

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

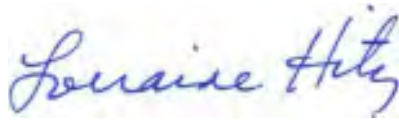
**APPLICATION OF EVERTON WATER)
CORPORATION FOR A NEW SCHEDULE) CAUSE NO. 46136-U
OF RATES AND CHARGES FOR WATER)
SERVICE)**

REPORT OF THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

In accordance with 170 IAC 14-1-4(a), the Indiana Office of Utility Consumer Counselor ("OUCC"), by counsel, hereby submits its Report consisting of the testimonies, including attachments, of Margaret A. Stull (Public's Exhibit No. 1) and Shawn Dellinger (Public's Exhibit No. 2).

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**APPLICATION OF EVERTON WATER)
CORPORATION FOR A NEW SCHEDULE) CAUSE NO. 46136-U
OF RATES AND CHARGES FOR WATER)
SERVICE)**

PUBLIC'S EXHIBIT NO. 1

TESTIMONY OF MARGARET A. STULL

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

December 20, 2024

TESTIMONY OF OUCC WITNESS MARGARET A. STULL
CAUSE NO. 46136-U
EVERTON WATER CORPORATION

I. INTRODUCTION

1 **Q: Please state your name and business address.**

2 A: My name is Margaret A. Stull, and my business address is 115 W. Washington St.,
3 Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor (“OUCC”) as
6 a Chief Technical Advisor in the Water/Wastewater Division. My qualifications
7 and experience are set forth in Appendix A.

8 **Q: What is the purpose of your testimony?**

9 A: On October 3, 2024, Everton Water Corporation (“Everton” or “Applicant”)
10 submitted a Small Utility Rate Application (“Application”) seeking an across-the-
11 board 15.23% rate increase to produce an additional \$51,450 of operating revenues.
12 I present the OUCC’s schedules and recommend an across-the-board rate increase
13 of 15.55% to produce an additional \$52,295 of operating revenues. I explain why I
14 reject Everton’s proposed adjustment to remove test year tap fee revenues as well
15 as my adjustment to increase test year tap fee revenues to reflect Everton’s proposed
16 increase to its current tap fee. I accept Everton’s proposed operating expenses and
17 extensions and replacements (“E&R”). I discuss Everton’s requested financing
18 authorization and explain why the OUCC is recommending this authorization be
19 increased to the maximum loan allowed by the lender. I discuss various tariff issues,

1 including the inclusion of a damaged meter fee and an increase to Everton's
2 customer deposit. Finally, I attach customer comments received by the OUCC in
3 this Cause (OUCC Attachment MAS-1).

4 **Q: If your testimony does not address a specific topic or issue, does that mean you**
5 **agree with Applicant's position on that topic or issue?**

6 A: No. My silence on any topic or issue is not an endorsement of any position.
7 Likewise, my silence in response to any actions or adjustments stated or implied by
8 Applicant is not an endorsement of any action or adjustment.

9 **Q: Describe the review and analysis you performed.**

10 A: I reviewed the Application, schedules, and workpapers submitted by Everton. I
11 reviewed Everton's 2020 - 2023 IURC annual reports. I prepared both formal and
12 informal discovery questions and reviewed Everton's responses. I participated in
13 an on-site accounting review on November 13 and 14, 2024. I reviewed the
14 Commission's final order in Cause No. 44744-U, Everton's last rate case.

15 **Q: What schedules are submitted with your testimony?**

16 A: Schedule 1 – Comparison of Revenue Requirements (page 1)
17 Comparison of Net Operating Income Adjustments (page 2)
18 Schedule 2 – Comparative Balance Sheet as of December 31, 2023, 2022, and 2021
19 Schedule 3 – Comparative Income Statement for the Twelve Months Ended
20 December 31, 2023, 2022, and 2021.
21 Schedule 4 – *Pro Forma* Net Operating Income Statement
22 Schedule 5 – OUCC Revenue Adjustments
23 Schedule 6 – OUCC Expense Adjustments
24 Schedule 7 – Extensions & Replacements (Not Applicable)
25 Schedule 8 – Working Capital
26 Schedule 9 – Debt Service
27 Schedule 10 – Debt Service Reserve (Not Applicable)
28 Schedule 11 – Tariff

1 **Q: Do you sponsor any attachments?**

2 A: Yes. I sponsor the following attachments:

3 OUCC Attachment MAS-1 – Customer Comments

4 OUCC Attachment MAS-2 – Tap Fee Costs

5 OUCC Attachment MAS-3 – Support for Debt Funded Capital Projects

6 OUCC Attachment MAS-4 – Available Cash For Capital Projects

7 OUCC Attachment MAS-5 – Damaged Meter Charge

8 OUCC Attachment MAS-6 – Support for Cost of Meter Antenna

9 OUCC Attachment MAS-7 – Support for Current Charge for Bulk Water Sales
10 (“Water Drop”)

II. CASE SUMMARY

A. Everton's Proposal

11 **Q: Please describe Everton's proposed rate increase.**

12 A: Everton proposes an overall across-the-board rate increase of 15.23 % to generate
13 \$51,450 of additional annual operating revenue. Everton's proposed rate increase
14 is based on a historical test year ending December 31, 2023 and reflects increased
15 operating expenses, depreciation expense, and debt service expense. If approved, a
16 residential customer using 4,000 gallons of water per month will see their monthly
17 bill increase from \$34.25 to \$39.46.

18 **Q: Does Everton propose any other changes to its current rates and charges?**

19 A: Yes. Everton also proposes an increase to its current tap fee from \$910 to \$2,100.

20 **Q: Does Everton seek any other relief from the Commission in this Cause?**

21 A: Yes. Everton also seeks Commission authorization to borrow \$174,450 to replace
22 its aging SCADA system and paint its 250,000-gallon water storage tank.

B. OUCC's Recommendation

1 **Q: What rate increase does the OUCC recommend?**

2 A: The OUCC recommends an across-the-board rate increase of 15.55% to produce
3 additional annual revenues of \$52,295. If approved, a residential customer using
4 4,000 gallons of water per month will see their monthly bill increase from \$34.25
5 to \$39.58. Table 1 compares the OUCC's recommended rate increase and
6 underlying revenue requirement to that proposed by Everton.

7 **Q: Does the OUCC accept Everton's proposed increase to its tap fee?**

8 A: Yes. While it appears that Everton may have confused the cost of a corporation stop
9 with that of a meter setter, the overall costs appear to be reasonable.¹

10 **Q: Does the OUCC accept Everton's proposed borrowing authority?**

11 A: No. The OUCC recommends Everton be authorized to borrow up to \$200,000
12 compared to Everton's request to borrow \$174,450.

Table 1: Revenue Requirement Comparison

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 242,174	\$ 241,706	4	\$ (468)
Extensions and Replacements	57,011	57,011	7	-
Debt Service	131,507	143,319	9	11,812
Total Revenue Requirement	430,692	442,036		11,344
Less: Revenue Requirement Offsets				
Interest Income	(2,117)	(2,117)	3	-
Other Income	(35,085)	(35,085)	3	-
Net Revenue Requirements	393,490	404,834		11,344
Less: Rev. at current rates subject to increase	(337,912)	(336,285)	4	1,627
Other Revenues at current rates	(4,205)	(16,332)	4	(12,127)
Net Revenue Increase Required	51,373	52,217		844
Add: Additional IURC Fees	78	78		-
Recommended Increase	<u>\$ 51,451</u>	<u>\$ 52,295</u>		<u>\$ 844</u>
Recommended Percentage Increase	<u>15.23%</u>	<u>15.55%</u>		<u>0.32%</u>

¹ The cost reflected for a corporation stop in Applicant's provided support is \$84.34 and the cost reflected for a meter setter is \$408.50. Based on the OUCC's review of current costs, the cost of a corporation stop is approximately \$385 and the cost for a meter setter is approximately \$67. (See OUCC Attachment MAS-2.)

III. OPERATING REVENUE

1 **Q: What amount of *pro forma* operating revenue did Everton propose?**

2 A: Everton proposed *pro forma* present rate operating revenues of \$342,117, which is
3 a \$3,394 decrease from test year operating revenues of \$345,511. Everton's \$3,394
4 decrease consists of two adjustments: (1) a \$1,156 *increase* to normalize test year
5 residential water sales and (2) a \$4,550 *decrease* to remove test year tap fees.

6 **Q: Do you accept Everton's proposed operating revenue adjustments?**

7 A: I accept Everton's proposed test year residential customer growth adjustment.
8 However, I do not accept Everton's proposed removal of test year tap fee revenues.

9 **Q: What amount of operating revenue do you recommend?**

10 A: I recommend *pro forma* operating revenue of \$352,617, which is a \$7,106 increase
11 over test year operating revenue of \$345,511 as proposed by Everton.

12 **Q: Do your recommended *pro forma* operating revenues include any additional
13 adjustments?**

14 A: Yes. Rather than decreasing tap fee revenues, I recommend an adjustment to
15 increase tap fee revenues to reflect Everton's proposed increase to its current tap
16 fee.

17 **Q: Please explain your recommended increase to test year tap fee revenues.**

18 A: Tap fees are a non-recurring fee that are supposed to be cost based. Everton's
19 current \$910 tap fee was approved in Cause No. 44312-U in 2008. The costs to
20 connect new customers to Everton's system have increased significantly since that
21 time. In recognition of this fact, in this Cause Everton proposes to increase its tap
22 fee to reflect current costs of \$2,100. This represents an increase of \$1,190, which
23 is more than double the current rate. Therefore, the costs incurred during the test

1 year were \$2,100 per new customer connection, but the tap fee collected was only
2 \$910, Everton's currently approved fee. My adjustment reflects the tap fees that
3 will be collected going forward and offsets the costs being incurred, ensuring that
4 current customers do not subsidize new customers' connections to the system. My
5 adjustment multiplies the increased fee (\$1,190) times the number of test year
6 connections (5), yielding a \$5,950 increase to test year tap fee revenues.

IV. OPERATING EXPENSE

7 **Q: What level of operating expense did Everton propose?**

8 A: Everton proposed *pro forma* operating expense of \$242,174,² including payroll and
9 property taxes, which is an increase of \$25,103 over test year operating expense of
10 \$217,071.

11 **Q: What operating expense adjustments did Everton propose?**

12 A: Everton proposed several test year operating expense adjustments, including
13 adjustments to salaries and wages, chemicals, periodic maintenance expense, and
14 payroll taxes.

² Total Operating expenses does not include depreciation expense.

Table 2: Everton Operating Expense Adjustments

Salaries and Wages - Employees	\$	17,396
Purchased Power		
Duke rate increase		57
System Delivery Adjustment		99
Chemicals		
Chemical Cost Adjustment	(1,715)	
System Delivery Adjustment	4	
Periodic Maintenance		7,697
Rate Case Expense		20
IURC Fee		513
Postage - System Delivery Adj.		20
Payroll Taxes		1,012
Total	\$	<u>25,103</u>

1 **Q: Do you accept any of Everton's operating expense adjustments?**

2 A: I accept all of Everton's proposed operating expense adjustments except its
3 adjustment to the IURC fee. My *pro forma* IURC fee differs from Everton's
4 because (1) the revenue my recommended fee is based upon is different from that
5 proposed by Everton and (2) Everton did not reduce its IURC fee adjustment by its
6 test year IURC fees of \$484.

7 **Q: What level of operating expense do you recommend?**

8 A: I recommend *pro forma* operating expense of \$241,706. This is an increase of
9 \$24,635 to test year operating expenses of \$217,071.

10 **Q: What level of IURC expense do you recommend?**

11 A: I recommend *pro forma* IURC expense of \$529, an increase of \$45 to test year
12 expense of \$484.

Table 3: OUCC Recommended IURC Fee

Total <i>Pro forma</i> Operating Revenues	\$ 352,617
Times: 2024-2025 IURC Fee Rate	<u>0.1500%</u>
Pro forma IURC Fee Expense	529
Less: Teat Year IURC Fee Expense	<u>484</u>
Increase to IURC Fee Expense	<u>\$ 45</u>

1 **Q: Do you have any recommendations regarding periodic maintenance expense**
2 **included in the revenue requirement?**

3 A: Yes. Everton must borrow funds in order to paint its 250,000-gallon tank, despite
4 recovering tank painting expense in rates. To ensure that Everton has the funds
5 needed to paint this tank in approximately 20 years, as well as other periodic
6 maintenance costs, I recommend Everton be required to place \$16,462 annually
7 (\$1,372 per month) in a restricted account to be used to pay periodic maintenance
8 costs.

V. EXTENSIONS AND REPLACEMENTS

9 **Q: What level of extensions and replacements (“E&R”) did Everton propose as**
10 **part of its revenue requirement?**

11 A: Everton proposed an annual E&R revenue requirement of \$57,011 based on
12 historical cash funded capital expenditures.

