

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**PETITION OF HILLVIEW ESTATE)
SUBDIVISION UTILITIES FOR A NEW) CAUSE NO. 45132-U
SCHEDULE OF RATES AND CHARGES FOR)
WASTEWATER SERVICE)**

OUCG TESTIMONY

OF

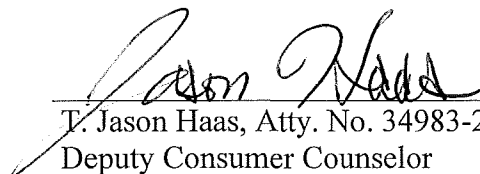
THOMAS W. MALAN - PUBLIC'S EXHIBIT NO. 1

ON BEHALF OF THE

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

November 28, 2018

Respectfully Submitted,

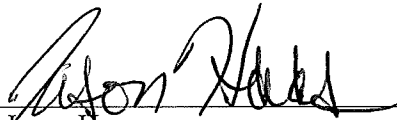


T. Jason Haas, Atty. No. 34983-29
Deputy Consumer Counselor

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing *Office of Utility Consumer Counselor Settlement Testimony of Thomas W. Malan* has been served upon the following counsel of record in the captioned proceeding by electronic service on November 28, 2018.

Merrill Henderson
HILL VIEW ESTATE SUBDIVISION
UTILITIES
908 Washington Street
Columbus, Indiana 47201
Email: mshduke@yahoo.com



T. Jason Haas
Deputy Consumer Counselor

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
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TESTIMONY OF OUCC WITNESS THOMAS W. MALAN
CAUSE NO. 45132-U
HILLVIEW ESTATES SUBDIVISION UTILITIES, INC.

I. INTRODUCTION

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

2 A: My name is Thomas W. Malan, and my business address is 115 W. Washington
3 St., Suite 1500 South, Indianapolis, IN 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
6 a Utility Analyst with the Water-Wastewater Division. My qualifications and
7 experience are described in Appendix A.

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

9 A: Hillview Estate Subdivision Utilities, Inc. (“Hillview” or “Applicant”) requests an
10 across the board rate increase of 113.91%. As a result of its review and analysis,
11 the OUCC proposes a rate increase of 113.33%. The purpose of my testimony is to
12 present the OUCC’s position as reflected in the OUCC schedules I have attached
13 to my testimony.

14 **Q: What actions did you take to prepare your testimony?**

15 A: I reviewed Applicant's schedules and workpapers. OUCC Analyst, Richard Corey
16 and I conducted the OUCC’s field audit on October 12, 2018. I reviewed
17 Hillview’s Indiana Utility Regulatory Commission (“Commission” or “IURC”)
18 Annual Reports for 2015, 2016, and 2017. I reviewed the Commission’s final order
19 from Hillview’ last rate case (Cause No. 38737-U).

1 **Q: Do you sponsor any schedules or attachments?**

2 A: Yes. I sponsor the following schedules and attachments:

3 Schedule 1 – Comparison of Applicant's and OUCC's Revenue Requirements

4 Schedule 2 – Comparative Balance Sheet as of December 31, 2017, 2016 and
5 2015.

6 Schedule 3 – Comparative Income Statement for the Twelve Months Ended
7 December 31, 2017, 2016 and 2015.

8 Schedule 4 – *Pro Forma* Net Operating Income Statement

9 Schedule 5 – Revenue Adjustments

10 Schedule 6 – Expense Adjustments

11 Schedule 7 - Proposed Rates and Charges

12 Attachment TWM – 1 – Applicant's Response to OUCC Data Request No. 1.

13 Attachment TWM – 2 – Applicant's Response to OUCC Data Request No. 2

14 Attachment TWM – 3 – Secretary of State Report

15 Attachment TWM – 4 – Articles of Incorporation

II. PROPOSED RATE INCREASE

16 **Q: What level of rate increase is Applicant requesting?**

17 A: Applicant proposes to increase its current rates by 113.91% to generate an
18 additional \$28,944 of revenues. Applicant proposes to implement the rate increase
19 across-the-board and in a single phase.

20 **Q: What is the principal driver of Applicant's requested increase?**

21 A: The principal driver of the Applicant's requested rate increase is increased
22 operating expenses.

1 **Q: What rate increase does the OUCC recommend?**

2 A: The OUCC recommends an overall across-the-board rate increase of 113.33% to
3 produce an increase in wastewater revenues of \$25,448 per year. Table 1 compares
4 Hillview' overall proposed revenue requirement with the OUCC's proposal.

