

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE TOWN OF CHANDLER,)
INDIANA, FOR AUTHORITY AND)
APPROVAL TO:)

(1) INCREASE RATES AND CHARGES FOR)
WATER UTILITY SERVICE, INCLUDING)
APPROVAL OF NEW SCHEDULE(S) OF)
RATES AND CHARGES FOR WATER)
SERVICES; AND)

CAUSE NO. 46124

(2) ISSUE REVENUE BONDS, NOTES, OR)
OTHER OBLIGATIONS OF INDEBTEDNESS)

PETITIONER'S EXHIBIT NO. 3

Prepared Direct Testimony and Attachments of
Scott A. Miller
Certified Public Accountant and Partner for
Baker Tilly Municipal Advisors, LLC

Sponsoring Petitioner's Attachment Nos. SAM-1 and SAM-2

VERIFIED DIRECT TESTIMONY OF SCOTT A. MILLER, CPA

Introduction

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

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

4 **Q. What is your profession and for whom are you employed?**

5 A. I am a Certified Public Accountant and a principal in the firm of Baker Tilly Municipal
6 Advisors, LLC ("BTMA"). BTMA is a registered municipal advisor and controlled
7 subsidiary of Baker Tilly Advisory Group, LP ("BTAG") a tax and consulting firm.
8 Additionally, I am a principal in Baker Tilly US, LLP ("BTUS") (collectively with BTMA
9 and BTAG "Baker Tilly"), an assurance practice operating as a firm of certified public
10 accountants. I have included my curriculum vitae as Petitioner's Attachment SAM-1.

11 **Q. Can you describe your firm and its area of expertise?**

12 A. The Baker Tilly entities collectively comprise a national full-service advisory, tax and
13 assurance practice of nearly 6,700 professionals across the country and internationally. In
14 addition, Baker Tilly is an independent member of Baker Tilly International, the world's
15 10th largest network made up of 126 independent accounting and business services firms
16 in 145 territories, with 34,000 professionals. Baker Tilly has a long history advising public
17 sector clients and has a particular focus on the energy and utility industry having advised

1 more than 1,700 energy and utility organizations in the United States. Our public sector
2 practice area is comprised of a dedicated group of professionals who specialize in
3 providing an array of services to public sector entities including utilities. As part of our
4 public sector practice area, BTMA has a concentrated focus on delivering municipal
5 advisory services to governmental entities and utilities. A sizable portion of this practice
6 includes accounting studies in connection with changes in utility rates and financial
7 planning associated with the issuance of tax-exempt and taxable bonds and notes and
8 other forms of indebtedness. In accordance with rules promulgated by the Municipal
9 Securities Rulemaking Board ("MSRB"), BTMA is registered as a Municipal Advisor with
10 the Securities and Exchange Commission ("SEC").

11 **Q. What is your educational experience?**

12 A. In June 1995, I received a Bachelor of Science Degree from the Indiana University Kelley
13 School of Business in Bloomington, Indiana. Since then, I have completed various
14 professional courses sponsored by the American Institute of Certified Public Accountants,
15 the Indiana CPA Society, and other professional organizations including the American
16 Public Power Association ("APPA") and the American Water Works Association
17 ("AWWA"). In 1998, I completed the AWWA cost of service and rate-making seminar. In
18 2010, I completed the APPA Intermediate and Advanced Utility Cost of Service and Retail
19 Rate Design seminars. In 2023, I completed the Level I and Level II FSA Credential
20 administered by the International Financial Reporting Standards Foundation.

1 **Q. Please describe your relevant professional experience.**

2 A. I joined the firm of Umbaugh in June 1995 and, in 1998, completed the requirements to
3 become licensed as a Certified Public Accountant in the State of Indiana. In July 2000 I
4 assumed the position of client manager within Umbaugh. On July 1, 2005, I became a
5 principal in Umbaugh and on January 1, 2009, I was admitted into Umbaugh's
6 partnership. From 2015 through 2017, I served on Umbaugh's Management Committee
7 and was responsible for overseeing the operations of the Firm's Accounting Service
8 Group. From 2018 until February 28, 2019, I served on Umbaugh's Executive Committee
9 responsible for the strategic direction of the Firm. As a result of the combination with
10 Baker Tilly and Springsted, I became a partner in Baker Tilly on March 1, 2019. From the
11 business combination and the creation of BTMA to May 31, 2022, I served on the Public
12 Sector Senior Leadership Team which was tasked with developing and implementing the
13 overall strategy of the Firm's Public Sector practice area. Since June 1, 2022, I have served
14 as the team leader for BTMA's utility team.

15 Over the past twenty-nine years, I have been involved with many professional
16 engagements including financial studies for municipally owned water, electric, gas, steam
17 and sewage utilities, for-profit and not-for-profit water and wastewater corporations,
18 water authorities, regional water and wastewater districts and conservancy districts.
19 These studies quite often have involved the determination of utility revenue

1 requirements, cost of service studies, rate design, fair value analysis and the financial
2 planning associated with the issuance of tax-exempt and taxable bonds and notes to fund
3 projects using a variety of financing mechanisms including USDA Rural Development
4 ("RD"), State Revolving Funds ("SRF"), tax-exempt and taxable bonds issued on the open
5 market and other sources. I have given speeches and participated in panels and
6 workshops concerning utility rates, financing and project development before the Indiana
7 Rural Water Association, the Alliance of Indiana Rural Water, the Indiana Section of the
8 American Water Works Association, the Indiana Association of Wastewater Companies,
9 the Indiana Water Environment Association, Accelerate Indiana Municipalities (formerly
10 the Indiana Association of Cities and Towns), the APPA and the Staff Subcommittee on
11 Accounting and Finance of the National Association of Regulatory Utility Commissioners.
12 In May 2016 I received my municipal advisor representative qualification by passing the
13 Series 50 examination and in June 2019 I received my municipal advisor principal
14 qualification by passing the Series 54 examination. Both exams are promulgated by the
15 Municipal Securities Rulemaking Board (the "MSRB") and the Securities and Exchange
16 Commission (the "SEC").

17 **Q. With what professional organizations are you associated?**

18 A. I am personally a member of the American Institute of Certified Public Accountants, the
19 Indiana CPA Society, the Indiana Water Environment Association, and the American
20 Water Works Association ("AWWA") and our firm is a member of numerous industry

1 associations including the Indiana Rural Water Association, the Alliance of Indiana Rural
2 Water as well as the Indiana Municipal Electric Association. Our firm is also a strategic
3 partner of Accelerate Indiana Municipalities ("AIM"). In the latter capacity, we provide
4 guidance on financial matters that affect communities across the state. Finally, I am a past
5 chairperson of the Indiana Section AWWA Water Utility Council.

6 **Q. Have you testified before as an expert witness?**

7 A. Yes, I have testified before the Indiana Utility Regulatory Commission (the "IURC" or the
8 "Commission"), as well as other state commissions including Pennsylvania and Maryland
9 on many previous occasions. This testimony has covered the development of appropriate
10 revenue requirements, utility valuation, financing approval and across-the-board and cost
11 of service analysis and rate design.

12 **Q. Have you reviewed the Verified Petition initiating this Cause?**

13 A. Yes, I have.

14 **Q. For what purpose have you been retained?**

15 A. We were retained by the Waterworks Utility of the Town of Chandler, Indiana
16 ("Petitioner") to complete an accounting study to determine the rates necessary to support
17 the pro forma revenue requirements and make recommendations regarding changes in
18 Petitioner's present schedule of rates and charges for service, as well as assist with the

1 structuring and issuance of the long-term revenue bonds to be used to fund the proposed
2 improvement project.

3 **Q. Have the results of your analysis been summarized in a written report?**

4 A. Yes. Our firm prepared Petitioner's Attachment SAM-2, an Accounting Report on
5 Proposed Project and Rate Study dated August 18, 2024, summarizing the results of our
6 studies and the accounting services performed for Petitioner.

7 **Q. Was the Accounting Report prepared by you or under your supervision?**

8 A. Yes.

9 **Q. What were the sources of data used to prepare Petitioner's Attachment SAM-2?**

10 A. The information within the exhibits and schedules contained within Attachment SAM-2
11 came from the unaudited accounting and business records of the Petitioner, the officers
12 and employees of the Petitioner with knowledge of the facts based on their job
13 responsibilities and activities, and other sources which I examined in the course of my
14 investigation.

15 **Q. Is this the type of data normally relied on and used in your business for such purposes?**

16 A. Yes.

1 Q. Would you please explain Petitioner's Attachment SAM-2 to the extent not otherwise
2 self-explanatory?

3 A. The report is divided into four sections. The first section of the report is the accountant's
4 letter, which describes that the type of accounting service provided was a compilation and
5 that the resulting accounting report is a special purpose report for submission to the
6 Indiana Utility Regulatory Commission and is restricted to that purpose only. This letter
7 is incorporated by reference on all of the pages of the accounting report.

8 The second section of the report (pages 3 through 20) contains pro forma financial
9 information, including a schedule of estimated project costs and funding, the
10 accompanying bond amortization schedules to retire the proposed bond issues, and a
11 combined bond amortization schedule. Pages 9 through 12 set forth the various
12 calculations of the Petitioner's pro forma cash operating disbursements. The next two
13 pages present a normalization of annual operating receipts for the twelve months ended
14 December 31, 2023, which was the test year used to develop the proposed rates and
15 charges. Page 15 presents a calculation of pro forma depreciation expense. Pages 16
16 through 18 summarize the pro forma annual revenue requirements and annual operating
17 receipts included in this cause. Pages 19 and 20 present the present and proposed rates
18 and charges assuming an across-the-board three-phase rate increase.

1 The third section of the report (pages 21 and 22) shows the calculation of a revised system
2 development charge for Petitioner.

3 Finally, the fourth section (pages 23 through 32) contains supplemental data, including
4 comparative cash basis financial statements and account balances along with amortization
5 schedules of outstanding waterworks bonds.

6 **Q. What test period was used in the preparation of your Accounting Report?**

7 A. The test period consists of the twelve months ended December 31, 2023. In my opinion,
8 when the results of this test period are combined with appropriate pro forma adjustments,
9 receipts and disbursements are fairly representative for current and future operations of
10 the water system.

11 **Q. Did the results of your analysis indicate that a rate increase is necessary?**

12 A. Yes. Consistent with the statutory elements that govern the establishment of rates for
13 municipalities in the State of Indiana, BTMA's analysis indicates that an overall increase
14 of approximately 54% is justified. In addition, our analysis indicates that an increase in
15 the System Development Charge ("SDC") is also warranted. Resolution 2024-02 attached
16 as Petitioner's Attachment TCK-1 to the testimony of Tyler C. Kinder is the action of
17 Petitioner's Town Council on our recommendation.

1 **Q. What is the driving need for this rate increase?**

2 A. The primary drivers are as follows: (1) increases in operating expenses since Petitioner's
3 last general rate change; (2) the need for \$15,155,000 of long-term debt funding for various
4 capital projects; (3) the need to establish rates and charges sufficient to fund annual capital
5 replacement requirements; and (4) the maintenance of healthy cash balances.

6 **Q. Are any of the projects within the \$15,155,000 bond issues time sensitive?**

7 A. Yes. The Telephone Road Relocation Project is spearheaded and driven by Warrick
8 County, Indiana ("Warrick County"), and financed by the Indiana Department of
9 Transportation ("INDOT"). Warrick County anticipates the road reconstruction project to
10 commence in 2024, which makes this project a priority for the water utility. In fact, because
11 of the County's timing requirements, Petitioner intends to issue short-term bond
12 anticipation notes ("BANs") to pay for the project during the pendency of this rate case.
13 Upon the conclusion of the rate case and the receipt of an order authorizing the issuance
14 of long-term debt, Petitioner will issue bonds that will be used in part, to retire the BANs.

15 **Pro Forma Financial Information**

16 **Q. How did you determine the estimated project costs?**

17 A. The estimated project costs are based on engineering estimates, as further elaborated upon
18 in the direct testimony of Peter R. Wamsley in Petitioner's Exhibit No. 2 and are split into
19 four different projects. The first, the Telephone Road Relocation Project, is scheduled to

1 commence in 2024 and involves the relocation and upsizing of the existing water main
2 prior to a road reconstruction project. The second and third, the South State Road and
3 Libbert Road Projects, involve replacing distribution mains to address breaks and failures
4 as well as to address increased capacity needs in water works system. The fourth, the
5 Paradise Tank Project, involves the construction of a new 1.5-million-gallon tank. These
6 projects, including all financing and other soft costs, are estimated to cost approximately
7 \$15,155,000. At present, the proposed projects are intended to be funded with two bond
8 issues through the Indiana Drinking Water State Revolving Fund ("SRF").

9 **Q. Earlier you mentioned that Petitioner intends to issue Bond Anticipation Notes to pay**
10 **for the Telephone Road project. Please explain Petitioner's rationale for this approach.**

11 A. Petitioner does not have sufficient available cash on hand to pay for the Telephone Road
12 Project at the current time. Given the requirement that Petitioner's water lines be moved
13 prior to the County beginning its road work later this year, Petitioner saw no other option
14 than to obtain short-term funding to meet the deadline. A proposed amortization schedule
15 for the BANs is shown on page 4 of the Accounting Report. It assumes a \$4,195,000 par
16 amount sufficient to construct the Telephone Road project, cover engineering design for
17 all project components, purchase land for the water line relocations and at the treatment
18 plant and the associated issuance costs. The BANs are anticipated to have a maturity date
19 364 days from the date of issuance and have been amortized at an assumed 5.00 percent

1 interest rate. The BANs will be retired with proceeds from the issuance of the long-term
2 bonds.