13 **Q: Do you accept Everton’s proposed E&R revenue requirement?**

14 A: Yes.

VI. AUTHORIZED BORROWING

1 **Q: How much debt authority did Everton request?**

2 A: Everton requested it be allowed \$174,450 in debt authority to upgrade its SCADA
3 system and to paint the exterior of a water storage tank. Everton anticipates
4 borrowing these funds from the National Rural Water Association's ("NRWA")
5 loan program.

6 **Q: Do you accept Everton's proposed debt authority?**

7 A: No. As discussed by OUCC witness Shawn Dellinger, the OUCC proposes that
8 Everton be authorized \$200,000 of debt authority. Everton's proposed debt
9 authority of \$174,450 plus the cash funded requirement of \$58,150 would result in
10 total project funding of \$232,600. Everton's total project cost is quoted at \$334,240
11 (\$125,040 for SCADA and \$209,200 for tank painting). (OUCC Attachment MAS-
12 3.) This results in a project funding deficit of \$101,640 to complete the required
13 projects. As a result, Mr. Dellinger recommends that Everton be authorized the
14 maximum loan amount that the NRWA loan program will authorize of \$200,000.

15 **Q: Can Everton fully utilize the debt authority recommended by Mr. Dellinger?**

16 A: Yes. As Mr. Dellinger explains, borrowing the maximum amount through the
17 NRWA loan program of \$200,000 would require \$66,667 of cash to be provided
18 by Everton. Because the total project cost exceeds \$266,667, Everton would be able
19 to borrow the program's cap of \$200,000. Additionally, as provided by Everton's
20 office manager, Shannon Heis, Everton does have the cash on hand to pay the
21 required \$66,667 out-of-pocket as required by the loan program. In total, Everton

1 had \$138,144 of *available* cash on hand as of November 30, 2024, which is enough
2 to cover the \$66,667 of funding required. (OUCC Attachment MAS-4.)

3 **Q: Will Everton be able to fund its proposed projects with the OUCC's**
4 **recommended debt authority?**

5 A: Possibly. Everton's total project cost is \$334,240. Using the full \$200,000 of debt
6 authority, Everton would be required to cash fund \$134,240 to complete its
7 proposed SCADA and tank painting projects based on the provided quotes. With
8 \$138,144 of available cash on hand, Everton could potentially fund the difference.
9 However, the SCADA quote is approximately two years old, and the tank painting
10 quote is now approximately a year old. The cost of these projects may be different
11 than what was originally quoted. While this solution may not completely reconcile
12 Everton's funding needs, it puts Everton in a better financial situation to pursue
13 these projects.

VII. TARIFF ISSUES

14 **Q: What issues did you identify regarding Everton's tariff?**

15 A: I identified three issues related to Everton's tariff: (1) a damaged meter fee that is
16 not reflected on its tariff, (2) the bulk water sales rate reflected on tariff is not the
17 rate being charged, and (3) the customer deposit amount is understated based on
18 Everton's current rates.

19 **Q: Please explain the damaged meter fee currently imposed by Everton.**

20 A: Currently, Everton imposes a \$200 charge on customers that *intentionally* damage
21 their AMR meter antenna (OUCC Attachment MAS-5), but this charge is not
22 reflected on its tariff and does not appear to have been approved by the

1 Commission. While this fee is not charged often,³ any charge levied by a regulated
2 utility should be reviewed and approved by the Commission and included on the
3 utility's authorized tariff.

4 The cost of the replacement antenna is approximately \$130 (OUCC
5 Attachment MAS-6). Including the cost of labor and travel to and from the
6 customer's location, and considering this charge is only imposed in situations
7 where the damage was intentional, I consider this charge to be reasonable and
8 recommend the Commission approve it and include it in Everton's tariff.

9 **Q: Please explain the issue you identified regarding Everton's bulk water sales**
10 **("water drop").**

11 A: Everton has a "water drop" where residents can purchase bulk water from a
12 machine located at the utility's office. Currently, Everton's tariff shows unmetered
13 bulk water sales to be \$0.44 for 23 gallons. However, the "water drop" machine
14 only takes quarters and the current rate charged is \$0.25 for approximately 30
15 gallons (OUCC Attachment MAS-7). I recommend that the rate reflected on
16 Everton's tariff be changed to reflect the current rate of \$0.25. This rate is more or
17 less equivalent to the first volumetric block included in Everton's tariff. Everton
18 could adjust the volume of water provided for a quarter from 30 gallons to 25
19 gallons to better synch the rate charged with the water provided.⁴

³ According to the office manager, this fee has only been charged a couple of times over the past six years.

⁴ The current volumetric rate is \$9.00 for 1,000 gallons of water. This rate will increase to approximately \$10.35 after the rates in this case are implemented ($\$9.0 \times 1.15\%$). The rate for 30 gallons of water would then be \$0.31. However, the rate for 25 gallons would be approximately \$0.26, which would align with the current tariffed rates.

1 **Q: Does this change to the bulk water rate affect the calculation of the rate**
2 **increase in this Cause?**

3 A: Yes. The change in the rate does not affect the determination of the *dollar* amount
4 of the increase required because the utility has not been charging the tariffed rate.
5 However, bulk water sales (unmetered) are included in revenues subject to increase
6 when determining the *percentage* increase required. To ensure the calculated
7 percentage rate increase will provide the revenues needed for Everton to operate its
8 utility, I have classified bulk water sales (unmetered) as revenues not subject to
9 increase. This has the effect of slightly increasing the percentage rate increase.

10 **Q: Please explain the issue you identified regarding Everton's customer deposit.**

11 A: Customer deposits should be set to collect two months of average consumption.
12 The current deposit collected is \$50 but the current rate for 4,000 gallons will be
13 approximately \$40 once the rates authorized in this Cause are implemented.
14 Therefore, the customer deposit for a residential customer should be increased to
15 approximately \$80.

VIII. RECOMMENDATIONS

16 **Q: Please summarize your recommendations to the Commission.**

17 A: I recommend the Commission approve a 15.55% rate to produce an additional
18 \$52,295 of operating revenue per year. Further, I recommend the Commission
19 authorize Everton to borrow up to \$200,000 to replace its aging SCADA system
20 and repaint its water tank. Finally, I recommend the Commission approve Everton's
21 current \$200 damaged meter charge and include it on Everton's tariff.

22 **Q: Does this conclude your testimony?**

23 A: Yes.

APPENDIX A - QUALIFICATIONS

1 **Q: Please describe your educational background and experience.**

2 A: I graduated from the University of Houston at Clear Lake City in August 1982 with
3 a Bachelor of Science degree in Accounting. From 1982 to 1985, I held the position
4 of Gas Pipeline Accountant at Seagull Energy in Houston, Texas. From 1985 to
5 2001, I worked for Enron in various positions of increasing responsibility and
6 authority. I began in gas pipeline accounting, was promoted to a position in
7 financial reporting and planning for both the gas pipeline group and the
8 international group, and finally was promoted to a position providing accounting
9 support for infrastructure projects in Central and South America. In 2002, I moved
10 to Indiana, where I held non-utility accounting positions in Indianapolis. In August
11 2003, I accepted a utility analyst position with the OUCC. I was promoted to Senior
12 Utility Analyst in 2011. In 2018, I was promoted to my current position as Chief
13 Technical Advisor.

14 Since joining the OUCC I have attended the National Association of
15 Regulatory Utility Commissioners ("NARUC") Eastern Utility Rate School in
16 Clearwater Beach, Florida, and the Institute of Public Utilities' Advanced
17 Regulatory Studies Program in East Lansing, Michigan. I have also attended several
18 American Water Works Association and Indiana Rural Water Association
19 conferences as well as the National Association of Utility Consumer Advocates
20 ("NASUCA") Water Committee Forums. I have been a member of the NASUCA

1 Water Committee and the NASUCA Tax and Accounting Committees and served
2 as chair for the Tax and Accounting Committee from 2016 – 2021.

3 **Q: Have you previously testified before the Indiana Utility Regulatory**
4 **Commission?**

5 A: Yes. I have testified before the Commission as an accounting witness in various
6 causes involving water, wastewater, electric, and gas utilities.

7 **Q: Have you held any professional licenses?**

8 A: Yes. I passed the CPA exam in 1984 and was licensed as a CPA in the State of
9 Texas until I moved to Indiana in 2002.

Everton Water Corporation
CAUSE NUMBER 46136-U

**Comparison of Petitioner's and OUCC's
Revenue Requirements**

	<u>Per Applicant</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
1 Operating Expenses	\$ 242,174	\$ 241,706	4	\$ (468)
3 Extensions and Replacements	57,011	57,011	7	-
4 Working Capital	-	-	8	-
5 Debt Service	131,507	143,319	9	11,812
6 Debt Service Reserve	-	-		-
7 Total Revenue Requirements	430,692	442,036		11,344
8 Less: Interest Income	(2,117)	(2,117)	3	-
9 Other Income	(35,085)	(35,085)	3	-
10				-
11 Net Revenue Requirements	393,490	404,834		11,344
12 Less: Revenues at current rates subject to increase	(337,912)	(336,285)	4	1,627
Other revenues at current rates	(4,205)	(16,332)	4	(12,127)
13 Net Revenue Increase Required	51,373	52,217		844
14 Add: Additional IURC Fees	78	78		-
15 Recommended Increase	<u>\$ 51,451</u>	<u>\$ 52,295</u>		<u>\$ 844</u>
16 Recommended Percentage Increase	<u>15.23%</u>	<u>15.55%</u>		<u>0.32%</u>

	<u>Proposed</u>		<u>OUCC More (Less)</u>
<u>Current Rate for 4,000 Gallons</u>	<u>Petitioner</u>	<u>OUCC</u>	
18 Current Rate = \$34.25	\$ 39.46	\$ 39.58	\$ 0.12

Everton Water Corporation
CAUSE NUMBER 46136-U

Reconciliation of Net Operating Income Statement Adjustments
Pro-forma Present Rates

	<u>Per Applicant</u>	<u>Per OUC</u>	<u>OUC More (Less)</u>
1 Operating Revenues			
Residential normalization	\$ 1,156	\$ 1,156	\$ -
Tap Fee Revenues	(4,550)	5,950	10,500
			-
Total Operating Revenues	<u>(3,394)</u>	<u>7,106</u>	<u>10,500</u>
O&M Expense			
Salaries and Wages Expense	17,396	17,396	-
Purchased Power Expense	57	57	-
Chemicals	(1,715)	(1,715)	-
Periodic Maintenance	7,697	7,697	-
System Delivery Adjustment	123	123	-
Rate Case Expense	20	20	-
IURC Fee	513	45	(468)
Payroll Taxes	1,012	1,012	-
Total Operating Expenses	<u>25,103</u>	<u>24,635</u>	<u>(468)</u>
Net Operating Income	<u>\$ (28,497)</u>	<u>\$ (17,529)</u>	<u>\$ 10,968</u>

Everton Water Corporation
CAUSE NUMBER 46136-U

COMPARATIVE BALANCE SHEET
As of December 31,

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Utility Plant:			
Utility Plant in Service	\$ 4,239,953	\$ 4,191,387	\$ 4,182,714
Construction Work in Progress	-	-	-
Less: Accumulated Depreciation	(2,094,210)	(2,017,431)	(1,926,925)
Net Utility Plant in Service	<u>2,145,743</u>	<u>2,173,956</u>	<u>2,255,789</u>
Current Assets:			
Cash and Cash Equivalents	253,105	255,115	228,677
Other Current Assets	-	-	-
Total Current Assets	<u>253,105</u>	<u>255,115</u>	<u>228,677</u>
Total Assets	<u>\$ 2,398,848</u>	<u>\$ 2,429,071</u>	<u>\$ 2,484,466</u>
<u>LIABILITIES</u>			
Equity			
Retained Earnings	\$ 192,192	\$ 165,753	\$ 716,944
Other Paid-In Capital	321,840	321,840	321,840
Total Equity	<u>514,032</u>	<u>487,593</u>	<u>1,038,784</u>
Contributions in Aid of Construction			
Contributions in Aid of Construction, net	550,000	550,000	-
Accumulated Amortization of CIAC			
Net Contributions-in-aid of Construction	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Long-term Debt			
Rural Development Loan	1,287,750	1,344,947	1,399,496
Other Long-Term Debt	-	-	-
Total Long-term Debt	<u>1,287,750</u>	<u>1,344,947</u>	<u>1,399,496</u>
Current Liabilities			
Accounts Payable	-	-	-
Customer Deposits	42,953	42,352	41,733
Accrued Taxes Payable	3,713	4,179	4,453
Other Current Liabilities	400	-	-
Total Current Liabilities	<u>47,066</u>	<u>46,531</u>	<u>46,186</u>
Total Liabilities	<u>\$ 2,398,848</u>	<u>\$ 2,429,071</u>	<u>\$ 2,484,466</u>

