

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF  
EDWARDSVILLE WATER AUTHORITY  
FOR APPROVAL OF A CHANGE TO ITS  
RATES AND CHARGES

CAUSE NO. 45997

VERIFIED DIRECT TESTIMONY AND EXHIBITS  
OF SCOTT A. MILLER, CPA

Direct Testimony of Scott A. Miller, CPA	Petitioner's Exhibit 6
Petition	Petitioner's Exhibit 7
Resolution and Certificate of Dissolution	Petitioner's Exhibit 8
Accounting Report	Petitioner's Exhibit 9

Respectfully submitted,



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

Jacob T. Antrim, Atty. No. 36762-49

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*Counsel for Petitioner, Edwardsville Water  
Authority*

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INDIANA UTILITY REGULATORY COMMISSION

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VERIFIED DIRECT TESTIMONY

OF

SCOTT A. MILLER, CPA

ON BEHALF OF PETITIONER,  
EDWARDSVILLE WATER AUTHORITY

Introduction

1

2 1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. My name is Scott A. Miller, and my business address is 8365 Keystone Crossing,  
4 Suite 300, Indianapolis, Indiana 46240-0458.

5 2 Q. WHAT IS YOUR PROFESSION AND FOR WHOM ARE YOU  
6 EMPLOYED?

7 A. I am a Certified Public Accountant and a partner in the firm of Baker Tilly  
8 Municipal Advisors, LLC ("BTMA"). BTMA began operations on March 1, 2019,  
9 as the result of a three-way business combination between my prior firm H.J.  
10 Umbaugh & Associates, Certified Public Accountants, LLP ("Umbaugh"), and  
11 Baker Tilly Virchow Krause, LLP which is now doing business as Baker Tilly US,  
12 LLP ("Baker Tilly"). One month later, the third firm, Springsted, Inc., joined  
13 BTMA. BTMA is a registered municipal advisor and controlled subsidiary of Baker  
14 Tilly US, LLP, an accounting firm.

15 3 Q. CAN YOU DESCRIBE YOUR FIRM AND ITS AREA OF EXPERTISE?

16 A. Baker Tilly is a national full-service advisory, tax, and assurance firm of over 6,500  
17 professionals across the country and internationally. Our public sector practice area  
18 includes a dedicated group of professionals who specialize in providing an array of  
19 services to public sector entities including utilities. As part of our public sector  
20 practice area, BTMA has a concentrated focus on delivering financial advisory  
21 services to governmental entities. A sizable portion of this practice includes  
22 accounting studies in connection with changes in utility rates and financial planning

1 associated with the issuance of tax-exempt and taxable bonds and notes and other  
2 forms of indebtedness. In accordance with rules promulgated by the Municipal  
3 Securities Rulemaking Board ("MSRB"), BTMA is registered as a Municipal  
4 Advisor with the Securities and Exchange Commission ("SEC"). Additional public  
5 sector services include cybersecurity, development advisory, disaster recovery,  
6 economic development, energy transition services, enterprise risk management,  
7 environmental, social and governance, financial statement audit, outsourced  
8 accounting and reporting, executive recruitment, financial management advisory,  
9 human capital advisory, referendum strategy, single audits, and federal compliance  
10 audits and valuation services.

11 **4 Q. WHAT IS YOUR EDUCATIONAL EXPERIENCE?**

12 A. In June 1995, I received a Bachelor of Science Degree in Accounting from the  
13 Indiana University Kelley School of Business in Bloomington, Indiana. Since then,  
14 I have completed various professional courses sponsored by the American Institute  
15 of Certified Public Accountants, the Indiana CPA Society, and other professional  
16 organizations including the American Public Power Association ("APPA") and the  
17 American Water Works Association ("AWWA"). In 1998, I completed the AWWA  
18 cost of service and rate-making seminar. In 2010, I completed the APPA  
19 Intermediate and Advanced Utility Cost of Service and Retail Rate Design  
20 seminars. Additionally, I have successfully completed the professional  
21 qualification requirements of a municipal advisor representative (Series 50) and a



1 municipal advisor principal (Series 54) and am currently registered with the MSRB  
2 and the SEC as a Municipal Advisor Principal.

3 5 Q. PLEASE DESCRIBE YOUR RELEVANT PROFESSIONAL EXPERIENCE.

4 A. I joined Umbaugh in June 1995 and, in 1998, completed the requirements to  
5 become licensed as a Certified Public Accountant in the State of Indiana. In July  
6 2000, I assumed the position of client manager within the firm. On July 1, 2005, I  
7 became a principal in the firm. On January 1, 2009, I was admitted into the Firm's  
8 partnership. As a result of the combination with Baker Tilly and Springsted, I  
9 became a partner in BTMA on March 1, 2019. During the past 28 years, I have been  
10 involved with hundreds of professional engagements including financial studies for  
11 municipally owned water, electric, gas, steam, and sewage utilities, for-profit and  
12 not-for-profit water and sewer corporations, water authorities, regional water and  
13 sewer districts, and conservancy districts. These studies quite often have involved  
14 the determination of utility revenue requirements, cost of service studies, rate  
15 design, fair value analysis, and the financial planning associated with the issuance  
16 of tax-exempt and taxable bonds and notes to fund projects using a variety of  
17 financing mechanisms including Rural Development, the State Revolving Fund,  
18 tax-exempt and taxable bonds, and notes issued on the open market and other  
19 sources. I have given speeches and participated in panels and workshops  
20 concerning utility rates, financing and project development before the Indiana  
21 Rural Water Association, the Alliance of Indiana Rural Water, the Indiana Section  
22 of the American Water Works Association, the Indiana Association of Sewer

1 Companies, the Indiana Water Environment Association, Accelerate Indiana  
2 Municipalities (formerly the Indiana Association of Cities and Towns), the  
3 NARUC Staff Subcommittee on Accounting and Finance and the APPA.

4 **6 Q. WHAT PROFESSIONAL ORGANIZATIONS ARE YOU ASSOCIATED**  
5 **WITH?**

6 A. I am personally a member of the American Institute of Certified Public  
7 Accountants, the Indiana CPA Society, the Indiana Water Environment  
8 Association, and the AWWA, and our firm is a member of several other industry  
9 associations including the Alliance of Indiana Rural Water and the Indiana  
10 Municipal Electric Association. Our firm is also a strategic partner of Accelerate  
11 Indiana Municipalities. In the latter capacity, we provide guidance on financial  
12 matters that affect communities across the state. Finally, I just completed a multi-  
13 year term serving as the Chairman of the Indiana Section AWWA Water Utility  
14 Council.

15 **7 Q. HAVE YOU TESTIFIED BEFORE AS AN EXPERT WITNESS?**

16 A. Yes, I have testified before the Indiana Utility Regulatory Commission  
17 (“Commission”) and other State regulatory authorities on many previous occasions.  
18 This testimony has covered the development of appropriate revenue requirements,  
19 utility valuation, financing approval, and across-the-board and cost of service  
20 analysis and rate design.

21

1 8 Q. HAVE YOU REVIEWED THE PETITION INITIATING THIS CAUSE, A  
2 COPY OF WHICH IS ATTACHED TO YOUR TESTIMONY AS  
3 PETITIONER'S EXHIBIT 7?

4 A. Yes, I have.

5 9 Q. DOES THE PETITION ACCURATELY STATE THE FACTS AND  
6 EDWARDSVILLE WATER AUTHORITY'S ("EDWARDSVILLE" OR  
7 "PETITIONER") INTENTIONS?

8 A. Yes. Edwardsville seeks authority to adjust its schedule of rates to account for  
9 increases in operational costs and to provide for annual depreciation expense for  
10 the system.

11 10 Q. HAS EDWARDSVILLE CHANGED ITS CORPORATE STATUS SINCE  
12 ITS LAST CASE BEFORE THE COMMISSION, CAUSE NO. 45617?

13 A. Yes, it has. On May 30, 2023, Edwardsville adopted a *Resolution of the Board of*  
14 *Directors of Edwardsville Water Corporation Determining to Reconstitute as the*  
15 *Edwardsville Water Authority* ("Resolution"). Consistent with Indiana law, the  
16 Resolution was filed with the State of Indiana, Office of Secretary of State, who  
17 issued a Certificate of Dissolution of Edwardsville Water Corporation, effective  
18 Friday, June 9, 2023. Since issuance of the Certificate of Dissolution, Edwardsville  
19 has been operating as the Edwardsville Water Authority. For the Commission's  
20 reference, a copy of the Resolution and the Certificate of Dissolution are attached  
21 hereto as Petitioner's Exhibit 8.

1 11 Q. DOES THE RECONSTITUTION AS A WATER AUTHORITY ALTER  
2 EDWARDSVILLE'S RATE MAKING AUTHORITY UNDER INDIANA  
3 LAW?

4 A. While I am not an attorney, I understand that Indiana Code § 13-18-16-16(h)  
5 states that a water authority is subject to the rate-making authority under Indiana  
6 Code § 8-1.5-3-8. Prior to its reconstitution as a water authority, Edwardsville  
7 Water Corporation's rate-making authority was governed by Indiana Code § 8-1-  
8 2-125.

9 12 Q. WAS YOUR FIRM RETAINED BY EDWARDSVILLE IN CONNECTION  
10 WITH THESE PROCEEDINGS?

11 A. Yes. Edwardsville retained us to advise the Board and complete an accounting  
12 study to determine if the existing rates were sufficient to support the pro forma  
13 revenue requirements and to provide the necessary schedules for seeking approval  
14 from the Commission.

15 13 Q. HAVE THE RESULTS OF YOUR ANALYSIS BEEN SUMMARIZED IN A  
16 WRITTEN REPORT?

17 A. Yes. Our firm prepared an Accounting Report dated December 19, 2023,  
18 summarizing the results of our studies.

19 14 Q. PLEASE IDENTIFY PETITIONER'S EXHIBIT 9.

20 A. Petitioner's Exhibit 9 is a copy of our Accounting Report summarizing the results  
21 of the accounting services performed for Edwardsville.

