

FILED
July 20, 2021
INDIANA UTILITY
REGULATORY COMMISSION

Verified Direct Testimony of Jonathan Valenta
On behalf of Intervenor, City of Fishers
Intervenor City of Fishers Exhibit 2
IURC Cause No. 45578

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION BY
HAMILTON SOUTHEASTERN UTILITIES, INC.
FOR 1) AUTHORITY TO TRANSFER ITS
ASSETS FOR ITS FISHERS SERVICE AREA TO
THE CITY OF FISHERS, INDIANA; AND 2)
UPON CONCLUSION OF THE TRANSFER, THE
CANCELLATION OF ITS CERTIFICATES OF
TERRITORIAL AUTHORITY FOR THE
FISHERS SERVICE AREA, EXCLUDING A
PORTION OF THE CERTIFICATE OF
TERRITORIAL AUTHORITY GRANTED BY
THE COMMISSION IN CAUSE NO. 38819

OFFICIAL
EXHIBITS

CAUSE NO. 45578

IURC
INTERVENOR'S
EXHIBIT NO. 2
10-8-21 AT
DATE REPORTER

**VERIFIED DIRECT TESTIMONY AND ATTACHMENTS OF JONATHAN VALENTA
ON BEHALF OF THE CITY OF FISHERS, INDIANA**

Direct Testimony of Jonathan Valenta
Map of Fishers Service Area
Fishers Wastewater Utility Rates and Charges

Intervenor City of Fishers Exhibit 2
Attachment JV-A
Attachment JV-B

Respectfully submitted,



Stephen C. Unger, Atty. No. 25844-49
Jeffery A. Earl, Atty. No. 27821-64
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
(317) 684-5000
sunger@boselaw.com
jearl@boselaw.com

CERTIFICATE OF SERVICE

I certify that on July 20, 2021, the foregoing was filed electronically with the Indiana Utility Regulatory Commission using the Commission's electronic filing system and was served electronically on the parties below:

Hamilton Southeastern Utilities, Inc.

Randolph L. Seger

Michael T. Griffiths

Dentons Bingham Greenebaum LLP

randy.seger@dentons.com

michael.griffiths@dentons.com

Indiana Office of Utility Consumer Counselor

Daniel Le Vay

dlevay@oucc.in.gov

infomgt@oucc.in.gov



Jeffery A. Earl, Atty. No. 27821-64

1 **1. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.**

2 My name is Jonathan Valenta, and I am the Assistant Director of Public Works and
3 the Director of the Wastewater Utility for the City of Fishers, Indiana (“Fishers” of the
4 “City”). My business address is 10210 Eller Road, Fishers, Indiana.

5 **2. HOW LONG HAVE YOU BEEN EMPLOYED BY FISHERS?**

6 I have worked for Fishers for 23 years.

7 **3. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

8 I attended IUPUI and majored in marketing and journalism. I received a Certified
9 Public Manager certification from Ball State University, and a Certified Floodplain
10 Manager certification from the Association of Flood Plain Management. In addition, I have
11 advanced training in asset management software, GIS, AutoCAD, and computerized
12 maintenance management system (CMMS) software.

13 **4. WHAT IS YOUR RELEVANT EMPLOYMENT EXPERIENCE?**

14 Currently, I manage the City’s wastewater and stormwater utilities, which includes
15 management of the wastewater collection system and wastewater treatment facility
16 (“WWTP”). I also manage a capital program comprising over \$40 million over the past
17 five years. In that time, I have overseen the installation of a force main from Interstate 69
18 to the WWTP, the relocation of sewer facilities under I-69, the installation of a gravity
19 interceptor on Lantern Road, improvements to various lift stations, and the expansion of
20 the WWTP to a 10 million gallons per day (“MGD”) capacity.

21 In addition to managing the utility, I interface with the Mayor’s Office, City
22 Council, Board of Works, consulting engineers, contractors, and the public. I oversee the

1 development of CAD, GIS, and CCTV and the selection of the respective software and
2 hardware. I manage the City's floodplain program, stormwater inspection, and plan review.
3 I provide specifications for and coordinate the purchasing of utility operations equipment,
4 including VacTrucks, sewer cleaning equipment, CCTV trucks and software, utility trucks,
5 lift station pumps, generators, and other equipment.

6 With respect to personnel, I perform the hiring, training, and scheduling of staff for
7 up to 30 full-time and part-time employees. I also select and coordinate third-party
8 contractors that perform electrical, I&C, mechanical, HVAC, and other services.