Everton Water Corporation
CAUSE NUMBER 46136-U

COMPARATIVE INCOME STATEMENT
Twelve Months Ended December 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenues:			
Water Sales			
Unmetered	\$ 5,832	\$ 4,914	\$ 3,209
Residential	323,907	317,639	320,874
Commercial	5,361	5,615	6,820
Public Authority	1,656	1,594	1,523
Late Payment Fees	4,205		
Other Water Revenues	4,550	9,165	559,450
Total Operating Revenues	<u>345,511</u>	<u>338,927</u>	<u>891,876</u>
Operating Expenses:			
Salaries and Wages - Employees	65,704	71,472	65,923
Salaries and Wages - Directors	9,300	9,300	9,300
Purchased Power	28,545	25,434	22,084
Chemicals	2,971	3,924	2,059
Materials and Supplies	34,107	32,934	24,822
Contractual Services			
Accounting	13,985	17,695	14,265
Legal	985	1,126	1,106
Insurance			
Vehicle	125	125	125
General Liability	8,662	6,969	7,484
Workers' Compensation	1,838	1,838	1,948
Other	540	561	294
Miscellaneous Expense	42,886	34,660	40,851
Total O&M Expense	<u>209,648</u>	<u>206,038</u>	<u>190,261</u>
Depreciation Expense	106,414	97,441	103,870
Taxes Other than Income			
Payroll Taxes	5,345	5,798	5,344
Property Taxes or PILT	2,078	464	
Total Operating Expenses	<u>323,485</u>	<u>309,741</u>	<u>299,475</u>
Net Operating Income	22,026	29,186	592,401
Other Income (Expense)			
Interest Income	2,117	1,378	794
Gain (Loss) on Sale of Assets	28,500	-	-
Non-Utility Income	36,443	33,540	36,079
Total Other Income (Expenses)	<u>67,060</u>	<u>34,918</u>	<u>36,873</u>
Interest Expenses			
Interest Expense	62,647	65,295	67,821
Total Interest Expense	<u>62,647</u>	<u>65,295</u>	<u>67,821</u>
Net Income	<u>\$ 26,439</u>	<u>\$ (1,191)</u>	<u>\$ 561,453</u>

Everton Water Corporation
CAUSE NUMBER 46136-U

Pro Forma Net Operating Income Statement

	Test Year Ended 12/31/23	Adjustments	Sch Ref	Pro Forma Present Rates	Adjustments	Sch Ref	Pro Forma Proposed Rates
1 Operating Revenues							
2 Water Sales							
3 Unmetered	\$ 5,832	-		\$ 5,832			\$ 5,832
4 Residential	323,907	1,156	PET	325,063	50,549		375,612
5 Commercial	5,361	-		5,361	834		6,195
6 Industrial	-			-	-		-
7 Public Authority	1,656	-		1,656	258		1,914
8 Late Payment Fees	4,205	-		4,205	654		4,859
9 Other Water Revenues	4,550	5,950	5-1	10,500	-		10,500
10 Total Operating Revenues	<u>345,511</u>	<u>7,106</u>		<u>352,617</u>	<u>52,295</u>	1	<u>404,912</u>
11 O&M Expense							
12 Salaries and Wages - Employees	65,704	17,396	PET	83,100			83,100
13 Salaries and Wages - Directors	9,300			9,300			9,300
14 Employee Benefits	-			-			-
15 Purchased Water	-			-			-
16 Purchased Power	28,545	156	PET	28,701			28,701
17 Chemicals	2,971	(1,711)	PET	1,260			1,260
18 Materials and Supplies	34,107			34,107			34,107
19 Periodic Maintenance		7,697	PET	7,697			7,697
20 Contractual Services				-			-
21 Accounting	13,985			13,985			13,985
22 Engineering	-			-			-
23 Legal	985			985			985
24 Insurance							
25 Vehicle	125			125			125
26 General Liability	8,662			8,662			8,662
27 Workers' Compensation	1,838			1,838			1,838
28 Other	540			540			540
29 Rate Case Expense	-	20	PET	20			20
30 Miscellaneous Expense	42,886	45	6-1	42,951	78	1	43,029
31		20	PET				
32 Depreciation Expense	106,414			106,414			106,414
33 Amortization Expense	-			-			-
34 Taxes Other than Income							
35 Payroll Taxes	5,345	1,012	PET	6,357			6,357
36 Property Taxes	2,078			2,078			2,078
37 Total Operating Expenses	<u>323,485</u>	<u>24,635</u>		<u>348,120</u>	<u>78</u>		<u>348,198</u>
38 Net Operating Income	<u>22,026</u>	<u>(17,529)</u>		<u>\$ 4,497</u>	<u>52,217</u>		<u>\$ 56,714</u>

Everton Water Corporation
CAUSE NUMBER 46136-U

OUCC Revenue Adjustments

(1)

Tap Fee Revenue

To adjust tap fee revenues to reflect increased tap fee of \$2,100.

New Tag Fee	\$ 2,100
Times: Number of Test Year Taps	<u>5</u>
<i>Pro forma</i> Tap Fee Revenue	10,500
Less: Test Year Tap Fee Revenues	<u>4,550</u>

Adjustment Increase (Decrease)

\$ 5,950

Everton Water Corporation
CAUSE NUMBER 46136-U

OUCC Expense Adjustments

(1)

IURC Fee

To adjust present rate IURC fee expense.

<i>Pro forma</i> Operating Revenues	\$ 352,617
Times: 2024-2025 IURC Fee	<u>0.1500%</u>
Pro forma IURC Fee Expense	529
Less: Test Year IURC Fee Expense	<u>484</u>

Adjustment Increase (Decrease)

\$ 45

Everton Water Corporation
CAUSE NUMBER 46136-U

Extensions and Replacements

NOT APPLICABLE

**The OUC accepted Applicant's Proposed Extensions and Replacements
revenue requirement.**

Everton Water Corporation
CAUSE NUMBER 46136-U

Working Capital

1	Operation & Maintenance Expense	\$	233,271
2	Plus: Payroll Taxes		6,357
3	Less: Purchased Water		-
4	Purchased Power		(28,701)
			<hr/>
5	Adjusted Operation & Maintenance Expense		210,927
6	Times: 45 Day Factor		0.125
			<hr/>
7	Working Capital Revenue Requirement		26,366
8	Less: Cash on Hand		253,105
			<hr/>
9	Net Working Capital Revenue Requirement		-
10	Divide by: Amortization Period (Years)		3
			<hr/>
11	Annual Working Capital Revenue Requirement	\$	-
			<hr/> <hr/>

Everton Water Corporation
CAUSE NUMBER 46136-U

Debt Service

To reflect the average amount of debt service required over a five year period.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
1 Estimated based on 2023 P&I	\$ 119,844	\$ 119,844	\$ 119,844	\$ 119,844	\$ 119,844	\$ 599,220
2 Proposed Emergency Fin.	23,475	23,475	23,475	23,475	23,475	117,375
3	<u>\$ 143,319</u>	<u>\$ 143,319</u>	<u>\$ 143,319</u>	<u>\$ 143,319</u>	<u>\$ 143,319</u>	\$ 716,595
4 Divide by 5 years						<u>5</u>
5 Average Annual Debt Service						<u>\$ 143,319</u>

Everton Water Corporation
CAUSE NUMBER 46136-U

Debt Service Reserve

NOT APPLICABLE

Applicant's current Rural Development loan's debt service reserve is fully funded and there is no requirement to fund a debt service reserve account for the proposed borrowing.

Everton Water Corporation
CAUSE NUMBER 46136-U

Current and Proposed Rates and Charges

	<u>Current</u>	<u>Applicant Proposed</u>	<u>OUCC Recommended</u>	<u>OUCC More (Less)</u>
<u>Metered Rates</u>				
First 2,500 gallons	\$ 9.00	\$ 10.40	\$ 10.40	\$ -
Next 3,500 gallons	7.83	9.05	9.05	-
Next 4,000 gallons	5.88	6.79	6.79	-
Next 10,000 gallons	3.91	4.52	4.52	-
Over 20,000 gallons	2.35	2.72	2.72	-
<u>Service Charge/Minimum Rate</u>				
Metered Customer	22.51	\$ 26.01	\$ 26.01	\$ -
School Customer	112.51	130.01	130.01	-
Water Drop Rate - per 23 gallon	0.44	0.51	0.25	(0.26)

From: [Sunta, Anthony \(URC\)](#)
To: [UCC Consumer Info](#)
Subject: New Inquiry 138416 CRM:0351000002373
Date: Monday, October 28, 2024 12:50:11 PM

Customer Type: Residential
Customer: Billy Redd
Business Phone:
Home Phone:
Contact Phone: 765-338-8310
Service Address: 2686 South County Road 200 East
City, State, ZIP: Connersville , IN , 47331
Email: redd.billy@yahoo.com

Case Description: We recently received some mail from Everton Water Corp. about a rate increase for our water and sewer. It seems that we already have higher than normal prices for our services. We have lived in bigger cities and smaller towns , our water rate has never been anything close to what we are being charged from Everton Water Corp. As a citizen that lives in Everton Water Corp. district, I believe the IURC needs to look in to Everton Water Corp. a little deeper before we allow for a rate increase. I also believe with our elderly families that are on a fixed incomes , this will be another blow to these families that are barely getting by with the cost of everything now days. You will have elderly people that are already trying to get by with prescription cost for them, food prices , medical bills and so on without raising the rates for water and sewer going up also.

Thank You
Concerned citizen in Everton Water Corp. district.

From: noreply@engage.in.gov
To: [UCC Consumer Info](#)
Subject: Mike Morris
Date: Sunday, November 3, 2024 11:21:26 AM

EXTERNAL EMAIL: This email was sent from outside your organization. Exercise caution when clicking links, opening attachments or taking further action, before validating its authenticity.

A form has been submitted for: OUCG Contact Form
Please review the attached PDF for the submission information.

Title: Mr.
Name: Mike Morris
Email: Mike.morris.1990.mm@gmail.com
Phone:
Address:
Connersville
IN
47331
Utilities: Everton Water Corporation
Type of Inquiry: Case Comment
Comments: I have lived in my house for 5 years and the bill has increased every year since moving in. This is the first time i can remember actually receiving a letter notifying me of an increase. We have to buy bottled water to drink or put the water in a filter first. I don't agree with the price increase

From: [David Dean](#)
To: [UCC Consumer Info](#)
Subject: David Dean - Everton Water Corporation Rate Increase
Date: Thursday, November 14, 2024 1:54:57 PM

EXTERNAL EMAIL: This email was sent from outside your organization. Exercise caution when clicking links, opening attachments or taking further action, before validating its authenticity.

I wanted to let the IURC know that I do NOT approve of the rate increase requested by Everton Water Corporation! The 15.23% is far above average for an increase...and no formal reasons have been provided to me or any of my neighbors. What happened to the Cares Act funding and how much revenue is required after the extension of water access allowing late payments during the pandemic? Please review my request with urgency and deny approval for a rate increase! Our community is torn between those who can barely make ends meet and the landowners and farmers who prosper annually! Feel free to contact me...to make such request puts an enormous pressure on the elderly and disabled and those living on fixed incomes...5% increase is unpleasant and creates hardship, but 15% seems criminal. Thank you

Sincerely

David Dean 702-338-4506

803 E Co Rd 250 S

Connersville, Indiana

Sent from my iPhone

From: noreply@engage.in.gov
To: [UCC Consumer Info](#)
Subject: Jeff D Griffin
Date: Friday, October 25, 2024 10:03:37 AM

EXTERNAL EMAIL: This email was sent from outside your organization. Exercise caution when clicking links, opening attachments or taking further action, before validating its authenticity.

A form has been submitted for: OUCG Contact Form
Please review the attached PDF for the submission information.

Title: Mr.

Name: Jeff D Griffin

Email: griff11761@comcast.net

Phone: (765) 541-8626

Address: 2715 South Maris Court
Connersville

IN

47331

Utilities: Everton Water Corporation Utility Board

Type of Inquiry: Case Comment

Comments: I do not have a case number. I recently recieved a letter from the Everton Water Corporation Utility Board advising me that they have requested a 15% increase. I am requesting that the IURC and the OUCG conduct and investigation into this increase.

When was the last rate increase?

What new improvements have been made in the last 5 years for the water or sewage systems?

Of those new improvements, what has directly effected my water or sewage services?

How much money is being spent on salaries?

While 15% does not seem like a lot, with the inflation of everything else going on and the cost of utilities in general being high, I feel that this is too much.

Thank you for listening. JDG

I'm writing in regard to the proposed 15.23% increase in Everton Water Corporation.

I'm strongly against this proposed increase and am requesting a hearing.

Thank you,
Deanna Dudley and
Scott Hall

RECEIVED

NOV 07 2024

INDIANA UTILITY REGULATORY COMMISSION

From: [Ben Catron](#)
To: [UCC Consumer Info](#)
Subject: NO!!!!!!15.3% increase
Date: Monday, November 11, 2024 2:55:35 PM

EXTERNAL EMAIL: This email was sent from outside your organization. Exercise caution when clicking links, opening attachments or taking further action, before validating its authenticity.

I do not approve of a water Rate increase please leave it alone already over paying as it is !