1 15 Q. WAS THE ACCOUNTING REPORT PREPARED BY YOU OR UNDER  
2 YOUR SUPERVISION?

3 A. Yes.

4 16 Q. DID YOUR ANALYSIS REVEAL WHETHER OR NOT A RATE  
5 ADJUSTMENT IS NECESSARY?

6 A. Yes, it did. Based on Edwardsville's existing financial condition, it appears that  
7 Edwardsville does need an adjustment in the current user rates and charges.  
8 Therefore, this case seeks an increase in the Petitioner's current schedule of rates  
9 and charges.

10 17 Q. WOULD YOU PLEASE EXPLAIN HOW THE REPORT IS ORGRANIZED  
11 TO THE EXTENT NOT OTHERWISE SELF-EXPLANATORY?

12 A. The report is divided into three sections. The first section of the report is the  
13 accountant's report, which describes that the type of accounting service provided  
14 was a compilation and that the resulting accounting report is a special purpose  
15 report for submission to the Commission and is restricted to that purpose only.  
16 This letter is incorporated by reference on all the pages of the accounting report.  
17 The second section of the report (pages 3 through 13) contains pro forma financial  
18 information, including the various calculations of the Petitioner's pro forma annual  
19 cash operating expense on pages 3-6. Page 7 presents a normalization of annual  
20 operating revenues for the twelve months ended June 30, 2023. Pages 8 and 9  
21 summarize the pro forma annual revenue requirements and annual operating

1 revenues included in this cause. Pages 10 through 13 present the current and  
2 proposed schedule of water rates and charges for the Petitioner.

3 The final section of the report (pages 14 through 25) contains supplemental data,  
4 including the historical and test-year financial statements (pages 14 through 18),  
5 account balances with minimum balance requirements (pages 19 through 20) and  
6 outstanding note amortization schedules for the Petitioner (pages 21 through 25).

7 **18 Q. WHAT TEST YEAR PERIOD WAS USED IN THE PREPARATION OF**  
8 **THE ACCOUNTING REPORT?**

9 A. The test period (the "Test Year") consists of the twelve months ended June 30,  
10 2023.

11 **19 Q. BEGINNING ON PAGE 3, PLEASE SUMMARIZE THE PRO FORMA**  
12 **OPERATING CASH EXPENSE ADJUSTMENTS.**

13 A. Page 3 of the report shows the total test year cash operating expenses which equaled  
14 \$1,618,795. The Pro Forma cash operating expenses include eight adjustments to  
15 the Test Year as detailed below.

16 The first adjustment, as shown on page 4, is to the Petitioner's salaries and wages  
17 and reflects current levels of staffing and anticipated pay rates. Total pro forma  
18 salaries and wages equal \$751,17. Subtracting the test year salaries and wages of  
19 \$686,057 results in an adjustment to the Test Year of \$65,115.

20 The second adjustment, as shown on page 4, reflects pro forma FICA expenses to  
21 allow for the additional expenses associated with the increase in the Petitioner's pro

1           forma salaries and wages. Total pro forma FICA expense is \$57,465 and after  
2           subtracting the Test Year amount of \$54,257 results in an adjustment of \$3,208.

3           The third adjustment to the Test Year, as shown on page 4, reflects increases in the  
4           Petitioner's pension expense to accommodate the increase in pro forma salaries and  
5           wages. Total pro forma pension expense is \$37,559 and after subtracting the Test  
6           Year amount of \$30,800 results in an adjustment of \$6,759.

7           The fourth adjustment, as shown on page 4, is for pro forma employee insurance  
8           (health, dental, life, vision, STD and HSA). Year to date premiums through June  
9           30, 2023 totaled \$71,050. After normalizing for a full 12-month period, pro forma  
10          employee insurance totals \$142,100 and after subtracting the test year amount of  
11          \$135,935 results in an adjustment of \$6,165.

12          The fifth adjustment, as shown on page 5, normalizes materials and supplies for an  
13          entry made in December of 2022 of \$65,231 to reclassify invoices outside of the  
14          Test Year into capital assets. Petitioner first recorded the invoice earlier in 2022,  
15          with the adjusting journal entry recorded later in 2022 and inside of the test year  
16          period. The resulting impact is an understatement of the materials and supplies  
17          account for the twelve months ended June 30, 2023. The second portion of the  
18          adjustment of \$147 is based on the assumed 2023 adjustment to reclassify a similar  
19          materials and supplies invoice into capital assets. This entry would occur outside  
20          the test year, due to it not being recorded as of June 30, 2023. These two  
21          adjustments result in a total increase to materials and supplies of \$65,084.

1 The sixth adjustment, as shown on page 5, is to normalize the Test Year to exclude  
2 various non-recurring charges including entries for IURC 30-Day Filings, legal fees  
3 for IURC filings and conversion to a water authority. Overall, the total adjustment  
4 to Test Year expenses is a reduction of \$34,804.

5 The seventh adjustment to the Test Year cash operating expenses, as shown on page  
6 5, is for assumed rate case fees associated with this cause. Total rate case fees are  
7 assumed at \$150,000 and will be amortized over 4 years. This results in an  
8 adjustment of \$37,500 to Test Year annual cash operating expenses.

9 The eighth and final adjustment to the Test Year cash operating expenses, as shown  
10 on page 6, is for annual periodic maintenance items for the Petitioner's system.  
11 Included in the adjustment for periodic maintenance expenses are the Petitioner's  
12 wells, treatment plant, tanks, pumps and distribution system and buildings. Total  
13 pro forma periodic maintenance expenses total \$312,394 and after subtracting for  
14 periodic maintenance expenses in the Test Year of \$54,410 results in a total  
15 adjustment to the Test Year of \$257,984.

16 Overall, the 8 adjustments to the Test Year result in an increase in the Petitioner's  
17 cash operating expenses of \$407,011, which results in total pro forma cash  
18 operating expenses of \$2,025,806.

19 **20 Q. BEGINNING ON PAGE 7, PLEASE SUMMARIZE THE NORMALIZED**  
20 **ANNUAL WATER OPERATING REVENUES AT EXISTING RATES.**

21 A. As shown on page 7, the Petitioner's annual water operating revenues have been  
22 increased by \$13,923 to account for the increase or decrease in monthly users of



1 the Petitioner's system for the twelve months ended June 30, 2023. Overall, 364  
2 additional bills are anticipated to be generated due to growth in the customer base.  
3 The 364 additional bills are then multiplied by the average user bill, based on 4,000  
4 gallons of \$38.25, which results in an increase in sales of \$13,923. This adjustment  
5 is then added to the test year revenues \$2,688,393 resulting in total normalized  
6 metered sales subject to increase of \$2,702,316.

7 **21 Q. AS SHOWN ON PAGES 8 AND 9, PLEASE DESCRIBE THE PRO FORMA**  
8 **ANNUAL REVENUE REQUIREMENTS AND ANNUAL OPERATING**  
9 **REVENUES FOR THE PETITIONER.**

10 A. Pages 8 and 9 summarize the results of the report and the calculated increase in the  
11 Petitioner's rates and charges. Total annual revenue requirements for the Petitioner  
12 total \$3,171,698 and are comprised of annual operation and maintenance expenses,  
13 annual debt service payments on the outstanding notes of the Petitioner, and annual  
14 depreciation expense. Total pro forma operation and maintenance expenses total  
15 \$2,025,806, as previously described and shown on pages 3 – 6 of the report. Annual  
16 debt service on the outstanding notes for the Petitioner, \$719,145, is based on the  
17 average annual debt service on the outstanding notes, as shown on page 25. Annual  
18 depreciation expense is based on capital assets as of June 30, 2023 of \$21,440,757  
19 plus construction work in progress as of June 30, 2023 of \$1,131,373, plus  
20 construction cash on hand as of June 30, 2023 of \$3,609,716, plus developer  
21 installed lines not included in the capital assets as of June 30, 2023 totaling  
22 \$763,295, less periodic maintenance items capitalized into capital assets of

1 \$553,735. This results in total depreciable capital assets of \$26,391,406, which is  
2 then multiplied by a composite 2% depreciation rate, to arrive at pro form annual  
3 depreciation expense of \$527,828.

4 **22 Q. MR. MILLER, CAN YOU EXPLAIN WHY THE PERIODIC**  
5 **MAINTENANCE ITEMS ARE BEING SUBTRACTED IN THE**  
6 **CALCULATION OF THE PRO FORMA DEPRECIATION EXPENSE?**

7 A. Yes, Petitioner has for the last several years been capitalizing expenses related to  
8 periodic maintenance, such as its tank painting and maintenance contract. We do  
9 not believe these should be included in Petitioner's capital assets and would instead  
10 be more properly classified under the annual operation and maintenance expenses  
11 for Petitioner. Therefore, we have subtracted them in the pro forma annual  
12 depreciation calculation.

13 **23 Q. PLEASE CONTINUE WITH THE DESCRIPTION OF THE REPORT.**

14 A. Total annual revenue requirements are then reduced by annual recurring revenues  
15 not subject to increase including other operating revenues of \$30,950 and Town of  
16 Elizabeth revenues of \$34,740 and normalized interest income of \$35,391. Test  
17 Year interest income has been normalized to exclude interest earned on the  
18 construction funds for the Petitioner. After deducting for the recurring revenue not  
19 subject to increase, net annual revenue requirements for the Petitioner total  
20 \$3,171,698.

21 After accounting for the normalized metered sales of \$2,702,316 as shown on page  
22 7, additional revenues required for the Petitioner total \$469,382, which results in

1 an across-the-board increase of 17.37%. Including the 17.37% increase, the average  
2 customer bill assuming 4,000 gallons would be \$44.88.

3 Pages 10 through 13 display the current and proposed rates and charges for the  
4 Petitioner, including the calculated increase of 17.37%.

5 **24 Q. MR. MILLER, IT APPEARS THAT THE PROPOSED RATES AND**  
6 **CHARGES HAVE BEEN CALCULATED ON AN ACROSS-THE-BOARD**  
7 **BASIS. IS THAT CORRECT?**

8 A. Yes, that is correct.

9 **25 Q. PLEASE CONTINUE WITH THE DESCRIPTION OF THE REMAINING**  
10 **SECTION OF THE REPORT.**

11 A. Beginning on page 14 is the supplemental data for the Petitioner. Pages 14 and 15  
12 present the comparative statement of net position as of December 31, 2020, 2021,  
13 2022, and as of June 30, 2023.

