

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**REQUEST OF THE CITY OF EVANSVILLE,)
INDIANA TO ADDRESS THE ISSUES)
ASSOCIATED WITH ITS DEBT TRUE-UP)
REPORT AND THE POTENTIAL IMPACT OF) CAUSE NO. 45545 S1
CURRENT MARKET CONDITIONS ON)
OVERALL CAPITAL PROJECT COSTS AS)
WELL AS FOR ADDITIONAL FINANCING)
AUTHORITY.)**

PUBLIC'S EXHIBIT NO. 4

TESTIMONY OF SCOTT A. BELL

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

May 2, 2024

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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CERTIFICATE OF SERVICE

This is to certify that a copy of *Public's Exhibit No. 4 - OUCC's Testimony of Scott A. Bell on behalf of the OUCC* has been served upon the following counsel of record in the captioned proceeding by electronic service on May 2, 2024.

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TESTIMONY OF OUCC WITNESS SCOTT A. BELL
CAUSE NO. 45545 S1
CITY OF EVANSVILLE

I. INTRODUCTION

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

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

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

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

8 **Q: Did you previously file testimony in Cause No. 45545 S1?**

9 A: Yes. On November 18, 2022, my prepared testimony marked as Public's Exhibit No. 1 was
10 submitted in this subdocket along with the testimonies of James Parks (Public's Exhibit
11 No. 2) and Shawn Dellinger (Public's Exhibit No. 3).

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

13 A: The City of Evansville ("Petitioner" or "Evansville") anticipates delivering its proposed
14 Water Treatment Plant ("WTP") project, either through a Guaranteed Energy Savings
15 Contract ("GESC") with a Guaranteed Maximum Price ("GMP") or through open
16 competitive bidding. I recommend the Commission approve conditional financing
17 authority on Evansville awarding the contract to construct the WTP project to the lowest
18 responsible and responsive bidder(s) determined through the open, competitive public
19 bidding process codified in Ind. Code § 36-1-12-4 and typically used by municipal water
20 utilities. I also discuss the impact of proposed increases to the WTP project costs on
21 customer affordability.

1 **Q: What have you done to prepare your testimony?**

2 A: I read the "Sub-Docket" direct testimonies of Douglas L. Baldessari (Petitioner's Exhibit
3 No. 1), Shawn R. Wright (Petitioner's Exhibit No. 2), and Andrea W. Bretl, P.E.
4 (Petitioner's Exhibit No. 3), which were filed with the Commission on January 25, 2024. I
5 participated in drafting OUCC discovery questions and reviewed Petitioner's objections
6 and responses. I attended a meeting between the OUCC's technical staff and representatives
7 of Evansville on March 27, 2024. I reviewed documents identified in my testimony filed
8 on November 18, 2022. I reviewed Evansville's status reports filed with the Commission
9 in February, March, and April of 2023.

10 **Q: If you do not address a specific topic in your testimony, does that mean you agree**
11 **with or endorse Petitioner's request or position?**

12 A: No. It is neither practical nor reasonable for me or the OUCC's other witnesses to address
13 every issue, item, or adjustment presented in Petitioner's testimony, exhibits, work papers,
14 or discovery responses. Petitioner's case-in-chief addresses a broad and significant number
15 of issues, while my testimony only addresses a subset of the issues. Its scope is strictly
16 limited to the specific items I address. My silence in response to any actions, decisions, or
17 positions stated or implied by Petitioner in its request should not be construed as an
18 endorsement.

