 5/8 inch meter | \$ 1.63 | \$ 1.96 |
| 3/4 inch meter | 2.44 | 2.93 |
| 1 inch meter | 4.07 | 4.89 |
| 1 1/2 inch meter | 8.15 | 9.78 |
| 2 inch meter | 13.03 | 15.64 |
| 3 inch meter | 28.51 | 34.23 |
| 4 inch meter | 48.87 | 58.67 |
| 6 inch meter | 101.84 | 122.27 |
| 8 inch meter | 146.64 | 176.06 |
| 10 inch meter | 236.24 | 283.63 |
| | | |
| <u>Monthly Public Fire Protection Charge - Outside City</u> | | |
| <u>(excluding Indiana University - Master Metered)</u> | | |
| 5/8 inch meter | \$ 2.73 | \$ 3.28 |
| 3/4 inch meter | 4.11 | 4.93 |
| 1 inch meter | 6.85 | 8.22 |
| 1 1/2 inch meter | 13.67 | 16.41 |
| 2 inch meter | 21.90 | 26.29 |
| 3 inch meter | 47.89 | 57.50 |
| 4 inch meter | 82.07 | 98.53 |
| 6 inch meter | 170.99 | 205.29 |
| 8 inch meter | 246.21 | 295.60 |
| 10 inch meter | 396.69 | 476.27 |
| | | |
| <u>Monthly Fire Protection Charge -</u> | | |
| <u>Indiana University - Master Metered</u> | | |
| | \$1,494.63 | \$1,794.45 |
| | | |
| <u>Monthly Private Fire Protection Charge (per connection)</u> | | |
| | <u>Monthly</u> | <u>Annual</u> |
| 4 inch line or smaller | \$ 8.21 | \$ 98.52 |
| 6 inch line | 22.82 | 273.84 |
| 8 inch line | 46.77 | 561.24 |
| 10 inch line | 81.91 | 982.92 |
| 12 inch line | 129.14 | 1,549.68 |

(1) Present Rates and Charges were approved by the Indiana Utility Regulatory Commission on March 2, 2011 and effective November 28, 2011.

(2) Reflects the twenty and six hundredths percent (20.06%) rate increase on present rates as proposed by the Utility per Exhibit A.

Exhibit B

Bloomington's Tariff

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Schedule of Rates and Charges

Monthly usage charge applicable to Residential, Commercial, Governmental, Interdepartmental, Industrial, Indiana University – Master Metered, Indiana University – Non-Master Metered, Irrigation classes

| <u>Category</u> | <u>Rates Per 1,000 Gallons</u> |
|---|--------------------------------|
| Residential | \$ 3.73 |
| Commercial, Governmental, Interdepartmental | 3.16 |
| Industrial | 2.92 |
| Indiana University – Master Metered | 2.37 |
| Indiana University – Non-Master Metered | 3.16 |
| Irrigation | 3.42 |

Monthly Service Charge, in Addition to Monthly Usage for the customer categories listed above

| <u>Meter Size</u> | <u>Charge</u> | <u>Meter Size</u> | <u>Charge</u> |
|-------------------|---------------|-------------------|---------------|
| 5/8" | \$ 5.89 | 3" | \$ 60.55 |
| 3/4" | 7.86 | 4" | 99.57 |
| 1" | 10.59 | 6" | 197.13 |
| 1 1/2" | 18.39 | 8" | 294.69 |
| 2" | 26.20 | 10" | 392.24 |

Monthly Surcharges for Fire Protection Service for the customer categories listed above excluding Indiana University – Master Metered

| <u>Meter Size</u> | <u>Charge</u> | | <u>Meter Size</u> | <u>Charge</u> | |
|-------------------|--------------------|---------------------|-------------------|--------------------|---------------------|
| | <u>Inside City</u> | <u>Outside City</u> | | <u>Inside City</u> | <u>Outside City</u> |
| 5/8" | \$ 1.96 | \$ 3.28 | 3" | \$ 34.23 | \$ 57.50 |
| 3/4" | 2.93 | 4.93 | 4" | 58.67 | 98.53 |
| 1" | 4.89 | 8.22 | 6" | 122.27 | 205.29 |
| 1 1/2" | 9.78 | 16.41 | 8" | 176.06 | 295.60 |
| 2" | 15.64 | 26.29 | 10" | 283.63 | 476.27 |

The monthly Fire Protection Charge for Indiana University – Master Metered accounts as a group shall be \$1,794.45.

Approved by the Indiana Utility Regulatory Commission
Cause No. 44855, Order dated March 29, 2017

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Schedule of Rates and Charges

Contract Sales for Resale

The rate for contract sales for resale shall be \$2.39 per one thousand gallons.

Contract Sales for Resale Monthly Service Charge in Addition to Monthly Usage Charge

| <u>Meter Size</u> | <u>Charge</u> | <u>Meter Size</u> | <u>Charge</u> |
|-------------------|---------------|-------------------|---------------|
| 5/8" | \$ 5.89 | 3" | \$ 60.55 |
| 3/4" | 7.86 | 4" | 99.57 |
| 1" | 10.59 | 6" | 197.13 |
| 1 1/2" | 18.39 | 8" | 294.69 |
| 2" | 26.20 | 10" | 392.24 |

Private fire connections per connection

| <u>Line Size</u> | <u>Monthly</u> | <u>Annually</u> |
|------------------|----------------|-----------------|
| 4" and under | \$ 9.86 | \$ 118.28 |
| 6" | 27.40 | 328.77 |
| 8" | 56.15 | 673.82 |
| 10" | 98.34 | 1,180.09 |
| 12" | 155.05 | 1,860.55 |

Approved by the Indiana Utility Regulatory Commission
Cause No. 44855, Order dated March 29, 2017

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Non-Recurring Charges*

| <u>Description of Charge</u> | | <u>Charges</u> |
|---|------------------------------|--|
| 1) | 5/8 to 1" Connection | |
| | - with tap | \$848.14 |
| | - without tap | \$776.18 |
| 2) | Greater than 1" Connection | Cost of connection but not less than charge for 5/8 to 1" connection |
| 3) | Service Call | |
| | - During hours | \$18.00 |
| | - After hours | \$54.00 |
| 4) | Bad Check Charge | \$25.00 |
| 5) | Late Payment Charge | 3% of unpaid balance |
| This charge shall be paid only once and shall be based on the unpaid over-due balance. | | |
| 6) | Deposit | |
| | - Residential | Not to exceed \$25.00 |
| | - Commercial | Not to exceed 1/6 of estimated annual bill |
| 7) | Meter Testing | |
| The utility shall make a free test of the accuracy of a meter upon written request by a customer and a second free test may be requested twelve months subsequent to the first test. The fee for all meter tests requested within thirty-six months after the preceding test shall be \$39.00 if the meter is found not to be at fault. | | |
| 8) | Inspection Charge | |
| All inspections of new mains during normal business hours shall be free of charge. All inspections of new mains during overtime hours shall be based on the amount of time required for the inspection. | | |
| 9) | Temporary Service | \$10.00/week |
| \$10.00 minimum plus a deposit equal to the cost of the meter and a charge for the water used. | | |
| 10) | Extension of Service | |
| Free if estimated 3-year revenue is greater than the construction cost. Actual cost if not. | | |
| 11) | Unauthorized Use of Hydrants | |
| Cost of water figured at 8 hours of flow from hydrants. | | |

*Approved by the Indiana Utility Regulatory Commission Cause No. 43939, Order dated March 2, 2011.

Approved by the Indiana Utility Regulatory Commission
Cause No. 44855, Order dated March 29, 2017