9 **5. DO YOU HOLD ANY RELEVANT LICENSES OR CERTIFICATIONS?**

10 Yes. I hold a Class IV Operators license, I am a Certified Flood Plain Manager, a
11 Certified Public Manager, a Certified Inspector Erosion and Sediment Control, and I have
12 completed the OSHA 30-Hour training course.

13 **6. WHAT ARE YOUR DUTIES AND RESPONSIBILITIES AS ASSISTANT**
14 **DIRECTOR OF PUBLIC WORKS AND DIRECTOR OF THE WASTEWATER**
15 **UTILITY?**

16 As Director of the Wastewater Utility, I am primarily responsible to ensure the
17 efficient and safe operation of The City's wastewater collection system and treatment plant
18 according to all local, state, and federal laws and regulations. I supervise all wastewater
19 utility operations and staff. I review all expense and revenue reports and budget requests,
20 and I assist in preparing, reviewing, and approving the utility's budget and any
21 recommendations for rate increases. I regularly report on the utility's status to the Fishers
22 City Council, and I review, approve, and ensure the submission of all required reports to

1 the Indiana Department of Environmental Management (“IDEM”) and the United States
2 Environmental Protection Agency (“EPA”).

3 As Assistant Director of Public Works, I have overall management of the City’s
4 wastewater and stormwater utilities, and I administer the City’s fats, oils, and grease
5 program. I oversee and implement program budgets of \$15 million for wastewater, \$5
6 million for stormwater, and a capital budget comprising over \$40 million over the past five
7 years. I am responsible for the management of the collection system, which includes,
8 inspections, cleaning, CCTV, spot repairs, pipe lining, mapping, and
9 functionality/capacity. I am also responsible for the management of facilities maintenance,
10 which includes preventative maintenance, pump repairs, wet well cleaning, I&C, and
11 SCADA for the utilities 23 lift stations (4 regional) and the WWTP.

12 **7. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?**

13 No.

14 **8. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 The purpose of my testimony is to support the petition of Hamilton Southeastern
16 Utilities, Inc. (“HSE”) for approval to sell certain wastewater utility assets to Fishers.
17 Specifically, I will address the City’s technical, financial, and managerial ability to own
18 and operate HSE’s sewer utility system and to provide wastewater utility service to HSE’s
19 customers.

20 **9. PLEASE DESCRIBE THE CITY’S CURRENT WASTEWATER UTILITY.**

21 Fishers currently operates a sanitary sewer district bounded approximately by the
22 White River, 126th Street, Interstate 69, and 96th Street. The collection system comprises

1 100 miles of mainline sewers and 22 lift stations. Collected wastewater is treated at the
2 utility's Cheeney Creek WWTP, which features preliminary treatment, primary
3 sedimentation, activated sludge, nitrification, secondary calcification, disinfection, and
4 effluent re-aeration. The utility achieves biosolids stabilization using the N-Viro Soil
5 process.

6 In addition to serving its own utility customers, Fishers also currently provides
7 wholesale sewage treatment service to HSE pursuant to wholesale sewer agreements.
8 Fishers receives all of HSE's collected wastewater through 10 connection points. All HSE
9 flow goes through the City's collection system and lift stations and is treated at the WWTP.

10 **10. WHY DOES FISHERS WANT TO ACQUIRE HSE'S SEWER UTILITY SYSTEM?**

11 HSE currently operates a wastewater utility system that is inside of and adjacent to
12 the City's corporate boundaries (the "Fishers Service Area")¹. The Fishers Service Area
13 comprises the area north of 126th street to Noblesville and east of Interstate 69 to Madison
14 County. A map of the service area being acquired is attached to my testimony as
15 Attachment JV-A.

16 Fishers wishes to provide wastewater utility service to all of its citizens, and
17 therefore, wishes to acquire HSE's utility system in the Fishers Service Area. Because
18 HSE's Fishers Service Area comprises customers both inside of and outside of the City's

¹ For purposes of this testimony, all references to HSE's sewer utility system refer only to the portion of HSE's system located in the Fishers Service Area, which is being acquired by Fishers, and not to HSE's Wayne Township or East Service Areas.