3 **Q. Please summarize the bond amortization schedules in the Accounting Report.**

4 A. The amortization of the proposed 2025 bonds begins on page 5 of the report. Because the
5 projects do not directly address environmental concerns and given the high demand for
6 SRF funding, we have assumed the projects will be funded with the SRF pooled financing
7 program. Funding for the projects has been split into two different series of bonds. The
8 Series A Bond, shown on page 5, reflects an estimated par amount of \$7,760,000 amortized
9 at an assumed interest rate of 4.88 percent over a 20-year period. This bond issue is
10 designed to fund the new storage tank and the related engineering costs as well as a pro
11 rata share of other non-construction and issuance costs. The Series B Bond, shown on
12 pages 6 and 7, reflects an estimated par amount of \$7,395,000 amortized at an assumed
13 interest rate of 4.88% over a 35-year period. This bond issue is designed to fund the water
14 line improvements and the associated engineering costs as well as the purchase of the
15 land near Petitioner's water treatment plant for additional well sites and finally a pro rata
16 share of the other non-construction and issuance costs. Principal repayment on the
17 proposed 2025 bond issues has been structured in such a way to maintain level debt
18 service when taking into account both the proposed and outstanding bond issues. Level
19 debt service results in the lowest annual revenue requirements needed when designing

1 rates. Estimated annual debt service is approximately \$2,540,000 through 2046 at which
2 time it begins to decline as bond issues are gradually retired.

3 **Q. How did you arrive at the estimated interest rates shown on the proposed amortization**
4 **schedules?**

5 A. The SRF pooled program provides municipal issuers such as Chandler, the opportunity
6 to benefit from the State of Indiana's AAA credit rating. Unlike SRF's subsidized program,
7 interest rates for issuers in the pooled program are based on the interest rates SRF receives
8 for its own issuances in the capital markets. Generally, while the pooled program interest
9 rates are greater than SRF's subsidized interest rates, they are less than most municipal
10 issuers could obtain based on their own credit quality. To estimate the pooled program
11 interest rate, we have assumed current market conditions based on interest rates SRF
12 offered for its pooled financings closing in May and June 2024 and added approximately
13 100 basis points to arrive at an estimated rate of 4.88 percent for the proposed bonds.

14 **Q. Mr. Miller, is it true at this point in time, Petitioner is calculating the cost of the**
15 **proposed project based on engineering estimates not actual construction bids received?**

16 A. That is correct.

17 **Q. Is it also true that the actual cost of the proposed financing is unknown given the**
18 **uncertainties with the actual interest rates?**

19 A. That is true.

1 **Q. Given these uncertainties, does Petitioner anticipate conducting a true-up calculation**
2 **of the proposed rates and charges?**

3 A. Yes. Once the actual construction bids are received, Petitioner will be able to appropriately
4 size the proposed borrowing. In addition, upon closing with SRF the actual interest rates
5 and annual debt service requirements will be known. At that point in time, it would be
6 appropriate to perform a true-up calculation on the rates and charges.

7 **Q. Are the projects which will be financed with the proposed bond issue reasonably**
8 **necessary for Chandler to provide reasonable and adequate service and is the proposed**
9 **bond issue a reasonable method for financing these costs?**

10 A. Yes. For the reasons described by Witness Wamsley, these projects are needed for
11 Chandler to provide reasonable and adequate service. Given the magnitude of the project
12 costs and the fact that these projects will continue to provide service for many years, it is
13 reasonable to use debt financing such as Chandler is proposing.

14 **Q. Please summarize the pro forma operating disbursements.**

15 A. The calculation of the pro forma annual cash operating disbursements is presented
16 beginning on page 9 of the report, which shows the test year cash operating
17 disbursements, including taxes, and the adjustments which have been made to arrive at
18 the pro forma annual cash operating disbursements. Each of the adjustments is explained

1 in detail on pages 10 through 12 of the report. Adjustments have been made to reflect
2 current price levels for labor, employee benefits, taxes, and insurance. In addition,
3 adjustments have been made to provide for periodic costs such as well and pump
4 maintenance, storage tank maintenance, filter maintenance, and meter replacement.

5 **Q. Please explain the adjustment to payroll disbursements.**

6 A. The adjustment for pro forma payroll disbursements reflects 2024 pay rates. In addition,
7 adjustments were made to normalize for the anticipated hours that each employee will
8 work as well as the inclusion of one new maintenance worker. These adjustments result
9 in an increase in payroll disbursements of \$87,794 over test year levels.

10 **Q. Please explain the adjustments to employee benefits.**

11 A. The adjustment for pro forma employee benefits reflects the FICA tax and PERF
12 assessment on the pro forma salaries and wages and the current premiums in effect for
13 employee health, disability, dental and unemployment insurance.

14 **Q. Please explain the adjustment to purchased power.**

15 A. Adjustment 3 documented on page 11 of the Accounting Report adjusts the test-year
16 purchased power expenditures to reflect 12 months of purchased power disbursements
17 at each water utility location. Additionally, an adjustment was made to eliminate power

1 costs that were inadvertently charged to the water utility instead of the Town's
2 wastewater utility.

3 **Q. Please explain the adjustment made to periodic maintenance disbursements.**

4 A. Proper operation and maintenance of Petitioner's plant includes a variety of activities
5 performed on a periodic basis. These include water tank maintenance, well and well
6 pump maintenance, filter replacement and maintenance, and meter replacements. The
7 estimated expenses and frequencies shown in the Accounting Report were obtained from
8 Petitioner's water superintendent, Tyler Kinder, and Petitioner's engineering consultant,
9 Beam, Longest & Neff. Using the engineer's estimates and the cost associated with each
10 activity and the frequency of performance, an allowance was calculated for each activity
11 that reflects an annualized cost for each. When test year periodic maintenance
12 expenditures are considered, the overall adjustment is a decrease in test year operating
13 disbursements of \$27,285.

14 **Q. Please explain the normalized annual operating receipts calculations presented on**
15 **pages 13 and 14.**

16 A. Test year receipts were normalized by customer class to reflect the change in the number
17 of customers billed throughout the course of the test year.

1 **Q. What are the total revenue requirements that Petitioner must recover on an annual basis**
2 **to operate its water system?**

3 A. Pages 16 through 18 summarize the pro forma annual revenue requirements of Petitioner.
4 To mitigate the rate impact to customers, Petitioner is proposing a three-phase
5 implementation of new rates to support its increasing revenue requirements. The initial
6 increase in rates would take effect upon the issuance of an approving order by the
7 Commission in 2025. The Phase II increase would then take effect twelve months later in
8 2026. The final phase would then be implemented twelve months after Phase II in 2027.

9 The final Phase III pro forma revenue requirements incorporate the adjusted operation
10 and maintenance expenses of \$3,048,361, current debt service requirements of \$1,564,918,
11 proposed debt service requirements of \$974,706, current debt service reserve
12 requirements of \$100,320, proposed debt service reserve requirements of \$195,093, and
13 replacements and improvements of \$1,345,782. The new debt service and debt service
14 requirements have been included to provide funds for the proposed \$15,155,000 bond
15 issues with SRF to fund the planned improvement projects. The total annual net revenue
16 requirements have been estimated at \$7,029,693, after deducting test year other operating
17 receipts and interest earnings.

18 To provide sufficient receipts to meet the annual revenue requirements, the normalized
19 current rate pro forma receipts of \$4,575,927 would need to be increased by \$2,452,601 or

1 approximately 53.6 percent across-the-board in the aggregate for all three phases. To
2 achieve the phased-in implementation of the rates, we have structured the proposed debt
3 service and the allowance for annual replacements and improvements to allow for a
4 gradual increase in the additional annual requirement ranging from \$703,559 in Phase I
5 to \$812,090 in Phase II and finally \$938,117 in Phase III. The result is a three-phase increase
6 in rates of 15.38% in 2025, 15.38% in 2026 and 15.40% in 2027.

7 **Q. Upon what basis is the total amount for replacements and improvements calculated?**

8 A. The allowance for replacements and improvements is based on the calculation of
9 composite depreciation expense as shown on page 15. The utility plant in service balance
10 at December 31, 2023, less land plus construction work in progress plus Petitioner's
11 ongoing water transmission line project are added together and this total is then
12 multiplied by the composite depreciation rate of 2.0% resulting in an allowance of
13 \$1,345,782. The allowance for depreciation expense post-project is also presented. The
14 existing plant balance plus the capitalization of the project multiplied by the composite
15 rate of 2.0% would produce an allowance of \$1,598,021.

16 The calculations described above result in the following requested phased-in rate
17 increases.

	Phase I (2025)	Phase II (2026)	Phase III (2027)
Additional Receipts	\$703,559	\$812,090	\$938,117
Across-the-Board Increase	15.38%	15.38%	15.40%
Average Residential Monthly Bill for 4,000 gallons (presently \$30.48)	\$35.16	\$40.58	\$46.85

1 Pages 19 and 20 of the report summarize the present and proposed water rates and
2 charges. All monthly recurring rates and charges have been increased on an across-the-
3 board basis.

4 **System Development Charge**

5 **Q. Please describe your calculations related to the proposed system development charge.**

6 A. Petitioner has made significant capital investment in its system over the last several years.
7 Additionally, customer growth in the service territory continues to be robust. Given these
8 factors, Petitioner believes it is appropriate to update the calculation of its system
9 development charge to reflect current costs. To that end, on page 21, we have updated the
10 calculation using current data. Utility plant in service from Petitioner's 2022 IURC annual
11 report less accumulated depreciation plus 2023 plant additions, construction work in
12 progress and the remaining cost of the new transmission line are added together to arrive
13 at a total plant value of \$54,762,963 (\$39,050,307 + \$15,712,656). From this, outstanding
14 debt, and contributions in aid of construction are subtracted to arrive at Petitioner's net
15 equity investment of \$12,519,413. Current average annual demand is 591.3 million gallons
16 per day. Dividing this into the net equity investment results in an investment of \$21.17

1 per thousand gallons used. Multiplying the \$21.17 times the average usage of 53.40
2 thousands of gallons for a typical residential customer during the course of a year
3 produces a new system development charge of \$1,130. The following page shows the
4 calculation of the system development charge for each meter size based on the
5 corresponding equivalency factor.

6 **Q. Does this conclude the explanation of Petitioner's Attachment SAM-2?**

7 A. Yes, it does.

8 **Q. Can Petitioner obtain the funding needed to complete the capital improvements**
9 **discussed in the testimony of Mr. Kinder and Mr. Wamsley under current rates and**
10 **charges?**

11 A. No, it cannot. The net revenues at pro forma present rates are insufficient to make the
12 estimated debt service payments.

13 **Q. In your opinion, does the interim bond anticipation note provide a reasonable and cost-**
14 **effective source of funds to construct the Telephone Road improvements on the**
15 **expedited timetable being driven by Warrick County?**

16 A. Yes, it does. I believe the BANs present Petitioner the best option for meeting the County
17 time constraints while at the same time allowing this case to move forward so that long-
18 term debt authority can be obtained from the Commission.

1 **Q. In your opinion, does the SRF provide a reasonable and cost-effective source of funds**
2 **to construct the capital improvements?**

3 A. Yes, it does. I believe the Commission should authorize the issuance of bonds covering
4 the estimated costs of the capital improvements through the SRF and allow the inclusion
5 of the costs of so doing in this rate case. The proposed rate increase provides sufficient
6 debt service coverage to satisfy the SRF and it allows Petitioner to meet its other statutory
7 revenue requirements.

8 **Q. Is it your opinion that the rates proposed in your Accounting Report are fair, just, non-**
9 **discriminatory and reasonable and necessary to meet the pro forma revenue**
10 **requirements of the utility?**

11 A. Yes, it is my opinion that they are.

12 **Q. Does this conclude your direct testimony in this Cause?**

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

VERIFICATION

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

Scott A. Miller

Scott A. Miller

September 13, 2024

Date:

PARTNER

Scott A. Miller, CPA

Scott Miller is a partner with Baker Tilly's public sector municipal advisory practice.



**Baker Tilly Municipal Advisors,
LLC**

8365 Keystone Crossing
Suite 300
Indianapolis, IN 46240
United States

T: +1 (317) 465 1506
scott.miller@bakertilly.com

bakertilly.com

Education

Bachelor of Science in accounting
Kelley School of Business
Indiana University – Bloomington

Registered Municipal Advisor with
the Securities and Exchange
Commission
(Series 50 and Series 54)

Scott has nearly 30 years of experience in the municipal advisor and utility rate industries. He has extensive experience with financial studies for municipally owned water, electric, gas, steam and sewage utilities, not-for-profit and investor-owned water and sewer corporations, regional water and sewer districts and conservancy districts. These studies often involve determining utility revenue and rate requirements, cost-of-service studies, rate design and the financial planning associated with the acquisition of capital.

Specific experience

- Analyzes revenue requirements and performs cost of service studies and rate design for water, wastewater, electric, gas and steam utilities
- Serves as an expert witness before regulatory bodies in utility rate proceedings
- Provides assistance with bond and note financings through the capital market, State Revolving Fund, USDA Rural Development and other sources
- Provides financial reporting, strategic planning and rate management for utilities
- Provides asset management planning for utilities
- Prepares system development and capacity fee studies
- Assists with wholesale rate development and intergovernmental contract negotiations
- Provides valuation services related to utility rate base
- Advises on acquisitions, dispositions, mergers, privatization and re-municipalization of utilities
- Authors various articles related to the utility industry
- Environmental, social and governance specialists

Industry involvement

- American Institute of Certified Public Accountants (AICPA)
- Indiana CPA Society (INCPAS)
- American Water Works Association (AWWA)
- Past Chair, Water Utility Council/Indiana Section AWWA
- Accelerate Indiana Municipalities (AIM)
- Indiana Water Environment Association (IWEA)
- Indiana Rural Water Association (IRWA)

PARTNER

Scott A. Miller, CPA

Page 2

Industry involvement, (cont.)