14 Page 16 presents the comparative statement of revenues, expenses and changes in  
15 net position for calendar years 2020, 2021, 2022, and the 12 months ended June 30,  
16 2023.

17 Pages 17 and 18 present the comparative statement of cash flows for calendar years  
18 2020, 2021, 2022, and the 12 months ended June 30, 2023.

19 Pages 19 and 20 compare the account balances of Edwardsville as of June 30, 2023,  
20 with the minimum balances either required to be maintained by the outstanding  
21 loan documents in effect with respect to Edwardsville's outstanding long-term  
22 indebtedness or balances that are typically maintained by utilities such as

1           Edwardsville. Overall, the Petitioner had \$7,361,139 of cash in the various funds  
2           and accounts it maintains.

3   26    **Q.   MR. MILLER. AS NOTED ON PAGE 19 PLEASE EXPAND ON THE**  
4           **CURRENT BALANCE IN THE PERIODIC MAINTENANCE FUND.**

5           A.   The Petitioner maintains a separate fund in its accounting system to account for  
6           funds designated for periodic maintenance expenses, such as those expenses shown  
7           in Adjustment 8 to the Petitioner's cash operating expenses on page 6 of the report.  
8           A monthly transfer of \$28,460 is made to the fund to set aside money to pay for the  
9           various periodic maintenance items performed by the Petitioner. The balance in  
10          the fund as of June 30, 2023, was \$848,103. This balance will be further reduced  
11          near the end of 2023 to include the payment on the tank maintenance contract. For  
12          calendar year 2023 this expense will total \$222,557. In addition, the Petitioner has  
13          larger periodic maintenance items such as filter media replacements that will need  
14          to be completed in the near future and will quickly expend the accumulated balance  
15          in the fund.

16   27    **Q.   PLEASE CONTINUE WITH THE DESCRIPTION OF THE REPORT.**

17          A.   The amortization schedules of the outstanding 2008 Notes, the 2012 RD loan, the  
18          2016B Notes, and the 2022 Notes are displayed on pages 20 through 23,  
19          respectively. Page 24 shows the schedule of combined amortization, with the  
20          average annual debt service for the five note years ending January 1, 2027, of  
21          \$705,143.13 calculated at the bottom of the schedule.

1 28 Q. MR. MILLER, AS SHOWN ON PAGE 24, THE ANNUAL DEBT SERVICE  
2 DUE ON THE OUTSTANDING NOTES DECREASES BY  
3 APPROXIMATELY TWO HUNDRED THIRTY THOUSAND DOLLARS  
4 IN NOTE YEAR ENDING JANUARY 1, 2029. HOW DOES PETITIONER  
5 PROPOSE TO ADDRESS THE REDUCTION IN DEBT SERVICE TO  
6 ASSURE THE PROPOSED RATES AND CHARGES ARE NOT OVER  
7 COLLECTING?

8 A. As discussed in the direct testimony of Lori A. Young, Petitioner has several  
9 significant projects that will need to be addressed in the coming years. Although it  
10 is the board's preference to pay for the proposed projects using cash on hand, to the  
11 extent that cash on hand is not available, Petitioner may need to seek to fund the  
12 proposed projects through the issuance of debt. Under this scenario, Petitioner  
13 would seek approval in a future cause before the IURC to issue debt and would  
14 propose to wrap the debt around the outstanding notes to create level debt service  
15 beginning in bond year 2029.

16 29 Q. DOES THIS CONCLUDE YOUR EXPLANATION OF THE FACTORS  
17 IDENTIFIED IN THE ACCOUNTING REPORT THAT SHOULD ALLOW  
18 EDWARDSVILLE TO MOVE FORWARD WITH THE PROPOSED  
19 INCREASE IN RATES?

20 A. Yes, it does.

21 30 Q. IS IT YOUR OPINION THAT THE RATES PROPOSED IN YOUR  
22 ACCOUNTING REPORT ARE FAIR, JUST, NON-DISCRIMINATORY

1           **AND REASONABLE AND NECESSARY TO MEET THE PRO FORMA**  
2           **REVEUE REQUIREMENTS OF THE EDWARDSVILLE WATER**  
3           **AUTHORITY?**

4           A.     Yes, it is my opinion they are.

5

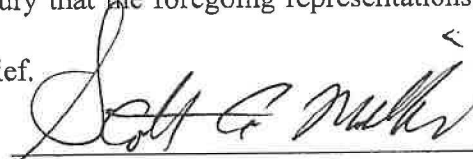
6    **32    Q.     DOES THIS CONCLUDE YOUR DIRECT TESTIMONY IN THIS CAUSE?**

7           A.     This concludes my direct testimony at this time.

8

VERIFICATION

I affirm under the penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.


  
\_\_\_\_\_  
Scott A. Miller

*12-20-2023*  
\_\_\_\_\_  
Date

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing "Verified Direct Testimony and Exhibits of Scott A. Miller, CPA" was served upon the following by electronic mail this 21<sup>st</sup> day of December, 2023:

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

  
\_\_\_\_\_  
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111 Monument Circle, Suite 2700  
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# **Petitioner's Exhibit 7**

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF  
EDWARDSVILLE WATER AUTHORITY  
FOR APPROVAL TO ADJUST ITS RATES  
AND CHARGES

CAUSE NO. \_\_\_\_\_

PETITION

TO THE INDIANA UTILITY REGULATORY COMMISSION:

Edwardsville Water Authority (“Petitioner” or “Edwardsville”), by counsel, respectfully requests authority to adjust its rates and charges. In support of its Petition, Edwardsville states:

1. Edwardsville is a water authority constituted under Ind. Code § 13-18-16-16, organized and existing under and through the laws of the State of Indiana. Edwardsville’s office is located at 545 Maplewood Boulevard, Georgetown, IN 47122.
2. Under Ind. Code § 13-18-16-16(h), Edwardsville’s rates and charges are subject to the jurisdiction of the Indiana Utility Regulatory Commission (“Commission”) as set forth in Ind. Code § 8-1.5-3-8.
3. Edwardsville believes the following statutes may also be applicable to this case: Ind. Code §§ 8-1-2-42, 8-1-2-61, 8-1-2-83, and other applicable statutes located in Ind. Code ch. 8-1-2.
4. Edwardsville owns, operates, and maintains wells, treatment facilities, transmission facilities, distribution facilities, land, land rights, equipment, materials, supplies, working capital, and other property which are used and useful for the rendering of water service to its customers. Edwardsville provides water to primarily residential, commercial, and agricultural customers in Floyd and Harrison Counties, Indiana.
5. Edwardsville’s current base rates and charges for water utility service were approved in the Commission’s December 30, 2015 Order in Cause No. 44642. As required by Ind. Code § 8-1-2-42, more than 15 months have passed since the filing date of Petitioner’s last request for a general increase in its basic rates and charges.

6. Edwardsville proposes a historic test year comprising the 12-month period ending June 30, 2023, with adjustments for changes that are fixed, known, and measurable and in effect within 12 months after the test year.
7. Edwardsville will propose in this case new water rates and charges which will be sufficient to pay its expenses as set forth in Ind. Code § 8-1.5-3-8, resulting in an estimated \$469,382 increase in its revenue requirement, which is approximately a 17.37% across-the-board increase.
8. Included with this *Petition*, Edwardsville is submitting its case-in-chief, which includes the pre-filed testimony and exhibits of Lori A. Young, P.E. and Scott A. Miller, CPA, including supporting attachments, schedules, and workpapers.
9. Pursuant to the best practices set forth in the Commission's GAO 2013-5 (July 3, 2013), Edwardsville has consulted with the Indiana Office of Utility Consumer Counselor regarding a proposed expedited procedural schedule. Concurrent with this petition, Edwardsville will file a motion for adoption of the expedited proposed schedule.
10. The attorneys representing Edwardsville in this proceeding who are authorized to accept service of papers on behalf of the Edwardsville are:

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WHEREFORE, the Petitioner, Edwardsville Water Authority, respectfully requests that the Commission: (a) promptly establish a procedural schedule in this Cause; (b) conduct such hearings as the Commission believes necessary and appropriate; (c) authorize Edwardsville to increase its rates and charges for water utility service; (d) approve Edwardsville's new schedule of rates and charges; and (e) for all other appropriate relief.

Respectfully Submitted,



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[JJanak@boselaw.com](mailto:JJanak@boselaw.com)

*Counsel for Edwardsville Water Authority*

### CERTIFICATE OF SERVICE

I certify that on December 21, 2023, the foregoing was filed electronically with the Indiana Utility Regulatory Commission using the Commission's electronic filing system and was served electronically on the parties below:

**Indiana Office of Utility Consumer Counselor**  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)



J. Christopher Janak, Atty No. 18499-49

# **Petitioner's Exhibit 8**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
EDWARDSVILLE WATER CORPORATION DETERMINING TO  
RECONSTITUTE AS THE EDWARDSVILLE WATER AUTHORITY**

WHEREAS, the Board of Directors ("Board") of the Edwardsville Water Corporation, an Indiana nonprofit water corporation existing pursuant to the Indiana Nonprofit Corporation Act Indiana Code § 23-17 et seq. ("Corporation"), owning and operating a water utility in the State of Indiana ("State"), has determined to reconstitute the Corporation as a water authority pursuant to Indiana Code § 13-18-16-16; and

WHEREAS, the Indiana General Assembly has enacted Indiana Code § 13-18-16-16, which specifically authorizes the Board of Directors of a nonprofit water utility to reconstitute the nonprofit water utility as a water authority by adopting of a resolution to be filed with the Secretary of State; and

WHEREAS, a water authority established pursuant to Indiana Code § 13-18-16-16 shall: (i) be considered a political subdivision of the State; (ii) be subject only to the laws applicable to nonprofit water utilities and local water corporations; (iii) remain obligated under any existing contracts or agreements and remain obligated and assume the indebtedness of the nonprofit water utility; (iv) retain all its powers, privileges, rights, and exemptions as a nonprofit water utility under its existing bylaws and articles and all laws applicable to nonprofit water utilities including powers of eminent domain; and (v) have its rate and charges set pursuant to Indiana Code § 8-1.5-3-8; and

WHEREAS, the Board has determined that reconstituting the Corporation as a water authority pursuant to Indiana Code § 13-18-16-16 will be of public benefit to the general welfare of the Corporation and the Corporation's ratepayers without impairing the rights, powers, privileges, and exemptions of the Corporation; and

WHEREAS, in order for the Board to reconstitute the Corporation as a water authority pursuant to Indiana Code § 13-18-16-16, the Board must adopt a resolution that: (i) provides for the name of the water authority; (ii) allows the structure of the Board of Directors of the water authority to remain the same as that applicable to the Corporation; and (iii) allows the rules governing the water authority to remain the same as the rules governing the Corporation; and

NOW THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. The Corporation is hereby reconstituted as the Edwardsville Water Authority ("Authority") pursuant to Indiana Code § 13-18-16-16. The Authority shall remain as its principal place of business the same principal place of business as the Corporation.