1 corporate boundaries, Fishers will also take over the provision of service to the “outside-
2 city” customers that are located in the Fishers Service Area.²

3 **11. DOES FISHERS CURRENTLY PROVIDE WASTEWATER UTILITY SERVICE**
4 **TO ANY CUSTOMERS LOCATED OUTSIDE OF ITS CORPORATE**
5 **BOUNDARIES?**

6 No.

7 **12. DOES HSE PROVIDE SERVICE TO ANY AREAS BESIDES THE FISHERS**
8 **SERVICE AREA?**

9 Yes, it is my understanding that HSE also provides sewer utility service to
10 customers in Wayne Township, in Noblesville, and in its East Service Area. Fishers
11 understands that it may continue to have flows entering its collection system from these
12 other areas, which will be treated by the WWTP. The treatment of these flows has been
13 addressed in amended service agreements between Fishers and HSE, which are not related
14 to the recovery requested in this Cause. Fishers is not acquiring HSE’s utility systems in
15 these areas. Rather, HSE will continue to serve those areas, and Fishers will provide
16 wholesale sewage treatment to HSE for those areas if necessary and agreed to by the
17 parties.

² There are small unincorporated areas located inside of the City’s corporate boundaries where Fishers is acquiring HSE’s physical assets. Therefore, all acquired physical assets are either within the City’s corporate boundaries or are located in areas completely surrounded by Fishers and within its extraterritorial authority.

1 **13. IS THERE A PORTION OF THE FISHERS SERVICE AREA BEING ACQUIRED**
2 **BY FISHERS THAT IS WITHIN NOBLESVILLE?**

3 Yes. Fishers is acquiring a small undeveloped area of HSE's current service
4 territory that is located in Noblesville. The area is outlined in red on the map attached to
5 my testimony. Attachment JV-A. The area is generally bounded by Olivo Road on the west,
6 146th Street in on the north, Atlantic Road on the east, and I-69 on the south. HSE currently
7 has an indeterminate permit to serve this area, which was granted in Cause No. 39567,
8 however, HSE does not currently serve any customers in the area and it does not have any
9 utility plant installed in the area. The topography of the area indicates that it would be
10 easier for sewage to flow to Fishers for treatment rather than to Noblesville. As a result, it
11 is my understanding that Fishers plans to coordinate with Noblesville on an interlocal
12 agreement addressing the provision of sewer service to any new customers or
13 developments in the area.

14 **14. WHAT ARE FISHERS'S CURRENT SEWER RATES?**

15 Fishers charges a flat rate of \$31.00 per month for single-family residential
16 customers. I have attached a copy of the City's Schedule of User Charges to my direct
17 testimony as Attachment JV-B.

18 **15. HOW DO FISHERS'S CURRENT SEWER RATES COMPARE TO HSE'S**
19 **CURRENT SEWER RATES?**

20 It is my understanding that HSE currently charges single-family residential
21 customers a flat rate of \$35.04 per month. In addition, HSE charges a sewer tracker of

1 **16. WHICH RATE DOES FISHERS INTEND TO CHARGE HSE’S CUSTOMERS**
2 **AFTER THE ACQUISITION?**

3 To avoid confusion, Fishers will continue to charge HSE’s current rate (including
4 the sewer tracker) of \$39.79 per month to HSE’s customers after the acquisition regardless
5 of whether the customers are located inside or outside of the City’s corporate boundaries.
6 Once the acquisition is complete, and Fishers gains some experience operating the HSE
7 collection system, Fishers will reevaluate its rates and charges and will consider either
8 moving all customers to a single rate or, if necessary, creating separate rates for former-
9 HSE-system and former-Fishers-system customers.

10 **17. DOES FISHERS HAVE THE TECHNICAL ABILITY TO OWN AND OPERATE**
11 **HSE’S SEWER UTILITY SYSTEM?**

12 Yes. The City’s Wastewater Utility was created in the early 1970s to serve the
13 wastewater collection and treatment needs of a relatively small residential community (Old
14 Town). In 1994, as the system grew, Fishers constructed a new 1 MGD WWTP. The
15 WWTP was expanded in 1998 to 4 MGD and again in 2002 to 8 MGD. Fishers has a 20-
16 person staff, including engineers, laboratory technicians, facility maintenance technicians,
17 operators, and laborers. In the past 20 years, Fishers has conducted an extensive capital
18 improvement project plan designed to maintain regulatory compliance. The projects
19 include ultra-violet disinfection facilities (2008), expanded secondary clarification (2008),
20 increased lift station pumping capacity (2011), refurbishment of the Inlet Building (2013),
21 and biosolids dewatering improvements (2014).