- Alliance of Indiana Rural Water (AIRW)
- Former member AIRW Advisory Council

Thought leadership

- “Why ESG and Why Now”, Baker Tilly Webinar, co-author, 2023
- “ESG: What you Need to Know Now and How to Think Beyond Tomorrow,” Baker Tilly Symposium, co-author, 2022
- “Environmental, Social, and Governance (ESG), New Tax Incentives and What Your Municipality Needs to Know, AIM, co-author, 2022
- “Preparing for Infrastructure Funding,” NARUC Staff Subcommittee on Accounting and Finance, 2022
- “Environmental, Social and Governance (ESG),” Baker Tilly Utility University, 2022
- “ESG – What’s Coming and How to be Ready,” Illinois GFOA, co-author, 2022
- “Funding Infrastructure,” International Making Cities Livable, panelist, 2021
- “Growing with the Auto Industry,” AWWA, co-author, 2020
- “Public Works and Utilities,” AIM, co-author, 2020
- “Maximize Your Financial Advisor Relationship,” Baker Tilly Utility University, co-author, 2019
- “Leveraging Your Municipal Utility for Community Benefit,” AWWA, IWEA and AIM, co-author, 2019
- “Municipal Storm Water Funding -an Overview,” State of Indiana Storm Water Management Task Force, 2019
- “Legislative Updates: What Utilities Need to Know,” IRWA, co-author, 2019
- “Water Conservation and Lost Water and Their Impact on Utility Revenues,” AWWA, 2019
- “Utilities and P3s – How to Attract Capital and Manage a Strong Program,” AWWA, co-author, 2018
- “Succession Planning for Indiana Utilities,” AWWA, IRWA and IWEA, 2017
- “Revenue Bond Financing,” Indiana Public Finance Leadership Summit, 2017
- “Utilities and P3s – How to Attract Capital and Manage a Strong Program,” AIM, co-author, 2017
- “ARRA Build America Bonds – Time to Refinance? and Use of TIF’s,” ACEC, 2016
- “Utility Rate Comparisons and Current Trends in Project Financing,” AWWA, 2015
- “National Infrastructure Bank – A New Line of Credit?” AWWA, 2014
- “Encouraging Water Conservation through Effective Pricing,” AWWA and AIRW, 2012
- “Connect Four: Economic Development Strategies for Lining Up Municipalities, Water, Energy & Money,” AIM, 2011
- “Waterworks Rate Setting/Project Funding,” AWWA, co-author, 2011
- “System Development Charges and Capital Planning,” AIRW 2010 and IRSDA 2011
- “Ensuring Adequate Revenues to Maintain Utilities,” AIM, co-author, 2010
- “The Benefits of Financial Planning,” AWWA, 2009

PARTNER

Scott A. Miller, CPA

Page 3

Thought leadership, (cont.)

- “Growing Pains: Utility Growth Issues,” AIRW, 2008
- “Alternative Revenue Sources: Bridging A Funding Gap,” AIM, co-author, 2008
- “Sales Tax and Other Taxability Issues – An Overview,” AIRW, co-author, 2007
- “The Right Stuff: Municipal Utilities as a Launching Pad for Growth,” AIM, 2007
- “How do you Rate? Utility Rate Studies,” AIM, co-author, 2004
- “Rate Review Indicators and Fee Types,” IASC, 2004

Continuing professional education highlights

- FSA Credential from IFRS Foundation
- Certified Public Accountant (CPA) State of Indiana
- Financial Management: Cost of Service Rate-Making, AWWA 1998
- Intermediate Utility Cost of Service and Retail Rate Design, APPA 2010
- Advanced Utility Cost of Service and Retail Rate Design, APPA 2010
- Supervisory and Compliance Obligations of Municipal Advisors: MSRB Rule G-44, MSRB 2018
- Due Diligence: Primary Offering Disclosure Responsibilities, MSRB 2018
- The Decision to Borrow: Roles and Responsibilities of Market Participants in Fixed Rate Primary Market Offerings, MSRB 2018
- Revenue Recognition, Becker CPA 2018
- U.S. Securities and Exchange Commission: Recent Trends and Actions, Becker CPA 2018
- G400 Community Meeting, AICPA 2018
- Introduction to Business Valuation, AICPA 2017
- GAO Green Book – Government Internal Control Standards, Becker CPA 2017
- Risk Management in the Public Sector, Becker CPA 2017
- Emerging Leaders Academy Year 3, Upstream Academy 2015
- Emerging Leaders Academy Year 2, Upstream Academy 2014
- Emerging Leaders Academy Year 1, Upstream Academy 2013
- The Emerging Partner Training Forum, AICPA 2006
- Leadership: Becoming an Impact Player, Center for Corporate Financial Leadership 2003

PARTNER

Scott A. Miller, CPA

Page 4

Expert Testimony

Venue	Petitioner	Petition Date	Cause No.	Subject
Indiana Utility Regulatory Commission	Citizens Thermal Energy	3/1/23	45855	Cost of Service and Rate Design
Indiana Utility Regulatory Commission	Citizens Gas of Westfield, LLC	8/26/22	45761	Cost of Service and Valuation
Indiana Senate Utilities Committee	Accelerate Indiana Municipalities	2/17/2022	N/A	System Development Charges
Indiana Legislative Wastewater Task Force	Committee Request	10/18/2021	N/A	Financing Wastewater Improvements
Maryland Public Service Commission	Maryland Water Service, Inc	9/30/2021	9671	Cost of Service, Rate Design and Rate Consolidation for Water and Wastewater
Indiana Utility Regulatory Commission	Edwardsville Water Corporation	9/23/2021	45617	Financing
Pennsylvania Public Utility Commission	Community Utilities of Pennsylvania, Inc. (Water)	4/14/21	3025206	Cost of Service and Rate Design
Pennsylvania Public Utility Commission	Community Utilities of Pennsylvania, Inc. (Wastewater)	4/14/21	3025207	Cost of Service and Rate Design
Indiana Utility Regulatory Commission	Gibson Water Authority	4/26/2021	45535	Rates and Financing
Indiana Utility Regulatory Commission	Citizens Wastewater of Westfield, LLC	3/31/2020	45362	Utility Fair Value
Indiana Utility Regulatory Commission	German Township Water District, Inc.	2/04/2020	45340-U	Rates
Indiana Legislative Storm Water Task Force	Committee Request	10/1/2019	N/A	Organization, Funding and Rate Design for Storm Water Utilities
Pennsylvania Public Utility Commission	Community Utilities of Pennsylvania, Inc. (Water)	4/03/2019	3008947	Cost of Service and Single Tariff Pricing

PARTNER

Scott A. Miller, CPA

Page 5

Expert Testimony (cont.)

Venue	Petitioner	Petition Date	Cause No.	Subject
Pennsylvania Public Utility Commission	Community Utilities of Pennsylvania, Inc. (Wastewater)	4/03/2019	3008948	Cost of Service and Single Tariff Pricing
Indiana Utility Regulatory Commission	Morgan County Rural Water Corporation	2/1/2019	45198	Cost of Service Rates and Financing
Indiana Utility Regulatory Commission	Gibson Water, Inc.	4/24/2018	45080	Rates and Financing
Indiana Utility Regulatory Commission	Chandler Municipal Water Utility	3/13/2018	45062	Cost of Service Rates and Financing
Indiana Utility Regulatory Commission	Edwardsville Water Corporation	5/4/2016	44783	Financing
Indiana Utility Regulatory Commission	Citizens Thermal Energy	4/22/2016	44781	Cost of Service Rates
Indiana Utility Regulatory Commission	Citizens Gas of Westfield	12/30/2015	44731	Utility Fair Value
Indiana Utility Regulatory Commission	Community Utilities of Indiana, Inc.	12/15/2015	44724	Cost of Service Rates
Indiana Utility Regulatory Commission	Edwardsville Water Corporation	7/6/2015	44642	Rates and Financing
Indiana Utility Regulatory Commission	Michigan City Department of Water Works	9/24/2014	44538	Cost of Service Rates and Financing
Indiana Utility Regulatory Commission	Kingsbury Utility Corporation	3/27/2013	44327	Rates and Financing
Indiana Utility Regulatory Commission	Pioneer Water, LLC	2/22/2013	44309-U	Rates
Indiana Utility Regulatory Commission	City of Mishawaka Utilities	9/20/2012	44249	Cost of Service Rates
Indiana Utility Regulatory Commission	White River Citizens United (Testimony on behalf of Respondent Bargersville Municipal Water Utility)	6/12/2012	44215	Complaint
Indiana Utility Regulatory Commission	Lebanon Municipal Electric Utility	1/9/2012	44142	Cost of Service Rates and Financing

PARTNER

Scott A. Miller, CPA

Page 6

Expert Testimony (cont.)

Venue	Petitioner	Petition Date	Cause No.	Subject
Indiana Utility Regulatory Commission	Edwardsville Water Corporation	10/17/2011	44095	Financing
Indiana Utility Regulatory Commission	Edwardsville Water Corporation	3/11/2010	43869	Cost of Service Rates and Financing
Indiana Utility Regulatory Commission	South Harrison Water Corporation	1/26/2010	43850	Cost of Service Rates
Indiana Utility Regulatory Commission	Mapleturn Utilities, Inc.	9/2/2009	43777-U	Rates and Financing
Indiana Utility Regulatory Commission	Peru Municipal Electric Utility	4/29/2009	43679	Coincident Peak Reduction Credit
Indiana Utility Regulatory Commission	Chandler Municipal Water Utility	3/18/2009	43658	Rates and Financing
Indiana Utility Regulatory Commission	Citizens Gas of Westfield	12/31/2008	43624	Utility Fair Value
Indiana Utility Regulatory Commission	Peru Municipal Electric Utility	7/7/2008	43529	Economic Development Rider
Indiana Utility Regulatory Commission	Kingsford Heights Municipal Water Utility	5/27/2008	43502-U	Rates
Indiana Utility Regulatory Commission	Knightstown Municipal Water Utility	2/19/2008	43440-U	Rates
Indiana Utility Regulatory Commission	Ramsey Water Company, Inc.	12/27/2007	43413	Rates
Indiana Utility Regulatory Commission	Bargersville Municipal Water Utility	12/21/2007	43410	Rates
Indiana Utility Regulatory Commission	Sanitary District of Hammond	6/25/2007	43307	Cost of Service Rates
Indiana Utility Regulatory Commission	Indiana Michigan Power Company (Testimony on behalf of Intervenor, Fort Wayne City Light and Power Works	6/19/2007	43306	Rates – Alternate Feed Service Rider
Indiana Utility Regulatory Commission	Ogden Dunes Municipal Water Utility	5/16/2007	43295-U	Rates
Indiana Utility Regulatory Commission	Peru Municipal Electric Utility	12/22/2006	43200	Rates

PARTNER

Scott A. Miller, CPA

Page 7

Expert Testimony (cont.)

Venue	Petitioner	Petition Date	Cause No.	Subject
Indiana Utility Regulatory Commission	Elkhart Municipal Water Utility	12/11/2006	43191	Rates
Indiana Utility Regulatory Commission	Edwardsville Water Corporation	3/15/2006	43003	Rates and Financing
Indiana Utility Regulatory Commission	Morgan County Rural Water Corporation	2/28/2006	42993	Rates and Financing
Indiana Utility Regulatory Commission	Knightstown Municipal Electric Utility	10/12/2005	42933-U	Rates
Indiana Utility Regulatory Commission	Bargersville Municipal Electric Utility	8/2/2005	42892	Rates
Indiana Utility Regulatory Commission	Chandler Municipal Water Utility	5/11/2005	42856	Rates
Indiana Utility Regulatory Commission	Edwardsville Water Corporation	3/2/2005	42798	Financing
Indiana Utility Regulatory Commission	Morgan County Rural Water Corporation	1/20/2005	42776	Financing
Indiana Utility Regulatory Commission	Sullivan-Vigo Water Corporation	3/19/2004	42599	Financing
Indiana Utility Regulatory Commission	Michigan City Department of Water Works	9/18/2003	42517	Rates
Indiana Utility Regulatory Commission	Morgan County Rural Water Corporation	7/9/2003	42481	Rates
Indiana Utility Regulatory Commission	Van Buren Water, Inc.	1/22/2002	42159	Rates
Indiana Utility Regulatory Commission	Riverside Water Company, Inc.	11/6/2001	42122	Rates
Indiana Utility Regulatory Commission	Chandler Municipal Water Utility	8/17/2001	42066	Rates
Indiana Utility Regulatory Commission	Lafayette Municipal Water Utility	10/11/2000	41845	Rates and Financing
Indiana Utility Regulatory Commission	Michigan City Department of Water Works	3/17/2000	41689	Rates and Financing
Indiana Utility Regulatory Commission	Dunkirk Municipal Water Utility	5/5/1999	41431	Rates and Financing