Section 2. The Authority shall be governed by the Board of Directors. The structure of the Board of Directors of the Corporation is hereby adopted as the structure for the Board of Directors of the Authority. The initial Board of Directors for the Authority shall consist of the current Board of Directors of the Corporation who shall serve to the end of their existing terms at which time they may stand for reelection as is the common practice.

Section 3. The Authority adopts and maintains all rules, by-laws, and other procedures which govern the Corporation and shall be governed by those rules, by-laws, and procedures in the same manner as the Corporation, except as provided in Section 6.

Section 4. The Authority shall retain all powers, privileges, rights, and exemptions of the Corporation under its by-laws and all laws applicable to nonprofit water utilities and local water corporations, including the power of eminent domain presently granted under Indiana Code § 32-24-4-1.

Section 5. The Authority shall remain obligated and assume the indebtedness of the Corporation and shall assume and remain obligated under any existing contracts or agreements of the Corporation.

Section 6. The rates and charges of the Authority shall be established in accordance with Indiana Code § 8-1.5-3-8.

Section 7. The proper officers of the Authority are authorized and directed in the name and on behalf of the Authority to sign, acknowledge, record, publish, and do any and all things which are by law required, to execute, complete, and carry into effect this resolution.

Section 8. The proper officers of the Authority are directed to file a copy of this resolution with the Secretary of State and request evidence to be returned in writing of the dissolution of the corporate status of the Corporation pursuant to Indiana Code § 13-18-16-16.

Section 9. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 10. This resolution shall be in full force and effect upon passage.

ADOPTED AND APPROVED this 30<sup>th</sup> day of May, 2023.

Edwardsville Water Corporation

  
President, Board of Directors

ATTEST:

  
Secretary

4439360\_1

**State of Indiana  
Office of the Secretary of State**

**Certificate of Dissolution  
of  
EDWARDSVILLE WATER CORPORATION**

I, DIEGO MORALES, Secretary of State, hereby certify that Articles of Dissolution of the above Domestic Nonprofit Corporation have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Code.

NOW, THEREFORE, with this document I certify that said transaction will become effective Friday, June 09, 2023.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, June 12, 2023

*Diego Morales*

DIEGO MORALES  
SECRETARY OF STATE

194393-053 / 9910922

To ensure the certificate's validity, go to <https://bsd.sos.in.gov/PublicBusinessSearch>



# **Petitioner's Exhibit 9**

**Petitioner's Exhibit 9**

**IURC Cause No. \_\_\_\_\_**

**EDWARDSVILLE WATER  
AUTHORITY  
Floyd and Harrison  
Counties, Indiana**

**Accounting  
Report On  
Proposed Rate  
Increase**

**December 19, 2023**

**Baker Tilly US, LLP  
Indianapolis, Indiana**

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December 19, 2023

Board of Directors  
Edwardsville Water Authority  
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Georgetown, Indiana 47122

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## ACCOUNTANTS' FINANCING ANALYSIS AND COMPILATION REPORT

In connection with the Edwardsville Water Corporations' (the "Utility") proposed increase in its schedule of water rates and charges, we have, at your request, compiled this special purpose report for submission to the Indiana Utility Regulatory Commission.

This special purpose report has been prepared for the purpose of requesting approval of an increase in rates from the Indiana Utility Regulatory Commission and should not be used for any other purpose.

Further, the pro forma financial information in this report which has not been compiled, reviewed or audited by us, is based upon financial information for the twelve months ended June 30, 2023, which was compiled by us and assumptions provided by management and their consulting engineers or obtained from other sources. This pro forma financial information is prepared for the purpose of showing the estimated financial effects on the Utility's revenue and revenue requirements of the debt service resulting from the proposed long-term financing which may be reasonably fixed, known or measured. The actual results achieved may vary from the pro forma financial information and the variations may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We have compiled the accompanying comparative statement of net position of the Utility as of December 31, 2020, 2021 and 2022 and the related comparative statements of revenues, expenses, and changes in net position, and cash flows for the periods then ended and supplementary data. We have not audited or reviewed the accompanying historical financial statements and supplementary data, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

(Continued on next page)

Board of Directors  
Edwardsville Water Authority  
Date: December 19, 2023  
Page 2

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Utility's financial position, results of operations and its cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Baker Tilly US, LLP

**EDWARDSVILLE WATER AUTHORITY**

**PRO FORMA FINANCIAL INFORMATION**

**EDWARDSVILLE WATER AUTHORITY**

**PRO FORMA ANNUAL CASH OPERATING EXPENSES**

**(See Explanation of Adjustments 4 - 6)**

	<u>Test Year</u>	<u>Adjustment</u>	<u>Ref.</u>	<u>Pro Forma</u>
Annual Operating Expenses:				
Salaries	\$686,057	\$65,115	(1)	\$751,172
Payroll taxes	54,257	3,208	(2)	57,465
Purchased power	246,290			246,290
Purchased water	10,835			10,835
Chemicals	47,508			47,508
Materials and supplies	(8,590)	65,084	(5)	56,494
Repairs	57,800	257,984	(8)	315,784
Water sample tests	4,818			4,818
Rent	1,789			1,789
Transportation	44,443			44,443
Fees and licenses	16,269			16,269
Uniforms and laundry	16,476			16,476
Bad debt expense	1,493			1,493
General and Administrative Expenses:				
Insurance - employees	129,215	6,165	(4)	135,380
Pension expense	37,504	6,759	(3)	44,263
Director's fees	24,550			24,550
Office expense	62,828			62,828
Professional fees	123,546	2,696	(6)(7)	126,242
Insurance - vehicles	40,976			40,976
Miscellaneous	20,732			20,732
Sub-totals	<u>\$1,618,795</u>	<u>\$407,011</u>		<u>\$2,025,806</u>

(Continued on next page)

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

(Cont'd)

**PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS**  
**(Explanation of Adjustments)**

Adjustment (1) - Salaries and Wages

To adjust test year salaries and wages to reflect management estimates of staffing levels and pay rates.

Pro forma salaries and wages	\$751,172
Less test year salaries and wages	<u>(686,057)</u>
Adjustment	<u><u>\$65,115</u></u>

Adjustment (2) - FICA

To adjust test year FICA expense to reflect pro forma salaries and wages.

Pro forma salaries and wages	\$751,172
Times Current FICA Rate	<u>7.65%</u>
Sub-total	57,465
Less test year FICA expense	<u>(54,257)</u>
Adjustment	<u><u>\$3,208</u></u>

Adjustment (3) - Pension Expense

To adjust test year pension expenses to reflect pro forma salaries and wages.

Pro forma eligible salaries and wages	\$751,172
Times 5%	<u>5.0%</u>
Sub-total	37,559
Less test year pension expense	<u>(30,800)</u>
Adjustment	<u><u>\$6,759</u></u>

Adjustment (4) - Employee Insurance and HSA

To adjust test year employee insurance and HSA to reflect the most recent premium renewal information provided by utility management.

Year to date monthly premium cost (Health, Dental, HSA Contribution, Life, Vision and STD)	\$71,050
Times 2	<u>2</u>
Pro forma 2023 total employee insurance and HSA expense	\$142,100
Less test year insurance and HSA expenses	<u>(135,935)</u>
Adjustment	<u><u>\$6,165</u></u>

(Continued on next page)

(See Accountants' Compilation Report)



**EDWARDSVILLE WATER AUTHORITY**

(Cont'd)

**PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS**  
(Explanation of Adjustments)

Adjustment (5) - Materials and Supplies

To adjust materials and supplies (Act. No. 620-001) to normalize for an entry made in December of 2022 to reclassify items to capital assets and the assumed 2023 adjustment based on activity through June 30, 2023.

Materials and Supplies - December 2022 adjustment	\$65,231
Materials and Supplies - Assumed 2023 Adjustment	<u>(147)</u>
Adjustment	<u><u>\$65,084</u></u>

Adjustment (6) - Non-recurring Charges

To adjust the test year to exclude non-recurring charges.

