

STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

FILED  
JANUARY 03, 2017  
INDIANA UTILITY  
REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF APPLE )  
VALLEY UTILITIES, INCORPORATED FOR A ) CAUSE NO. 44551 U  
NEW SCHEDULE OF RATES AND CHARGES )  
FOR WATER AND WASTEWATER SERVICE. )

**APPLE VALLEY UTILITIES, INCORPORATED'S**  
**SUBMISSION OF INTERIM REPORT**

Comes now Apple Valley Utilities, Incorporated (“Apple Valley”), by counsel, and for its Submission of Interim Report states as follows:

1. The Indiana Utility Regulatory Commission issued a Docket Entry in this Cause on October 4, 2016 (“October 4 Docket Entry”).
2. Among other things, the October 4 Docket Entry stated if the Apple Valley stock transaction was completed, Apple Valley was to file an interim report describing the system rehabilitation progress within 30 days of closing on the stock sale.
3. Effective December 1, 2016, the sale of Apple Valley stock was completed and all outstanding shares of stock have been transferred to Daniel T. Astbury.
4. Apple Valley’s Interim Rehabilitation Progress Report is attached hereto.

Respectfully submitted,

/s/ Mark W. Cooper  
Mark W. Cooper, Attorney for Apple Valley

Certificate of Service

I hereby certify that the foregoing Submission was served upon the following by delivering a copy thereof electronically or by U.S. Mail, postage prepaid, this 3<sup>rd</sup> day of January, 2017.

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**Cause No. 44551 U**  
**Apple Valley Utilities, Inc. Interim Rehabilitation Progress Report**

On December 1, 2016, Daniel T. Astbury completed the purchase of all authorized and outstanding shares of Apple Valley Utilities, Inc. ("Apple Valley"). The purpose of this Interim Report is to update the Indiana Utility Regulatory Commission ("IURC") regarding the ownership transition as well as progress that Apple Valley's new ownership has been made to address various infrastructure issues noted by the Office of Utility Consumer Councilor ("OUCC") in connection with Cause No. 44551 U.

**Current Progress**

1. Facility Manager/Certified Operator Joseph Braun has been instructed not to traverse any of the structurally-compromised service catwalks until further notice. If blower and/or aeration diffuser issues require catwalk access, contingency plans include (but are not necessarily limited to): shut-down of all aeration to the affected tank(s); on-site presence of at least one other maintenance technician; and installation of temporary bracing and supports to the area(s) of the catwalk that are structurally compromised.
2. Confined space equipment has been ordered; until it is received, Mr. Braun will not engage in any confined space entry. Upon receipt of said equipment, any confined space work conducted by Mr. Braun will strictly follow applicable Federal and State Occupational Safety and Health Administration ("OSHA") regulations.
3. The Colorado Street lift station, which had been running on one submersible pump for many months, had a second (new) pump installed during the week of December 25, 2016.
4. Apple Valley customers are now be able to pay their water/sewer bills using ACH/Direct Debit free of charge. In addition, payments (including those made via cash) are now accepted at all area Demotte State Bank locations. Previously, Saco Industries in Lowell, Indiana was the only physical location accepting payments.
5. As of January 3, 2017, Apple Valley has been registered for the NetDMR program for monthly reporting and is now in compliance with applicable Indiana Department of Environmental Management ("IDEM") regulations.

**First Quarter, 2017**

1. Pour a concrete pad at the Northwest Well House and install dedicated back-up (natural gas) generator and transfer switch. Right now, Boil Water Advisories are issued each time there is a power disruption because the water pressure drops during the time it takes to manually connect the portable generator.
2. Decide whether or not to rehabilitate the pressure tanks at the Northwest and Southeast

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Apple Valley Utilities, Inc.	Lowell, Indiana
Doe Creek Sewer Utility, Inc.	New Palestine, Indiana
Deerwood Environmental, Inc.	Floyds Knobs, Indiana
JLB Development, Inc.	Westfield, Indiana



Well Houses. (The alternative is to install Variable Frequency Drive (VFD) pumps and abandon said pressure tanks.) This matter will need to be decided upon by the Town of Lowell and Apple Valley which, as you might know, has given Lowell the option to purchase the water utility assets in the near future.

3. Decide whether or not to install a permanent on-site generator at the Colorado Street lift station

### **Second and Third Quarters, 2017**

Apple Valley's new ownership has many rehabilitation projects planned in the near future, weather permitting. Since Apple Valley's facilities sit in the Grand Kankakee Marsh, the water table is extremely high; combined with harsh winter conditions, nearly all planned projects will need to wait until warmer weather. All of the below projects are dependent upon the wastewater site being de-watered. After researching the matter further, Apple Valley has been made aware that site de-watering can only take place toward late spring when the water table naturally decreases; said de-watering will still take 30-60 days, however. Below is a list of projects scheduled to begin May, 2017 at the earliest:

1. Subcontract to have the site de-watered
2. Once de-watering is complete, the 60,000 gpd tank will be emptied and bypassed for refurbishment, which will include: sandblasting and repairing any breaches; bracing areas that are structurally compromised; and adding supports to ensure structural integrity of the catwalks, piping, and sidewalls.
3. Begin fabricating a replacement air header and new aeration drops and diffusers
4. The entire tank will be coated with a coal tar epoxy.
5. This same scope of work will be necessary, though to a lesser extent, for the 25,000 gpd tank.
6. Construct replacement concrete Ultraviolet disinfection basin to replace existing, corroded steel Chlorine disinfection tank.

Before the above projects can be completed, extensive planning will need to be done:

1. Determine what (if any) permits will be necessary for de-watering
2. Obtain temporary bypass permits from IDEM bypass tanks during rehabilitation process
3. Obtain construction permit from IDEM to replace Chlorine disinfection tank
4. Study whether to expand sludge digester capacity and/or construct geo-textile de-watering pad
5. Obtain multiple bids for projects where subcontractor costs savings can reasonably be obtained

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "T. B. Astbury", with a horizontal line extending to the right from the end of the signature.

**Thomas B. Astbury**  
President

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