Table 1: Comparison of Petitioner's and OUCC's Revenue Requirements				
	Per Applicant	Per OUCC	Sch Ref	OUCC More (Less)
Operating Expenses	\$ 50,907	\$ 41,682	4	\$ (9,225)
Taxes other than Income	-	27	4	27
Extensions and Replacements	3,404	6,162		2,758
Total Revenue Requirements	54,311	47,871		(6,440)
Less: Interest Income	-	-	3	-
Other Income			3	-
Add: Other Expenses				-
Net Revenue Requirements	54,311	47,871		(6,440)
Less: Revenues at current rates subject to increas	(25,411)	(22,454)		2,957
Other revenues at current rates	-	-	PET	-
Net Revenue Increase Required	28,900	25,417		(3,483)
Add: Additional IURC Fee	43	31		(12)
				-
Recommended Increase	\$ 28,943	\$ 25,448		\$ (3,495)
Recommended Percentage Increase	113.90%	113.33%		-0.57%

5 **Q: What are the differences between the overall revenue requirement proposed**
6 **by Hillview and that recommended by the OUCC?**

7 A: OUCC Schedule 1, page 2 of 2, lists all differences in the OUCC's and Hillview's
8 operating expenses. I removed adjustments for Applicant's licensed plant operator

1 and legal fees because these costs have already been incurred during Hillview's test
2 year, of \$19,616. Additionally, I identified \$27 tax expense that was not recognized
3 by Applicant. Finally, I included an adjustment increasing Repairs and
4 Maintenance Expense by \$2,064 (Schedule 1, page 2 of 2).

III. HILLVIEW'S CASE IN CHIEF FINANCIAL STATEMENTS

5 **Q: Please explain your adjustments to Applicant's balance sheet and income**
6 **statement.**

7 A: Based on communications between Applicant and IURC staff, conversations during
8 the OUCC's field visit, and Applicant's response to OUCC Data Request No. 1, I
9 determined that Applicant's case in chief financial statements needed certain
10 adjustments to correctly reflect its financial position as of the end of the test year.
11 The adjustments include a \$39 decrease to Accounts Receivable, a \$2,930 decrease
12 to Retained Earnings, and a \$2,891 increase to Paid in Capital (See OUCC Schedule
13 2).

14 **Q: Please explain your current understanding of Applicant's financial statements**
15 **as of December 31, 2017.**

16 A: In response to OUCC Data Requests No. 1-1 and 1-5 Applicant provided updated
17 information that the parties agree more accurately represents its financial position
18 as of the end of the test year. Accordingly I have made two adjustments that reflect
19 the agreed to changes. The first is \$1,500 decrease to Sludge Removal Expense
20 and the second is \$7,734 decrease to Contractual Services – Other/Testing (See
21 OUCC Schedule 3).

IV. EXTENSIONS AND REPLACEMENTS

1 **Q: Please explain how Applicant derived its extensions and replacements**
2 **allowance of \$3,404.**

3 A: In response to OUCC Data Request No. 2-3¹ Applicant indicated that this figure
4 was provided by Commission staff while they assisted Hillview in the preparation
5 of the filing of its application. Hillview staff indicated they are uncertain as to how
6 its extensions and replacements revenue requirement was calculated.

7 **Q: Do you agree with Applicant's proposed revenue requirement for extensions**
8 **and replacements?**

9 A: No. To estimate extensions and replacements for a utility I added the total amount
10 it spent for capital investments during the most recent three years, deducted the
11 amount funded by debt and divide the resulting total by three. During the last three
12 years, Applicant spent a total of \$18,486 on capital improvements and no debt was
13 incurred on capital improvements. Dividing this amount by three results in the
14 OUCC's proposed allowance for extensions and replacements of \$6,162. The
15 following table (Table 2) illustrates the OUCC's extensions and replacements
16 calculation:

¹ See Attachment TWM 2

Table 2 – Calculation of OUCC’s Extensions and Replacements

Year	Additions
2015	\$ -
2016	212
2017	18,274
Total Additions	18,486
Less: Amount Funded by Debt	0
	18,486
Divide by 3 years	3
Estimated E&R	\$ 6,162

V. REVENUE ADJUSTMENT

1 **Q: Please explain Applicant’s adjustment to normalize *pro forma* annual**
2 **revenues.**

3 A: Applicant proposes a normalization adjustment that accounts for the change in the
4 number of the utility’s customers during the test year.