II. SUMMARY OF EVENTS SINCE OUCC TESTIMONY

19 **Q: What has transpired since the OUCC filed its testimony on November 18, 2022?**

20 A: On December 12, 2022 the City of Evansville ("Petitioner" or "Evansville") filed the
21 rebuttal testimony of Douglas Baldessari (Petitioner's Exhibit No. 1-R) and Lane T. Young
22 (Petitioner's Exhibit No. 2-R). On January 10, 2023, Evansville filed a Motion to Stay
23 Proceedings and Vacate Evidentiary Hearing. The OUCC provided a Response indicating

1 it would “not join in but will not object to Evansville’s Motion to Stay the proceeding.” On
2 January 12, 2023, the Commission issued a docket entry granting Petitioner’s Motion to
3 Stay. Petitioner provided status reports on February 1, 2023, and March 1, 2023. On April
4 3, 2023, Evansville filed Petitioner’s Submission of Status Report and Request for an
5 Attorney’s Conference. In its April status report, Evansville indicated that it had received
6 information from AECOM on March 31, 2023, indicating the final cost estimate for the
7 WTP project was coming in significantly higher than what AECOM had previously
8 communicated to Petitioner. On April 13, 2023, the Commission issued a docket entry
9 staying the Cause pending further request by Petitioner. On January 25, 2024, Evansville
10 filed Petitioner’s Submission of Sub-Docket Direct Testimony and Attachments. On
11 February 13, 2024, Evansville filed Petitioner’s Request to Lift Stay and Submission of
12 Agreed Procedural Schedule.

13 **Q: What relief does the City of Evansville now seek in this subdocket?**

14 A: In Cause No. 45545, the Commission granted Petitioner authority to issue long-term debt
15 in principle amount not to exceed \$225,062,000 to fund the WTP project, road relocations,
16 and a residual management facility. According to Mr. Baldessari’s testimony¹, filed on
17 January 25, 2024, Petitioner now seeks total financing authority of \$264,550,000, which
18 does not include funding for the road relocations or residuals management facility. Mr.
19 Baldessari stated that the WTP Project would be financed through the issuance of two
20 series of bonds in calendar year 2024, a \$103,880,000 Waterworks District Revenue Bond,
21 Series 2024A (the “2024A Bonds”) through the State Water Infrastructure Finance and

¹ Cause No. 45545 S1, Testimony of Douglas L. Baldessari, p. 4 (filed January 25, 2024)

1 Innovation Act (“SWIFIA”) and a \$108,120,000 Waterworks District Revenue Bond,
2 Series 2024B (the “2024B Bonds”) through the State Revolving Fund (“SRF”) Loan
3 Program. Those two bond issuances total \$212 million.

4 Mr. Baldessari also disclosed that prior to filing his testimony the Indiana Finance
5 Authority (“IFA”) through its SRF Loan Program issued Evansville, on December 22,
6 2023, a \$4 million Taxable Waterworks District Bond Anticipation Note, Series 2023
7 (“SRF Forgivable BAN”) and a \$3.3 million Taxable Waterworks Revenue Bond, Series
8 2023 (the “2023 Bonds”) to fund lead service line replacement projects. On page 13 of his
9 testimony, Mr. Baldessari stated that “to the extent such approval is necessary, Petitioner
10 is seeking approval for \$7,300,000 of authorization related to these lead service line
11 replacement projects.”

III. WATER TREATMENT PLANT PROJECT CONTRACTOR

12 **Q: How is Evansville proposing to select a contractor to complete the construction of the**
13 **proposed water treatment plant project?**

14 A: Mr. Wright stated the engineering design team is “working to produce plans for the hybrid
15 solution to 100% by mid-summer 2024” adding that timing “will allow the City flexibility
16 in our choice of delivery method – either bid the project or use the GMAX delivery method
17 – in order to ensure we have the best cost and best partner for the WTP Project.”²

18 **Q: Has Evansville issued a Request for Proposal and selected a Guaranteed Energy**
19 **Savings Contract Provider?**

20 A: Yes. As I indicated in my previous testimony in this subdocket, Petitioner issued a Request
21 for Qualifications (“RFQ”) in April 2022 for the construction of the new water treatment

² Cause No, 45545 S1, Petitioner’s Exhibit No. 2, Sub-Docket Direct Testimony of Shawn R. Wright, p. 13

1 plant using a Guaranteed Energy Savings Contract (“GESC”). I included the RFQ (dated
2 April 2022) and Addendum No. 1 (dated May 16, 2022) as Attachment SAB-6 to my
3 previous subdocket testimony.