***Accounting Report
On Proposed Project
and Rate Study***

***Town of
Chandler, Indiana***

Municipal Water Utility

August 18, 2024



TABLE OF CONTENTS

ACCOUNTANTS' RATE STUDY AND COMPILATION REPORT

PRO FORMA FINANCIAL INFORMATION

3	Schedule of Estimated Project Costs and Funding
4	Schedule of Amortization of \$4,195,000 Principal Amount of Proposed Waterworks Bond Anticipation Notes of 2024
5	Schedule of Amortization of \$7,760,000 Principal Amount of Proposed Waterworks Revenue Bonds of 2025, Series A
6 – 7	Schedule of Amortization of \$7,395,000 Principal Amount of Proposed Waterworks Revenue Bonds of 2025, Series B
8	Schedule of Proposed Combined Bond Amortization
9 – 12	Pro Forma Annual Cash Operating Disbursements
13 – 14	Normalized Annual Operating Receipts at Existing Rates
15	Calculation of Pro Forma Depreciation Allowance
16 – 18	Pro Forma Annual Revenue Requirements and Annual Operating Receipts
19 – 20	Schedule of Present and Proposed Rates and Charges

SYSTEM DEVELOPMENT CHARGE

21	Calculation of System Development Charge per EDU
22	Calculation of Proposed System Development Charges by Meter Size

SUPPLEMENTARY HISTORICAL DATA

23	Comparative Schedule of Selected Financial Information Arising From Cash Transactions
24	Comparative Schedule of Cash Receipts and Disbursements
25 – 26	Comparison of Account Balances With Minimum Balances Required
27	Schedule of Amortization of \$2,762,000 Principal Amount of Outstanding Waterworks Revenue Bonds of 2010
28	Schedule of Amortization of \$1,665,000 Principal Amount of Outstanding Waterworks Refunding Revenue Bonds of 2016
29	Schedule of Amortization of \$9,075,212 Principal Amount of Outstanding Waterworks Revenue Bonds of 2019
30 – 31	Schedule of Amortization of \$17,621,000 Principal Amount of Outstanding Waterworks Revenue Bonds of 2023
32	Schedule of Combined Bond Amortization



Baker Tilly US, LLP
8365 Keystone Crossing, Ste 300
Indianapolis, IN 46240
United States of America

T: +1 (317) 465 1500
F: +1 (317) 465 1550
bakertilly.com

ACCOUNTANTS' RATE STUDY AND COMPILATION REPORT

August 18, 2024

Town Council
Town of Chandler
417 East Jefferson Street
Chandler, Indiana 47610-0190

RE: Chandler (Indiana) Municipal Water Utility (the "Water Utility")

In connection with the proposed increase in the Water Utility's schedule of water rates and charges, we have, at your request, compiled this special purpose rate study report for submission to the Indiana Utility Regulatory Commission.

This special purpose rate study report has been prepared for the purpose of requesting approval of a new schedule of water rates and charges 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 unaudited financial information for the twelve months ended December 31, 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 Water Utility's revenue and revenue requirements of an increase in rates and charges for service and other changes that may be reasonably fixed, known or measured. The actual results achieved may vary from the pro forma 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 schedule of selected financial information arising from cash transactions and the comparative schedule of cash receipts and disbursements as of December 31, 2021, 2022, and 2023, and 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 the cash basis of accounting.

(Continued on next page)

Town Council
Town of Chandler
Date: August 18, 2024
Page 2

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

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.

The financial statements are presented on the cash basis of accounting used by the Chandler Municipal Water Utility, which is a comprehensive basis of accounting other than the generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the water utility's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplementary information on pages 3 - 22 and 25 - 32 is presented as required by the Indiana Utility Regulatory Commission. Such information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was not subject to our compilation engagement. We have not audited, reviewed or compiled the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY
Chandler, Indiana

PRO FORMA FINANCIAL INFORMATION

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF ESTIMATED PROJECT COSTS AND FUNDING

(Per Consulting Engineers)

<u>ESTIMATED PROJECT COSTS</u>	<u>BANs</u> <u>(October 2024)</u>	<u>Bonds</u> <u>(Fall 2025)</u>
Estimated Construction, Engineering Costs and Contingencies:		
Line Extensions:		
Telephone Road	\$1,025,590	
South State Road		\$1,182,000
Libbert Road		1,050,000
New Paradise Tower		6,215,000
	<hr/>	<hr/>
Total Estimated Construction, Engineering and Contingency Costs	1,025,590	8,447,000
	<hr/>	<hr/>
Estimated Non-Construction Costs:		
Engineering Design, Bid, and Construction Administration	1,687,523	178,300
BAN Payoff		4,195,000
Land Acquisition - Mains	512,400	-
Land - Treatment Plant and Tower	680,667	1,349,980
Allowance for Legal, Financial Advisory, Bond Issuance and Miscellaneous Costs	288,820	984,720
	<hr/>	<hr/>
Total Estimated Non-Construction Costs	3,169,410	6,708,000
	<hr/>	<hr/>
Total Estimated Project Costs	<u>\$4,195,000</u>	<u>\$15,155,000</u>
	<hr/>	<hr/>
 <u>ESTIMATED PROJECT FUNDING</u>		
Proposed 2024 BANs	\$4,195,000	
Proposed 2025 Revenue Bonds, Series A (20 year)		\$7,760,000
Proposed 2025 Revenue Bonds, Series B (35 year)		7,395,000
	<hr/>	<hr/>
Total Estimated Project Funding	<u>\$4,195,000</u>	<u>\$15,155,000</u>
	<hr/>	<hr/>

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$4,195,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS BOND ANTICIPATION NOTES OF 2024**

Principal payable at maturity on October 16, 2025.

Interest payable semi-annually March 1st and September 1st, beginning March 1, 2025.

Assumes BANs dated October 17, 2024.

Assumed interest rate as indicated.

Payment Date	Principal Balance (In \$1,000's)	Assumed Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
3/1/2025	\$4,195	5.00		\$78,073.61	\$78,073.61	
9/1/2025	4,195	5.00		104,875.00	104,875.00	\$182,948.61
10/16/2025	4,195	5.00	\$4,195	26,218.75	4,221,218.75	4,221,218.75
Totals			\$4,195	\$209,167.36	\$4,404,167.36	\$4,404,167.36

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$7,760,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS OF 2025, SERIES A**

Principal and interest payable semiannually March 1st and September 1st, beginning March 1, 2026.

Assumed interest rate as indicated.

Assumes bonds are dated September 9, 2025.

Payment Date	Principal		Assumed Interest Rate* (%)	Interest		Bond Year Total
	Balance	Principal		Interest	Total	
	(-----In \$1,000's-----)			(-----In Dollars-----)		
3/1/2026	\$7,760			\$180,928.71	\$180,928.71	
9/1/2026	7,760			189,344.00	189,344.00	\$370,272.71
3/1/2027	7,760	\$117	4.88	189,344.00	306,344.00	
9/1/2027	7,643	120	4.88	186,489.20	306,489.20	612,833.20
3/1/2028	7,523	122	4.88	183,561.20	305,561.20	
9/1/2028	7,401	125	4.88	180,584.40	305,584.40	611,145.60
3/1/2029	7,276	128	4.88	177,534.40	305,534.40	
9/1/2029	7,148	132	4.88	174,411.20	306,411.20	611,945.60
3/1/2030	7,016	135	4.88	171,190.40	306,190.40	
9/1/2030	6,881	138	4.88	167,896.40	305,896.40	612,086.80
3/1/2031	6,743	141	4.88	164,529.20	305,529.20	
9/1/2031	6,602	145	4.88	161,088.80	306,088.80	611,618.00
3/1/2032	6,457	148	4.88	157,550.80	305,550.80	
9/1/2032	6,309	152	4.88	153,939.60	305,939.60	611,490.40
3/1/2033	6,157	156	4.88	150,230.80	306,230.80	
9/1/2033	6,001	160	4.88	146,424.40	306,424.40	612,655.20
3/1/2034	5,841	164	4.88	142,520.40	306,520.40	
9/1/2034	5,677	168	4.88	138,518.80	306,518.80	613,039.20
3/1/2035	5,509	172	4.88	134,419.60	306,419.60	
9/1/2035	5,337	176	4.88	130,222.80	306,222.80	612,642.40
3/1/2036	5,161	180	4.88	125,928.40	305,928.40	
9/1/2036	4,981	184	4.88	121,536.40	305,536.40	611,464.80
3/1/2037	4,797	189	4.88	117,046.80	306,046.80	
9/1/2037	4,608	194	4.88	112,435.20	306,435.20	612,482.00
3/1/2038	4,414	198	4.88	107,701.60	305,701.60	
9/1/2038	4,216	203	4.88	102,870.40	305,870.40	611,572.00
3/1/2039	4,013	208	4.88	97,917.20	305,917.20	
9/1/2039	3,805	213	4.88	92,842.00	305,842.00	611,759.20
3/1/2040	3,592	218	4.88	87,644.80	305,644.80	
9/1/2040	3,374	224	4.88	82,325.60	306,325.60	611,970.40
3/1/2041	3,150	229	4.88	76,860.00	305,860.00	
9/1/2041	2,921	235	4.88	71,272.40	306,272.40	612,132.40
3/1/2042	2,686	240	4.88	65,538.40	305,538.40	
9/1/2042	2,446	246	4.88	59,682.40	305,682.40	611,220.80
3/1/2043	2,200	252	4.88	53,680.00	305,680.00	
9/1/2043	1,948	258	4.88	47,531.20	305,531.20	611,211.20
3/1/2044	1,690	265	4.88	41,236.00	306,236.00	
9/1/2044	1,425	271	4.88	34,770.00	305,770.00	612,006.00
3/1/2045	1,154	278	4.88	28,157.60	306,157.60	
9/1/2045	876	285	4.88	21,374.40	306,374.40	612,532.00
3/1/2046	591	292	4.88	14,420.40	306,420.40	
9/1/2046	299	299	4.88	7,295.60	306,295.60	612,716.00
Totals		\$7,760		\$4,850,795.91	\$12,610,795.91	\$12,610,795.91

*Assumes bond will be issued through the SRF pooled program in fall 2025. Assumed interest rate is based on current market conditions with an additional 100 basis points to account for market fluctuations.

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$7,395,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS OF 2025, SERIES B**

Principal and interest payable semiannually March 1st and September 1st, beginning March 1, 2026.

Assumed interest rate as indicated.

Assumes bonds are dated September 9, 2025.

Payment Date	Principal Balance (-----In \$1,000's-----)	Principal	Assumed Interest Rate* (%)	Interest		Bond Year Total
				Interest	Total	
				(-----In Dollars-----)		
3/1/2026	\$7,395			\$172,418.53	\$172,418.53	
9/1/2026	7,395			180,438.00	180,438.00	\$352,856.53
3/1/2027	7,395	\$1	4.88	180,438.00	181,438.00	
9/1/2027	7,394	1	4.88	180,413.60	181,413.60	362,851.60
3/1/2028	7,393	1	4.88	180,389.20	181,389.20	
9/1/2028	7,392	1	4.88	180,364.80	181,364.80	362,754.00
3/1/2029	7,391	1	4.88	180,340.40	181,340.40	
9/1/2029	7,390	1	4.88	180,316.00	181,316.00	362,656.40
3/1/2030	7,389	1	4.88	180,291.60	181,291.60	
9/1/2030	7,388	1	4.88	180,267.20	181,267.20	362,558.80
3/1/2031	7,387	1	4.88	180,242.80	181,242.80	
9/1/2031	7,386	1	4.88	180,218.40	181,218.40	362,461.20
3/1/2032	7,385	1	4.88	180,194.00	181,194.00	
9/1/2032	7,384	1	4.88	180,169.60	181,169.60	362,363.60
3/1/2033	7,383	1	4.88	180,145.20	181,145.20	
9/1/2033	7,382	1	4.88	180,120.80	181,120.80	362,266.00
3/1/2034	7,381	1	4.88	180,096.40	181,096.40	
9/1/2034	7,380	1	4.88	180,072.00	181,072.00	362,168.40
3/1/2035	7,379	1	4.88	180,047.60	181,047.60	
9/1/2035	7,378	1	4.88	180,023.20	181,023.20	362,070.80
3/1/2036	7,377	1	4.88	179,998.80	180,998.80	
9/1/2036	7,376	1	4.88	179,974.40	180,974.40	361,973.20
3/1/2037	7,375	1	4.88	179,950.00	180,950.00	
9/1/2037	7,374	1	4.88	179,925.60	180,925.60	361,875.60
3/1/2038	7,373	1	4.88	179,901.20	180,901.20	
9/1/2038	7,372	1	4.88	179,876.80	180,876.80	361,778.00
3/1/2039	7,371	1	4.88	179,852.40	180,852.40	
9/1/2039	7,370	1	4.88	179,828.00	180,828.00	361,680.40
3/1/2040	7,369	1	4.88	179,803.60	180,803.60	
9/1/2040	7,368	1	4.88	179,779.20	180,779.20	361,582.80
3/1/2041	7,367	1	4.88	179,754.80	180,754.80	
9/1/2041	7,366	1	4.88	179,730.40	180,730.40	361,485.20
3/1/2042	7,365	1	4.88	179,706.00	180,706.00	
9/1/2042	7,364	1	4.88	179,681.60	180,681.60	361,387.60
3/1/2043	7,363	1	4.88	179,657.20	180,657.20	
9/1/2043	7,362	1	4.88	179,632.80	180,632.80	361,290.00
3/1/2044	7,361	1	4.88	179,608.40	180,608.40	
9/1/2044	7,360	1	4.88	179,584.00	180,584.00	361,192.40
3/1/2045	7,359	1	4.88	179,559.60	180,559.60	
9/1/2045	7,358	1	4.88	179,535.20	180,535.20	361,094.80
3/1/2046	7,357	1	4.88	179,510.80	180,510.80	
9/1/2046	7,356	1	4.88	179,486.40	180,486.40	360,997.20
Sub-totals		\$40		\$7,551,344.53	\$7,591,344.53	\$7,591,344.53

(Continued on next page)

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

**SCHEDULE OF AMORTIZATION OF \$7,395,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS OF 2025, SERIES B**

Principal and interest payable semiannually March 1st and September 1st, beginning March 1, 2026.