5 **Q: How did Applicant calculate its adjustment to account for the change in the**
6 **number of utility customers during the test year?**

7 A: To determine the net additional annual bills that would result due to growth during
8 the test year, Applicant multiplied the increase in monthly test year residential
9 customers by the number of additional bills that would have been invoiced had
10 those customers been a customer for the entire year. The result is a net increase of
11 7 customer bills. Applicant then multiplied the 7 additional customer bills by the
12 average monthly bill at existing rates, or \$32.08, to calculate a customer growth
13 adjustment of \$225. (7 bills of \$32.08 equals \$225)

1 **Q: Do you accept Applicant's proposed revenue adjustment for the change in the**
2 **number of customers during the test year?**

3 A: No. Although I agree with Applicant's methodology to calculate its normalization
4 adjustment, as discussed above I made an adjustment to Applicant's test year end
5 financials that decreases Applicant's Flat Rate Revenues by \$2,930, to \$22,256
6 (OUCC Schedule 3).

7 **Q: What total revenue normalization adjustment does the OUCC recommend?**

8 A: The OUCC recommends a net increase of \$198 to test year operating revenues of
9 \$22,256 which yields *pro forma* operating revenues of \$22,454 (OUCC Schedule
10 5, Adjustments No. 1). This adjustment is derived by multiplying the 7 additional
11 customer bills by the average monthly bill at existing rates, or \$28.35 (test year
12 sales of \$22,256 divided by 785 bills equal an average bill of \$28.35), to calculate
13 a customer growth adjustment of \$198. (7 bills of \$28.35 equals \$198)

VI. OPERATING EXPENSE ADJUSTMENT

14 **Q: What operating expense adjustments did Applicant propose?**

15 A: Applicant proposed several operating expense adjustments, including adjustments
16 to purchased power, chemicals, rate case expense, miscellaneous expense, system
17 operator expense, and legal fees. Total operating expense adjustments proposed by
18 Hillview resulted in an increase of \$1,781 to the test year operating expenses and
19 taxes other than income of \$49,126 yielding *pro forma* operating expenses and
20 taxes other than income of \$50,907.

21 **Q: Does the OUCC accept any of Applicant's proposed operating expense**
22 **adjustments?**

23 A: Yes. The OUCC accepts Applicant's adjustments to purchased power, chemicals,
24 rate case expense, and miscellaneous expense.

1 **Q: Does the OUCC propose any adjustments to Applicant's Operating Expenses?**

2 A: Yes.

3 **Q: Please describe the OUCC's proposed adjustments to the Applicant's**
4 **Operating Expenses?**

5 A: In its response to OUCC Data Request No. 1-1², Hillview provided a detailed trial
6 balance as of December 31, 2017 that indicates the test year amount for Hillview's
7 licensed plant operator is \$18,000, not \$16,500 as indicated on Schedule 6(i) of
8 Applicant's filing. Additionally the trial balance indicates that Applicant's test year
9 legal fees are \$625, not \$69. I have included the correct test year balances in the
10 calculation of these two adjustments, which reduce each adjustment to \$0, reducing
11 Applicant's requested increase by \$2,056. See OUCC Schedule 6, Adjustments 6-
12 1 and 6-2.

13 **Q: Please explain your adjustment to repairs and maintenance expense.**

14 A: The OUCC's adjustment to repairs and maintenance expense is discussed in the
15 testimony of OUCC witness James Parks.

VII. OTHER CONSIDERATIONS

16 **Q: Do you have any other concerns concerning Applicant's filing?**

17 A: Yes. Hillview is currently facing Administrative Dissolution with the Indiana
18 Secretary of State's office due to not having met the filing deadline of August 31,
19 2018 for its Business Entity Report. (Attachment TWM-3) Hillview also does not
20 hold yearly meetings as required by its corporate charter. (Attachment TWM-4)

VIII. OUCC RECOMMENDATIONS

1 **Q: Please summarize your recommendations to the Commission.**

2 A: I recommend the Commission authorize a 113.33% increase in operating revenues,
3 on an across-the-board basis, to provide Hillview the opportunity to collect \$47,871
4 in net annual revenues.