4 **Q: Did the OUCC ask a series of questions to get a better understanding of the process**
5 **Evansville will use to determine the GESC Provider?**

6 A: Yes. In Cause No. 45545, the OUCC issued Data Request Set No. 21, Question 21-5, which
7 sought additional information about the criteria Evansville would use to choose the GESC
8 Provider. Evansville responded that submitters will be evaluated on the basis of (1)
9 Background / Project Team / Qualifications (10%), (2) References (10%), (3) Technical
10 Approach (15%), (4) Project Implementation (30%), (5) Financial Approach (15%), and
11 (6) Guarantee Management (20%). I have included Evansville’s response to OUCC Data
12 Request Set No. 21, Question 21-5 as OUCC Attachment SAB-10.

13 **Q: Was the cost of each submitter’s services a criterion Evansville used in determining**
14 **the GESC Provider?**

15 A: No. Cost of services was not listed as a basis of evaluation.

16 **Q: Has Evansville chosen the GESC Provider?**

17 A: Yes. In July 2022, Evansville chose Kokosing Industrial, Inc. (“Kokosing”) as the GESC
18 Provider.

19 **Q: How does Evansville propose to use a GESC Provider?**

20 A: As I stated in my previous subdocket testimony, according to its RFQ, Evansville’s intent
21 was to “select a single Provider to work with EWSU and the Engineer of Record to provide
22 value engineering, finalize the project scope, negotiate a Guaranteed Maximum Price (with
23 open book pricing), and develop a Guaranteed Energy Savings Contract agreement that

1 meets or exceeds EWSU's expectations."³

2 **Q: Did Evansville expect the CESC Provider (Kokosing) to work with the design**
3 **engineering team ahead of the Guaranteed Maximum Price ("GMP") delivery?**

4 A: Yes. According to Addendum No. 1 of the Request for Qualifications, the GESC
5 contractor is "expected to work with the design engineering team ahead of the GMP
6 delivery to review plans, identify value engineering opportunities, and offer suggestions to
7 improve the design as it relates to constructability, equipment access and maintenance
8 requirements, etc." Also, in Petitioner's Rebuttal Testimony of Michael Labitzke, P.E.
9 (Petitioner's Exhibit No. 3-R), Mr. Labitzke described how the GESC Provider will be
10 working with the design engineer:⁴

11 A GSC provider is selected based on qualifications important to the
12 selection committee specific to the project. The selected contractor then
13 works, at risk, with the design consultant to bring the design plans to a 60%
14 completion level. While doing this, the contractor contributes to design
15 decisions and construction methods that will reduce the overall cost to the
16 project. When the project is at the 60% level, the contractor submits a
17 Guaranteed Maximum Price ("GMP"). The utility evaluates the GMP
18 compared to the Engineer's estimate and decides whether to accept the
19 GMP or to traditionally bid the project. So, while it is true the GMP is
20 negotiated after the contractor is chosen, the utility still has discretion to
21 accept the GSC's price, or to competitively bid the project.
22 (Emphasis Added)

23 **Q: Was Kokosing, the GESC Provider, involved with biweekly design review meetings**
24 **that included representatives from Evansville and AECOM?**

25 A: Yes. In response to OUCC DR1-2, which was provided on October 14, 2022, Evansville
26 provided the following answer to DR 1-2(a.):

27 The design is currently advancing towards the 60% deliverable mark. Its
28 anticipated delivery date is set for the middle of November and the 90%
29 mark is set for the spring of 2023. The issued for construction set will be

³ Cause No. 45545 S1, Public's Exhibit No. 1, Testimony of Scott A. Bell, OUCC Attachment SAB-6, p. 16 of 124.

⁴ Cause No. 45545, Petitioner's Exhibit No. 3-R, Rebuttal Testimony of Michael Labitzke, P.E., p. 7

1 finalized in late summer of 2023, with anticipated construction starting in
2 the fall of 2023. We are currently having biweekly design review meetings
3 that include EWSU, AECOM, and Kokosing, the Guaranteed Savings
4 contractor.