Assumed interest rate as indicated.

Assumes bonds are dated September 9, 2025.

Payment Date	Principal Balance (-----In \$1,000's-----)	Principal	Assumed Interest Rate* (%)	Interest		Bond Year Total
				Interest	Total	
(-----In Dollars-----)						
Sub-totals carried forward		\$40		\$7,551,344.53	\$7,591,344.53	\$7,591,344.53
3/1/2047	\$7,355	1	4.88	179,462.00	180,462.00	
9/1/2047	7,354	1	4.88	179,437.60	180,437.60	360,899.60
3/1/2048	7,353	1	4.88	179,413.20	180,413.20	
9/1/2048	7,352	1	4.88	179,388.80	180,388.80	360,802.00
3/1/2049	7,351	1	4.88	179,364.40	180,364.40	
9/1/2049	7,350	1	4.88	179,340.00	180,340.00	360,704.40
3/1/2050	7,349	1	4.88	179,315.60	180,315.60	
9/1/2050	7,348	1	4.88	179,291.20	180,291.20	360,606.80
3/1/2051	7,347	1	4.88	179,266.80	180,266.80	
9/1/2051	7,346	1	4.88	179,242.40	180,242.40	360,509.20
3/1/2052	7,345	1	4.88	179,218.00	180,218.00	
9/1/2052	7,344	1	4.88	179,193.60	180,193.60	360,411.60
3/1/2053	7,343	411	4.88	179,169.20	590,169.20	
9/1/2053	6,932	421	4.88	169,140.80	590,140.80	1,180,310.00
3/1/2054	6,511	432	4.88	158,868.40	590,868.40	
9/1/2054	6,079	442	4.88	148,327.60	590,327.60	1,181,196.00
3/1/2055	5,637	453	4.88	137,542.80	590,542.80	
9/1/2055	5,184	464	4.88	126,489.60	590,489.60	1,181,032.40
3/1/2056	4,720	475	4.88	115,168.00	590,168.00	
9/1/2056	4,245	487	4.88	103,578.00	590,578.00	1,180,746.00
3/1/2057	3,758	499	4.88	91,695.20	590,695.20	
9/1/2057	3,259	511	4.88	79,519.60	590,519.60	1,181,214.80
3/1/2058	2,748	524	4.88	67,051.20	591,051.20	
9/1/2058	2,224	536	4.88	54,265.60	590,265.60	1,181,316.80
3/1/2059	1,688	549	4.88	41,187.20	590,187.20	
9/1/2059	1,139	563	4.88	27,791.60	590,791.60	1,180,978.80
3/1/2060	576	576	4.88	14,054.40	590,054.40	590,054.40
Totals		<u>\$7,395</u>		<u>\$11,217,127.33</u>	<u>\$18,612,127.33</u>	<u>\$18,612,127.33</u>

*Assumes bond will be issued through the SRF pooled program in fall 2025. Assumed interest rate is based on current market conditions with an additional 100 basis points to account for market fluctuations.

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF PROPOSED COMBINED BOND AMORTIZATION

Payment Date	Outstanding				Proposed			Total	Bond Year Total
	2010 Bonds	2016 Bonds	2019 Bonds	2023 Bonds	2024 BANs	2025 Bonds, Series A	2025 Bonds, Series B		
03/01/24	\$54,325.20	\$285,401.25	\$174,699.36	\$241,407.70				\$755,833.51	
09/01/24	55,120.80	282,903.75	173,933.88	241,407.70				753,366.13	\$1,509,199.64
03/01/25	49,901.80	285,406.25	178,169.22	241,407.70	\$78,073.61			832,958.58	
09/01/25	50,755.80	287,862.50	177,339.88	266,407.70	104,875.00			887,240.88	1,720,199.46
03/01/26	47,595.20	290,272.50	180,511.34	264,065.20	26,218.75 (1)	\$180,928.71	\$172,418.53	1,162,010.23	
09/01/26	48,478.40	287,636.25	172,631.60	273,750.10		189,344.00	180,438.00	1,152,278.35	2,314,288.58
03/01/27	359,347.00		152,841.12	270,298.00		306,344.00	181,438.00	1,270,268.12	
09/01/27	359,675.00		154,293.00	268,887.00		306,489.20	181,413.60	1,270,757.80	2,541,025.92 (2)
03/01/28	359,930.00		154,718.93	267,489.70		305,561.20	181,389.20	1,269,089.03	
09/01/28	359,112.00		156,132.41	267,106.10		305,584.40	181,364.80	1,269,299.71	2,538,388.74
03/01/29	359,235.60		155,520.94	267,722.50		305,534.40	181,340.40	1,269,353.84	
09/01/29	359,286.20		154,908.52	268,325.20		306,411.20	181,316.00	1,270,247.12	2,539,600.96
03/01/30	359,263.80		156,297.16	266,914.20		306,190.40	181,291.60	1,269,957.16	
09/01/30	359,168.40		155,658.87	267,516.90		305,896.40	181,267.20	1,269,507.77	2,539,464.93
03/01/31			530,777.65	252,105.90		305,529.20	181,242.80	1,269,655.55	
09/01/31			530,777.82	251,900.40		306,088.80	181,218.40	1,269,985.42	2,539,640.97
03/01/32			530,777.99	251,694.90		305,550.80	181,194.00	1,269,217.69	
09/01/32			530,778.14	251,489.40		305,939.60	181,169.60	1,269,376.74	2,538,594.43
03/01/33			530,778.23	251,283.90		306,230.80	181,145.20	1,269,438.13	
09/01/33			530,778.22	252,078.40		306,424.40	181,120.80	1,270,401.82	2,539,839.95
03/01/34			530,778.03	251,859.20		306,520.40	181,096.40	1,270,254.03	
09/01/34			530,777.58	251,640.00		306,518.80	181,072.00	1,270,008.38	2,540,262.41
03/01/35			530,777.78	251,420.80		306,419.60	181,047.60	1,269,665.78	
09/01/35			530,777.52	251,201.60		306,222.80	181,023.20	1,269,225.12	2,538,890.90
03/01/36			530,777.66	250,982.40		305,928.40	180,998.80	1,268,687.26	
09/01/36			530,778.06	251,763.20		305,536.40	180,974.40	1,269,052.06	2,537,739.32
03/01/37			530,777.56	251,530.30		306,046.80	180,950.00	1,269,304.66	
09/01/37			530,778.00	251,297.40		306,435.20	180,925.60	1,269,436.20	2,538,740.86
03/01/38			530,778.18	252,064.50		305,701.60	180,901.20	1,269,445.48	
09/01/38			530,777.90	250,817.90		305,870.40	180,876.80	1,268,343.00	2,537,788.48
03/01/39			530,777.94	251,585.00		305,917.20	180,852.40	1,269,132.54	
09/01/39			530,778.06	251,338.40		305,842.00	180,828.00	1,268,786.46	2,537,919.00
03/01/40				782,091.80		305,644.80	180,803.60	1,268,540.20	
09/01/40				782,570.50		306,325.60	180,779.20	1,269,675.30	2,538,215.50
03/01/41				781,939.60		305,860.00	180,754.80	1,268,554.40	
09/01/41				782,212.80		306,272.40	180,730.40	1,269,215.60	2,537,770.00
03/01/42				782,376.40		305,538.40	180,706.00	1,268,620.80	
09/01/42				782,430.40		305,682.40	180,681.60	1,268,794.40	2,537,415.20
03/01/43				782,374.80		305,680.00	180,657.20	1,268,712.00	
09/01/43				782,209.60		305,531.20	180,632.80	1,268,373.60	2,537,085.60
03/01/44				781,934.80		306,236.00	180,608.40	1,268,779.20	
09/01/44				782,550.40		305,770.00	180,584.00	1,268,904.40	2,537,683.60
03/01/45				782,042.70		306,157.60	180,559.60	1,268,759.90	
09/01/45				782,425.40		306,374.40	180,535.20	1,269,335.00	2,538,094.90
03/01/46				782,684.80		306,420.40	180,510.80	1,269,616.00	
09/01/46				781,820.90		306,295.60	180,486.40	1,268,602.90	2,538,218.90
03/01/47				781,847.40			180,462.00	962,309.40	
09/01/47				781,750.60			180,437.60	962,188.20	1,924,497.60
03/01/48				782,530.50			180,413.20	962,943.70	
09/01/48				782,173.40			180,388.80	962,562.20	1,925,505.90
03/01/49				782,693.00			180,364.40	963,057.40	
09/01/49				782,075.60			180,340.00	962,415.60	1,925,473.00
03/01/50				782,334.90			180,315.60	962,650.50	
09/01/50				782,457.20			180,291.20	962,748.40	1,925,398.90
03/01/51				782,442.50			180,266.80	962,709.30	
09/01/51				782,290.80			180,242.40	962,533.20	1,925,242.50
03/01/52				782,002.10			180,218.00	962,220.10	
09/01/52				782,576.40			180,193.60	962,770.00	1,924,990.10
03/01/53							590,169.20	590,169.20	
09/01/53							590,140.80	590,140.80	1,180,310.00
03/01/54							590,868.40	590,868.40	
09/01/54							590,327.60	590,327.60	1,181,196.00
03/01/55							590,542.80	590,542.80	
09/01/55							590,489.60	590,489.60	1,181,032.40
03/01/56							590,168.00	590,168.00	
09/01/56							590,578.00	590,578.00	1,180,746.00
03/01/57							590,695.20	590,695.20	
09/01/57							590,519.60	590,519.60	1,181,214.80
03/01/58							591,051.20	591,051.20	
09/01/58							590,265.60	590,265.60	1,181,316.80
03/01/59							590,187.20	590,187.20	
09/01/59							590,791.60	590,791.60	1,180,978.80
03/01/60							590,054.40	590,054.40	590,054.40
Totals	\$3,181,195.20	\$1,719,482.50	\$11,851,658.55	\$28,539,598.60	\$209,167.36	\$12,610,795.91	\$18,612,127.33	\$76,724,025.45	\$76,724,025.45

(1) Only includes interest paid. Assumes BAN is redeemed with the issuance of the proposed 2025 bonds.
(2) Maximum annual debt service.

Average annual principal and interest payment for the five bond years ending September 1, 2031.

\$2,539,624.30

(See Accountants' Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS

See Explanation of Adjustments, pages 10 to 12.

<u>Operating Disbursements:</u>	12 Months Ended 12/31/23 (Unaudited)	<u>Adjustments</u>	<u>(Ref.)</u>	<u>Pro forma</u>
Salaries and wages	\$760,650	\$87,794	(1)	\$848,444
Employee benefits	642,888	95,603	(2)	738,491
Fuel and purchased power	227,662	(12,352)	(3)	215,310
Chemicals	98,938			98,938
Materials and supplies	241,326			241,326
Source of supply	72,542			72,542
Treatment operation and maintenance	10,066			10,066
Transmission operation and maintenance	219,135	(27,285)	(4)	191,850
Office supplies	68,572			68,572
Contractual services	338,262			338,262
Transportation	100,253			100,253
Insurance	64,440			64,440
Other operating disbursements	<u>59,867</u>			<u>59,867</u>
Total Operating Disbursements	<u><u>\$2,904,601</u></u>	<u><u>\$143,760</u></u>		<u><u>\$3,048,361</u></u>

(Continued on next page)

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS

Explanation of adjustments

No inflation adjustment made.

Adjustment (1) - Salaries and Wages

To adjust test year payroll disbursements to reflect management estimates of staffing levels and pay rates.

Pro forma salaries and wages	\$848,444
Less test year amount	<u>(760,650)</u>
Adjustment	<u><u>\$87,794</u></u>

Adjustment (2) - Employee Benefits

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

Pro forma salaries and wages	\$848,444
Times current FICA rate	<u>7.65%</u>
Pro forma FICA disbursements	64,906
Less test year amount	<u>(57,198)</u>
Sub-total	<u>\$7,708</u>

To adjust test year PERF disbursements to reflect pro forma payroll disbursements.

Pro forma salaries and wages subject to PERF	\$807,374
Times PERF rate	<u>14.2%</u>
Pro forma PERF disbursements	114,647
Less test year amount	<u>(101,110)</u>
Sub-total	<u>13,537</u>

To adjust test year contribution to Town BASIC insurance and clothing allowance.

Pro forma contribution	\$63,000
Less test year amount	<u>(63,000)</u>
Sub-total	<u>-</u>
Sub-total carried forward	<u>\$21,245</u>

(Continued on next page)

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS

**Explanation of adjustments
No inflation adjustment made.**

Adjustment (2) - Employee Benefits (continued)

Sub-total carried forward		\$21,245
To adjust test year health, disability and dental insurance disbursements to reflect estimated premiums.		
Pro forma premium for health insurance per month	\$38,531	
Pro forma premium for dental insurance per month	1,111	
Pro forma premium for vision insurance per month	235	
Pro forma premium for disability insurance per month	1,227	
Pro forma premium for life insurance per month	<u>151</u>	
Pro forma insurance per month	41,255	
Times 12 months	<u>12</u>	
Pro forma insurance	495,060	
Less test year amount	<u>(420,401)</u>	
Sub-total		<u>74,659</u>
To adjust test year unemployment tax payments to reflect pro forma disbursements.		
Pro forma unemployment	\$878	
Less test year amount	<u>(1,179)</u>	
Sub-total		<u>(301)</u>
Adjustment		<u><u>\$95,603</u></u>

Adjustment (3) - Purchased Power

To adjust test year disbursements to reflect 12 months of purchased power disbursements.		
Pro forma purchased power		\$215,310
Less test year amount		<u>(227,662)</u>
Adjustment		<u><u>(\$12,352)</u></u>

(Continued on next page)

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS

**Explanation of adjustments
No inflation adjustment made.**

Adjustment (4) - Periodic Maintenance

To adjust test year expenditures to reflect pro forma annual periodic maintenance disbursements, as determined by the utility manager and consulting engineer.