<u>Account</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>
632-000	10/30/2022	577 BTMA16611/30 DAY FILING NON-RECURRING CHARGES	(\$6,410.00)
633-000	8/31/2022	0138 832075/LLEGAL (AUG 2022) - 30 DAY FILE/BUS ENT/WATER AUTH	(2,529.25)
633-000	9/30/2022	0138 834080/LLEGAL (SEPT 2022) - WATER AUTHORITY	(2,439.50)
633-000	10/31/2022	0138 837034/LLEGAL (OCT 2022) - WATER AUTHORITY/RATE CASE	(476.00)
633-000	01/01/2023	0138 849087/LLEGAL (MARCH 2023) - ARROWOOD RESEARCH	(1,177.00)
633-000	01/31/2023	0138 843454/LLEGAL (JANUARY 2023) - MEMBER VOTING/IURC ISSUE	(2,799.00)
633-000	03/31/2023	0138 INV 849087/LLEGAL (MARCH 2023) - ARROWOOD RESEARCH	(1,177.00)
633-000	03/31/2023	0138 849086/LLEGAL (MARCH 2023) - IURC/AUDIT/ARROW/ANNUAL MTG	(9,083.20)
633-000	05/31/2023	0138 854875/LLEGAL #2 (MAY 2023) - RAMSEY/RATE CASE/W AUTH	(1,841.50)
633-000	06/30/2023	0138 856089/LLEGAL (JULY 2023) - RATE CASE/WATER AUTHORITY	(5,207.00)
633-000	06/30/2023	0138 856088/LLEGAL (JUNE 2023) - WATER AUTHORITY	<u>(1,664.50)</u>
		Adjustment	<u><u>(\$34,803.95)</u></u>
		Adjustment (Rounded)	<u><u>(\$34,804)</u></u>

Adjustment (7) - Rate Case Fees

To adjust the test year to provide an annual allowance for current rate case fees.

Estimated Rate Case Fees

Legal Fees	\$75,000
Financial and Rate Fees	<u>75,000</u>
Sub-total	\$150,000
Amortized over 4 years (2023 - 2027)	<u>4</u>
Adjustment	<u><u>\$37,500</u></u>

(Continued on next page)

(See Accountants' Compilation Report)

EDWARDSVILLE WATER AUTHORITY

(Cont'd)

PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS  
(Explanation of Adjustments)

Adjustment (8) - Periodic Maintenance Expenses

To adjust the test year expenses for pro forma well, treatment plant, tanks, pump and distribution system periodic maintenance.

	<u>Description</u>	<u>Frequency</u>	<u>Annual Amount</u>
<u>Wells:</u>			
	\$30,000 per well, 4 wells	(8 years)	\$15,000
	Well Cleaning	(yearly)	4,950
	Well services/ flow test	(10 years)	3,200
	Well Painting	(10 years)	1,800
	Well starter maintenance		
<u>Treatment Plant:</u>			
	\$5,000.00	(2 years)	2,500
	Filter Media testing: 4 filters	(10 years)	35,336
	Filter Media maintenance: 4 filters	(3 years)	1,921
	Backwash waste tank clean out	(yearly)	4,950
	Pump services	(yearly)	2,000
	Meter testing at the plant	(yearly)	6,393
	Chlorine and chemical services	(yearly)	1,512
	Plant and pre chlorine \$6,393	(yearly)	1,715
	Building Maintenance/generator	(yearly)	1,570
	Chemical feed equipment maintenance	(yearly)	1,950
	Lab testing equipment maintenance		
	SCADA Maintenance - Plant		
<u>Tanks:</u>			
	\$203,039.00	(yearly)	203,039
	Suez Contracted Tanks/ attached sheet	(5 years)	3,120
	SCADA maintenance - Tanks		
<u>Pumps and Distribution</u>			
	\$1,300	(yearly)	1,300
	SCADA maintenance - Booster Stations and Control Valves	(15 years)	767
	Hickman Hill/EBS VFD maintenance	(yearly)	1,693
	Hickman Hill/well generator maintenance	(15 years)	1,897
	Transfer Pump Maintenance	(15 years)	2,527
	High Service Pump Maintenance	(15 years)	7,822
	200 hp motor (wells)		
			<u>5,433</u>
<u>Building Maintenance</u>			
			312,394
	Sub-total		<u>(54,410)</u>
	Less test year periodic maintenance expenses*		<u>\$257,984</u>
	Adjustment		

\* Note a portion of the test year periodic maintenance expenses were capitalized and not included in operation and maintenance expenses.

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

**NORMALIZED ANNUAL WATER OPERATING REVENUES AT EXISTING RATES**

<u>Billing Cycle</u>	<u>Existing Customers Billed Residential</u>	<u>Increase (Decrease) in Users Residential</u>	<u>Times Additional Monthly Bills</u>	<u>Additional Monthly Bills</u>
Jul-22	4503			
Aug-22	4543	40	1	40
Sep-22	4531	(12)	2	(24)
Oct-22	4545	14	3	42
Nov-22	4553	8	4	32
Dec-22	4555	2	5	10
Jan-23	4563	8	6	48
Feb-23	4569	6	7	42
Mar-23	4573	4	8	32
Apr-23	4577	4	9	36
May-23	4581	4	10	40
Jun-23	4587	6	11	66
				<u>364</u>
				Times residential bill for 4,000 gallons at existing rates
			x	<u>\$38.25</u>
				Total normalized increase in sales for existing residential customers
				13,923
				Plus test year metered sales (1)
				<u>2,688,393</u>
				Normalized metered sales subject to increase
				<u><u>\$2,702,316</u></u>

(1) Excludes the monthly charge of \$2,895 for Town of Elizabeth.

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

**PRO FORMA ANNUAL REVENUE REQUIREMENTS**  
**AND ANNUAL OPERATING REVENUES**  
**See Explanation of References, page 9**

	<u>12 Months Ended 6/30/2023</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Pro Forma</u>
<u>Revenue Requirements:</u>				
Operation and Maintenance Expenses	\$1,618,795	\$407,011	(1)	\$2,025,806
Debt Service:				
Outstanding Notes	649,972	69,173	(2)	719,145
Depreciation Expense	<u>418,983</u>	<u>108,845</u>	(3)	<u>527,828</u>
 Total Annual Revenue Requirements	 <u>\$2,687,750</u>	 <u>\$585,029</u>		 <u>\$3,272,779</u>
 Less other operating revenues	 (30,950)	 -	 (4)	 (30,950)
Less normalized interest income	(179,953)	144,562	(5)	(35,391)
Less Town of Elizabeth revenues	<u>(34,740)</u>	<u>-</u>	(4)	<u>(34,740)</u>
 Net Annual Revenue Requirements	 <u>\$2,442,107</u>	 <u>\$729,591</u>		 <u>\$3,171,698</u>
<u>Annual Revenues:</u>				
Normalized metered water sales	<u>\$2,688,393</u>	<u>\$13,923</u>	(6)	<u>\$2,702,316</u>
 Additional Revenue Required				 <u>\$469,382</u>
 Approximate Across-The-Board Increase In Present Rates and Charges				 <u>17.37%</u>
 Change in Average Monthly Residential Bill (Current Bill \$38.25)				 <u>\$6.63</u>
 Approximate Average Residential Monthly Bill (4,000 gallons)				 <u>\$44.88</u>

(Continued on next page)

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

(Cont'd)

**PRO FORMA ANNUAL REVENUE REQUIREMENTS**  
**AND ANNUAL OPERATING REVENUES**  
**(Explanation of References)**

- (1) Based on the pro forma operation and maintenance expenses as shown on page 3.
- (2) To provide an allowance for the maximum annual debt service on the Outstanding Notes, see page .
- (3) To provide an allowance for annual capital improvements based on annual depreciation expense as calculated below:

Capital assets as of June 30, 2023	\$21,440,757
Plus construction work in progress as of June 30, 2023	1,131,373
Plus construction cash on hand as of June 30, 2023	3,609,716
Plus developer installed lines not included in capital assets at June 30, 2023	763,295
Less historical capitalized periodic maintenance*	<u>(553,735)</u>
 Sub-total	 26,391,406
Times composite 2% depreciation rate	<u>2%</u>
 Pro forma annual depreciation expense	 <u><u>\$527,828</u></u>

\* A portion of the periodic maintenance have been capitalized dating back to 2020. These entries have been excluded because funding will be provided in the pro forma operation and maintenance expense accounts.

- (4) Based on test year ended June 30, 2023 amounts.
- (5) Normalized interest income to exclude earnings on the construction accounts held at the Bank of New York Mellon.

Test year interest income	\$179,953
Less earnings from the construction fund	<u>(144,562)</u>
 Normalized Interest Income	 <u><u>\$35,391</u></u>

- (6) Based on the normalized revenues as calculated on page 7.

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

**SCHEDULE OF PRESENT AND PROPOSED WATER RATES AND CHARGES**

(Pursuant to IURC Order in Cause No. 44642)

**I. METERED RATES AND CHARGES**

Present

Proposed

(A) Metered (Volumetric) Rates

For use of and services rendered by the waterworks system of Edwardsville Water Corporation based on the use of water supplied by said waterworks system:

<u>Metered Consumption</u>	<u>Monthly Rate Per 1,000 Gallons</u>	<u>Monthly Rate Per 1,000 Gallons</u>
First            15,000 gallons	\$7.63	\$8.95
Next            110,000 gallons	7.57	8.88
Over            125,000 gallons	6.97	8.18

(B) Service Charge

Each user shall pay a monthly service charge in accordance with the following applicable size of meter installed.

<u>Meter Size</u>	<u>Per Month</u>	<u>Per Month</u>
5/8 - 3/4 inch meter	\$7.74	\$9.08
1 inch meter	17.00	19.95
1 1/2 inch meter	32.44	38.07
2 inch meter	50.96	59.81
3 inch meter	94.19	110.56
4 inch meter	155.94	183.03
6 inch meter	310.31	364.21
8 inch meter	495.56	581.64

(Continued on next page)

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

(Cont'd)

**SCHEDULE OF PRESENT AND PROPOSED WATER RATES AND CHARGES**  
(Pursuant to IURC Order in Cause No. 44642)

**I. METERED RATES AND CHARGES (Cont'd)**

Present

Proposed

(C) Sales for Resale:

Town of Elizabeth:

All Water supplied to Town of Elizabeth shall be billed monthly in accordance with the following rates and charges.

Monthly service charge:

For remainder of Agreement term (assumes no water purchases)	\$2,895.00	\$2,895.00
If water purchases are required (for remainder of Agreement term)	\$3,477.76	\$3,477.76
Metered rate per 1,000 gallons	\$2.05	\$2.05

Town of Lanesville:

All Water supplied to Town of Lanesville shall be billed monthly in accordance with the following rates and charges.