From: vince.outdoors
To: [UCC Consumer Info](#)
Subject: Proposed Water Rate Increase
Date: Wednesday, November 6, 2024 10:44:14 AM

EXTERNAL EMAIL: This email was sent from outside your organization. Exercise caution when clicking links, opening attachments or taking further action, before validating its authenticity.

I would like to request a public hearing to understand the reasoning for the increase of 15.23% to all residents that must use Everton Water.

Thank you,
Concerned citizen of Everton
Vince Pitstick

Sent from my Verizon, Samsung Galaxy smartphone

Everton Water Corporation
Cause No. 46136-U

Proposed Tap Fee

Materials

Corp Stop	\$84.34	
Setter	408.50	
3/4 Plastic Pipe	16.20	
18 x 30 Pit	62.00	
4" Saddle	90.00	
Meter	280.00	
Sub-Total		<u>\$ 941.04</u>

Labor

Contract Labor - Lc	\$1,600	
Contract Labor - St	700	
	<u>2,300</u>	
	2	
	<u>2,302</u>	
		<u>\$ 1,150</u>
		<u>\$2,091.04</u>

Proposed Tap Fee \$2,100.00

3/4 Plastic Average 15 feet water main and meter same side of street, add 24 ft for across the street

Contractor: Coon Landscaping



A.Y. MCDONALD Meter Setter Model
37-2-WXCC-33, 37-2--WXCC 33

49380 **In Stock**

\$66.⁹⁵

Add to Order Template

each



A.Y. MCDONALD Vertical Meter
Resetter 1" Meter, 19-4

49007 **Call for availability**

\$98.⁹⁵

Add to Order Template

each



Vertical Meter Resetter 5/8" x 3/4"
Meter, AY McDonald 19-2

49003 **In Stock**

\$70.⁹⁵

Add to Order Template

each



SAF-T-FLO™ 3/4"AWWA Retractable
Corp-Stop Style Injection Quill, 3/8"
CPVC, 1/2"NPT(M) Inlet

19528 **In Stock**

\$384.⁹⁵

Add to Order Template

each



SAF-T-FLO™ 3/4"NPT(M) Retractable
Corp-Stop Style Injection Quill, 3/8"
PVC, 1/2"NPT(F) Inlet

43304 **In Stock**

\$369.⁹⁵

Add to Order Template

each



SAF-T-FLO™ 3/4"AWWA Retractable
Corp-Stop Style Injection Quill, 3/8"
PVC, 1/2"NPT(M) Inlet

19526 **In Stock**

\$369.⁹⁵

Add to Order Template

each





Clearcreek Coatings LTD

1900 N Business Way
New Carlisle, OH, 45344
937-315-8116

Date: 1-2-2024

Proposal

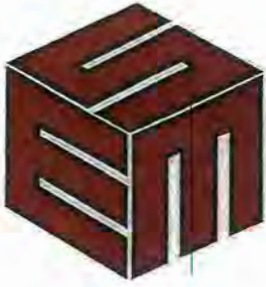
Proposal Submitted To, Everton Water Corporation	Phone Number:
Address:	Fax Number:
Contact: Tom Fledderman	Job Address:

Description	Amount
OVERCOAT EXTERIOR To power wash the exterior of the tank and apply two coats of paint Tnemec series 27 F.C. typoxy and topcoat of Series 1094 Endra Shield with logo repainted with series V700 Hydroflon	\$107,600.00
EXTERIOR FULL BLAST and REPAINT To perform a full near white blast with full containment. Apply a 3-coat paint system – Tnemec Series 94 H2O Hydro Zinc N69 Hi Build Epoxy and Series 1094 Endura shield. To reapply logo using series v700 Hydroflon and touch up interior using series 21 where paint was burnt while welding out riggers for containment.	\$209,200.00
INTERIOR To blast interior to near white and prime using 94 H2O Hydro zinc and topcoat with 100% solids, series FC22 at 16-24 mils	\$97,000.00
TOTAL	

Acceptance of Proposal - All prices and proposed work are satisfactory and accepted.	Signature: _____
	Title: _____
	Date: _____

We propose to furnish labor and material in accordance with the above description for the sum of:

COPY



Engineered Solutions Midwest, Inc.

5609 W. 74th Street • Indianapolis, IN 46278
engineeredolutions.com
317-973-1304

PROPOSAL # 3747
TO: Everton Water Corporation
Attn: Tom Fledderman

DATE: 1/6/2023
PROJECT LOC: Everton, IN
PROJECT TITLE: SCADA Upgrades

Everton, IN SCADA Upgrades

Engineered Solutions Midwest, (ESM) appreciates the opportunity to present this proposal to the Town of Everton Water system update.

ESM specializes in servicing the water and wastewater industry. Our portfolio ranges from manufacturing of pumping stations to designing/implementing SCADA systems to electromechanical troubleshooting and repair. We differentiate ourselves in the market by providing a single source for all of your plant and pumping system needs. Our experience applying system hydraulic dynamics to the technological aspects of SCADA systems further separates us from others in our industry. We troubleshoot and repair pumps, controls, valves, electrical systems, and telemetry systems.

ESM is a 24/7 rapid response center, but recognizes and empowers the customer as the first line of defense in an emergency. ESM will be there to help over the phone, or mobilize as expediently as the situation requires.

Please note that during and following the completion of any of the options below, ESM will train your staff to ensure they are comfortable with your upgraded system. Staff education will continue with phone support, or additional training / refreshers on site as required when we are in the area.

Engineered Solutions Midwest, (ESM) proposes to upgrade the BPS, Elevated Tank, Filter, WTP, and Well. The existing AB 5/03 PLC is obsolete at the Filter Panel location. ESM will upgrade the station to the new standards of a MicroLogix 1400 PLC and a 10-inch Maple touchscreen at the Filter Panel location. All logic will be controlled by an ESM programmed, Programmable Logic Controller (PLC). ESM proposes a cell-based system for the communications. The Elevated Tank will be upgraded also, since the existing PLC's use a serial base communication, and these will need to be updated to ethernet. ESM will provide all installation and programming labor as well as material as necessary to make this operational change. ESM will also remove any old controls and wiring.

*Engineered Solutions Midwest, Inc is an authorized local sales and service center for Engineered Fluid, Inc.

Proposal Number 3747
January 6, 2023

BPS RTU parts list

1. PLC – Allen Bradley (AB) 1400 Ethernet PLC (programmed by ESM)
2. AB memory module
3. AB analog input card/output card
4. 5 port Ethernet switch
5. HMI – Maple Systems 10” touchscreen (programmed by ESM)
6. Cell Modem, antenna, coax

WTP RTU parts list

1. AB analog input card/output card
2. 5 port Ethernet switch
3. HMI – Maple Systems 15” touchscreen (programmed by ESM)
4. Cell Modem, antenna, coax

Well RTU parts list

1. PLC – Allen Bradley (AB) 1400 Ethernet PLC (programmed by ESM)
2. AB memory module
3. Cell Modem, antenna, coax
4. New Enclosure at this location.

Elevated Tank RTU parts list

1. PLC – Allen Bradley (AB) 1400 Ethernet PLC (programmed by ESM)
2. AB memory module
3. AB Input card
4. Cell Modem, antenna, coax

Filter RTU parts list

1. PLC – Allen Bradley (AB) 1400 Ethernet PLC (programmed by ESM)
2. AB memory module
3. AB analog input card/output card
4. 5 port Ethernet switch
5. HMI – Maple Systems 10” touchscreen (programmed by ESM)
6. Cell Modem, antenna, coax

Your TOTAL Cost, No Applicable Taxes Included\$ 125,040.00

Equipment Delivery & Installation: TBD* Weeks After Receipt of Signed Proposal.

*ESM will coordinate installation date with the owner.

Proposal Number 3747
January 6, 2023

NOTES:

ESM will require temporary shutdown of this station while work is being performed. Shutdowns will be kept to a minimum. The owner shall keep any leftover material for spare/scrap.

PAYMENT TERMS:

The above TOTAL Cost is based solely on the aforementioned scope of work in this specific proposal. Any services and/or materials that exceed this scope of work, shall be presented to and authorized by the customer, in which additional costs may be incurred.

Terms of payment will be Net 30 days subject to 1.5% per month late charge for past due accounts. Invoicing will be based upon a percentage payment plan and will be submitted to the Purchaser.

25%- Signed proposal returned to ESM (time of order)

25%- Submittal approval and release of materials

35%- Installation of materials (invoiced as a percentage of work complete during a month)

15%- Substantial completion (owner beneficial use)

For additional information please contact:

Tim Hovda
Engineered Solutions Midwest, Inc.
5609 W. 74th St, Indianapolis, IN 46278
317-409-4116
thovda@engineeredolutions.com

**CONDITIONS OF SALE ACCOMPANYING THIS PROPOSAL ARE AN INTEGRAL PART OF THIS PROPOSAL.
ACCEPTANCE CONSTITUTES ACKNOWLEDGEMENT OF TERMS.**

Accepted, **Contingent** Upon Contract Award and Receipt of Submittal Approval

this _____ day of _____ 20_____

Company Name

Authorized Signature

By _____

CONDITIONS OF SALE

ALL PROPOSALS ARE BASED ON, AND ALL PRODUCTS AND SERVICES ARE SOLD ON THE FOLLOWING TERMS, CONDITIONS AND PROCEDURES:

1. THIS PROPOSAL PRICE is firm if order is placed within thirty (30) days from the date of the proposal.
2. TERMS - Subject to approval of credit and as specifically stated on this proposal. Account must be current, including late charges, before services are performed. The price on this proposal is based upon these Conditions of Sale. If different terms are desired by the purchaser, the price will be adjusted to reflect the differences in terms.
3. DELIVERY – Services and any parts delivered by ESM are f.o.b. the project site, or nearest passable road. Deliveries of the various units of this order may be made as completed. Shipments via common carrier are f.o.b. point of shipment.
4. DELIVERY TIME - The time of delivery stated on this proposal is Engineered Solutions Midwest Inc. (ESM) best estimate and begins with the date all information necessary to proceed with releasing materials is received by ESM. While ESM will diligently attempt to meet the stated delivery, ESM shall not be liable for any delay in shipment from any cause whatsoever outside the direct control of ESM and Purchaser agrees not to make any such claim.

Service will be scheduled within 7 to 10 days after materials are received. Materials will be invoiced upon receipt if services are delayed by factors outside the control of ESM. It shall be the Purchaser's responsibility to notify ESM prior to anticipated service if a delay is anticipated.

5. TAXES - No Federal, State, or Local taxes have been included in the prices quoted on the proposal face. All known and applicable taxes will be included on the invoice and are to be paid by the Purchaser.
6. WARRANTY - ESM warrants, to the original Purchaser service labor to be free from defects in workmanship for the period of 90 DAYS from the date of service, provided the product is properly installed, maintained and operated under normal conditions according to the manufacturer's instructions.

Replacement components or parts provided by ESM shall include the original component or part manufacturer's OEM warranty. Assistance in administering the original component part manufacturer's OEM warranty is the extent of ESM's responsibility for replacement parts or components.

The obligation of ESM under this warranty is limited to repair or replacement of any component or part f.o.b the manufacturer's dock which shall upon examination disclose to the manufacturer's satisfaction to have been originally defective. Correction of such defects by repair or replacement shall constitute fulfillment of all obligations. ESM shall not be liable for loss, damage or expense directly or indirectly from the use of its products or from any other cause.

Any products, components or parts not purchased by ESM are excluded from this warranty. No services on these components are included in this proposal. Expenses incurred by ESM attributable to the misapplication or malfunction of components not supplied by ESM will be the responsibility of the Purchaser.

This warranty is conditional and does not apply to any of the following items:

- a) Items that must be replaced because of normal usage such as pump seals, packing, grease, oil, light bulbs, etc.
- b) Items that have been started up by person not authorized by ESM or that have been altered or repaired outside of the manufacturer's factory, without written authorization from ESM.
- c) Products that are not started, checked and adjusted by an authorized ESM technician within the warranty period of the original OEM manufacturer, unless special written instructions have been requested and received from ESM.
- d) Warranty claims made after the warranty term(s) have expired.

ESM services are not subject to expressed, implied or statutory warranty other than herein set forth, and no agent, representative or distributor of ESM has any authority to alter the terms of this warranty.

*Engineered Solutions Midwest, Inc is an authorized local sales and service center for Engineered Fluid, Inc.