5 **Q: Please summarize your recommendations to the Commission regarding these**
6 **additional concerns.**

7 A: I recommend the Commission require Hillview to file its Business Entity report
8 with the Secretary of State's office within 30 days of the issuance of a final order
9 and stay current. The Commission should also require Applicant to hold annual
10 business meetings along with all other meetings required by their corporate charter.
11 Finally, Applicant should be required to maintain good business practices as
12 outlined in their charter.

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

14 A: Yes.

APPENDIX A

QUALIFICATIONS

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

2 A: In December of 2002 I received a Bachelor's degree in Business Administration
3 focusing in Accounting from Indiana University Kelley School of Business. In
4 December of 2012 I received my Master of Science in Accounting from Indiana
5 University Kelley School of Business, Indianapolis Indiana.

6 **Q: Please describe your professional experience.**

7 A: I was hired as a Utility Analyst in Water / Wastewater division of the OUCC on
8 April 30 2018. Prior to be hired by the OUCC I was the controller of All Trades
9 Staffing. I have over fifteen years of accounting experience. I worked for several
10 years as a Financial Analyst in the insurance and healthcare industries. I have
11 participated in conferences and seminars regarding utility regulation, rate making
12 and financial issues.

13 **Q: Have you previously testified before the Indiana Utility Regulatory**
14 **Commission?**

15 A: Yes, I have testified before the Indiana Utility Regulatory Commission.

HILLVIEW ESTATE SUBDIVISION UTILITIES
CAUSE NUMBER 45132-U

**Comparison of Petitioner's and OUCC's
Revenue Requirements**

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>Sch Ref</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 50,907	\$ 41,682	4	\$ (9,225)
Taxes other than Income	-	27	4	27
Extensions and Replacements	3,404	6,162		2,758
Total Revenue Requirements	54,311	47,871		(6,440)
Less: Interest Income	-	-	3	-
Other Income			3	-
Add: Other Expenses				-
Net Revenue Requirements	54,311	47,871		(6,440)
Less: Revenues at current rates subject to increase	(25,411)	(22,454)		2,956
Other revenues at current rates	-	-	PET	-
Net Revenue Increase Required	28,900	25,417		(3,484)
Add: Additional IURC Fee	43	31		(12)
				-
Recommended Increase	<u>\$ 28,943</u>	<u>\$ 25,448</u>		<u>\$ (3,496)</u>
Recommended Percentage Increase	<u>113.90%</u>	<u>113.33%</u>		<u>-0.57%</u>

<u>Current Flat Fee</u>	<u>Proposed</u>		<u>OUCC</u>
	<u>Petitioner</u>	<u>OUCC</u>	<u>More (Less)</u>
Current Rate = \$30.00	<u>\$ 64.17</u>	<u>\$ 64.00</u>	<u>\$ (0.17)</u>

HILLVIEW ESTATE SUBDIVISION UTILITIES
CAUSE NUMBER 45132-U

Reconciliation of Net Operating Income Statement Adjustments
Pro-forma Present Rates

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
Operating Revenues			
Flat Rate Revenues	\$ 225	\$ 198	\$ (26)
Other	-	-	-
Total Operating Revenues	<u>225</u>	<u>198</u>	<u>(26)</u>
O&M Expense			
Purchased Power	(789)	(789)	-
Purchased Power	32	32	-
Chemical Expense	241	241	-
Chemical Expense	27	27	-
Rate Case Expense	210	210	-
Miscellaneous Expense	4	4	-
Other Expense	1,500	-	(1,500)
Other Expense	556	-	(556)
Taxes Other than Income	-	27	27
Repairs and Maintenance Expense	-	2,064	2,064
Total Operating Expenses	<u>1,781</u>	<u>1,817</u>	<u>35</u>
Net Operating Income	<u>\$ (1,557)</u>	<u>\$ (1,618)</u>	<u>\$ (61)</u>