5 This response to OUCC DR 1-2 was provided as Attachment SAB-9, to my subdocket
6 testimony filed on November 18, 2022.

7 **Q: Did the OUCC also seek additional information about the value engineering**
8 **workshops and meetings to determine the value or level of cost savings that was**
9 **provided by Kokosing, the GESC provider?**

10 A: Yes. In OUCC Data Request Set No. 4, Question 4-6, the OUCC asked a series of questions
11 about the value engineering meetings and workshops, including what value engineering
12 ideas were identified, the estimated capital cost savings identified, how capital cost savings
13 were calculated, and whether O&M cost savings were identified. The OUCC also asked
14 for a copy of any value engineering reports (both draft and final) and to identify any value
15 engineering ideas incorporated into the current design and any resulting cost savings. A
16 copy of OUCC Data Request Set No. 4, Question 4-6 and Petitioner's response is included
17 as Attachment SAB-11.

18 **Q: Did Evansville provide any information about its value engineering workshops or**
19 **meetings in its response to OUCC DR 4-6?**

20 A: No. Evansville did not provide any information about the value engineering workshops,
21 what ideas were identified, the estimated capital cost savings identified, how capital cost
22 savings were calculated, and whether O&M cost savings were identified. Rather,
23 Evansville objected to the question and provided the following response:

24 Petitioner objects to the request on the grounds and to the extent the request
25 seeks information which is irrelevant to this proceeding and not reasonably
26 calculated to lead to the discovery of admissible evidence. Petitioner will
27 remind the OUCC why it has sought an increase in financing authority at
28 this time. As explained in Petitioner's Exhibit No. 1, the United States
29 economy has experienced sustained inflation at levels not seen in over two

1 generations. This historic inflation was not anticipated at the time of the
2 evidentiary hearing in the main docket and thus was not reflected in the
3 earlier cost estimates. Any reasonable engineer or economist would know
4 that the earlier estimates will be insufficient. In addition, we are currently
5 in an environment of rapidly rising interest rates. The worst possible
6 outcome for Evansville customers would be to wait until after the project
7 has been completely designed before seeking additional financing authority.
8 This would delay the closing the bond issue, which, in this environment of
9 rising interest rates, would be imprudent if not reckless. The only
10 components of Evansville's request for additional financing authority that
11 are driven by further engineering of the project are the deeper auger cast
12 piles; environmental investigation identifying heavy metals in the soil; the
13 river intake carbon steel piping and associated river intake costs; undercover
14 basins; and depth of filter beds allowing for future PFAS treatment. No
15 further changes in the estimate are proposed based upon further
16 engineering. For any questions related to engineering components beyond
17 these identified categories, please see the extensive evidence and discovery
18 shared in Cause No. 45545. As indicated, before Petitioner closes on its
19 bond issuance, engineering will have been completed. Hopefully the
20 additional authority requested herein will allow a prompt closing on the
21 bonds at that point.

22 **Information Provided:**

23 Subject to and without waiver of the foregoing objection, Petitioner
24 responds as follows:

25 See objection. See also Petitioner's response to OUCC DR 1-2 for
26 information regarding the current project schedule and progress.

27 **Q: Has Evansville quantified any cost savings or efficiencies due to Kokosing's**
28 **involvement with value engineering workshops or other meetings to review plans and**
29 **offer suggestions to improve design?**

30 **A:** No. Based on Evansville's answer to OUCC Data Request Set No. 1, Question 1-2(a)
31 Kokosing attended biweekly design review meetings with Petitioner and AECOM. (See
32 Attachment SAB-12.) Also, as Mr. Labitzke stated, the contractor (Kokosing) "contributes
33 to design decisions and construction methods that will reduce the overall cost to the
34 project." However, Petitioner has not provided any testimony quantifying any value
35 engineering analysis provided by Kokosing that resulted in cost savings, efficiencies, or
36 reductions to the overall cost to the project.