A. <u>Tank Maintenance:</u>			
	Water tanks contract (4 tanks and 1 standpipe)		\$131,413
B. <u>Wells and Pumps</u>			
	Wells and pumps (6 wells)	\$19,950	
	Labor and equipment	6,550	
	Materials	596	
		27,096	
	Sub-total		27,096
	Amortize over two years		2
		27,098	
	Sub-total		13,548
C. <u>Filters:</u>			
	Water filter inspection	\$5,740	
	Amortize over twelve years	12	
		5,752	
	Sub-total		478
D. <u>Equipment Calibration</u>			
	Annual equipment calibration		4,349
			4,349
	Pro forma annual periodic maintenance		149,788
	Less test year amount		(177,073)
			(27,285)
	Adjustment		(\$27,285)

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

NORMALIZED ANNUAL OPERATING RECEIPTS
AT EXISTING RATES

	<u>Residential Customers Billed</u>	<u>Increase (Decrease) in Users</u>	<u>Times Additional Monthly Bills</u>	<u>Additional Monthly Bills</u>
January, 2023	7,257			
February	7,272	15	1	15
March	7,291	19	2	38
April	7,327	36	3	108
May	7,374	47	4	188
June	7,476	102	5	510
July	7,504	28	6	168
August	7,509	5	7	35
September	7,541	32	8	256
October	7,569	28	9	252
November	7,494	(75)	10	(750)
December	7,410	(84)	11	(924)
	<u>89,024</u>	<u>153</u>		(104)
Totals				
Plus known growth anticipated in 2024 and 2025 (88 connections with 12 monthly bills)				<u>1,056</u>
Sub-total				952
Times average residential monthly bill at existing rates for 4,452 gallons			x	<u>\$32.83</u>
Total normalized increase in residential metered sales				31,254
Plus: Test year metered sales				<u>2,963,341</u>
Total Normalized Metered Residential Sales				<u><u>\$2,994,595</u></u>

(Continued on next page)

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

Cont'd

NORMALIZED ANNUAL OPERATING RECEIPTS
AT EXISTING RATES

	<u>Commercial Customers Billed</u>	<u>Increase (Decrease) in Users</u>	<u>Times Additional Monthly Bills</u>	<u>Additional Monthly Bills</u>
January, 2023	419			
February	418	(1)	1	(1)
March	417	(1)	2	(2)
April	418	1	3	3
May	416	(2)	4	(8)
June	421	5	5	25
July	422	1	6	6
August	420	(2)	7	(14)
September	424	4	8	32
October	423	(1)	9	(9)
November	423	0	10	0
December	421	(2)	11	(22)
Totals	<u>5,042</u>	<u>2</u>		10

Plus known growth anticipated in 2024 and 2025 (4 connections with 12 monthly bills) 48

Sub-total 58

Times average commercial monthly bill at existing rates x \$219.59

Total normalized increase in commercial metered sales 12,736

Plus test year metered sales 1,122,690

Total Normalized Metered Commercial Sales \$1,135,426

	<u>Industrial Customers Billed</u>	<u>Increase (Decrease) in Users</u>	<u>Times Additional Monthly Bills</u>	<u>Additional Monthly Bills</u>
January, 2023	6			
February	6	0	1	0
March	6	0	2	0
April	6	0	3	0
May	6	0	4	0
June	6	0	5	0
July	6	0	6	0
August	6	0	7	0
September	6	0	8	0
October	6	0	9	0
November	6	0	10	0
December	6	0	11	0
Totals	<u>72</u>	<u>0</u>		0

Times average industrial monthly bill at existing rates x \$97.62

Total normalized increase in industrial metered sales 0

Plus test year metered sales 7,127

Total Normalized Metered Industrial Sales \$7,127

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

CALCULATION OF PRO FORMA DEPRECIATION ALLOWANCE

Calculation of Pro Forma Depreciation Allowance:	<u>Prior to Proposed Project</u>	<u>After Proposed Project</u>
Utility plant in service at 12/31/23	\$40,787,429	\$40,787,429
Plus: Construction work in progress	11,477,884	11,477,884
Less: Land	(688,851)	(3,231,898)
Plus: Current project	15,712,656	15,712,656
Plus: Proposed project	<u>15,155,000</u>	<u>15,155,000</u>
Depreciable plant	67,289,118	79,901,071
Times: composite depreciation rate	<u>2.0%</u>	<u>2.0%</u>
Annual Depreciation Allowance	<u><u>\$1,345,782</u></u>	<u><u>\$1,598,021</u></u>

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL OPERATING RECEIPTS
See Explanation of Adjustments, Pages 17 - 18.

	12 Months Ended 12/31/2023 (Unaudited)	Phase I			Phase II			Phase III		
		Adjustments	Ref.	Pro forma (2025)	Adjustments	Ref.	Pro forma (2026)	Adjustments	Ref.	Pro forma (2027)
Annual Revenue Requirements:										
Cash operating disbursements	\$2,904,601	\$143,760	(1)	\$3,048,361	\$ -		\$3,048,361	\$ -		\$3,048,361
Debt service										
Outstanding debt	1,202,474	362,444	(2)	1,564,918	-		1,564,918	-		1,564,918
Proposed debt	-	155,281	(3)	155,281	594,090	(3)	749,371	225,335	(3)	974,706
Debt service reserve										
Outstanding debt	129,232	(28,912)	(4)	100,320	-		100,320	-		100,320
Proposed debt	-	195,093	(5)	195,093	-		195,093	-		195,093
Replacements and improvements	4,159,419	(3,744,419)	(6)	415,000	218,000	(6)	633,000	712,782	(6)	1,345,782
Total revenue requirements	8,395,726	(2,916,753)		5,478,973	812,090		6,291,063	938,117		7,229,180
Less: Test year interest receipts	(651,175)	517,375	(7)	(133,800)	-		(133,800)	-		(133,800)
Less: Other operating receipts	(65,687)	-	(8)	(65,687)	-		(65,687)	-		(65,687)
Net Revenue Requirements	\$7,678,864	(\$2,399,378)		\$5,279,486	\$812,090		\$6,091,576	\$938,117		\$7,029,693
Annual Receipts:										
Metered sales	\$4,133,955	\$3,193	(9)	\$4,137,148	\$ -		\$4,137,148	\$ -		\$4,137,148
Fire protection	443,137	(4,358)	(10)	438,779	-		438,779	-		438,779
Additional revenues from phased increases	-	-		-	703,559		703,559	812,090		1,515,649
Totals	\$4,577,092	(\$1,165)		\$4,575,927	\$703,559		\$5,279,486	\$812,090		\$6,091,576
Additional Revenues Required	\$3,101,772	(\$2,398,213)		\$703,559	\$108,531		\$812,090	\$126,027		\$938,117
Approximate Across-the-Board Percentage Increase Calculated				15.38%			15.38%			15.40%
Resulting approximate monthly residential bill for 4,000 gallons (presently \$30.48)				\$35.16			\$40.58			\$46.85

(Continued on next page)

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL OPERATING RECEIPTS

(1) To reflect pro forma operation and maintenance disbursements as calculated on pages 9 - 13.

(2) To provide an allowance for the average annual debt service on the outstanding 2010, 2016, 2019 and 2023 Bonds. See page 32.

Average annual debt service on outstanding bonds	\$1,564,918
Less: Test year amount	<u>(1,202,474)</u>
Adjustment	<u><u>\$362,444</u></u>

(3) To provide an allowance for the average annual debt service on the proposed and outstanding bonds. See page 8.

	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
Proposed average annual debt service	\$1,720,199	\$2,314,289	\$2,539,624
Less: Prior average annual debt service	<u>(1,564,918)</u>	<u>(1,720,199)</u>	<u>(2,314,289)</u>
Adjustment	<u><u>\$155,281</u></u>	<u><u>\$594,090</u></u>	<u><u>\$225,335</u></u>

(4) To provide an allowance for the outstanding debt service reserve requirement (\$1,565,562). The monthly amount of \$8,360 related to the 2023 Bonds is required to be funded over a five-year period beginning April 21, 2023.

(5) To provide an allowance for funding the debt service reserve equal to the maximum annual debt service on the outstanding and proposed bonds over a five-year period, see page 8.

Pro forma debt service reserve requirement	\$2,541,026
Less: Current debt service reserve requirement	<u>(1,565,562)</u>
Sub-total	975,464
Divide by 5 years	<u>5</u>
Adjustment	<u><u>\$195,093</u></u>

(6) To provide an allowance for replacements and improvements equal to \$415,000 for Phase I, \$633,000 for Phase II, and the annual depreciation allowance prior to the proposed project for Phase III, see page 15.

	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
Pro forma replacements and improvements	<u>\$415,000</u>	<u>\$633,000</u>	<u>\$1,345,782</u>

(Continued on next page)

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL OPERATING RECEIPTS

- (7) To normalize test year interest income based on current percentage earnings and to exclude earnings on remaining bond proceeds.

Water Funds (Balances as of 12/31/2023)

6101 Operating	\$1,521,117.21
6103 Depreciation	901.89
6104 Customer Deposit	149,756.44
6107 System Development	<u>237,496.41</u>

Water Operating Account Balance	1,909,271.95
Times: Bank account interest rate	<u>2.02%</u>

Pro Forma 2024 Interest Receipts \$38,600

6102 Bond & Interest	\$524,020.15
6106 Debt Service Reserve	<u>1,129,421.99</u>

Bank of NY Account Balance	1,653,442.14
Times: Bank account interest rate	<u>5.18%</u>

Pro Forma 2024 Interest Receipts 85,600

6112 Operating MM	\$9,952.84
6113 Customer Deposit MM	<u>225,000.00</u>

Water Money Market Account Balance	234,952.84
Times: Bank account interest rate	<u>4.07%</u>

Pro Forma 2024 Interest Receipts 9,600

Total Pro Forma 2024 Interest Receipts \$133,800

Test year interest receipts \$651,175
Less: Total Pro Forma 2024 Interest Receipts (133,800)

Adjustment \$517,375

- (8) Assumed at test year amounts.

- (9) To reflect normalized receipts for a 1.75% decrease per Tariff effective August 13, 2023, and anticipated growth, pages 13-14. \$4,137,148

- (10) To reflect normalized fire protection receipts with a 1.75% decrease per Tariff effective August 14, 2023. \$438,779

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF PRESENT AND PROPOSED RATES AND CHARGES

A. Metered User Block Schedule

For use of and service rendered by the Waterworks system, based upon the use of water supplied by said Waterworks system.

<u>Monthly Water Usage</u>			<u>Rate Per 1,000 Gallons</u>			
			<u>Current (1)</u>	<u>Proposed</u>		
			<u>Phase I (2)</u>	<u>Phase II (3)</u>	<u>Phase III (4)</u>	
First	20,000	Gallons	\$6.12	\$7.06	\$8.15	\$9.41
Next	180,000	Gallons	5.72	6.60	7.62	8.79
All Over	200,000	Gallons	4.55	5.25	6.06	6.99

B. Service Charge

In addition to the metered user block rate, 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>Current (1)</u>	<u>Proposed</u>			
			<u>Phase I (2)</u>	<u>Phase II (3)</u>	<u>Phase III (4)</u>	
5/8 - 3/4	inch meter	\$6.00	\$6.92	\$7.98	\$9.21	
1	inch meter	12.30	14.19	16.37	18.89	
1 1/2	inch meter	22.86	26.38	30.44	35.13	
2	inch meter	35.51	40.97	47.27	54.55	
3	inch meter	65.05	75.05	86.59	99.92	
4	inch meter	107.29	123.79	142.83	164.83	
6	inch meter	212.78	245.51	283.27	326.89	
8	inch meter	339.40	391.60	451.83	521.41	

C. Sales for Resale

	<u>Rate Per 1,000 Gallons</u>			
	<u>Current (1)</u>	<u>Proposed</u>		
		<u>Phase I (2)</u>	<u>Phase II (3)</u>	<u>Phase III (4)</u>
Flow Rate	\$3.19	\$3.68	\$4.25	\$4.90

- (1) Present rates and charges pursuant to IURC Order Cause No. 45062, dated February 6, 2019, and tried-up for actual debt service effective August 14, 2023.
- (2) Proposed Phase I rates reflect a 15.38% across-the-board rate increase to current rates and charges. See page 16.
- (3) Proposed Phase II rates reflect a 15.38% across-the-board rate increase to Phase I rates and charges. See page 16.
- (4) Proposed Phase III rates reflect a 15.40% across-the-board rate increase to Phase II rates and charges. See page 16.