HILLVIEW ESTATE SUBDIVISION UTILITIES
CAUSE NUMBER 45132-U

COMPARATIVE BALANCE SHEET
As of December 31,

	2017 As Filed	Adjustment	2017 As Adjusted	2016	2015
<u>ASSETS</u>					
Utility Plant:					
Utility Plant in Service	\$ 61,200		\$ 61,200	\$ 52,926	\$ 42,714
Construction Work in Progress					
Less: Accumulated Depreciation	(46,390)		(46,390)	(42,714)	(42,714)
Net Utility Plant in Service	<u>14,810</u>		<u>14,810</u>	<u>10,212</u>	<u>-</u>
Current Assets:					
Cash and Cash Equivalents	68,077		68,077	79,360	81,518
Accounts Receivable	(4,150)	(39)	(4,189)	8,507	5,983
Total Current Assets	<u>63,927</u>	<u>(39)</u>	<u>63,888</u>	<u>87,867</u>	<u>87,501</u>
Total Assets	<u>\$ 78,737</u>	<u>\$ (39)</u>	<u>\$ 78,698</u>	<u>\$ 98,079</u>	<u>\$ 87,501</u>
	2017 As Filed	Adjustment	2017 As Adjusted	2016	2015
<u>LIABILITIES</u>					
Equity					
Retained Earnings	\$ 78,737	\$ (2,930)	\$ 75,807	\$ 98,079	\$ 87,501
Paid in Capital		2,891	2,891		
Total Equity	<u>78,737</u>	<u>(39)</u>	<u>78,698</u>	<u>98,079</u>	<u>87,501</u>
Total Liabilities	<u>\$ 78,737</u>	<u>\$ (39)</u>	<u>\$ 78,698</u>	<u>\$ 98,079</u>	<u>\$ 87,501</u>

HILLVIEW ESTATE SUBDIVISION UTILITIES
CAUSE NUMBER 45132-U

COMPARATIVE INCOME STATEMENT
Twelve Months Ended December 31,

	2017 As Filed	Adjustment	2017 As Adjusted	2016	2015
Operating Revenues					
Flat Rate Revenues	\$ 25,186	\$ (2,930)	\$ 22,256	\$ 41,738	\$ 44,586
Other					
Total Operating Revenues	<u>25,186</u>	<u>(2,930)</u>	<u>22,256</u>	<u>41,738</u>	<u>44,586</u>
Operating Expenses					
Sludge Removal Expense	4,510	(1,500)	3,010	9,393	1,018
Purchased Power	4,397		4,397	2,987	2,809
Chemicals	2,828		2,828		
Materials and Supplies	788		788	2,834	
Contractual Services - Billing				3,240	5,990
Contractual Services - Accounting	6,900		6,900	6,900	7,510
Contractual Services - Legal	625		625	349	2,654
Contractual Services - Other/Testing	—	(7,734)	18,991	1,746	2,437
Transportation Expense					
Insurance	1,270		1,270	1,786	1,730
Bad Debt Expense					
Rate Case Expense Amortization					
Miscellaneous Expense	1,083		1,083	1,944	1,226
Total O&M Expense	<u>49,126</u>	<u>(9,234)</u>	<u>39,892</u>	<u>31,179</u>	<u>25,374</u>
Depreciation Expense		4,636	4,636		
Taxes Other than Income					
Total Operating Expenses	<u>49,126</u>	<u>(4,598)</u>	<u>44,528</u>	<u>31,179</u>	<u>25,374</u>
Net Operating Income	(23,940)	1,668	(22,272)	10,559	19,212
Other Income (Expense)					
Interest Income				17	26
Interest Expense					
Total Other Income (Expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>26</u>
Net Income	<u>\$ (23,940)</u>	<u>\$ 1,668</u>	<u>\$ (22,272)</u>	<u>\$ 10,576</u>	<u>\$ 19,238</u>

HILLVIEW ESTATE SUBDIVISION UTILITIES
CAUSE NUMBER 45132-U

Pro-forma Net Operating Income Statement

	Year Ended 43100	Adjustments	Sch Ref	<i>Pro-forma</i> Present Rates	Adjustments	Sch Ref	<i>Pro-Forma</i> Proposed Rates
Operating Revenues							
Flat Rate Revenues	\$ 22,256	\$ 198	5-1	\$ 22,454	\$ 25,448	1	\$ 47,902
Other	-			-			-
Total Operating Revenues	<u>22,256</u>	<u>198</u>		<u>22,454</u>	<u>25,448</u>		<u>47,902</u>
O&M Expense	39,892			41,682			41,682
Purchased Power		(789)	Pet				
Purchased Power		32	Pet				
Chemical Expense		241	Pet				
Chemical Expense		27	Pet				
Rate Case Expense		210	Pet				
Miscellaneous Expense		4	Pet				
Other Expense		-	6-1				
Other Expense		-	6-2				
Repair and Maintenance Expense		2,064	6-4				
Taxes Other than Income	-	27	6-3	27	31		58
Total Operating Expenses	<u>39,892</u>	<u>1,817</u>		<u>41,709</u>	<u>31</u>		<u>41,740</u>
Net Operating Income	<u>\$ (17,636)</u>	<u>\$ (1,618)</u>		<u>\$ (19,255)</u>	<u>\$ 25,417</u>		<u>\$ 6,162</u>

**HILLVIEW ESTATE SUBDIVISION UTILITIES
CAUSE NUMBER 45132-U**

Revenue Adjustments

(1)

Flat Rate Revenues - To adjust test year residential flat rate sales to normalize the change in the number of customers that occurred during the test year.