Monthly service charge	\$5,928.42	\$6,958.16
Metered rate per 1,000 gallons	\$2.05	\$2.41

Town of Greenville:

All Water supplied to Town of Greenville shall be billed monthly in accordance with the following rates and charges.

Monthly service charge	\$9,448.22	\$11,089.35
Metered rate per 1,000 gallons	\$2.05	\$2.41

(Continued on next page)

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

(Cont'd)

**SCHEDULE OF PRESENT AND PROPOSED WATER RATES AND CHARGES**

(Pursuant to IURC Order in Cause No. 44642)

**I. METERED RATES AND CHARGES (Cont'd)**

	<u>Present</u>	<u>Proposed</u>
	Rate Per Annum	Rate Per Annum
(D) <u>Fire Protection Service Charge</u>		
<u>Automatic sprinklers</u>		
2 inch connection*	\$122.15	\$143.37
3 inch connection*	274.86	322.60
4 inch connection*	488.59	573.46
6 inch connection	1,099.44	1,290.41

\* 30-Day Filing #3146 Approved per conference minutes dated March 2, 2016.

**II. NON-RECURRING CHARGES**

(A) <u>Membership Fee</u>	\$100.00	\$100.00
---------------------------	----------	----------

Each property owner served by Edwardsville Water Corporation must pay a membership fee of \$100.00. This \$100.00 is refundable if and when the property owner sells the property and is no longer served by the water system. Upon payment of the \$100.00 Membership Fee, the property owner shall be issued one (1) Membership Certificate. No property owner shall hold more than one (1) Membership Certificate nor be allowed more than one (1) vote on issues at the Corporation meetings.

(B) <u>Tap Charge</u>	\$1,525.00	\$1,525.00
-----------------------	------------	------------

All users at the time of connection to the waterworks system shall pay a charge to cover the costs of: excavating and tapping the main; furnishing and installing service pipe from the main to the lot line; furnishing and installing corporation and stop cocks; and furnishing and installing meter cock (if outside), yoke, and meter. The charge for a 5/8 inch meter tap shall be \$1,525.00. The charge for a tap larger than the 5/8 inch meter tap shall be the cost of labor, materials, power machinery, transportation, and overhead incurred for installing the tap, but shall not be less than the charge for a 5/8 inch meter tap.

(C) <u>Insufficient Funds Charge</u>	\$29.00	\$29.00
--------------------------------------	---------	---------

When a customer's check is not honored due to insufficient funds, a charge for processing same will be made by the Corporation in the amount of \$29.00.

(D) <u>Meter Tampering Fee</u>	\$135.00	\$135.00
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When the Corporation must reconnect a meter as a result of misuse, the customer shall be required to pay a charge of \$135.00 to cover the necessary expenses.

(Continued on next page)

(See Accountants' Compilation Report)



**EDWARDSVILLE WATER AUTHORITY**

(Cont'd)

**SCHEDULE OF PRESENT AND PROPOSED WATER RATES AND CHARGES**

(Pursuant to IURC Order in Cause No. 44642)

**II. NON-RECURRING CHARGES (Cont'd)**

	<u>Present</u>	<u>Proposed</u>
(E) <u>Collection and Deferred Payment Charge</u>	10% of first \$3.00 3% of excess	10% of first \$3.00 3% of excess

All bills for water service not paid within seventeen (17) days from the due date thereof, as stated in such bills, shall be subject to the collection or deferred payment charge of ten percent (10%) of the first \$3.00 and three percent (3%) on the excess of over \$3.00.

(F) <u>Rental Transfer Fee</u>	\$20.00	\$20.00
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When a new customer requests that water service at an existing rental property be transferred to their name, the Corporation will charge the new customer a Rental Transfer Fee of \$20.00.

(G) <u>Service Run Fee</u>	\$40.00	\$40.00
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Any time that Utility personnel conduct an investigation into water service issues at a customer's property they will be charged the service run fee of \$40.00. The services covered under the service run fee could include but are not limited to, turn-offs, turn-ons, customer requested meter reads and other similar activities.

(H) System Development Charge

All users at the time of connection to the waterworks system shall pay a charge to cover the costs of their allocated capacity in the waterworks facilities in accordance with the following applicable size of meter installed.

<u>Meter Size</u>			
5/8 - 3/4	inch meter	\$1,100.00	\$1,100.00
1	inch meter	2,750.00	2,750.00
1 1/2	inch meter	5,500.00	5,500.00
2	inch meter	8,800.00	8,800.00
3	inch meter	16,500.00	16,500.00
4	inch meter	27,500.00	27,500.00
6	inch meter	55,000.00	55,000.00
8	inch meter	88,000.00	88,000.00

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

**SUPPLEMENTAL FINANCIAL DATA**

**EDWARDSVILLE WATER AUTHORITY**  
**COMPARATIVE STATEMENT OF NET POSITION**

<u>ASSETS:</u>	As of			As of
	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>June 30, 2023</u>
Current Assets:				
Operating cash and cash equivalents	\$1,953,859	\$2,126,908	\$2,105,338	\$2,220,194
Restricted cash and cash equivalents:				
Bond and interest	339,801	384,275	445,898	395,012
Customer deposits	423,783	418,628	425,103	430,538
Construction cash	-	-	5,173,044	3,609,716
Accounts receivable	229,024	247,708	236,009	206,782
Materials and supplies inventory	105,656	207,764	183,852	166,423
Prepaid expenses and other assets	36,126	36,423	34,519	21,032
Total Current Assets	<u>3,088,249</u>	<u>3,421,706</u>	<u>8,603,763</u>	<u>7,049,696</u>
Non-Current Assets:				
Debt service reserve cash and cash equivalents	683,764	683,867	691,032	705,679
Other assets, net	23,925	19,140	14,355	11,963
Sub-total	<u>707,689</u>	<u>703,007</u>	<u>705,387</u>	<u>717,642</u>
Capital Assets:				
Depreciable capital assets	20,293,477	20,652,585	21,281,769	21,440,757
Accumulated depreciation	<u>(7,678,287)</u>	<u>(8,077,512)</u>	<u>(8,485,574)</u>	<u>(8,694,462)</u>
Sub-totals	12,615,190	12,575,073	12,796,195	12,746,295
Construction in progress	<u>-</u>	<u>-</u>	29,500	1,131,373
Total Net Capital Assets	<u>12,615,190</u>	<u>12,575,073</u>	<u>12,825,695</u>	<u>13,877,668</u>
Total Non-Current Assets	<u>13,322,879</u>	<u>13,278,080</u>	<u>13,531,082</u>	<u>14,595,310</u>
Total Assets	<u>\$16,411,128</u>	<u>\$16,699,786</u>	<u>\$22,134,845</u>	<u>\$21,645,006</u>

(Continued on next page)

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**  
**COMPARATIVE STATEMENT OF NET POSITION**

(Cont'd)

<u>LIABILITIES:</u>	As of			As of
	12/31/2020	12/31/2021	12/31/2022	June 30, 2023
Current and Accrued Liabilities:				
Accounts payable	\$33,670	\$29,202	\$90,275	\$24,504
Accrued liabilities	21,272	28,391	26,107	(2,767)
Accrued interest	41,866	36,608	88,353	82,193
Customer deposits	423,783	418,628	425,103	430,538
Current portion of long-term debt	451,000	485,696	501,680	513,270
Total Current and Accrued Liabilities	971,591	998,525	1,131,518	1,047,738
Non-Current Liabilities:				
Long-term debt (net of deferred amounts)	4,344,838	3,886,943	8,532,642	7,850,284
Total Liabilities	\$5,316,429	\$4,885,468	\$9,664,160	\$8,898,022
NET ASSETS:				
Temporarily restricted assets	\$1,447,348	\$1,486,770	\$1,562,033	\$1,531,229
Unrestricted	9,647,351	10,327,548	10,908,652	11,215,756
Total Net Assets	\$11,094,699	\$11,814,318	\$12,470,685	\$12,746,984

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION**

	Calendar Year Ended			12 Months Ended
	2020	2021	2022	June 30, 2023
Operating Revenues:				
Metered water sales	\$2,621,862	\$2,679,727	\$2,661,974	\$2,723,133
Other operating revenue	17,740	18,022	24,924	30,950
Total Operating Revenues	<u>2,639,602</u>	<u>2,697,749</u>	<u>2,686,898</u>	<u>2,754,083</u>
Operating Expenses:				
Salaries	623,701	664,159	730,306	686,057
Payroll taxes	49,130	50,915	57,730	54,257
Purchased power	222,741	194,489	230,693	246,290
Purchased water	7,546	8,760	9,887	10,835
Chemicals	32,926	36,877	43,885	47,508
Materials and supplies	23,334	33,838	32,645	(8,590)
Repairs	48,153	44,116	43,406	57,800
Water sample tests	5,052	6,863	7,588	4,818
Rent	-	-	2,589	1,789
Transportation	25,665	39,029	51,643	44,443
Fees and licenses	12,594	14,821	18,037	16,269
Uniforms and laundry	12,693	14,297	16,450	16,476
Bad debt expense	714	2,367	111	1,493
General and Administrative Expenses:				
Insurance - employees	131,773	155,985	147,378	129,215
Pension expense	29,414	29,537	29,324	37,504
Director's fees	25,650	20,925	24,175	24,550
Office expense	63,074	61,936	63,663	62,828
Professional fees	140,093	122,169	66,012	123,546
Insurance - vehicles	53,526	38,478	37,921	40,976
Miscellaneous	3,959	26,628	35,124	20,732
Sub-total	1,511,738	1,566,189	1,648,566	1,618,795
Depreciation and amortization expense	396,599	404,010	408,063	418,983
Total Operating Expenses	<u>1,908,337</u>	<u>1,970,199</u>	<u>2,056,629</u>	<u>2,037,778</u>
Net Operating Revenues	<u>731,265</u>	<u>727,550</u>	<u>630,269</u>	<u>716,305</u>
Other Income and Expenses:				
Interest income	5,670	2,565	63,650	179,953
Interest expense	(228,319)	(130,716)	(223,922)	(273,381)
Gain (loss) on disposal of utility plant	700	-	-	-
Total Other Income and Expenses	<u>(221,949)</u>	<u>(128,151)</u>	<u>(160,272)</u>	<u>(93,428)</u>
Contributions	<u>141,640</u>	<u>120,220</u>	<u>186,370</u>	<u>156,125</u>
Change In Net Assets	650,956	719,619	656,367	779,002
Net Assets - Beginning	<u>10,443,743</u>	<u>11,094,699</u>	<u>11,814,318</u>	<u>11,967,982</u>
Net Assets - Ending	<u>\$11,094,699</u>	<u>\$11,814,318</u>	<u>\$12,470,685</u>	<u>\$12,746,984</u>