Proposal Number 3747
January 6, 2023

7. **SITE CONDITIONS** - It shall be the Purchaser's responsibility to have all site conditions (e.g., electrical installation, water connection, etc.) prepared for the ESM technician in advance. Service charges are portal to portal and include wait time onsite. Subsequent trips are not included in the purchase price if services cannot be performed due to inadequate preparation.
8. **CANCELLATION** - Purchaser agrees to reimburse to ESM all costs incurred and associated with cancellation of order. Charges will include, but not be limited to, expenses related to submittal design and assembly, procurement of material, restocking charges, and shipping and handling of material.
9. **ACCEPTANCE** - Acceptance of this proposal whether by a separate purchase order or by other means shall constitute an acknowledgment of the quotation as written and an acceptance of the terms and conditions thereof. Any positive written response to this proposal shall be considered as an acceptance thereof. Acceptance of any terms, provision or conditions in conflict with those stated herein shall be so stated in writing by an officer of ESM. The acceptance of any goods or merchandise shipped to Purchaser as described herein shall constitute an agreement by the Purchaser to all the terms and conditions hereof.
10. **GOVERNING LAW** - This transaction shall be governed by, interpreted and enforced in accordance with the laws of the State of Indiana.
11. **DISPUTE RESOLUTION** - Any and all lawsuits arising out of the terms and conditions of this agreement or concerning the goods sold hereunder shall be instituted and litigated in Boone County, Indiana and in no other forum unless the parties shall mutually agree in writing to a different forum. Accordingly, the parties to this transaction submit to the jurisdiction of Boone County, Indiana with respect to any dispute or disagreement having to do with, or arising out of, this contract or the performance by either party hereunder.
12. **COSTS AND ATTORNEY'S FEES** - In the event that Purchaser shall fail to comply with any of the terms and conditions hereof, then Purchaser shall reimburse ESM for all attorney's fees and court costs which may be paid, or incurred, by ESM in an effort to enforce the terms and conditions hereof or to obtain damages on account of the breach hereof by Purchaser.

Everton Water Corporation

Cause No. 45136-U

Analysis of Available Cash as of November 30, 2024

<u>Account</u>	<u>11.30.24 Balance</u>	<u>Unavailable</u>	<u>Available</u>
Operating Fund	\$ 64,780.48	\$ (26,363.00) ^(A)	\$ 38,417.48
Revenue Fund	11,083.43	(11,083) ^(B)	-
Maintenance Fund	63,579.24	-	63,579.24
Debt Service Reserve	129,450.00	(119,880) ^(C)	9,570.00
General Account (CD)	26,580.00	-	26,580.00
Total Fund Balances	<u>\$ 295,473.15</u>	<u>\$ (157,326.43)</u>	<u>\$ 138,146.72</u>

^(A) Working Capital (OUCC Schedule 8)

^(B) A portion of these funds are available but unclear how much is related to water.

^(C) Debt Service Reserve (fully funded)

From: [everton water](#)
To: [Stull, Margaret](#)
Subject: Re: Everton Rate Case
Date: Monday, December 16, 2024 9:46:19 AM
Attachments: [image001.png](#)

EXTERNAL EMAIL: This email was sent from outside your organization. Exercise caution when clicking links, opening attachments or taking further action, before validating its authenticity.

Checking account (this is the one we use to pay bills - operating fund) \$64,780.48
Revenue account (this is the one I deposit all payments into, and then pay out the monthly water and sewer income.) \$11,083.43
Savings account (this is actually the maintenance fund) \$63,579.24
CD (restricted or reserve account) \$129,450.00 (original amount was \$125,000.00)
CD (general) \$26,579.73 (original amount was \$25,000.00)

Shannon Heis
Office Manager
Everton Water Corp
5471 S St Rd 1, Connersville, IN 47331
765-825-3412
765-825-8822 (fax)

From: Stull, Margaret <mstull@oucc.IN.gov>
Sent: Sunday, December 15, 2024 3:21 PM
To: evertonwatercorp <evertonwatercorp@hotmail.com>
Subject: Everton Rate Case

Hi Shannon – Can you tell me the current balance as of November 30, 2024 in each of your cash accounts / CDs? I want to verify that you will have enough cash on hand to borrow the full \$200,000 that is available from the National Rural Water Assoc.

I show a “checking” account, a “revenue” account, a savings account, and CD(s). I believe the “maintenance fund” is in a CD and I’m not sure but think the debt service reserve is in another CD. Based on the prior balance you stated for the maintenance fund, it looks like you will have plenty of cash on hand but wanted to be sure.

Please let me know if you have any questions. We should be filing our report this Friday, December 20th.

Thanks,

Margaret A. Stull



Margaret Stull
Chief Technical Advisor
Indiana Office of Utility Consumer Counselor
115 West Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
www.IN.gov/OUCC
317.232-7193 • mstull@oucc.in.gov

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Everton Water Corporation

[HOME](#)[OFFICE HOURS](#)[WATER](#)[SEWER](#)[TIPS](#)[RATES](#)[SERVICE FEES](#)[ALERTS](#)[CONTACT](#)

Service Fees

New Service:

Existing Tap on: \$50 deposit

New Tap-on: \$910.00 with main on the side of the road that the house exists on

Additional fee for Road bore needed due to main being on opposite side of road. \$300 average additional fee

All tap on fees are due prior to start of work. Road Bore (if needed) will be billed to customer after work is completed.

10 Day notice required before starting a new tap-on

Damaged Radio Read Meter: \$200

If customer requests the meter be raised because of landscaping: \$300

SEWER:

Sewer connection: \$1000

Sewer Connection- non-residential: \$2500

Sewer Inspection: \$50

Everton Water Corporation
5471 South State Road 1 Connersville, IN 47331
Ph: (765)825-3412 Fax: (765)825-8822
Email: evertonwatercorp@hotmail.com

September 18, 2015

Dear Customer,

We have upgraded all of our meters to radio read meters. There is a piece that sticks up on the meter lid. This is the radio portion of the meter. If any part of the meter is damaged in any way (such as running over it with a lawn mower), you will be responsible for replacement cost and labor. This will be approximately \$200 and you will be billed for it.

If you have any questions, please call 825-3412. Office hours are 9-1, Monday through Friday.

Thank you,
Everton Water Corporation Board of Directors



Corporate Office:
200 E. Franklin St.
P.O. Box 318
Edinburg, IL 62531-0318
Phone 800-634-4746
Fax 217-623-4216

Branch location:
1078 Wolverine Lane
Cape Girardeau, MO 63701
Phone 800-635-4746
Fax 573-334-0151

Branch location:
200 Commercial Drive
Flora, IN 46929
Phone 877-636-4746
Fax 574-967-4572

Website: www.midwest-meter.com

Quotation

DATE: 12/18/2024

FROM:

Rolland Vickrey
Midwest Meter, Inc.
200 Commercial Drive
Flora, IN 46929

Email: rvickrey@midwest-meter.com
Phone: (765) 720-0158
Toll Free: (877) 636-4746
Fax: (574) 967-4572

TO:

Everton Water
ATTN: Tom Fledderman

Quantity	Description	Unit	Total
1	Orion M/E endpoint.	\$129.50	\$129.50

We thank you for giving us the opportunity to present this quotation. Prices are firm for 30 days unless otherwise stated.

Sincerely,

Rolland Vickrey
Midwest Meter Inc.
765-720-0158
rvickrey@midwest-meter.com

Stull, Margaret

From: everton water <evertonwatercorp@hotmail.com>
Sent: Monday, December 16, 2024 9:48 AM
To: Stull, Margaret
Subject: Re: Sorry - Another Question

EXTERNAL EMAIL: This email was sent from outside your organization. Exercise caution when clicking links, opening attachments or taking further action, before validating its authenticity.

The water drop is actually about 30 gallons for 25 cents. This takes quarters only; no debit/credit card.

Shannon Heis
Office Manager
Everton Water Corp
5471 S St Rd 1, Connersville, IN 47331
765-825-3412
765-825-8822 (fax)

From: Stull, Margaret <mstull@oucc.IN.gov>
Sent: Sunday, December 15, 2024 3:54 PM
To: evertonwatercorp <evertonwatercorp@hotmail.com>
Subject: Sorry - Another Question

Hi Shannon – Sorry, I just realized I had one more question for you – The “water drop” where customers can purchase bulk water, I believe 23 gallons for \$0.44? Does that take cash or a debit/credit card? Do customers really have to put in 44 cents to get water? It doesn’t seem like a large enough transaction to merit debit/credit card usage. Should this rate be in multiples of a quarter for convenience?

Thanks, not a big issue but was bothering. Apologies if I asked this question at the audit. I couldn’t find anything in my notes and wanted to ask.

Thanks so much,

Margaret A. Stull

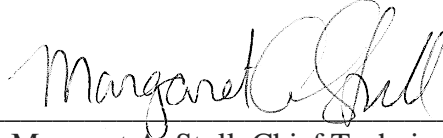


Margaret Stull
Chief Technical Advisor
Indiana Office of Utility Consumer
Counselor
115 West Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
www.IN.gov/OUCC
317.232-7193 • mstull@oucc.in.gov

Confidentiality Notice:

AFFIRMATION

I affirm the representations I made in the foregoing testimony are true to the best of my knowledge, information, and belief.

A handwritten signature in cursive script, reading "Margaret A. Stull". The signature is written in black ink and is positioned above a horizontal line.

By: Margaret A. Stull, Chief Technical Advisor
Cause No. 46136-U

Office of Utility Consumer Counselor (OUCC)

Date: December 18, 2024

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**APPLICATION OF EVERTON WATER)
CORPORATION FOR A NEW SCHEDULE)
OF RATES AND CHARGES FOR WATER)
SERVICE)**

CAUSE NO. 46136-U

PUBLIC'S EXHIBIT NO. 2

TESTIMONY OF SHAWN DELLIINGER

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

December 20, 2024

TESTIMONY OF OUCC WITNESS SHAWN DELLINGER
CAUSE NO. 46136-U
EVERTON WATER CORP.

I. INTRODUCTION

1 **Q: Please state your name and business address.**

2 A: My name is Shawn Dellinger, and my business address is 115 West Washington Street,
3 Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor (“OUCC”) as a Senior
6 Utility Analyst, primarily in the Water/Wastewater division. My focus is on financing and
7 other financial matters. Appendix A describes my background, education, and experience.

8 **Q: What is the purpose of your testimony?**

9 A: My testimony discusses the financing issues for Everton Water Corp. (“Applicant” or
10 “Everton”), including debt authorization, debt service revenue requirement, debt service
11 reserve revenue requirement, and appropriate true-up mechanisms, based on its
12 Application submitted on October 3, 2024. Applicant proposes a debt authorization of
13 \$174,450 and a total debt service revenue requirement of \$131,507.

14 **Q: What did you do to form the opinions in your testimony?**

15 A: I reviewed Everton’s Small Utility Rate Application (“Application”), reviewed previous
16 Everton orders, and researched the Rural Water Loan Fund program.

17 **Q: If your testimony does not address a specific topic, issue, or item, should it be**
18 **construed to mean you agree with Applicant’s proposal?**

19 A: No. My silence on any issue should not be construed as an endorsement. Also, my silence
20 in response to any actions or adjustments stated or implied by Applicant should not be
21 construed as an endorsement.

II. DEBT AUTHORIZATION

1 **Q: Please describe what Everton is requesting for debt authority in this cause.**

2 A: Everton is requesting \$174,450 in debt authority to upgrade its SCADA system and to paint
3 the exterior of a water storage tank. The explanation from the "Case Summary Description"
4 tab of the Application is as follows:

5 Our 250K elevated tank has not been painted for 24 years and our SCADA
6 system is in significant need of an upgrade as it is 23 years old. We request
7 financing authority of \$174,450 to get our SCADA system upgraded and
8 the exterior (sic) of our tank painted. We anticipate filing an application for
9 emergency financing with the National Rural Water Association and should
10 hear back from them within 90 days of application submittal whether we
11 are approved. Until then we have entered a proposed debt service amount
12 based on an estimated 3% interest rate over a 20-year term with semi-annual
13 payments. Debt Service will be updated once financing terms are provided
14 by the lender and Board approval is obtained.

15 The total requested debt service revenue requirement is \$131,507 annually, of which
16 \$11,663 is for the debt at issue in this cause. There is no debt service reserve revenue
17 requirement being requested in this case.¹

18 **Q: Are the terms Everton is anticipating for this debt consistent with the requirements**
19 **of the National Rural Water Association ("NWRA") Loan Program?**

20 A: No. I do not have experience with this program, so I contacted the program manager to
21 ask general questions about it.² Although nothing I asked indicated who the borrower was
22 or what the amount of borrowing was, there are clearly inconsistencies between what
23 Everton anticipates these terms to be and what the program allows.

¹ Per the Sch. 1 Revenue Requirements, the Sch. 10 debt service reserve tab of the application does have some information on it, but this is referring to the existing debt, for which the debt service reserve is fully funded.

² The program manager stated I could include her contact information in a public document, so if there are any questions, she may be contacted. Her name is Gloria and her e-mail is gloria@nrwa.org and her direct line is 580-441-7172.

1 **Q: What are the terms sought by Everton that are inconsistent with the NRWA Loan**
2 **Program?**

3 A: There are four separate issues.

4 First, the NRWA Loan Program emergency funding is only available for federally
5 qualified disaster zones, such as for hurricanes, floods, etc. Therefore, Everton does not
6 qualify for this funding for the purposes they are requesting.³

7 Second, the maximum loan term is 10 years, not the 20 years that Everton has based
8 its projected rates upon.

9 Third, payments under the NRWA Loan Program are monthly and not semi-
10 annually, which results in slight impacts to the amortization schedules.