<u>Months</u>	<u>Number of Residential Customers</u>	<u>Increase/ (Decrease in Number of Bills</u>	<u>Multiplier</u>	<u>Additional Monthly Bills</u>
Jan	65		-	0
Feb	65	0	1	0
Mar	65	0	2	0
Apr	65	0	3	0
May	66	1	4	4
Jun	66	0	5	0
Jul	66	0	6	0
Aug	65	(1)	7	(7)
Sep	65	0	8	0
Oct	65	0	9	0
Nov	66	1	10	10
Dec	66	0	11	0
12 Month Total	<u>785</u>		Number of Additional Bills	<u>7</u>
			Times: Average Bill	<u>\$28.35</u>
			Adjustment Increase/(Decrease)	<u><u>\$198</u></u>

Test Year Residential Sales	\$22,256
Divided By: 12 Month Total # of Residential Customers	<u>785</u>
Average Bill per Residential Customer	<u><u>\$28.35</u></u>

HILLVIEW ESTATE SUBDIVISION UTILITIES
CAUSE NUMBER 45132-U

Expense Adjustments

(1)

Other Expense Adjustment

To adjust for cost of operator Jason Combs

Pro forma Operator Expense
Less: Test Year

\$ 18,000
\$ (18,000)

Adjustment - Increase/(Decrease)

\$ -

(2)

Other Expense Adjustment

To adjust for cost of hays and Hays.

Pro forma
Less: Test Year

\$ 625
(625)

Adjustment - Increase/(Decrease)

\$ -

(3)

IURC Fee

To adjust for *pro forma* present IURC fee.

Total Operating Revenues
Times - Current IURC Fee

\$ 22,454
0.001202041
27

Less: Test Year

\$ -

Adjustment - Increase/(Decrease)

\$ 27

(4)

Repairs and Maintenance

To adjust for *pro forma* repair and maintenance expense.

Pro forma Repair and Maintenance Expense
Less: Test Year

\$ 3,055
\$ (991)

Adjustment - Increase/(Decrease)

\$ 2,064

**HILLVIEW ESTATE SUBDIVISION UTILITIES
 CAUSE NUMBER 45132-U**

Extensions and Replacements

To reflect the average amount of extensions and replacements required over a five year period.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Project Descriptions	\$ 3,404	\$ 3,404	\$ 3,404	\$ 3,404	\$ 3,404	\$17,020
						-
						-
						-
						-
						-
	\$ 3,404	<u>\$ 3,404</u>	<u>\$ 3,404</u>	<u>\$ 3,404</u>	<u>\$ 3,404</u>	<u>\$17,020</u>
Divide by 5 Years						5
Average Annual Extensions and Replacements						<u><u>\$ 3,404</u></u>

**Ernie Stone Tax & Accounting Services
908 Washington Street
Columbus, IN 47201
(812) 376-6068
(812) 376-6650 FAX**

August 27, 2018

Indiana Office of Utility Consumer Counselor
RE: **IURC Cause #45132-U**
Hillview Estates Subdivision Utilities, Inc.
OUCC Data Request Set No. 1

Mr. Deputy Consumer Counselor, Jason Haas:

In reference to the Data Request:

Q-1-1: Hillview detailed trial balance ending December 31, 2017 (Attached)

Q-1-2: Hillview general ledger January 1, 2017 thru December 31, 2017 Excel spreadsheet (Attached)

Q-1-3: Hillview general ledger January 1, 2018 thru August 27, 2018 Excel spreadsheet (Attached)

Q-1-4: "Please explain why Hillview's "flat rate revenues" decreased from \$41,738 in 2016 to \$25,186 in 2017", we submit the following,

The IURC letter from Dana M. Lynn, Principal Utility Analyst, postmarked July 13, 2017 demanding the Hillview (HESU) refund the difference of \$20.00 for the past year to every customer. (See attachment) On average there are sixty (60) customers, 60 times \$240 (\$20 x 12 months) is \$14,400.00.