1 **Q: Did Kokosing provide a GMAX price for the WTP project in 2023?**

2 A: Yes. According to Mr. Wright, Kokosing was able to provide a GMAX price of
3 \$352,842,000 on June 28, 2023 for the AECOM designed WTP project.⁵ The \$352,842,000
4 GMAX price did not include some additional items which when included made the final
5 estimated cost of the project at over \$400 million.

6 **Q: After that, did Evansville retain any engineering firms to evaluate AECOM's design?**

7 A: Yes. According to Ms. Bretl, Clark Dietz was retained in June 2023 to evaluate potential
8 changes and deletions from AECOM's 90% design documents while retaining the new
9 plant concept and meeting capacity, regulatory requirements, and water quality goals.⁶

10 **Q: What was the result of Clark Dietz' evaluation?**

11 A: As included with her testimony, Ms. Bretl provided the July 2023 Water Plant Value
12 Engineering Report (Petitioner's Attachment AWB-1), which recommended deferring
13 construction of ozone treatment, changing the type of pile system, raising the hydraulic
14 profile, considering reuse of existing facilities, improving site layout and piping layout for
15 more efficiency and simplifying the administration building. She explained that these
16 recommendations could result in cost savings between \$78.5 million and \$131 million.⁷

17 **Q: If Kokosing had been collaboratively working with AECOM for at least six months
18 to identify value engineering opportunities for the WTP design, why wasn't Kokosing
19 able to provide similar value engineering savings as Clark Dietz did in one month?**

20 A: No value engineering information was provided in response to the OUCC's discovery. I
21 am unable to speculate why Kokosing's significant involvement with AECOM, as the

⁵ Cause No. 45545 S1, Petitioner's Exhibit No. 2, Sub-Docket Direct Testimony of Shawn R. Wright, Attachment SW-5, page 3 of 9.

⁶ Cause No.45545 S1, Petitioner's Exhibit No.3, Sub-Docket Direct Testimony of Andrea W, Bretl, P.E., p. 4.

⁷ *Id.* p. 5

1 GESC Provider, did not result in identified project cost reductions or suggested
2 modifications to the design such as what Clark Dietz produced.

3 **Q: Is there another method of procuring a contractor to construct the new Hybrid WTP**
4 **that would be better?**

5 A: Yes. Petitioner can choose a contractor through the open public bidding process under I.C.
6 § 36-1-12-4 (Public Works Projects) typically used by municipal water utilities and
7 Petitioner to construct facilities. Open public bidding is a transparent and competitive
8 process for evaluating bids to determine the best value. The public bidding process
9 promotes lower costs as the project would be completed by the lowest responsible and
10 responsive bidder. I recommend the Petitioner use the procedures outlined in I.C. §
11 36-1-12-4 (Public Works Projects) to choose the contractor to construct the hybrid WTP.

12 **Q: Are you suggesting Petitioner not use Kokosing as the contractor for the proposed**
13 **WTP project?**

14 A: No. I am recommending that Petitioner choose a contractor using the procedures outlined
15 in I.C. § 36-1-12-4, and Kokosing would be well poised to bid on the project along with
16 all other bidders.

IV. AFFORDABILITY

17 **Q: Is the OUCC concerned about the affordability of Petitioner's rates?**

18 A: Yes. In Cause No. 45545, Evansville received approval for a five-phase rate increase.
19 According to Mr. Baldessari's Attachment DLB-1, page 15 of 20, a residential customer
20 using 5,000 gallons of water will be paying \$59.02, which is among the highest rates for
21 regulated municipal water utilities in the State of Indiana. Through I.C. § 8-1-2-0.5, the
22 Indiana General Assembly has recognized affordability concerns regarding rising water
23 and wastewater rates. I.C. § 8-1-2-0.5 expresses that the policy of the State of Indiana is to

1 encourage the planning for, and investment in, infrastructure, while protecting affordability
2 for present and future generations of Indiana citizens.⁸

3 **Q: Does Petitioner's proposed hybrid WTP project include funding the water main road**
4 **relocations originally proposed in Cause No. 45545?**

5 A: No. Petitioner has eliminated the funding (\$39,806,000) for the water main road relocations
6 in this subdocket. Therefore, the cost of these water main road relocations may need to be
7 funded through future rate increases that will be an additional burden to customers. When
8 authorizing the financing for the water treatment plant, I suggest that the Commission
9 consider the other projects Evansville has already established a need to complete and how
10 in combination the affordability of Evansville's rates will be affected.