(Continued on next page)

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

SCHEDULE OF PRESENT AND PROPOSED RATES AND CHARGES

D. Fire Protection Charges:

Public Fire Protection Charges:

<u>Meter Size</u>	Per Month			
	Current (1)	Proposed		
		Phase I (2)	Phase II (3)	Phase III (4)
5/8 - 3/4 inch meter	\$3.62	\$4.18	\$4.82	\$5.56
1 inch meter	9.04	10.43	12.03	13.88
1 1/2 inch meter	8.38	9.67	11.16	12.88
2 inch meter	28.91	33.36	38.49	44.42
3 inch meter	54.20	62.54	72.16	83.27
4 inch meter	90.33	104.22	120.25	138.77
6 inch meter	180.67	208.46	240.52	277.56

Private Fire Protection Charges:

	Per Year			
	Current (1)	Proposed		
		Phase I (2)	Phase II (3)	Phase III (4)
Private Hydrant - per hydrant	\$534.75	\$616.99	\$711.88	\$821.51
Automatic sprinklers:				
1 inch connection	\$14.86	\$17.15	\$19.79	\$22.84
1 1/4 inch connection	23.21	26.78	30.90	35.66
1 1/2 inch connection	33.42	38.56	44.49	51.34
2 inch connection	59.41	68.55	79.09	91.27
3 inch connection	133.69	154.25	177.97	205.38
4 inch connection	237.67	274.22	316.40	365.13
6 inch connection	534.75	616.99	711.88	821.51
8 inch connection	950.66	1,096.87	1,265.57	1,460.47

E. System Development Charge

<u>Meter Size</u>	Per Connection	
	Current (1)	Proposed (5)
5/8 - 3/4 inch connection	\$660.00	\$1,130.00
1 inch connection	1,650.00	2,825.00
1 1/2 inch connection	3,300.00	5,650.00
2 inch connection	5,280.00	9,040.00
3 inch connection	9,900.00	16,950.00
4 inch connection	16,500.00	28,250.00
6 inch connection	33,000.00	56,500.00
8 inch connection	52,800.00	90,400.00

- (1) Present rates and charges pursuant to IURC Order Cause No. 45062, dated February 6, 2019, and trued-up for actual debt service effective August 14, 2023.
- (2) Proposed Phase I rates reflect a 15.38% across-the-board rate increase to current rates and charges. See page 16.
- (3) Proposed Phase II rates reflect a 15.38% across-the-board rate increase to Phase I rates and charges. See page 16.
- (4) Proposed Phase III rates reflect a 15.40% across-the-board rate increase to Phase II rates and charges. See page 16.
- (5) See pages 21 and 22.

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY
Chandler, Indiana

SYSTEM DEVELOPMENT CHARGE

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

CALCULATION OF SYSTEM DEVELOPMENT CHARGE PER EDU
(Equity Buy-In Methodology)

<u>Estimated Utility Plant in Service</u>	<u>12/31/2023 Original Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Cost</u>
Land and Land Rights	\$688,851		
Wells and Springs	396,872		
Electric Pumping Equipment	123,256		
Treatment Equipment	1,864,843		
Structures and Improvements	23,260,489		
Reservoirs and Standpipes	2,731,080		
Transmission and Distribution	4,864,650		
Meter Installations	3,007,516		
Fire Hydrants	502,348		
Computer Equipment	218,596		
Office Furniture Equipment	97,775		
Transportation Equipment	626,038		
Tools and Garage Equipment	30,319		
Power Operated Equipment	649,782		
Communications Equipment	71,388		
Miscellaneous Equipment	(3,147)		
Plus: Capital improvements in 2023	1,656,773		
Plus: Construction work in progress	11,477,884		
	<u> </u>	<u> </u>	<u> </u>
Sub Total	<u>\$52,265,313</u>	<u>(\$13,215,006)</u>	<u>\$39,050,307</u>
Net Investment in Plant			\$39,050,307
Plus: Remaining 2023 capital project			15,712,656
Less: Outstanding debt			(31,123,212)
Less: Contributions in aid of construction			<u>(11,120,338)</u>
Total Net Equity Investment			12,519,413
Divide by Current Avg. Annual Demand in million gallons (1.62MGD x 365 days)			<u>591.3</u>
Equity Investment per millions gallons currently used			<u>\$21,173</u>
Equity Investment per thousand gallons currently used			\$21.17
Times gallons used by typical residential user (in 1,000 gallons per year - 4.45 gallons per month x 12 months)			<u>53.40</u>
Calculated System Development Charge per Equivalent Dwelling Unit ("EDU")			<u>\$1,130</u>

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

**CALCULATION OF PROPOSED SYSTEM
 DEVELOPMENT CHARGES BY METER SIZE**

<u>Meter Size</u>	<u>SDC Charge Per EDU (1)</u>	<u>5/8 inch Equivalency Factor</u>	<u>Meter Cost Per Unit</u>
5/8 to 3/4 inch meter	\$1,130	1.0	\$1,130
1 inch meter	1,130	2.5	2,825
1 1/2 inch meter	1,130	5.0	5,650
2 inch meter	1,130	8.0	9,040
3 inch meter	1,130	15.0	16,950
4 inch meter	1,130	25.0	28,250
6 inch meter	1,130	50.0	56,500
8 inch meter	1,130	80.0	90,400

(1) See page 21.

(See Accountant's Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY
Chandler, Indiana

SUPPLEMENTARY HISTORICAL DATA

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY
COMPARATIVE SCHEDULE OF SELECTED FINANCIAL
INFORMATION ARISING FROM CASH TRANSACTIONS

<u>Cash and Cash Equivalents:</u>	<u>As of</u>		
	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u>
Operating and maintenance fund	\$2,936,986	\$2,304,030	\$1,531,071
Sinking fund:			
Bond and interest	347,603	348,973	524,020
Debt service reserve	879,297	951,872	1,129,422
Improvement fund	900	902	902
Meter deposit fund	352,073	363,124	374,756
Construction fund	714,816	-	15,712,656
System development fund	463,258	682,224	237,496
Total Cash and Cash Equivalents	<u>\$5,694,933</u>	<u>\$4,651,125</u>	<u>\$19,510,323</u>
<u>Bonded Indebtedness:</u>			
Waterworks Revenue Bonds of 2010	\$2,830,000	\$2,794,000	\$2,762,000
Waterworks Refunding Revenue Bonds of 2016	2,700,000	2,190,000	1,665,000
Waterworks Revenue Bonds of 2019	9,284,535	9,179,757	9,075,212
Waterworks Revenue Bonds of 2023	-	-	17,621,000
Totals	<u>\$14,814,535</u>	<u>\$14,163,757</u>	<u>\$31,123,212</u>

(See Accountants' Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND DISBURSEMENTS**

	Calendar Year		
	2021	2022	2023
Operating Receipts:			
Metered sales	\$4,165,752	\$4,157,797	\$4,133,955
Fire protection	426,442	436,555	443,137
Other operating receipts	42,015	64,330	65,687
Total Operating Receipts	4,634,209	4,658,682	4,642,779
Operating Disbursements:			
Salaries and wages	620,724	704,380	760,650
Employee benefits	457,353	561,339	642,888
Fuel and purchased power	175,597	201,041	227,662
Chemicals	48,378	61,225	98,938
Materials and supplies	238,853	211,178	241,326
Source of supply	116,521	43,592	72,542
Treatment operation and maintenance	42,875	16,882	10,066
Transmission operation and maintenance	107,360	119,777	219,135
Office supplies	46,169	67,040	68,572
Contractual services	107,227	87,048	338,262
Transportation	81,302	100,965	100,253
Insurance	46,405	53,968	64,440
Utility receipts tax	69,418	36,926	-
Other operating disbursements	21,731	45,531	59,867
Total Operating Disbursements	2,179,913	2,310,892	2,904,601
Net Operating Receipts	2,454,296	2,347,790	1,738,178
Non-Operating Receipts:			
Interest	2,739	23,321	651,175
Tap fees	125,880	123,950	193,428
System development fees	151,800	221,740	186,860
Other non-operating receipts	179,533	17,870	23,879
Meter deposits (net)	590	11,052	11,632
Bond proceeds	-	-	17,621,000
Totals	460,542	397,933	18,687,974
Non-Operating Disbursements:			
Debt service	1,028,011	1,030,717	1,202,474
Cost of issuance	-	-	205,061
Temporary loan	42,000	-	-
Capital improvements	7,422,814	2,758,814	4,159,419
Totals	8,492,825	3,789,531	5,566,954
Increase (Decrease) In Cash and Cash Equivalents	(5,577,987)	(1,043,808)	14,859,198
Beginning Cash and Cash Equivalents	11,272,920	5,694,933	4,651,125
Ending Cash and Cash Equivalents	\$5,694,933	\$4,651,125	\$19,510,323

(See Accountants' Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

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

<u>Cash and Investments:</u>	<u>Account Balance at 12/31/2023</u>	<u>Minimum Balance Required</u>	<u>Ref.*</u>	<u>Variance</u>
Operating	\$1,531,071	\$508,162	(1)	\$1,022,909
Sinking fund:				
Bond and interest account	524,020	503,888	(2)	20,132
Debt service reserve account	1,129,422	1,094,516	(3)	34,906
Improvement fund	902	-	(4)	902
Meter deposit fund	374,756	374,756	(5)	-
Construction fund	15,712,656	15,712,656	(6)	-
System development fund	237,496	237,496	(7)	-
Totals	\$19,510,323	\$18,431,474		\$1,078,849

* Minimum balance required by Bond Ordinance No. 2019-03.

- (1) The balance maintained in this fund shall be sufficient to pay expenses of operation, repair and maintenance for the next succeeding two calendar months.

Pro forma operating disbursements	\$3,048,361
Times factor for 2 months (2 months/12 months)	<u>16.67%</u>
Minimum balance required	<u>\$508,162</u>

- (2) The balance of this account should be equal to the accrued monthly transfers of 1/6 of the interest on all outstanding bonds payable on the then next succeeding interest payment date and 1/6 of the principal on all outstanding bonds payable on the then next succeeding principal payment date.

	<u>Amount</u>		<u>Months Factor</u>	<u>Balance</u>
<u>2010 Bonds</u>				
Principal due 3/1/2024	\$14,000	x	4/6	\$9,333
Interest due 3/1/2024	40,325	x	4/6	26,883
<u>2016 Bonds</u>				
Principal due 3/1/2024	270,000	x	4/6	180,000
Interest due 3/1/2024	15,401	x	4/6	10,267
<u>2019 Bonds</u>				
Principal due 3/1/2024	52,184	x	4/6	34,789
Interest due 3/1/2024	122,515	x	4/6	81,677
<u>2023 Bonds</u>				
Principal due 3/1/2024	-	x	4/6	-
Interest due 3/1/2024	241,408	x	4/6	160,939
Minimum balance required				<u>\$503,888</u>

(Continued on next page)

(See Accountants' Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

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

- (3) The debt service reserve balance in this account should be equal to the maximum annual combined debt service on the outstanding bonds to be funded over 60 months from the date of closing on the 2019 Bonds.

Beginning balance after 2023 Bonds Closing (April 21, 2023)	\$986,068
8 monthly transfers of \$5,196 for May 2023 through December 2023 (2019 Bonds)	41,568
8 monthly transfers of \$8,360 for May 2023 through December 2023 (2023 Bonds)	<u>66,880</u>
Minimum balance required	<u><u>\$1,094,516</u></u>

- (4) Funds not restricted.
- (5) Funds fully restricted for reimbursement to customers.
- (6) Funds restricted for construction on capital projects.
- (7) Funds restricted for capacity related improvements.

(See Accountants' Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$2,762,000 PRINCIPAL AMOUNT
OF OUTSTANDING WATERWORKS REVENUE BONDS OF 2010**

Principal payable semi-annually March 1st and September 1st.

Interest payable semi-annually March 1st and September 1st.

Interest rate as indicated.

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
03/01/24	\$2,762	2.92	\$14	\$40,325.20	\$54,325.20	
09/01/24	2,748	2.92	15	40,120.80	55,120.80	\$109,446.00
03/01/25	2,733	2.92	10	39,901.80	49,901.80	
09/01/25	2,723	2.92	11	39,755.80	50,755.80	100,657.60
03/01/26	2,712	2.92	8	39,595.20	47,595.20	
09/01/26	2,704	2.92	9	39,478.40	48,478.40	96,073.60
03/01/27	2,695	2.92	320	39,347.00	359,347.00	
09/01/27	2,375	2.92	325	34,675.00	359,675.00	719,022.00
03/01/28	2,050	2.92	330	29,930.00	359,930.00	
09/01/28	1,720	2.92	334	25,112.00	359,112.00	719,042.00
03/01/29	1,386	2.92	339	20,235.60	359,235.60	
09/01/29	1,047	2.92	344	15,286.20	359,286.20	718,521.80
03/01/30	703	2.92	349	10,263.80	359,263.80	
09/01/30	354	2.92	354	5,168.40	359,168.40	718,432.20
Totals			\$2,762	\$419,195.20	\$3,181,195.20	\$3,181,195.20

(See Accountants' Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$1,665,000 PRINCIPAL AMOUNT
OF OUTSTANDING WATERWORKS REFUNDING REVENUE BONDS OF 2016**

Principal payable semi-annually March 1st and September 1st.

Interest payable semi-annually March 1st and September 1st.

Interest rate as indicated.

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
3/1/2024	\$1,665	1.85	\$270	\$15,401.25	\$285,401.25	
9/1/2024	1,395	1.85	270	12,903.75	282,903.75	\$568,305.00
3/1/2025	1,125	1.85	275	10,406.25	285,406.25	
9/1/2025	850	1.85	280	7,862.50	287,862.50	573,268.75
3/1/2026	570	1.85	285	5,272.50	290,272.50	
9/1/2026	285	1.85	285	2,636.25	287,636.25	577,908.75
Totals			<u>\$1,665</u>	<u>\$54,482.50</u>	<u>\$1,719,482.50</u>	<u>\$1,719,482.50</u>

(See Accountants' Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$9,075,212 PRINCIPAL AMOUNT
OF OUTSTANDING WATERWORKS REVENUE BONDS OF 2019**

Principal payable semi-annually March 1st and September 1st.

Interest payable semi-annually March 1st and September 1st.

Interest rate as indicated.