1 Over the past five years, Fishers has continued its capital improvement plan by
2 expanding its WWTP TO 10 MGD, constructing a chemical feed building at the WWTP,
3 expanding and improving the disinfection and biosolids dewatering systems, and various
4 main and lift station improvements. Further, as stated above, Fishers already treats the
5 wastewater collected by HSE's utility system, so the only change resulting from the
6 acquisition will be that Fishers will take over control of HSE's collection system. Fishers
7 anticipates that it will be able to operate, maintain, and improve HSE's collection system
8 with its existing workforce.

9 Fishers currently performs the management, engineering, and operational functions
10 required to own and operate HSE's wastewater utility system. The City's in-house
11 personnel perform legal insurance/risk management, human resources, procurement,
12 budgeting, GIS/CAD, economic development/zoning, IT, infrastructure engineering, lift
13 station design, operations, and maintenance, CCMS/LIMS, collection system design,
14 inspection, cleaning, repair, and replacement, and capital improvements functions. Fishers
15 also employs third-party contractors, including Commonwealth Engineers, Donohue &
16 Associates, Clark Dietz, VS Engineering, and BF&S, among others, for assistance and for
17 other functions. In addition, the City's field crews already work in HSE's service territory
18 because the City's stormwater utility includes HSE's service area. In addition, the City's
19 staff already has business and operational relationships with HSE and SAMCO Group.

1 **18. DOES FISHERS HAVE THE FINANCIAL ABILITY TO OWN AND OPERATE**
2 **HSE'S SEWER UTILITY SYSTEM?**

3 Yes. As required by Ind. Code § 36-9-23-25, Fishers has designed its rates and
4 charges for sewer utility service to be sufficient to pay all expenses incidental to the
5 operation of the works, provide a sinking fund, provide adequate working capital, and
6 provide adequate funds to improve and replace its sewer system as necessary. Under its
7 present rates and charges, Fishers recovers enough revenue to meet its expenses and earn
8 a return of between \$1 million and \$1.5 million dollars before one-time capital
9 expenditures.

10 To the extent that Fishers will incur additional expenses to own and operate HSE's
11 sewer utility system, Fishers will recover sufficient funds from continuing to bill HSE's
12 customers at HSE's current rates to meet these additional expenses and to safely and
13 efficiently own and operate HSE's sewer utility system.

14 **19. DOES FISHERS HAVE THE MANAGERIAL ABILITY TO OWN AND OPERATE**
15 **HSE'S SEWER UTILITY SYSTEM?**

16 Yes. The same, existing management structure that Fisher's uses to manage its
17 wastewater collection and treatment systems will manage the additional collection system
18 acquired from HSE. In addition, the City's Wastewater Utility is overseen by the Fishers
19 Board of Public Works and, ultimately, by the Mayor and the City Council.

1 **20. WILL HSE’S CUSTOMERS RECEIVE COMPARABLE, UNINTERUPED**
2 **SERVICE WHEN FISHERS ACQUIRES HSE’S SEWER UTILITY SYSTEM?**

3 Yes. Because HSE’s collection system is already interconnected to The City’s
4 utility system and because Fishers already treats HSE’s collected wastewater, HSE’s
5 customers will not experience any interruption in service when Fishers takes over control
6 of the HSE system, and HSE’s customers will continue to receive the same or better service
7 from Fishers as they received from HSE. In addition, the City’s existing permitting and
8 inspections, customer service, billing, call-out, and emergency response resources for its
9 wastewater utility will be extended to also cover the added HSE collection system
10 customers.

11 **21. IS THE PORTION OF HSE’S FISHERS SERVICE AREA THAT IS LOCATED**
12 **OUTSIDE OF THE CITY’S CORPORATE BOUNDARIES WITHIN THE RADIUS**
13 **OF MILES IN WHICH FISHERS HAS STATUTORY AUTHORITY TO PROVIDE**
14 **SEWER UTILITY SERVICE?**

15 Yes. Under Ind. Code § 36-9-23-36, Fishers has statutory authority to provide sewer
16 utility service in areas within 10 miles of its corporate boundaries. The majority of HSE’s
17 Fishers Service Area that will be acquired by Fishers is entirely contained either within the
18 City’s corporate boundaries or in areas surrounded by Fishers and within 10 miles of its
19 corporate boundaries. The only exception is the Noblesville area discussed in Questions 12
20 and 13 above. This area is located outside of the City’s corporate boundaries and inside of
21 Noblesville’s corporate boundaries. Therefore, to allow Fishers to provide service in this
22 area, Fishers and Noblesville will enter into an interlocal agreement.