11 **Q: How should affordability be considered?**

12 A: Water utilities in Indiana are monopolies whose customers have no choice in their service
13 providers. These customers depend on the Commission to apply traditional ratemaking
14 principles to ensure that a water utility's costs are reasonable so that customers are not
15 paying for unreasonable expenses or imprudent investments through higher rates. The
16 OUCC understands it is crucial for water utilities to make infrastructure investments to
17 provide safe, reliable, and resilient service. However, utilities need to acknowledge how
18 affordability is affected when choosing what to build and the method used to hire
19 contractors, as these services supply basic human needs and are therefore not discretionary.

⁸ Sec. 0.5. The general assembly declares that it is the continuing policy of the state, in cooperation with local governments and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to create and maintain conditions under which utilities plan for and invest in infrastructure necessary for operation and maintenance while protecting the affordability of utility services for present and future generations of Indiana citizens. *As added by P.L.104-2016, SEC.1.*

1 **Q: What action does the OUCC request the Commission take?**

2 A: The Commission is charged with the task of balancing the interests of utilities with
3 ratepayers. Consistent with the General Assembly's stated policy, the Commission should
4 take steps to moderate the imposition of higher rates over time and only approve necessary
5 and reasonable requests for Evansville to provide affordable water service. The OUCC
6 recognizes the necessity of financially sound utilities that can provide quality services at
7 reasonable prices. The OUCC requests the Commission consider the affordability of
8 Evansville's existing and proposed rates when examining the request for additional
9 financing authority.

10

V. RECOMMENDATIONS

11 **Q: What are your recommendations?**

12 A: I recommend the Commission authorize Petitioner's requested financing authority with the
13 condition that Evansville use the procedures outlined in I.C. § 36-1-12-4 (Public
14 Works Projects) to choose the contractor to construct the WTP project.

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

16 A: Yes.

APPENDIX A

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

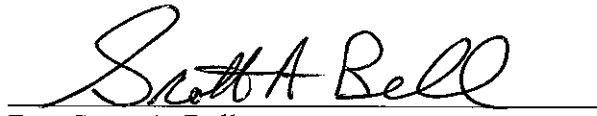
2 A: I have a Bachelor of Science degree in Industrial Management, with a minor in Industrial
3 Engineering from Purdue University. I began working for the Indiana Utility Regulatory
4 Commission ("Commission") in 1988 as a Staff Engineer. In 1990, I transferred to the
5 OUCC at the time of the reorganization of the Commission and the OUCC. In 1999, I was
6 promoted to the position of Assistant Director and in 2005 I was promoted to the position
7 of Director of the Water / Wastewater Division. During my term as Director, I have served
8 on the Water Shortage Task Force, created by SEA 369 in the 2006 General Assembly and
9 the Water Resources Task Force, created by HEA 1224 in the 2009 General Assembly. I
10 am a member of the American Water Works Association ("AWWA") and have attended
11 numerous utility related seminars and workshops including the Western Utility Rate
12 Seminar sponsored by the National Association of Regulatory Utility Commissioners
13 ("NARUC"). I also completed additional coursework regarding water and wastewater
14 treatment at Indiana University-Purdue University at Indianapolis ("IUPUI").

15 **Q: Have you previously testified before the Commission?**

16 A: Yes. I have testified in many causes relating to telecommunications, natural gas, electric,
17 water, and wastewater utilities. During the past twenty-two (22) years, I have testified
18 exclusively on water and wastewater utility issues. Some of those issues included the
19 reasonableness of cost of service studies, rate design, fair value, Replacement Cost New
20 Less Depreciation ("RCNLD") studies, engineering-related operation and maintenance
21 expenses, capital improvement projects, non-revenue water and water conservation.