11 Fourth, the borrower must fund 25% of the borrowing minimum. Therefore, for a
12 \$174,000 loan, the borrower must have approximately \$58,000 in cash available to fund a
13 project of \$233,000. If the total project is \$174,000, total borrowing can be no more than
14 \$131,000, and the remaining \$44,000 would have to be paid out of the borrower's own
15 resources.⁴

16 **Q: Are there other aspects of the program you confirmed?**

17 A: Yes. I confirmed that tank painting was acceptable as a fundable action. Further, 3% has
18 been the interest rate that has been in effect for over 10 years and this rate doesn't tend to
19 adjust on any schedule. There is also no debt service reserve mechanism involved with this
20 loan, the borrower can prepay with no penalty, and the loan has a very simple application
21 process with a relatively short turnaround time. Finally, NRWA's preference is for

³ The Program information sheet is included as OUCC Attachment SD-1.

⁴ There is significant rounding involved with the above numbers. The precise numbers for this exercise may be found in OUCC Attachment SD-1.

1 applications to be made no more than 90 days prior to the funds being disbursed.

2 **Q: What is the funding required to complete the SCADA project and the exterior**
3 **painting of the water tank?**

4 A: The funding support for these projects includes bids and estimates totaling more than the
5 requested authority; because the cost support is between one to two years old there is a
6 significant possibility that the current costs would be higher. Since there is a cap on this
7 loan program of \$200,000, I am recommending that debt authority be granted for \$200,000.

8 **Q: How much cash would be required if \$200,000 is borrowed?**

9 A: Since this loan program requires 25% of the total value to be paid in cash, to borrow
10 \$200,000 would require cash availability of \$66,667.

11 **Q: Does Everton possess \$66,667 cash on hand to fund this project?**

12 A: Yes. A specific discussion of the required cash on hand may be found in the testimony of
13 OUCC witness Margaret Stull. However, it is worth noting that the debt authorization is
14 not the amount that *must* be borrowed but is the amount that *may* be borrowed. If the cash
15 reserves were not sufficient to support the full amount of authorized borrowing, a lower
16 amount of borrowing commensurate with the cash availability of Everton would be an
17 option.

18 **Q: What debt authorization do you recommend?**

19 A: I recommend the Commission approve \$200,000 of debt authority.

III. DEBT SERVICE REVENUE REQUIREMENT

20 **Q: What is the debt service revenue requirement Everton is requesting?**

21 A: Everton is requesting a total debt service revenue requirement of \$131,507, of which
22 \$119,844 is for existing debt, and \$11,663 is for the requested debt.

23 **Q: Does the OUCC agree with the calculation for the existing debt of \$119,844?**

24 A: Yes. This is the correct amount, and it will continue to be the payment through the life of

1 these rates, so no adjustments need be made.

2 **Q: Is \$11,663 the appropriate debt service revenue requirement?**

3 A: No. Based on the recommended borrowing of \$200,000, the correct debt service revenue
4 requirement is \$23,174.58. This increase in debt service is due to three factors: (1) the
5 change in term to 10 years (the maximum allowed under this program, and a change from
6 the 20 years assumed in the application); (2) a change to a monthly payment (from the
7 assumed semi-annual payments in the application); and (3) accepting the interest rate
8 assumption of 3%. The calculation of the debt service revenue requirement may be found
9 in OUCC Attachment SD-2.

10 **Q: Is there a debt service reserve revenue requirement?**

11 A: No. Everton did not request a payment to fund a debt service reserve, and that is appropriate
12 as none will be required. The existing debt already includes a fully funded debt service
13 reserve account, so no additional funding is required, which is consistent with Everton's
14 position.

IV. TRUE-UP AND DEBT SERVICE RESERVE

15 **Q: Should there be any restrictions on Applicant's proposed debt service reserve?**

16 A: Yes. Although no additional debt service reserve revenue requirement is appropriate in this
17 cause, terms for the existing debt service reserve should still apply. Applicant's debt service
18 reserve should be placed in a restricted account, and Applicant should notify the
19 Commission and the OUCC if it spends any funds from its debt service reserves for any
20 reason other than to make the last payment on its current or proposed debt issuances.
21 Applicant should be required to provide a report to the Commission and the OUCC within
22 five (5) business days of any such transaction. The report should: (1) state how much

1 Applicant spent from its debt service reserve; (2) explain why it spent funds from its debt
2 service reserve; (3) cite to any applicable loan documents that allow it to spend funds from
3 its debt service reserve; (4) describe its plans to replenish its debt service reserve; and (5)
4 describe any saving measures it has implemented to forestall spending funds from its debt
5 service reserve.

6 **Q: Should Applicant be required to true-up its proposed annual debt service once the**
7 **interest rates on its proposed debt are known?**

8 A: Yes. The precise interest rates, borrowing amount and annual debt service will not be
9 known until Applicant's debt has been issued. Therefore, Applicant's rates should be trued-
10 up to reflect the actual cost of the debt. The Applicant shall file a report within thirty (30)
11 days of closing its debt issuance explaining the terms of the new loan, indicating the actual
12 balance borrowed, and providing bid tabulations (the results of the bids for the projects, or
13 the cost support if these bids are not available). The report should include a revised tariff,
14 amortization schedule and a calculation of the rate impact in a form similar to the OUCC's
15 schedules. Collection of revenues for the debt will be immediate with the implementation
16 of rates authorized by the order in this Cause. However, the debt may not be issued
17 promptly, and this would cause a misalignment of costs with revenues. Therefore, if new
18 debt is not issued within 90 days of the receipt of the order, an amount of \$1,931.21 per
19 month should be placed in a restricted account and used to reduce the ultimate borrowing.
20 If the borrowing has not taken place within a year of the final order, the amount in this
21 restricted fund should be refunded to ratepayers and the tariff adjusted to remove the debt
22 service revenue requirement.

23 **Q: How should disputes regarding Applicant's true up report be identified?**

24 A: The OUCC should have no less than twenty-one (21) days after service of the true-up to

1 challenge Applicant's proposed true-up. Applicant should similarly have twenty-one (21)
2 days to file a response to the OUCC. Thereafter, the Commission should resolve any issue
3 raised through a process it deems appropriate. Any true-up report should state the time
4 frames for objections or responses.

5 **Q: Should there be any exceptions to the requirement for a true-up?**

6 A: Yes. If both parties state in writing to the Commission that the increase or decrease
7 indicated by the report need not occur because the increase or decrease would be
8 immaterial, the true-up need not be implemented.

V. OTHER ISSUES

9 **Q: Do you have any other attachments that require explanation?**

10 A: Yes. OUCC Attachment SD-3 consists of discovery questions and answers, along with
11 supporting documentation, for various operational issues. This is being provided for the
12 completeness of the record and not to support a specific recommendation found in my
13 testimony.

VI. OUCC RECOMMENDATIONS

14 **Q: Please summarize your recommendations to the Commission in this Cause.**

15 A: I recommend a debt service revenue requirement of \$23,174.58 annually for the new debt.
16 I recommend a debt authorization of \$200,000. I further recommend a debt service reserve
17 revenue requirement of \$0.00 annually. Finally, I recommend the Commission order a true-up
18 process as described above.

19 **Q: Does this conclude your testimony?**

20 A: Yes.

Appendix A

1 **Q: Please describe your educational background.**

2 A: I graduated from Indiana University with a degree in Biology, a minor in Economics and
3 a certificate from the Liberal Arts and Management Program (LAMP) which is an honors
4 certificate program through the Kelley School of Business and the College of Arts and
5 Sciences. I received my MBA from Indiana University with a concentration in finance. I
6 am a member of Phi Beta Kappa honor society for my undergraduate studies and Beta
7 Gamma Sigma honor society for my master's program. I have a certificate from Stanford
8 University for the Energy Innovation and Emerging Technologies Program. I am a certified
9 rate of a return analyst (CRRA designation) from the Society of Utility Regulatory
10 Financial Analysts. Although not specifically related to my educational background, I am
11 a member of Mensa.

12 **Q: Please describe your work experience.**

13 A: Upon graduating college, I moved to New York and worked at Grant's Interest Rate
14 Observer, which is a financial newsletter and Lebenthal and Co., which was a municipal
15 bond brokerage. I moved back to Indianapolis and worked at RCI Sales in Indianapolis,
16 which was a manufacturer's representative/distributor in commercial and institutional
17 construction. I became an owner and ultimately sold the company. I then worked at
18 Amazon as a financial analyst in its fulfillment division.

19 **Q: How long have you been at the OUCC?**

20 A: I started at the OUCC in the Water/Wastewater Division in December 2019 as a Utility
21 Analyst II and was promoted to a Senior Utility Analyst in May 2022. My focus is financial
22 issues, such as ROEs, Capital Structures, Debt Issuances, Cost of Debt, etc.

1 **Q: Have you previously testified before the Indiana Utility Regulatory Commission?**

2 A: Yes, I have testified before the Commission regarding various aspects of finance in
3 multiple cases.

RURAL WATER Loan Fund



About The Program

The NRWA Rural Water Loan Fund (RWLF) is a funding program specifically designed to meet the unique needs of small water and wastewater utilities.

The RWLF provides low-cost loans for short-term repair costs, small capital projects, or pre-development costs associated with larger projects. The RWLF was established through a grant from the USDA/RUS, and repaid funds used to replenish the fund and make new loans.

Apply today by contacting your State Rural Water Association or NRWA!



Reasons to Apply

- Reasonable interest rates
- No administrative or processing fees
- Straightforward application process and quick turnaround
- Systems must be public entities serving up to 10,000 persons, or in rural areas with no population limits
- Loan amounts may not exceed \$200,000 or 75% of the total project cost, whichever is less
- Emergency loans are 90-day no interest, with immediate turn around on applications

Eligible Projects

- Pre-development (planning) costs for infrastructure projects
- Replacement equipment, system upgrades, maintenance and small capital projects
- Energy efficiency projects to lower costs and improve sustainability
- Disaster recovery or other emergency loans available

Applications, information and forms can be downloaded from the NRWA website at nrwa.org or by scanning the QR Code above. For help, please call 1.800.332.8715 or email nrwarwlf@nrwa.org.



National Rural Water Association is an equal opportunity provider and employer. This material is based upon work supported by the Rural Utilities Service, United States Department of Agriculture.

Verfication of Request	Reflecting 10 year term and monthly payments
\$ 174,450.00 Total Borrowing	\$ 174,450.00 Total Borrowing
3% Interest Rate-Annual	3% Interest Rate-Annual
1.50% interest/6 months	0.25% interest/month
20 Term in Years	10 Term in Years
40 6- month periods	120 Months
\$ 5,831.36 6-Month Payment	\$ 1,684.50 Monthly Payment
\$ 971.89 Monthly Payment	\$ 1,684.50 Monthly Payment
\$ 11,662.72 Annual Payment	\$ 20,214.03 Annual Payment
	\$ 58,150.00 Cash Required
	\$ 232,600.00 Total Project Cost

Reflecting 10 year term and monthly payments	Relfecting \$200,000 of borrowing
\$ 130,837.50 Total Borrowing	\$ 200,000.00 Total Borrowing
3% Interest Rate-Annual	3% Interest Rate-Annual
0.25% interest/month	0.25% interest/month
10 Term in Years	10 Term in Years
120 Months	120 Months
\$ 1,263.38 Monthly Payment	\$ 1,931.21 Monthly Payment
\$ 1,263.38 Monthly Payment	\$ 1,931.21 Monthly Payment
\$ 15,160.52 Annual Payment	\$ 23,174.58 Annual Payment
\$ 43,612.50 Cash Required	\$ 66,666.67 Cash Required
\$ 174,450.00 Total Project Cost	\$ 266,666.67 Total Project Cost

This document was created by the OUCC to consolidate Petitioner's questions and answers. It is not an original document.

Cause No. 46136-U – Everton Water Corporation
OUCC Operations Data Request No. 1
October 29, 2024

Q-1: For the following questions please reference the attached order in Cause No. 44744-U from Everton's last rate case:

- a. In that Order, Everton was granted a \$66,462 increase, \$12,617 of which was “for painting all three of Everton's tank, amortized over 15 years.” (Ordering Paragraph E) Which tanks did Everton paint with these funds?
- b. Ordering Paragraph 2 states as follows:
“Everton shall establish a dedicated fund for the collection of revenues related to tank maintenance and painting within 30 days of the date of this Order. In the event that Everton should need to use the dedicated funds for something other than tank maintenance or painting, Everton shall file a notification under this Cause within 30 days after using the funds indicating the reason for the use of the funds and the amount used.”

Did Everton establish this fund?

- c. If these dedicated funds were not used for tank maintenance or painting, did Everton notify the Commission as ordered?
- d. If these dedicated funds were not used for tank maintenance or painting, please provide a detailed explanation describing why and how these funds were used.

- 1a. We have not painted tanks/towers yet.
- b. Yes.
- c. N/A
- d. N/A

Q-2: Annual reports appear to show that the 50,000-gallon tank (installed in 1968) was not in service by the 2021 Annual Report. Please explain.