1 **22. DO YOU BELIEVE THAT THE PROPOSED TRANSACTION IS REASONABLE?**

2 Yes, for all of the reasons stated above.

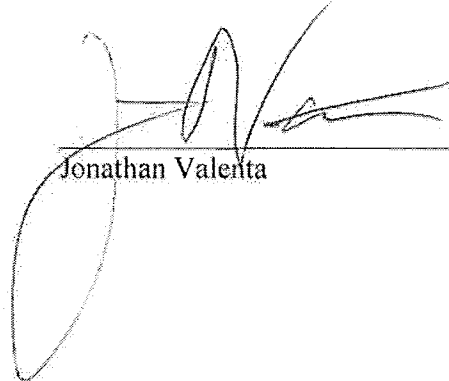
3 **23. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 Yes.

Verified Direct Testimony of Jonathan Valenta
On behalf of Intervenor, City of Fishers
Intervenor City of Fishers Exhibit 2
IURC Cause No. 45578

VERIFICATION

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



Jonathan Valenta

RATES AND CHARGES

§ 51.70 SCHEDULE OF USER CHARGES.

(A) *User Charges.* Any sewer users shall pay a monthly user charge based on an equivalent user charge factor of "one equivalent dwelling unit (EDU)". The monthly equivalent user charge for a single-family residential user is hereby fixed and established at \$31. The units listed below will pay a monthly user charge based on the multiplication of the decimal times \$31 unless the bill has been prorated due to the sale of the property. The prorated amounts from the Seller and Buyer will not pay a sum that totals less than \$31. The equivalent user charge of \$31 may, from time to time, be updated and changed by the city as an amendment of this section.

USER CLASS	MONTHLY USER CHARGE
------------	---------------------

Residential:

- | | |
|---|---------|
| (1) Single-family residence/unit | \$31.00 |
| (2) Apartment or trailer court/unit (.75) | 23.25 |

Commercial:

Retail establishment:

- | | |
|------------------------------------|-------|
| (1) First 3 employees | 31.00 |
| (2) Each additional employee (.25) | 7.75 |

Gasoline service station:

- | | |
|------------------------------------|-------|
| (1) With car wash facilities (2.5) | 77.50 |
|------------------------------------|-------|

(2) Without car wash facilities (1.5) 54.00

Restaurants, drive-ins and taverns with eating and/or drinking facilities:

(1) First 2 employees 31.00

(2) Each additional employee (.33) 10.23

Laundromats:

Per washer (.75) 23.75

Car wash-manual:

Per bay (2.5) 77.50

Shop or office in home (2.0) 62.00

Professional office:

(1) First 2 employees \$31.00

(2) Each additional employee (.33) 10.23

Industrial (sanitary flow only):

(1) First 3 employees 31.00

(2) Each additional employee (.25) 7.75

Governmental/Institutional:

School/student:

(1) First 25 students 31.00

(2) Each additional student (.04) 1.24

Churches, lodges and veteran's organizations without eating and/or drinking facilities:

For each 200 members or fraction thereof 31.00

Government offices:

(1) First 3 employees 31.00

(2) Each additional employee (.25) 7.75

Wholesale Private Utility Customers

Per 1,000 gallons 3.20

Citizens Customers

All nonresidential customers of the city's sewage treatment utility who are also serviced by Citizens Water Company shall pay a monthly sewer user charge equal to \$3.40 for each 1,000 gallons of water as metered by Citizen Water Company. This sewer user charge shall be in lieu of the standard residential rates which are applicable to non-Citizens Water Company customers. The rate established above does, however, reflect the equivalent to the current standard rate of \$31 per equivalent dwelling unit.

(Ord. 05-04-81, passed 5-4-81; Am. Ord. 07-16-84, passed 7-16-84; Am. Ord. 110492J, passed 12-9-92; Am. Ord. 11793B, passed 11-17-93; Am. Ord. 111793C, passed 11-17-93; Am. Ord. 042094B, passed 7-6-94; Am. Ord. 062597A, passed 8-6-97; Am. Ord. 122997A, passed 12-29-97; Am. Ord. 081400, passed 9-25-00; Am. Ord. 091514A, passed 11-17-14; Am. Ord. 101915, passed 12-21-15)

§ 51.71 BAD CHECK FEE.

A check tendered in payment of sewer charges and returned for insufficient funds to the account of the fee payer shall be subject to a penalty fee of \$25.

(Ord. 05-04-81, passed 5-4-81; Am. Ord. 07-15-92A, passed 7-15-92; Am. Ord. 052296B, passed 5-22-96)