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

**COMPARATIVE STATEMENT OF CASH FLOWS**  
**Increase (Decrease) in cash and cash equivalents**

	Calendar Year Ended			12 Months
	2020	2021	2022	Ended June 30, 2023
Cash flows from Operating Activities:				
Cash received from customers	\$2,649,634	\$2,679,065	\$2,698,597	\$2,783,310
Cash paid to suppliers, employees and others	<u>(1,497,808)</u>	<u>(1,676,356)</u>	<u>(1,505,741)</u>	<u>(1,683,249)</u>
Net Cash from Operating Activities	<u>1,151,826</u>	<u>1,002,709</u>	<u>1,192,856</u>	<u>1,100,061</u>
Cash Flows from Capital and Related Financing Activities:				
Additions to utility plant	(339,947)	(359,108)	(658,685)	(1,884,521)
Principal paid on bonds	(421,653)	(423,199)	(155,317)	(670,768)
Interest paid on bonds	(228,319)	(130,716)	(219,137)	(268,596)
Proceeds long-term borrowing	-	-	4,817,000	-
Proceeds from sale of assets	700	-	-	-
Proceeds from contributions	<u>141,640</u>	<u>120,220</u>	<u>186,370</u>	<u>58,725</u>
Net Cash from Capital Financing Activities	<u>(847,579)</u>	<u>(792,803)</u>	<u>3,970,231</u>	<u>(2,765,160)</u>
Cash Flows from Investing Activities:				
Interest income	<u>5,670</u>	<u>2,565</u>	<u>63,650</u>	<u>179,953</u>
Net Cash from Investing Activities	<u>5,670</u>	<u>2,565</u>	<u>63,650</u>	<u>179,953</u>
Cash and Cash Equivalents:				
Increase (Decrease)	309,917	212,471	5,226,737	(1,485,146)
Beginning Balance	<u>3,091,290</u>	<u>3,401,207</u>	<u>3,613,678</u>	<u>8,846,284</u>
Ending Balance	<u>\$3,401,207</u>	<u>\$3,613,678</u>	<u>\$8,840,415</u>	<u>\$7,361,138</u>

(Continued on next page)

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**  
**(Cont'd)**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**Increase (Decrease) in cash and cash equivalents**

	Calendar Year Ended			12 Months Ended June 30, 2023
	2020	2021	2022	
Reconciliation of net operating revenues to cash provided from operations:				
Net Operating Revenues	\$731,265	\$727,550	\$630,269	\$716,305
Adjustments to reconcile net income to net cash provided from operating activities:				
Depreciation Expense	396,599	404,010	408,063	418,983
Change in assets and liabilities:				
Decrease (Increase) in				
Accounts receivable	10,032	(18,684)	11,699	29,227
Materials and supplies inventory	(1,023)	(102,108)	23,912	17,429
Prepaid expenses	4,472	(297)	1,904	13,487
Increase (Decrease) in				
Accounts payable	9,717	(4,468)	61,073	(65,771)
Accrued liabilities	1,784	7,119	(2,284)	(28,874)
Accrued interest	(6,070)	(5,258)	51,745	(6,160)
Customer deposits	5,050	(5,155)	6,475	5,435
Net Cash Provided from Operations	<u>\$1,151,826</u>	<u>\$1,002,709</u>	<u>\$1,192,856</u>	<u>\$1,100,061</u>

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

**COMPARISON OF ACCOUNT BALANCES WITH  
MINIMUM BALANCES REQUIRED**

<u>Cash and Investments:</u>	<u>Account Balances 6/30/2023</u>	<u>Minimum Balance Required (1)</u>	<u>Variance</u>
General Fund (2)	\$401,422	\$337,634	\$63,788
Period Maintenance Sub-Account (3)	848,103 *	848,103	-
Project and Equipment Sub-Account (4)	970,668	527,828	442,840
Sinking Fund:			
Principal and Interest Account (5)	395,012	319,193	75,819
Debt Service Reserve Account (6)	705,679	640,605	65,074
			-
Customer Deposit Fund (7)	430,538	430,538	-
Construction Fund (8)	<u>3,609,716</u>	<u>3,609,716</u>	<u>-</u>
Totals	<u>\$7,361,138</u>	<u>\$6,713,617</u>	<u>\$647,521</u>

\*Balance as of June 30, 2023 does not reflect the 2023 payments to Suez for the tank maintenance contract (\$222,557)

(1) Recommended reserves before funds may be transferred to another account in accordance with the outstanding loan documents and typical management practices.

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

Pro forma operation and maintenance expense	\$2,025,806
Times factor for 2 months	<u>16.67%</u>
Required Reserve	<u>\$337,634</u>

(3) **Periodic Maintenance Sub-Account:** In order to provide for ongoing periodic maintenance, \$28,460 per month is deposited into the Periodic Maintenance Sub-Account, per board policy.

Current Reserve	<u>\$848,103</u>
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(4) **Project and Equipment Sub-Account:** In order to provide for ongoing capital projects and equipment replacement, \$12,371 per month is deposited into the Project and Equipment Sub-Account, per board policy.

Minimum balance suggested - pro forma depreciation expense	<u>\$527,828</u>
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(See Accountants' Compilation Report)



EDWARDSVILLE WATER AUTHORITY

(Cont'd)

COMPARISON OF ACCOUNT BALANCES WITH  
MINIMUM BALANCES REQUIRED

- (5) **Principal and Interest Account:** A balance must be maintained equal to the sum of the monthly transfers in the amount of (1/6) of the next succeeding principal payment and the amount of (1/6) of the next succeeding interest payment.

<u>2008 Notes</u>	<u>Amount</u>	<u>Factor</u>	<u>Months</u>	<u>Total</u>
Principal Due 7/1/2023	\$45,000 x	1/6	6	\$45,000
Interest Due 7/1/2023	8,043 x	1/6	6	8,043
 <u>2016B Notes</u>				
Principal Due 7/1/2023	191,000	1/6	6	191,000
Interest Due 7/1/2023	19,970	1/6	6	19,970
 <u>2022 Notes</u>				
Principal Due 7/1/2023	1,000	1/6	6	1,000
Interest Due 7/1/2023	54,180	1/6	6	<u>54,180</u>
Required Reserve				<u><u>\$319,193</u></u>

Note: the 2012 RD Note is paid monthly in the amount of \$6,545.

- (6) **Debt Service Reserve Account:** Equal to the maximum principal and interest payment on the outstanding bonds.

Required Reserve \$640,605

- (7) **Customer Deposit Fund:** Monies are restricted for return to customers.

- (8) **Construction Fund:** Monies are restricted for the ongoing construction of the new elevated water storage tank.

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

**SCHEDULE OF AMORTIZATION OF \$441,000 PRINCIPAL AMOUNT OF  
OUTSTANDING AMENDED TAXABLE SECURED NOTES, SERIES 2008A**  
**Principal and interest payable semiannually on January 1st and July 1st.**  
**Interest rate as shown.**

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
01/01/24	\$441	3.31	\$46	\$7,298.55	\$53,298.55	\$53,298.55
07/01/24	395	3.31	47	6,537.25	53,537.25	
01/01/25	348	3.31	47	5,759.40	52,759.40	106,296.65
07/01/25	301	3.31	48	4,981.55	52,981.55	
01/01/26	253	3.31	49	4,187.15	53,187.15	106,168.70
07/01/26	204	3.31	49	3,376.20	52,376.20	
01/01/27	155	3.31	51	2,565.25	53,565.25	105,941.45
07/01/27	104	3.31	52	1,721.20	53,721.20	
01/01/28	52	3.31	52	860.60	52,860.60	106,581.80
Totals			<u>\$441</u>	<u>\$37,287.15</u>	<u>\$478,287.15</u>	<u>\$478,287.15</u>

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER CORPORATION**

**SCHEDULE OF OUTSTANDING 2012 RD LOAN REPAYMENTS**

Payments are made monthly.

12 Months Ending December 31,	Principal	Interest	Total
2024	\$30,611	\$47,929	78,540
2025	31,660	46,880	78,540
2026	32,746	45,794	78,540
2027	33,868	44,672	78,540
2028	35,029	43,511	78,540
2029	36,230	42,310	78,540
2030	37,472	41,068	78,540
2031	38,756	39,784	78,540
2032	40,084	38,456	78,540
2033	41,458	37,082	78,540
2034	42,879	35,661	78,540
2035	44,349	34,191	78,540
2036	45,869	32,671	78,540
2037	47,442	31,098	78,540
2038	49,068	29,472	78,540
2039	50,750	27,790	78,540
2040	52,489	26,051	78,540
2041	54,288	24,252	78,540
2042	56,149	22,391	78,540
2043	58,074	20,466	78,540
2044	60,065	18,475	78,540
2045	62,123	16,417	78,540
2046	64,253	14,287	78,540
2047	66,455	12,085	78,540
2048	68,733	9,807	78,540
2049	71,089	7,451	78,540
2050	73,526	5,014	78,540
2051	76,046	2,494	78,540
2052	** 38,995	275	39,270
Totals	<u>\$1,440,558</u>	<u>\$797,832</u>	<u>\$2,238,390</u>

\*\* Final payment due June 1, 2052.