2. This tower was removed. It was installed in 1968 and it was cheaper to remove than to paint.

Q-3: Was the 50,000-gallon tank (installed in 1968) painted after the 2010 date shown in the 2020 Annual Report? If not, why?

3. No. This tower needed to have lead paint removed. It was too expensive to remove the paint and then paint it again. It was also right next to an elementary school and would have needed to be done during school breaks.

Q-4: What happened to the 95,000-gallon tank (installed in 1968) and appearing last in the 2019 Annual Report?

4. This tank was removed and then replaced with a new stainless steel tank in 2020.

Q-5: Was the 95,000-gallon tank (installed in 1968) painted after the 2010 date shown in the 2019 Annual Report? If not, why?

5. No. This was replaced with a new stainless steel tank.

Q-6: Please describe the conditions and decisions relating to the apparent replacement of the 1968-installed, 95,000-gallon tank in 2020, as indicated on page E-2 of the 2020 Annual Report. Please include any reports provided by outside tank inspection firms or individuals recommending replacement.

6. It was less expensive to replace the tank with a new stainless steel tank that does not require painting.

Q-7: Please provide the most recent tank inspection reports for each of the following tanks:

- a. The 1968-installed, 50,000-gallon tank.
- b. The 1968-installed, 95,000-gallon tank.
- c. The 2020-installed, 95,000-gallon tank.
- d. The 2002-installed, 250,000-gallon tank.

7. Attached.

Q-8: How often does Everton have its storage facilities/water tanks inspected by an outside inspector or inspection firm?

8. Every 3-4 years.

Q-9: Does the utility have a written inspection program outlining frequency, procedures and maintenance records, including for storage tanks? If yes, please provide.

9. No.

Q-10: Please provide the most recent inspection reports for each of Everton's wells.

10. Attached

Q-11: How often does Everton have each of its wells inspected by an outside provider, e.g. Bastin-Logan?

11. No response provided

Q-12: How often does Everton have each of its wells cleaned? Please explain.

12. No response provided

Q-13: Please provide invoices for the most recent cleaning of each of Everton's wells.

13. No response provided

Q-14: Was filter media replaced as requested in Cause No. 44744-U? If yes, please provide invoices for the media replacement.

14. No. See attached report.

Q-15: How was the water main extension on Little Bear Road, referenced in the 2020 Annual Report, funded?

15. The extension was funded by an OCRA grant and local matching funds.

Q-16: What has the utility done to reduce lost water, reported as 23.04% in 2023? Q-17:

Does Everton flush hydrants annually or bi-annually?

16. Operator has started keeping a log of main breaks and an estimate of water lost in each break. Also have asked the local volunteer fire department to provide an estimate of water used from hydrants when they access them to fight fires.

Q-17: Does Everton flush hydrants annually or bi-annually?

17. Annually.

Q-18: Why does the utility not track main breaks, as indicated on page W-6 of its Annual Reports to the Commission?

18. No response provided

Q-19: How many main breaks has Everton experienced in each of the last five years?

19. 2023 – 6
2022 - 9
2021 - 3
2020 - 4
2019 - 3

Q-20: Please provide a copy of the Asset Management Plan referenced on page W-8 of the Annual Report.

20. No response provided

Q-21: Was the SCADA system updated for \$20,000 as indicated in the Capital Improvement program included as part Cause No. 44744-U? If yes, please include invoices for the update. If not, please explain.

21. No.

Q-22: Does Everton maintain a detailed map of its system showing the location of mains, storage facilities, valves and hydrants?

22. Yes

Q-23: Does Everton have a master plan? If yes, please provide.

23. No

Q-24: Has a preliminary engineering report been prepared for Everton? If yes, please provide.

24. No

Cause No. 46136-U – Everton Water Corporation
OUCG Operations Data Request No. 1
October 29, 2024

- Q-1: For the following questions please reference the attached order in Cause No. 44744-U from Everton's last rate case:
- a. In that Order, Everton was granted a \$66,462 increase, \$12,617 of which was “for painting all three of Everton's tank, amortized over 15 years.” (Ordering Paragraph E) Which tanks did Everton paint with these funds?
 - b. Ordering Paragraph 2 states as follows:
“Everton shall establish a dedicated fund for the collection of revenues related to tank maintenance and painting within 30 days of the date of this Order. In the event that Everton should need to use the dedicated funds for something other than tank maintenance or painting, Everton shall file a notification under this Cause within 30 days after using the funds indicating the reason for the use of the funds and the amount used.”
Did Everton establish this fund?
 - c. If these dedicated funds were not used for tank maintenance or painting, did Everton notify the Commission as ordered?
 - d. If these dedicated funds were not used for tank maintenance or painting, please provide a detailed explanation describing why and how these funds were used.
- Q-2: Annual reports appear to show that the 50,000-gallon tank (installed in 1968) was not in service by the 2021 Annual Report. Please explain.
- Q-3: Was the 50,000-gallon tank (installed in 1968) painted after the 2010 date shown in the 2020 Annual Report? If not, why?
- Q-4: What happened to the 95,000-gallon tank (installed in 1968) and appearing last in the 2019 Annual Report?
- Q-5: Was the 95,000-gallon tank (installed in 1968) painted after the 2010 date shown in the 2019 Annual Report? If not, why?
- Q-6: Please describe the conditions and decisions relating to the apparent replacement of the 1968-installed, 95,000-gallon tank in 2020, as indicated on page E-2 of the 2020 Annual Report. Please include any reports provided by outside tank inspection firms or individuals recommending replacement.
- Q-7: Please provide the most recent tank inspection reports for each of the following tanks:
- a. The 1968-installed, 50,000-gallon tank.
 - b. The 1968-installed, 95,000-gallon tank.
 - c. The 2020-installed, 95,000-gallon tank.
 - d. The 2002-installed, 250,000-gallon tank.

- Q-8: How often does Everton have its storage facilities/water tanks inspected by an outside inspector or inspection firm?
- Q-9: Does the utility have a written inspection program outlining frequency, procedures and maintenance records, including for storage tanks? If yes, please provide.
- Q-10: Please provide the most recent inspection reports for each of Everton's wells.
- Q-11: How often does Everton have each of its wells inspected by an outside provider, e.g. Bastin-Logan?
- Q-12: How often does Everton have each of its wells cleaned? Please explain.
- Q-13: Please provide invoices for the most recent cleaning of each of Everton's wells.
- Q-14: Was filter media replaced as requested in Cause No. 44744-U? If yes, please provide invoices for the media replacement.
- Q-15: How was the water main extension on Little Bear Road, referenced in the 2020 Annual Report, funded?
- Q-16: What has the utility done to reduce lost water, reported as 23.04% in 2023?
- Q-17: Does Everton flush hydrants annually or bi-annually?
- Q-18: Why does the utility not track main breaks, as indicated on page W-6 of its Annual Reports to the Commission?
- Q-19: How many main breaks has Everton experienced in each of the last five years?
- Q-20: Please provide a copy of the Asset Management Plan referenced on page W-8 of the Annual Report.
- Q-21: Was the SCADA system updated for \$20,000 as indicated in the Capital Improvement program included as part Cause No. 44744-U? If yes, please include invoices for the update. If not, please explain.
- Q-22: Does Everton maintain a detailed map of its system showing the location of mains, storage facilities, valves and hydrants?
- Q-23: Does Everton have a master plan? If yes, please provide.
- Q-24: Has a preliminary engineering report been prepared for Everton? If yes, please provide.

Everton Water Corporation
Responses for the OUCG questions

- 1a. We have not painted tanks/towers yet.
- b. Yes.
- c. N/A
- d. N/A
2. This tower was removed. It was installed in 1968 and it was cheaper to remove than to paint.
3. No. This tower needed to have lead paint removed. It was too expensive to remove the paint and then paint it again. It was also right next to an elementary school and would have needed to be done during school breaks.
4. This tank was removed and then replaced with a new stainless steel tank in 2020.
5. No. This was replaced with a new stainless steel tank.
6. It was less expensive to replace the tank with a new stainless steel tank that does not require painting.
7. Attached.
8. Every 3-4 years.
9. No.
10. Attached
- 11.
- 12.
- 13.
14. No. See attached report.
15. The extension was funded by an OCRA grant and local matching funds.
16. Operator has started keeping a log of main breaks and an estimate of water lost in each break. Also have asked the local volunteer fire department to provide an estimate of water used from hydrants when they access them to fight fires.
17. Annually.
- 18.
19. 2023 – 6
2022 - 9

2021 - 3

2020 - 4

2019 - 3

20.

21. No.

22. Yes

23. No

24. No

1010 N. HURRICANE ROAD
P.O. BOX 55
FRANKLIN, INDIANA 46131
(317) 738-4577
FAX (317) 738-9295



November 3, 2023

Everton Water Corp.
5471 South State Rd. 1
Connersville, IN 47331

Dear Tom:

Booster Pump #1

Rebuilt	2-2011
Rebuilt	8-2017
Rebuilt	10-2023

Booster Pump #2

Rebuilt	2-2011
New Mechanical Seal	9-2014
Rebuilt	8-2017
Rebuilt	10-2023

Well #1

Flow Test	8-2016
New Pump & Motor	4-2017
Flow Test	7-2019
New Motor	10-2021

*Our last record of cleaning was in 1991.

Well #2

New Motor	4-2013
New Pump End	9-2015
Flow Test	8-2016
Flow Test	7-2019

*Our last record of cleaning was in 2013.

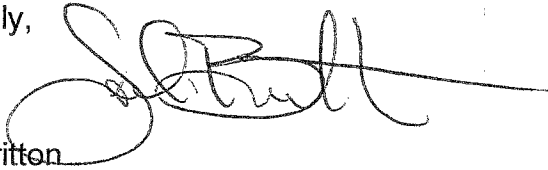
Well #3

Well Cleaning	12-2009
Flow Test	8-2016
New Pump & Motor	11-2016
Flow Test	7-2019
Well Cleaning	8-2020

Tom, we have not flow tested the wells since 2019. We recommend you flow test the wells to check on pump and well capacity. After flow testing, we can make recommendations on well rehabilitations, if needed.

Should you have any questions, please do not hesitate to call.

Sincerely,



John Britton
Bastin Logan Water Services, Inc.



1010 N. HURRICANE ROAD
P.O. BOX 55
FRANKLIN, INDIANA 46131
(317) 738-4577
FAX (317) 738-9295

June 28, 2021

Mr. Jim Hackworth
Everton Water Corp.
5471 South State Rd. 1
Connersville, In 47331

Re: Filter Media Inspection

Dear Jim:

June 22, 2021, Bastin Logan Water Services, Inc. performed a filter media inspection of the four (4) vertical pressure filters at the Everton WTP. Below is a summary of the inspection:

Filter #1

Filter #1 has a freeboard measurement (top of media to distribution lateral pipe) of 21" and the filter media is smooth with no disruptions, mudballing or "short circuiting" evident. The filter media is also loose and shows good angular properties. Overall, Filter #1 is in good condition at this time.

Filter #2

Filter #2 has a freeboard measurement (top of media to distribution lateral pipe) of 24" and the filter media is smooth with no disruptions, mudballing or "short circuiting" evident. The filter media is also loose and shows good angular properties. Overall, Filter #1 is in good condition at this time.

Filter #3

Filter #3 has a freeboard measurement (top of media to distribution lateral pipe) of 22" and the filter media is smooth with no disruptions, mudballing or "short circuiting" evident. The filter media is also loose and shows good angular properties. Overall, Filter #1 is in good condition at this time

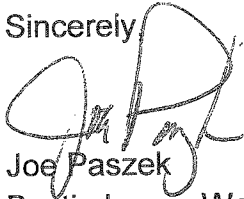
Filter #4

Filter #4 has a freeboard measurement (top of media to distribution lateral pipe) of 23" and the filter media is smooth with no disruptions, mudballing or "short circuiting" evident. The filter media is also loose and shows good angular properties. Overall, Filter #1 is in good condition at this time.

Overall, the filter media is in good condition and functioning as designed.

Should you have any questions, please do not hesitate to call.

Sincerely,



Joe Paszek

Bastin Logan Water Services, Inc.