AFFIRMATION

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

A handwritten signature in cursive script that reads "Scott A. Bell". The signature is written in black ink and is positioned above a horizontal line.

By: Scott A. Bell
Cause No. 45545 S1
Office of Utility Consumer Counselor (OUCC)

Date: May 2, 2024

OUCS DR 21-5

DATA REQUEST
City of Evansville

Cause No. 45545

Information Requested:

Please state the criteria that will be used by Evansville to choose the firm that will provide construction services for the new water treatment plant. If there is a scoring sheet, please provide.

Information Provided:

Submitters will be evaluated on the basis of the following:

- Background – This includes identification of corporate officers and company values, most recent audited financial report, identification of the responsible Professional Engineer, information on OSHA violations, information on disbarment, disqualification, and bankruptcy
- Project Team – Background additionally includes the identification of the leadership team including project principals, project manager, superintendents, project engineers, safety professionals, and others critical to the successful delivery of the project.
- References – This includes a list of projects and owners for whom the candidate has delivered other projects using GSC as well as non-GSC projects that are peer to the water plant
- Technical Approach – This is the candidate’s approach to the construction of the project
- Project Implementation – This is the candidate’s approach to project management including schedule
- Financial Approach – This is the candidate’s approach to establishing the Guaranteed Maximum Price, to committing to no change orders, to using open book pricing, and to providing proof of bonding capacity
- Guarantee Management – This is the candidate’s approach to the identification of Conservation Measures for energy, O&M, and future capital avoidance

The actual scoring matrix will be determined by the committee prior to advertising for the project. The following scoring matrix was used successfully by EWSU on its West WWTP Storage Basin GSC.

(Continued on next page)

OUCG DR 21-5
(Continued from previous page)

RFP Response Area	Percentage	Score
Background & Qualifications	10%	0 - 10
References	10%	0 - 10
Technical Approach	15%	0 - 15
Project Implementation	30%	0 - 30
Financial Approach	15%	0 - 15
Guarantee Management	20%	0 - 20
Total	100%	0 - 100

OUCC DR 4-6

DATA REQUEST

City of Evansville

Cause No. 45545 S1

Information Requested:

Reference the description of the Value Engineering Scope of Services in AECOM's Amendment No. 1, dated April 19, 2022, provided as Attachment OUCC DR 1-3, page 7 of 21 which reads:

Task 1 Detailed Design and Project Management

2. Address value engineering items
 - a. The end of the phase 1 services included a value engineering (VE) workshop to identify strategies for cost savings. A subsequent meeting was held with EWSU and AECOM to identify key VE ideas to be considered for inclusion in the Phase 2 design. VE items that have been mutually agreed upon between OWNER and AECOM will be finalized in the Phase 2 design and included in the 60% deliverable. Major VE design concepts to be further considered for inclusion in this phase of design are as follows:
 - 1) Raise the hydraulic profile of the treatment facility.
 - 2) Utilize more common wall construction for treatment basins.
 - 3) Switch locations of the pretreatment basin with the clearwell / filter building.
 - 4) Switch from potassium permanganate to liquid sodium permanganate at the river intake onshore facility.
 - 5) Replace pretreatment rapid mix equipment with side-stream injection of coagulant.
 - 6) Consider increasing the loading rate of plate settlers and filters at the 50 MGD capacity.

Please answer and provide the following:

- a. State the dates of the value engineering (VE) workshops and meetings.
- b. Identify the consulting firms, contractors, and EWSU staff who participated in each of the VE workshops and meetings.
- c. Provide the agendas, minutes, and other communications that document and summarize the Workshops and meetings.