Payment Date	Principal Balance	Interest Rate (%)	Debt Service			Bond Year Total
			Principal	Interest	Total	
3/1/2024	\$9,075,212	2.70	\$52,184	\$122,515.36	\$174,699.36	
9/1/2024	9,023,028	2.70	52,123	121,810.88	173,933.88	\$348,633.24
3/1/2025	8,970,905	2.70	57,062	121,107.22	178,169.22	
9/1/2025	8,913,843	2.70	57,003	120,336.88	177,339.88	355,509.10
3/1/2026	8,856,840	2.70	60,944	119,567.34	180,511.34	
9/1/2026	8,795,896	2.70	53,887	118,744.60	172,631.60	353,142.94
3/1/2027	8,742,009	2.70	34,824	118,017.12	152,841.12	
9/1/2027	8,707,185	2.70	36,746	117,547.00	154,293.00	307,134.12
3/1/2028	8,670,439	2.70	37,668	117,050.93	154,718.93	
9/1/2028	8,632,771	2.70	39,590	116,542.41	156,132.41	310,851.34
3/1/2029	8,593,181	2.70	39,513	116,007.94	155,520.94	
9/1/2029	8,553,668	2.70	39,434	115,474.52	154,908.52	310,429.46
3/1/2030	8,514,234	2.70	41,355	114,942.16	156,297.16	
9/1/2030	8,472,879	2.70	41,275	114,383.87	155,658.87	311,956.03
3/1/2031	8,431,604	2.70	416,951	113,826.65	530,777.65	
9/1/2031	8,014,653	2.70	422,580	108,197.82	530,777.82	1,061,555.47
3/1/2032	7,592,073	2.70	428,285	102,492.99	530,777.99	
9/1/2032	7,163,788	2.70	434,067	96,711.14	530,778.14	1,061,556.13
3/1/2033	6,729,721	2.70	439,927	90,851.23	530,778.23	
9/1/2033	6,289,794	2.70	445,866	84,912.22	530,778.22	1,061,556.45
3/1/2034	5,843,928	2.70	451,885	78,893.03	530,778.03	
9/1/2034	5,392,043	2.70	457,985	72,792.58	530,777.58	1,061,555.61
3/1/2035	4,934,058	2.70	464,168	66,609.78	530,777.78	
9/1/2035	4,469,890	2.70	470,434	60,343.52	530,777.52	1,061,555.30
3/1/2036	3,999,456	2.70	476,785	53,992.66	530,777.66	
9/1/2036	3,522,671	2.70	483,222	47,556.06	530,778.06	1,061,555.72
3/1/2037	3,039,449	2.70	489,745	41,032.56	530,777.56	
9/1/2037	2,549,704	2.70	496,357	34,421.00	530,778.00	1,061,555.56
3/1/2038	2,053,347	2.70	503,058	27,720.18	530,778.18	
9/1/2038	1,550,289	2.70	509,849	20,928.90	530,777.90	1,061,556.08
3/1/2039	1,040,440	2.70	516,732	14,045.94	530,777.94	
9/1/2039	523,708	2.70	523,708	7,070.06	530,778.06	1,061,556.00
Totals			<u>\$9,075,212</u>	<u>\$2,776,446.55</u>	<u>\$11,851,658.55</u>	<u>\$11,851,658.55</u>

(See Accountants' Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$17,621,000 PRINCIPAL AMOUNT
OF OUTSTANDING WATERWORKS REVENUE BONDS OF 2023**

Principal payable semi-annually March 1st and September 1st.

Interest payable semi-annually March 1st and September 1st.

Bonds dated April 21, 2023.

Interest rate as indicated.

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
3/1/2024	\$17,621	2.74		\$241,407.70	\$241,407.70	
9/1/2024	17,621	2.74		241,407.70	241,407.70	\$482,815.40
3/1/2025	17,621	2.74		241,407.70	241,407.70	
9/1/2025	17,621	2.74	\$25	241,407.70	266,407.70	507,815.40
3/1/2026	17,596	2.74	23	241,065.20	264,065.20	
9/1/2026	17,573	2.74	33	240,750.10	273,750.10	537,815.30
3/1/2027	17,540	2.74	30	240,298.00	270,298.00	
9/1/2027	17,510	2.74	29	239,887.00	268,887.00	539,185.00
3/1/2028	17,481	2.74	28	239,489.70	267,489.70	
9/1/2028	17,453	2.74	28	239,106.10	267,106.10	534,595.80
3/1/2029	17,425	2.74	29	238,722.50	267,722.50	
9/1/2029	17,396	2.74	30	238,325.20	268,325.20	536,047.70
3/1/2030	17,366	2.74	29	237,914.20	266,914.20	
9/1/2030	17,337	2.74	30	237,516.90	267,516.90	534,431.10
3/1/2031	17,307	2.74	15	237,105.90	252,105.90	
9/1/2031	17,292	2.74	15	236,900.40	251,900.40	504,006.30
3/1/2032	17,277	2.74	15	236,694.90	251,694.90	
9/1/2032	17,262	2.74	15	236,489.40	251,489.40	503,184.30
3/1/2033	17,247	2.74	15	236,283.90	251,283.90	
9/1/2033	17,232	2.74	16	236,078.40	252,078.40	503,362.30
3/1/2034	17,216	2.74	16	235,859.20	251,859.20	
9/1/2034	17,200	2.74	16	235,640.00	251,640.00	503,499.20
3/1/2035	17,184	2.74	16	235,420.80	251,420.80	
9/1/2035	17,168	2.74	16	235,201.60	251,201.60	502,622.40
3/1/2036	17,152	2.74	16	234,982.40	250,982.40	
9/1/2036	17,136	2.74	17	234,763.20	251,763.20	502,745.60
3/1/2037	17,119	2.74	17	234,530.30	251,530.30	
9/1/2037	17,102	2.74	17	234,297.40	251,297.40	502,827.70
3/1/2038	17,085	2.74	18	234,064.50	252,064.50	
9/1/2038	17,067	2.74	17	233,817.90	250,817.90	502,882.40
3/1/2039	17,050	2.74	18	233,585.00	251,585.00	
9/1/2039	17,032	2.74	18	233,338.40	251,338.40	502,923.40
3/1/2040	17,014	2.74	549	233,091.80	782,091.80	
9/1/2040	16,465	2.74	557	225,570.50	782,570.50	1,564,662.30
3/1/2041	15,908	2.74	564	217,939.60	781,939.60	
9/1/2041	15,344	2.74	572	210,212.80	782,212.80	1,564,152.40
3/1/2042	14,772	2.74	580	202,376.40	782,376.40	
9/1/2042	14,192	2.74	588	194,430.40	782,430.40	1,564,806.80
3/1/2043	13,604	2.74	596	186,374.80	782,374.80	
9/1/2043	13,008	2.74	604	178,209.60	782,209.60	1,564,584.40
3/1/2044	12,404	2.74	612	169,934.80	781,934.80	
9/1/2044	11,792	2.74	621	161,550.40	782,550.40	1,564,485.20
3/1/2045	11,171	2.74	629	153,042.70	782,042.70	
9/1/2045	10,542	2.74	638	144,425.40	782,425.40	1,564,468.10
3/1/2046	9,904	2.74	647	135,684.80	782,684.80	
9/1/2046	9,257	2.74	655	126,820.90	781,820.90	1,564,505.70
3/1/2047	8,602	2.74	664	117,847.40	781,847.40	781,847.40
Subtotals			\$9,683	\$10,251,271.60	\$19,934,271.60	\$19,934,271.60

(continued on next page)

(See Accountants' Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(cont'd)

**SCHEDULE OF AMORTIZATION OF \$17,621,000 PRINCIPAL AMOUNT
OF OUTSTANDING WATERWORKS REVENUE BONDS OF 2023**

Principal payable semi-annually March 1st and September 1st.

Interest payable semi-annually March 1st and September 1st.

Bonds dated April 21, 2023.

Interest rate as indicated.

Payment Date	Principal Balance (In \$1,000's)	Interest Rate (%)	Debt Service			Bond Year Total
			Principal (In \$1,000's)	Interest (-----In Dollars-----)	Total	
Sub-totals carried forward			\$9,683	\$10,251,271.60	\$19,934,271.60	\$19,934,271.60
9/1/2047	\$7,938	2.74	673	108,750.60	781,750.60	781,750.60
3/1/2048	7,265	2.74	683	99,530.50	782,530.50	
9/1/2048	6,582	2.74	692	90,173.40	782,173.40	1,564,703.90
3/1/2049	5,890	2.74	702	80,693.00	782,693.00	
9/1/2049	5,188	2.74	711	71,075.60	782,075.60	1,564,768.60
3/1/2050	4,477	2.74	721	61,334.90	782,334.90	
9/1/2050	3,756	2.74	731	51,457.20	782,457.20	1,564,792.10
3/1/2051	3,025	2.74	741	41,442.50	782,442.50	
9/1/2051	2,284	2.74	751	31,290.80	782,290.80	1,564,733.30
3/1/2052	1,533	2.74	761	21,002.10	782,002.10	
9/1/2052	772	2.74	772	10,576.40	782,576.40	1,564,578.50
Totals			<u>\$17,621</u>	<u>\$10,918,598.60</u>	<u>\$28,539,598.60</u>	<u>\$28,539,598.60</u>

(See Accountants' Report)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF COMBINED BOND AMORTIZATION

Payment Date	Outstanding				Total	Bond Year Total
	2010 Bonds	2016 Bonds	2019 Bonds	2023 Bonds		
03/01/24	\$54,325.20	\$285,401.25	\$174,699.36	\$241,407.70	\$755,833.51	
09/01/24	55,120.80	282,903.75	173,933.88	241,407.70	753,366.13	\$1,509,199.64
03/01/25	49,901.80	285,406.25	178,169.22	241,407.70	754,884.97	
09/01/25	50,755.80	287,862.50	177,339.88	266,407.70	782,365.88	1,537,250.85
03/01/26	47,595.20	290,272.50	180,511.34	264,065.20	782,444.24	
09/01/26	48,478.40	287,636.25	172,631.60	273,750.10	782,496.35	1,564,940.59
03/01/27	359,347.00		152,841.12	270,298.00	782,486.12	
09/01/27	359,675.00		154,293.00	268,887.00	782,855.00	1,565,341.12
03/01/28	359,930.00		154,718.93	267,489.70	782,138.63	
09/01/28	359,112.00		156,132.41	267,106.10	782,350.51	1,564,489.14
03/01/29	359,235.60		155,520.94	267,722.50	782,479.04	
09/01/29	359,286.20		154,908.52	268,325.20	782,519.92	1,564,998.96
03/01/30	359,263.80		156,297.16	266,914.20	782,475.16	
09/01/30	359,168.40		155,658.87	267,516.90	782,344.17	1,564,819.33
03/01/31			530,777.65	252,105.90	782,883.55	
09/01/31			530,777.82	251,900.40	782,678.22	1,565,561.77 (1)
03/01/32			530,777.99	251,694.90	782,472.89	
09/01/32			530,778.14	251,489.40	782,267.54	1,564,740.43
03/01/33			530,778.23	251,283.90	782,062.13	
09/01/33			530,778.22	252,078.40	782,856.62	1,564,918.75
03/01/34			530,778.03	251,859.20	782,637.23	
09/01/34			530,777.58	251,640.00	782,417.58	1,565,054.81
03/01/35			530,777.78	251,420.80	782,198.58	
09/01/35			530,777.52	251,201.60	781,979.12	1,564,177.70
03/01/36			530,777.66	250,982.40	781,760.06	
09/01/36			530,778.06	251,763.20	782,541.26	1,564,301.32
03/01/37			530,777.56	251,530.30	782,307.86	
09/01/37			530,778.00	251,297.40	782,075.40	1,564,383.26
03/01/38			530,778.18	252,064.50	782,842.68	
09/01/38			530,777.90	250,817.90	781,595.80	1,564,438.48
03/01/39			530,777.94	251,585.00	782,362.94	
09/01/39			530,778.06	251,338.40	782,116.46	1,564,479.40
03/01/40				782,091.80	782,091.80	
09/01/40				782,570.50	782,570.50	1,564,662.30
03/01/41				781,939.60	781,939.60	
09/01/41				782,212.80	782,212.80	1,564,152.40
03/01/42				782,376.40	782,376.40	
09/01/42				782,430.40	782,430.40	1,564,806.80
03/01/43				782,374.80	782,374.80	
09/01/43				782,209.60	782,209.60	1,564,584.40
03/01/44				781,934.80	781,934.80	
09/01/44				782,550.40	782,550.40	1,564,485.20
03/01/45				782,042.70	782,042.70	
09/01/45				782,425.40	782,425.40	1,564,468.10
03/01/46				782,684.80	782,684.80	
09/01/46				781,820.90	781,820.90	1,564,505.70
03/01/47				781,847.40	781,847.40	
09/01/47				781,750.60	781,750.60	1,563,598.00
03/01/48				782,530.50	782,530.50	
09/01/48				782,173.40	782,173.40	1,564,703.90
03/01/49				782,693.00	782,693.00	
09/01/49				782,075.60	782,075.60	1,564,768.60
03/01/50				782,334.90	782,334.90	
09/01/50				782,457.20	782,457.20	1,564,792.10
03/01/51				782,442.50	782,442.50	
09/01/51				782,290.80	782,290.80	1,564,733.30
03/01/52				782,002.10	782,002.10	
09/01/52				782,576.40	782,576.40	1,564,578.50
Totals	<u>\$3,181,195.20</u>	<u>\$1,719,482.50</u>	<u>\$11,851,658.55</u>	<u>\$28,539,598.60</u>	<u>\$45,291,934.85</u>	<u>\$45,291,934.85</u>

(1) Maximum annual debt service.

Average annual principal and interest payment for the five bond years ending September 1, 2030. \$1,564,917.83

(See Accountants' Report)