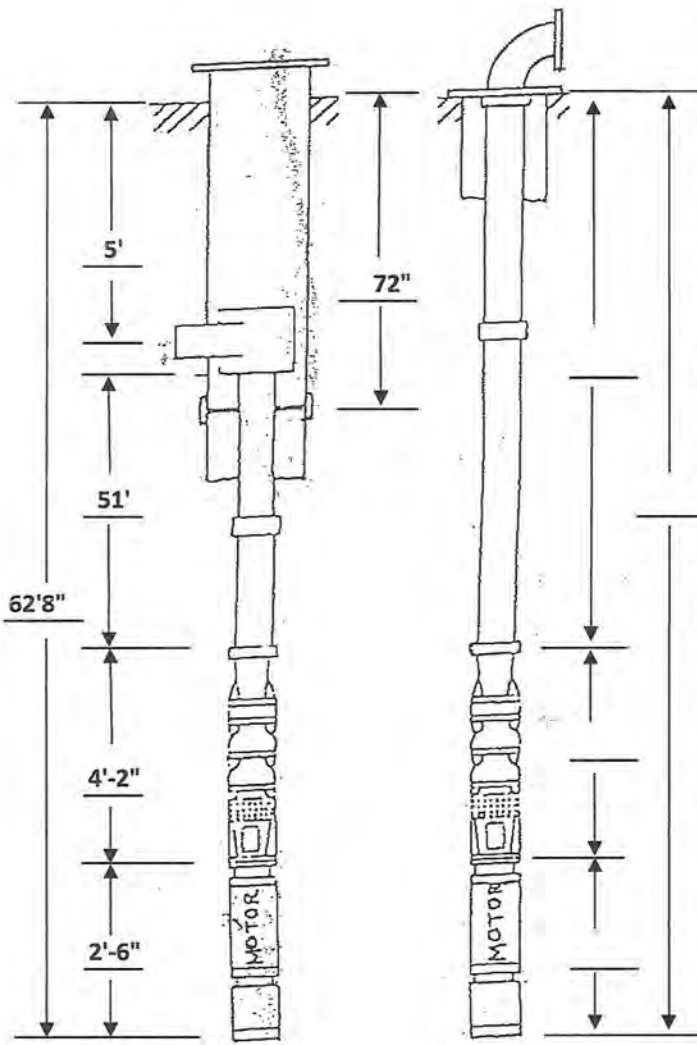
Submersible Pump Installation Report

Everton Water Corp. - Well #1

Project No: 4908-F Well No. 1 Date 10/8/2021
 Client Everton Water Corp. City Everton State Indiana
 Location of Well _____ Well #1 _____

Motor

Make	<u>Grundfos</u>	Diameter	<u>5"</u>	Model #	<u>78357217</u>	Serial #	<u>275430</u>
HP	<u>25</u>	Volts	<u>460</u>	Phase	<u>3</u>	Cycles	<u>60</u>
RPM	<u>3450</u>	Full Load Amp	<u>33.5</u>	Ser. Factor	<u>1.15</u>	S.F. Amps	<u>40</u>



PUMP

Discharge:

Mfg	<u>Whitewater</u>	Model	<u>10" x 8"</u>
Flgd Elbow	_____	Pitless Adap.	<u>X</u>
Pitless Tank	_____	Tank Cap	_____
Discharge pipe size	_____	Col Con sz	<u>3</u>
Adapter connected to well casing with _____ welded	_____	_____	<u>72"</u>

COLUMN

Pipe Size	<u>3"</u>	Pipe mat'l	<u>Certa-lok</u>
Col. Check valve type	<u>In bowls</u>	_____	_____
Airline length	_____	_____	_____
Air intake valve type	_____	located	_____

PUMP BOWL

Mfgr	<u>Grundfos</u>	Type	<u>GF2305300-7</u>
Diameter	<u>5"</u>	Stages	<u>7</u>
Cable Size	<u>10/3 AWG</u>	Length	<u>4'-2" w/adaptor</u>
Model Number	<u>15B70007JS040517</u>	_____	_____

WELL

Type	<u>Tubular</u>	Diameter	<u>8"</u>
Depth	<u>81'-2"</u>	Screen Lgth	_____

PUMPING TEST

GPM	_____	Pumping Lev	_____
SWL	_____	_____	_____
Pressure	_____	Amp Reading	_____

Remarks: 8" w/pitless - O-rings
New Motor 10-8-21

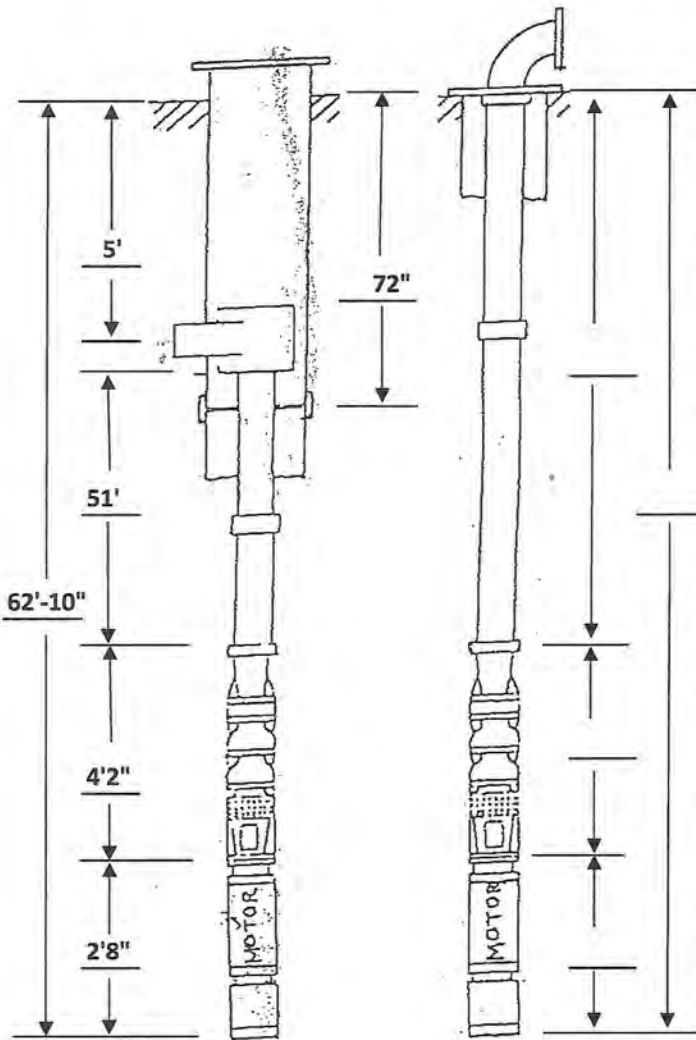
 Installers: Tim Thompson
Bill Claytor

Submersible Pump Installation Report
Everton Water Corp. - Well #1

Project No: 4045-F Well No. 1 Date 4/14/2017
Client Everton Water Corp. City Everton State Indiana
Location of Well in wellfield west well

Motor

Make	Franklin	Diameter	5"	Model #	33632963	Serial #	16J19-29-06102A
HP	25	Volts	460	Phase	3	Cycles	60
RPM	3450	Full Load Amp	33.5	Ser. Factor	1.15	S.F. Amps	38.2



PUMP

Discharge:

Mfg	Whitewater	Model	10"x8"
Flgd Elbow		Pitless Adap.	X
Pitless Tank		Tank Cap	
Discharge pipe size		Col Con sz	3"
Adapter connected to well casing with	welded		72"

COLUMN

Pipe Size	3"	Pipe mat'l	Certa-lok
Col. Check valve type	in bowls		
Airline length			
Air intake valve type		located	

PUMP BOWL

Mfgr	Grundfos	Type	GF2305300-7
Diameter	5"	Stages	7
Cable Size	10/3WG	Length	4'2" w/adaptor
Model Number	15B70007JS040517		

WELL

Type	Tubular	Diameter	8"
Depth	812'	Screen Lgth	

PUMPING TEST

GPM		Pumping Lev	
SWL			
Pressure		Amp Reading	

Remarks: 8" W.W. pitless O-rings
New pump and motor 4-2017

Installers: Bill Claytor
James Fletcher

NEW Pump + Motor
11-18-2016

OUCG Attachment SD-3
Cause No. 46136-U
Page 15 of 15
237 W. Monroe Street
P.O. Box 55
Franklin, IN 46131
Ph: (317) 738-4577
Fax: (317) 738-9295



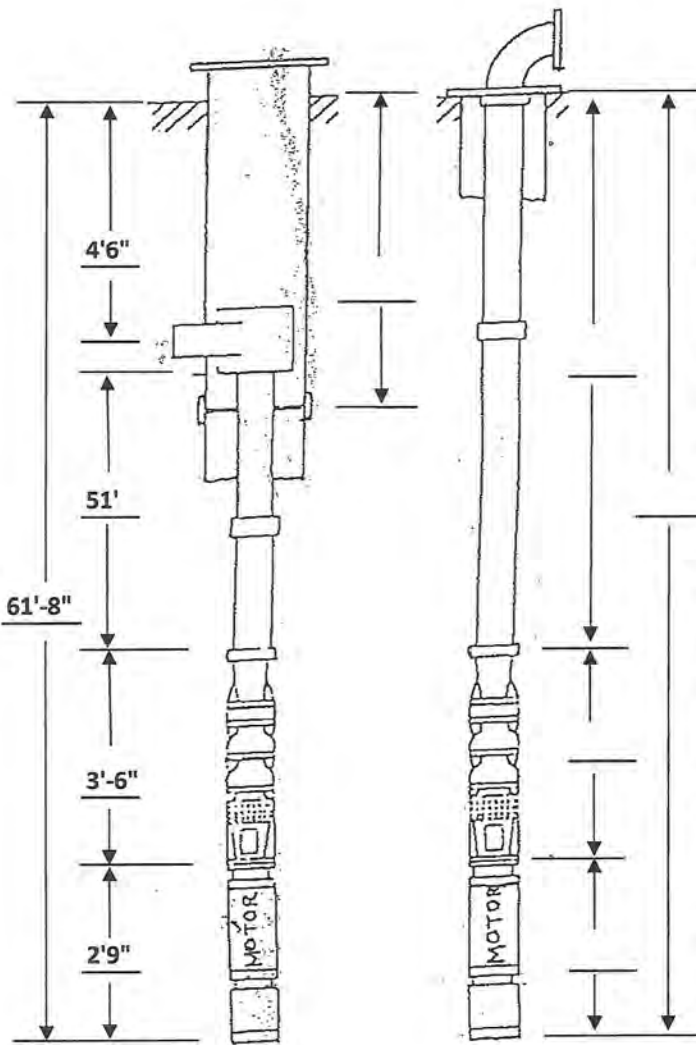
Submersible Pump Installation Report

Everton Water Corporation - Well #3 (South)

Project No: 4054-F Well No. 3 Date 11/18/2016
 Client Everton Water Corporation City Everton State Indiana
 Location of Well South well in wellfield

Motor

Make	<u>Franklin</u>	Diameter	<u>5"</u>	Model #	<u>2366158120</u>	Serial #	<u>16K19-12-06360A</u>
HP	<u>25</u>	Volts	<u>460</u>	Phase	<u>3</u>	Cycles	<u>60</u>
RPM	<u>3450</u>	Full Load Amp	<u>33.5</u>	Ser. Factor	<u>1.15</u>	S.F. Amps	<u>38.2</u>



PUMP

Discharge:			
Mfg	<u>Whitewater</u>	Model	<u>SU12</u>
Flgd Elbow		Pitless Adap.	
Pitless Tank		Tank Cap	
Discharge pipe size	<u>6"</u>	Col Con sz	<u>4"</u>
Adapter connected to well casing with <u>welded</u>		<u>4'6"</u>	<u>below ground</u>

COLUMN

Pipe Size	<u>4"</u>	Pipe mat'l	<u>Certa-lok</u>
Col. Check valve type			
Airline length			
Air intake valve type	<u>In pit</u>	located	<u>In pit</u>

PUMP BOWL

Mfg	<u>Grundfos</u>	Type	<u>230S250-7</u>
Diameter	<u>5"</u>	Stages	<u>7</u>
Cable Size	<u>8AWG*</u>	Length	<u>65'</u>
Serial Number	<u>15B70007</u>		

WELL

Type	<u>GWW</u>	Diameter	<u>12"</u>
Depth	<u>78.9'</u>	Screen Lgth	<u>10'</u>

PUMPING TEST

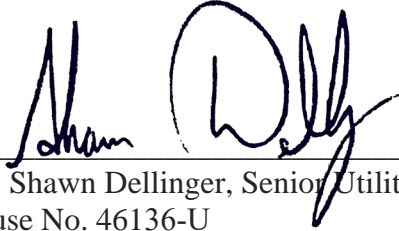
GPM	<u>284</u>	Pumping Lev	<u>10.8'</u>
SWL	<u>9</u>		
Pressure	<u>70#</u>	Amp Reading	<u>28-31-35</u>

Remarks: _____

 Installers: Bill Claytor
James Fletcher

AFFIRMATION

I affirm the representations I made in the foregoing testimony are true to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Shawn Dellinger", written over a horizontal line.

By: Shawn Dellinger, Senior Utility Analyst
Cause No. 46136-U

Office of Utility Consumer Counselor (OUCC)

Date: December 18, 2024

CERTIFICATE OF SERVICE

This is to certify that a copy of the *Report of the Indiana Office of Utility Consumer Counselor* has been served upon the following captioned proceeding by electronic service on December 20, 2024:

Shannon Heis, Office Manger
EVERTON WATER CORPORATION
5471 S. State Road #1
Connersville, Indiana 47331
Email: evertonwatercorp@hotmail.com



Lorraine Hitz
Senior Deputy Consumer Counselor

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
115 West Washington Street
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317/232-2494 – Phone
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