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

**SCHEDULE OF AMORTIZATION OF \$1,806,000 PRINCIPAL AMOUNT OF  
OUTSTANDING TAXABLE SECURED NOTES, SERIES 2016B**

**Principal and interest payable semiannually on January 1st and July 1st.  
Interest rate as shown.**

Payment Date	Principal Balance (-In \$1,000's-)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (-In \$1,000's-)	Interest (----- In Dollars-----)	Total	
01/01/24	\$1,806	2.00	\$191	\$18,060.00	\$209,060.00	\$209,060.00
07/01/24	1,615	2.00	192	16,150.00	208,150.00	
01/01/25	1,423	2.00	197	14,230.00	211,230.00	419,380.00
07/01/25	1,226	2.00	200	12,260.00	212,260.00	
01/01/26	1,026	2.00	201	10,260.00	211,260.00	423,520.00
07/01/26	825	2.00	205	8,250.00	213,250.00	
01/01/27	620	2.00	205	6,200.00	211,200.00	424,450.00
07/01/27	415	2.00	206	4,150.00	210,150.00	
01/01/28	209	2.00	209	2,090.00	211,090.00	421,240.00
Totals			<u>\$1,806</u>	<u>\$91,650.00</u>	<u>\$1,897,650.00</u>	<u>\$1,897,650.00</u>

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**

**SCHEDULE OF AMORTIZATION OF \$4,815,000 PRINCIPAL AMOUNT OF  
OUTSTANDING TAXABLE SECURED NOTES, SERIES 2022**  
Principal and interest payable semi-annually on January 1st and July 1st.

Payment Date	Principal Balance (-In \$1,000's-)	Interest Rates (%)	Debt Service			Bond Year Total
			Principal (-In \$1,000's-)	Interest (----- In Dollars-----)	Total	
01/01/24	\$4,815	2.25	\$1	\$54,168.75	\$55,168.75	\$55,168.75
07/01/24	4,814	2.25	1	54,157.50	55,157.50	
01/01/25	4,813	2.25	1	54,146.25	55,146.25	110,303.75
07/01/25	4,812	2.25	1	54,135.00	55,135.00	
01/01/26	4,811	2.25	1	54,123.75	55,123.75	110,258.75
07/01/26	4,810	2.25	1	54,112.50	55,112.50	
01/01/27	4,809	2.25	1	54,101.25	55,101.25	110,213.75
07/01/27	4,808	2.25	1	54,090.00	55,090.00	
01/01/28	4,807	2.25	1	54,078.75	55,078.75	110,168.75
07/01/28	4,806	2.25	147	54,067.50	201,067.50	
01/01/29	4,659	2.25	149	52,413.75	201,413.75	402,481.25
07/01/29	4,510	2.25	150	50,737.50	200,737.50	
01/01/30	4,360	2.25	152	49,050.00	201,050.00	401,787.50
07/01/30	4,208	2.25	154	47,340.00	201,340.00	
01/01/31	4,054	2.25	155	45,607.50	200,607.50	401,947.50
07/01/31	3,899	2.25	157	43,863.75	200,863.75	
01/01/32	3,742	2.25	159	42,097.50	201,097.50	401,961.25
07/01/32	3,583	2.25	161	40,308.75	201,308.75	
01/01/33	3,422	2.25	162	38,497.50	200,497.50	401,806.25
07/01/33	3,260	2.25	164	36,675.00	200,675.00	
01/01/34	3,096	2.25	166	34,830.00	200,830.00	401,505.00
07/01/34	2,930	2.25	168	32,962.50	200,962.50	
01/01/35	2,762	2.25	170	31,072.50	201,072.50	402,035.00
07/01/35	2,592	2.25	172	29,160.00	201,160.00	
01/01/36	2,420	2.25	174	27,225.00	201,225.00	402,385.00
07/01/36	2,246	2.25	176	25,267.50	201,267.50	
01/01/37	2,070	2.25	178	23,287.50	201,287.50	402,555.00
07/01/37	1,892	2.25	180	21,285.00	201,285.00	
01/01/38	1,712	2.25	182	19,260.00	201,260.00	402,545.00
07/01/38	1,530	2.25	184	17,212.50	201,212.50	
01/01/39	1,346	2.25	186	15,142.50	201,142.50	402,355.00
07/01/39	1,160	2.25	188	13,050.00	201,050.00	
01/01/40	972	2.25	190	10,935.00	200,935.00	401,985.00
07/01/40	782	2.25	192	8,797.50	200,797.50	
01/01/41	590	2.25	194	6,637.50	200,637.50	401,435.00
07/01/41	396	2.25	197	4,455.00	201,455.00	
01/01/42	199	2.25	199	2,238.75	201,238.75	402,693.75
Totals			<u>\$4,815</u>	<u>\$1,310,591.25</u>	<u>\$6,125,591.25</u>	<u>\$6,125,591.25</u>

(See Accountants' Compilation Report)

**EDWARDSVILLE WATER AUTHORITY**  
**SCHEDULE OF COMBINED NOTE AMORTIZATION**

Bond Year Ending	2008A Notes	SRF 2016B Notes	SRF 2022 Notes	Sub-total	Note Year Total	RD Loan *	Total	Bond Year Total
01/01/24	\$53,298.55	\$209,060.00	\$55,168.75	\$317,527.30	\$636,720.60	\$39,270.00	\$356,797.30	\$356,797.30
07/01/24	53,537.25	208,150.00	55,157.50	316,844.75		39,270.00	356,114.75	
01/01/25	52,759.40	211,230.00	55,146.25	319,135.65	635,980.40	39,270.00	358,405.65	714,520.40
07/01/25	52,981.55	212,260.00	55,135.00	320,376.55		39,270.00	359,646.55	
01/01/26	53,187.15	211,260.00	55,123.75	319,570.90	639,947.45	39,270.00	358,840.90	718,487.45
07/01/26	52,376.20	213,250.00	55,112.50	320,738.70		39,270.00	360,008.70	
01/01/27	53,565.25	211,200.00	55,101.25	319,866.50	640,605.20	39,270.00	359,136.50	719,145.20
07/01/27	53,721.20	210,150.00	55,090.00	318,961.20		39,270.00	358,231.20	
01/01/28	52,860.60	211,090.00	55,078.75	319,029.35	637,990.55	39,270.00	358,299.35	716,530.55
07/01/28			201,067.50	201,067.50		39,270.00	240,337.50	
01/01/29			201,413.75	201,413.75	402,481.25	39,270.00	240,683.75	481,021.25
07/01/29			200,737.50	200,737.50		39,270.00	240,007.50	
01/01/30			201,050.00	201,050.00	401,787.50	39,270.00	240,320.00	480,327.50
07/01/30			201,340.00	201,340.00		39,270.00	240,610.00	
01/01/31			200,607.50	200,607.50	401,947.50	39,270.00	239,877.50	480,487.50
07/01/31			200,863.75	200,863.75		39,270.00	240,133.75	
01/01/32			201,097.50	201,097.50	401,961.25	39,270.00	240,367.50	480,501.25
07/01/32			201,308.75	201,308.75		39,270.00	240,578.75	
01/01/33			200,497.50	200,497.50	401,806.25	39,270.00	239,767.50	480,346.25
07/01/33			200,675.00	200,675.00		39,270.00	239,945.00	
01/01/34			200,830.00	200,830.00	401,505.00	39,270.00	240,100.00	480,045.00
07/01/34			200,962.50	200,962.50		39,270.00	240,232.50	
01/01/35			201,072.50	201,072.50	402,035.00	39,270.00	240,342.50	480,575.00
07/01/35			201,160.00	201,160.00		39,270.00	240,430.00	
01/01/36			201,225.00	201,225.00	402,385.00	39,270.00	240,495.00	480,925.00
07/01/36			201,267.50	201,267.50		39,270.00	240,537.50	
01/01/37			201,287.50	201,287.50	402,555.00	39,270.00	240,557.50	481,095.00
07/01/37			201,285.00	201,285.00		39,270.00	240,555.00	
01/01/38			201,260.00	201,260.00	402,545.00	39,270.00	240,530.00	481,085.00
07/01/38			201,212.50	201,212.50		39,270.00	240,482.50	
01/01/39			201,142.50	201,142.50	402,355.00	39,270.00	240,412.50	480,895.00
07/01/39			201,050.00	201,050.00		39,270.00	240,320.00	
01/01/40			200,935.00	200,935.00	401,985.00	39,270.00	240,205.00	480,525.00
07/01/40			200,797.50	200,797.50		39,270.00	240,067.50	
01/01/41			200,637.50	200,637.50	401,435.00	39,270.00	239,907.50	479,975.00
07/01/41			201,455.00	201,455.00		39,270.00	240,725.00	
01/01/42			201,238.75	201,238.75	402,693.75	39,270.00	240,508.75	481,233.75
07/01/42						39,270.00	39,270.00	
01/01/43						39,270.00	39,270.00	78,540.00
07/01/43						39,270.00	39,270.00	
01/01/44						39,270.00	39,270.00	78,540.00
07/01/44						39,270.00	39,270.00	
01/01/45						39,270.00	39,270.00	78,540.00
07/01/45						39,270.00	39,270.00	
01/01/46						39,270.00	39,270.00	78,540.00
07/01/46						39,270.00	39,270.00	
01/01/47						39,270.00	39,270.00	78,540.00
07/01/47						39,270.00	39,270.00	
01/01/48						39,270.00	39,270.00	78,540.00
07/01/48						39,270.00	39,270.00	
01/01/49						39,270.00	39,270.00	78,540.00
07/01/49						39,270.00	39,270.00	
01/01/50						39,270.00	39,270.00	78,540.00
07/01/50						39,270.00	39,270.00	
01/01/51						39,270.00	39,270.00	78,540.00
07/01/51						39,270.00	39,270.00	
01/01/52						39,270.00	39,270.00	78,540.00
07/01/52						39,270.00	39,270.00	39,270.00
<b>Totals</b>	<b>\$478,287.15</b>	<b>\$1,897,650.00</b>	<b>\$6,125,591.25</b>	<b>\$8,501,528.40</b>	<b>\$8,820,721.70</b>	<b>\$2,277,660.00</b>	<b>\$10,779,188.40</b>	<b>\$10,779,188.40</b>

Average annual debt service for the four note years ending January 1, 2028.

\$717,170.90

(See Accountants' Compilation Report)