(Continued on next page)

OUCC DR 4-6
(Continued from previous page)

- d. Disclose all initial VE ideas identified prior to the VE workshops. For each initial VE idea, please include a brief description, the estimated capital cost savings with support showing how the capital savings were calculated, the estimated O&M cost savings, if any, and whether the idea was carried forward for full evaluation. Please also explain why each initial VE idea not evaluated further was discarded.
- e. Disclose all VE ideas identified during the VE workshops. For each VE idea identified during the VE workshops, please include a brief description, the estimated capital cost savings with support showing how the capital savings were calculated, the estimated O&M cost savings, if any, and whether the idea was carried forward for full evaluation. Please also explain why each VE idea identified during the VE workshops but not evaluated further was discarded.
- f. Identify all VE ideas fully evaluated during the workshops.
- g. Provide the draft VE report submitted to VE participants.
- h. Provide copies of VE participants' draft VE Report review comments.
- i. Provide copies of all communications between EWSU and other VE participants regarding project costs, revised project cost estimates, and VE cost savings.
- j. Copies of all Final VE Reports.
- k. Identify VE ideas incorporated into the current design and state the VE cost savings for each such VE idea.
- l. State the total VE cost savings adopted into the current design.

Objection:

Petitioner objects to the request on the grounds and to the extent the request seeks information which is irrelevant to this proceeding and not reasonably calculated to lead to the discovery of admissible evidence. Petitioner will remind the OUCC why it has sought an increase in financing authority at this time. As explained in Petitioner's Exhibit No. 1, the United States economy has experienced sustained inflation at levels not seen in over two generations. This historic inflation was not anticipated at the time of the evidentiary hearing in the main docket and thus was not reflected in the earlier cost estimates. Any reasonable engineer or economist would know that the earlier estimates will be insufficient. In addition, we are currently in an environment of rapidly rising interest rates. The worst possible outcome for Evansville customers would be to wait until after the project has been completely designed before seeking additional financing authority. This would delay the closing the bond issue, which, in this environment of rising interest rates, would be imprudent if not reckless. The only components of Evansville's request for additional financing authority that are driven by further engineering of the project are the deeper auger cast piles; environmental investigation identifying heavy metals in the soil; the river intake carbon steel piping and associated river intake costs; undercover basins; and depth of filter beds allowing for future PFAS treatment. No further changes in the estimate are proposed based upon further engineering. For any questions related to engineering components

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OUCC DR 4-6
(Continued from previous page)

beyond these identified categories, please see the extensive evidence and discovery shared in Cause No. 45545. As indicated, before Petitioner closes on its bond issuance, engineering will have been completed. Hopefully the additional authority requested herein will allow a prompt closing on the bonds at that point.

Information Provided:

Subject to and without waiver of the foregoing objection, Petitioner responds as follows:

See objection. See also Petitioner's response to OUCC DR 1-2 for information regarding the current project schedule and progress.

OUCC DR 1-2

DATA REQUEST
City of Evansville

Cause No. 45545 S1

Information Requested:

For the new Water Treatment Plant project schedule, please provide the following:

- a. Current design schedule with milestones indicating percent completion dates, deliverables/submittals to Evansville, and design review meetings with Evansville
- b. Current design completion status (i.e., 50%, 60%, 90% etc.)
- c. IDEM permitting status (please also indicate the anticipated date when the construction permit application will be submitted to IDEM).
- d. Current overall project schedule from selection of the design firm through construction completion and startup of the new plant.

Information Provided:

- a. The design is currently advancing towards the 60% deliverable mark. Its anticipated delivery date is set for the middle of November and the 90% mark is set for the spring of 2023. The issued for construction set will be finalized in late summer of 2023, with anticipated construction starting in the fall of 2023. We are currently having biweekly design review meetings that include EWSU, AECOM, and Kokosing, the Guaranteed Savings contractor.
- b. 60% is planned to be prior to November 15. See response to (a) above.
- c. The permit application will be submitted to IDEM using the 60% plans and is currently being planned to occur prior to 2023.
- d. AECOM was retained in late March of 2022 to complete the engineering design services. Kokosing was retained in July of 2022 as the Guaranteed Savings contractor. See response to (a) above for design and start of construction schedule. The project is anticipated to be constructed over a three-year period.