

Cause No. 45535
Gibson Water Auth.

Petitioner's Exhibit 9

IURC
PETITIONER'S
EXHIBIT NO. 9
10-7-21 62
DATE REPORTER

OFFICIAL
EXHIBITS

SCOPE OF WORK NO. 3
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
GIBSON WATER INC.

WATER TANK MAINTENANCE – 1,500,000 GALLON ELEVATED – TOYOTA TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 3 ("SOW3") shall be _____, 20_____.
2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 1,500,000-gallon water storage tank located at County Road 100 East, Fort Branch, Indiana 47648 (hereinafter "tank"). This SOW3 shall commence on the Effective Date and shall continue in full force and effect for one year ("Contract Year 1"). This SOW3 will automatically renew for successive one-year terms ("Contract Years") unless terminated as set forth in Section 9 of the Master Services Agreement.
3. **Company's Responsibilities.** This SOW3 outlines the Company's responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:
 - A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
 - B. Every third year, beginning with the first washout/inspection, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
 - C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW3. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.
 - D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting,

the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Indiana**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW3. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

I. In the event that the Owner will not release the tank for service or is the cause of unreasonable delay in the performance of any service herein, the Company reserves the right to renegotiate the annual fees, and the Owner agrees to renegotiate the annual fees in good faith. In addition, the Owner hereby agrees that the Company can replace a washout inspection with a visual inspection, ROV inspection, or UAV inspection without requiring modification of this Contract.

4. **Contract Price/Annual Fees.** The tank shall receive **repairs** prior to the end of Contract **Year 1**. The annual fee for Contract **Year 1** shall be **\$13,026.00**. The annual fee for Contract **Year 2** shall be **\$79,655.00**. Each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW3.
5. **Payment Terms.** The annual fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **upon completion of the initial repairs**. **Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.**
6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. ***Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.***

7. **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW3. Said modification of this SOW3 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

The parties agree that the Company's annual fees are based on the Owner's representation that the work to be performed under this SOW3 is not subject to prevailing wage requirements. The Owner agrees to notify the Company immediately, if the Company's work is (or will become) subject to prevailing wage requirements, so that the Company may submit revised amounts for annual fees.

8. **Excluded Items.** This SOW3 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW3; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) any latent defects of the tank or its components (i.e., corrosion from the underside of the floor plates or corrosion in areas not accessible to maintain); or (10) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW3 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion in areas not accessible to maintain, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).

SIGNATURE PAGE TO FOLLOW.

The SOW3 is executed and effective as of the date last signed by the parties below.

OWNER

Gibson Water Inc.

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____

Name: Jonathan Cato

Title: Senior VP, Advanced Solutions

Date: April 22, 2021

Initial Upfront Repair Specification

Year 1 (2021 - Repairs

1. Install New 24" Pallet Style Roof Vent
2. Install (4) New Cable Safety Climb Devices

Gibson Water

WO = Internal Wash Out

VIS = Std. Visual

Mixer Maintenance Fee Included.

REPAIRS = Welding, Add Mixer, etc.

EXT = External Overcoat

INT = Internal Renovation

Tank	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Year 8 2027	Year 9 2028	Year 10 2029	Year 11 2030	Year 12 2031	Year 13 2032	Year 14 2033	Year 15 2034	Year 16 2035	Year 17 2036	Year 18 2037	Year 19 2038	Year 20 2039
Toyota Tank 300KG-ELV		Repairs	WO	VIS	VIS	WO	VIS	VIS	WO	VIS	VIS	EXT	VIS	VIS	INT	VIS	VIS	WO	VIS	VIS
\$ / YR		\$13,026	\$79,655	\$82,475	\$85,394	\$88,417	\$91,547	\$94,788	\$98,144	\$101,618	\$105,215	\$108,940	\$112,796	\$116,789	\$120,924	\$125,204	\$129,636	\$134,226	\$138,977	\$143,897
\$ / Month		\$1,086	\$6,638	\$6,873	\$7,116	\$7,368	\$7,629	\$7,899	\$8,179	\$8,468	\$8,768	\$9,078	\$9,400	\$9,732	\$10,077	\$10,434	\$10,803	\$11,185	\$11,581	\$11,991
Standpipe 300KG-STP	VIS	WO	VIS	WO	VIS	WO	VIS	EXT	VIS	WO	VIS	WO	INT	VIS	WO	VIS	WO	VIS	WO	VIS
\$ / YR	\$23,652	\$23,652	\$23,652	\$23,652	\$14,643	\$15,161	\$15,698	\$16,254	\$16,829	\$17,425	\$18,042	\$18,680	\$19,342	\$20,026	\$20,735	\$21,469	\$22,229	\$23,016	\$23,831	\$24,675
\$ / Month	\$1,971	\$1,971	\$1,971	\$1,971	\$1,220	\$1,263	\$1,308	\$1,354	\$1,402	\$1,452	\$1,503	\$1,557	\$1,612	\$1,669	\$1,728	\$1,789	\$1,852	\$1,918	\$1,986	\$2,056
41 HWY Tank 300KG-ELV	WO	VIS	WO	VIS	WO	VIS	EXT	VIS	WO	VIS	WO	INT	WO	VIS	WO	VIS	WO	VIS	WO	VIS
\$ / YR	\$77,542	\$30,981	\$32,078	\$33,214	\$34,389	\$35,607	\$36,867	\$38,173	\$39,524	\$40,923	\$42,372	\$43,872	\$45,425	\$47,033	\$48,698	\$50,422	\$52,207	\$54,055	\$55,968	\$57,949
\$ / Month	\$6,462	\$2,582	\$2,673	\$2,768	\$2,866	\$2,967	\$3,072	\$3,181	\$3,294	\$3,410	\$3,531	\$3,656	\$3,785	\$3,919	\$4,058	\$4,202	\$4,351	\$4,505	\$4,664	\$4,829
Total \$ / YR	\$101,194	\$67,659	\$135,385	\$139,341	\$134,426	\$139,186	\$144,113	\$149,214	\$154,497	\$159,966	\$165,629	\$171,492	\$177,563	\$183,848	\$190,357	\$197,095	\$204,072	\$211,297	\$218,777	\$226,521
Total \$ / Month	\$8,433	\$5,638	\$11,282	\$11,612	\$11,202	\$11,599	\$12,009	\$12,435	\$12,875	\$13,330	\$13,802	\$14,291	\$14,797	\$15,321	\$15,863	\$16,425	\$17,006	\$17,608	\$18,231	\$18,877

Tank on Asset Management Program

Tank NOT on Asset Management Program

Toyota Tank - Repairs

Install non-freeze aluminum vent

Install cable climb, remove tube-notch climb

Toyota Tank - Paint

Exterior - SP2/SP3 surface preparation

Exterior - 2-Coat Overcoat with Tnemec Series 7000

Exterior - Retrace logo

Interior - SP10 Blast, 2-Coates Epoxy

Interior - Hand Stripe weld seams