Q-1-5: "Please explain why Hillview's "contractual services-other/testing" expense increased from \$1,746 in 2016 to \$26,725 in 2017", we submit the following explanation,

1. The \$26, 725 was a total of two accounts which were "Licensed Plant Operator, Acct #9136" and "Repairs and Maintenance, Acct#9140.
2. Check #5504 written August 4, 2017 to Jason Combs for \$1,500.00 was coded incorrectly to "pumping expense" (account #9135). This error was discovered and corrected to "licensed plant operator" while preparing the Small Utility

Rate Application and during a phone conversation with Dana Lynn, the Principal Utility Analyst I worked with.

3. Also, during phone conversations with Dana Lynn, it was determined that the following transactions should have been classified as assets with annual depreciation and not expensed all in 2017. Those transactions are as follows:
 - a. Check #5460 written January 13, 2017 to Ponder Electric for \$795.65 and Check#5467 written February 9, 2017 to Ponder Electric for \$3,638.35. These two checks were originally coded to "repairs & maintenance, Acct#9140", they were corrected to "Equipment, Acct#2020".
 - b. Check#5473 written March 10, 2017 to Findley Spray Foaming for \$4,800.00 was originally coded to "repairs and maintenance, Acct#9140" and was corrected to "Building Improvements, Acct#2010."
4. These changes leave the Licensed Plant Operator account #9136 balance as \$18,000.00, Repairs & Maintenance account #9140 balance as \$990.80, and the Plumbing Expense (renamed Sludge Removal expense) account #9135 balance as \$3,010.20.

Q-1-6: "Please explain why Hillview incurred no chemical expense in 2016," we submit the following:

Those purchases were coded as "Supplies, Acct#9150" as were those purchases in 2017 until speaking with Dana Lynn and she asked the same question, so we changed the coding to "Chemicals, Acct#9139." Looking back just now, I found that \$2,781.00 probably should have been coded as "Chemicals" in 2016.

Q-1-7: "Please explain why Hillview's "billing expense" of \$3,240 in 2016 was reduced to \$0 in 2017," we submit the following:

Those expenses were coded as "Maintenance Agreements, Acct#9145" and were for Sally Brown, who had the maintenance contract on the sewer plant before Jason Combs. She was paid \$3,000 until leaving in June 2016. There was also a check for \$240.00 to ML Johnson Company. In October 2016, we started coding these expenses to the account titled "Licensed Plant Operator", thus these expenses were shown in 2017 under your column titled "contractual services-other/testing." (See Q-1-4 above)

Sincerely,



Jan Rynerson
HESU Representative

Q-1-1 (page 1/2)

8/27/18 at 12:00:06.22

**Hillview Estates Sub Division Utilities
General Ledger Trial Balance
As of Dec 31, 2017**

Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.

Account ID	Account Description	Debit Amt	Credit Amt
1000	Old National Bank Checkin	33,256.54	
1010	Old National Bank Savings	34,820.70	
1200	Accounts Receivable		5,515.53
2010	Building Improvements	15,277.35	
2020	Equipment	21,922.73	
2100	Building	24,000.00	
2210	Depr-Bldg Improvements		11,437.35
2220	Depr-Equipment		10,952.52
2300	Depr-Building		24,000.00
6995	Equity		86,248.97
7000	Utility Bill Income		11,830.07
7001	Lot 1 Utility Fee		300.00
7002	Lot 2 Utility Fee		300.00
7003	Lot 3 Utility Fee		300.00
7004	Lot 4 Utility Fee		300.00
7005	Lot 5 Utility Fee		420.00
7006	Lot 6 Utility Fee		300.00
7007	Lot 7 Utility Fee		300.00
7008	Lot 8 Utility Fee		300.00
7009	Lot 9 Utility Fee		475.00
7010	Lot 10 Utility Fee		426.48
7011	Lot 11 Utility Fee		840.00
7015	Lot 15 Utility Fee		300.00
7016	Lot 16 Utility Fee		300.00
7017	Lot 17 Utility Fee		300.00
7018	Lot 18 Utility Fee		310.00
7019	Lot 19 Utility Fee		300.00
7021	Lot 21 Utility Fee		292.85
7022	Lot 22 Utility Fee		300.00
7023	Lot 23 Utility Fee		444.55
7024	Lot 24 Utility Fee		300.00
7025	Lot 25 Utility Fee		300.00
7026	Lot 26 Utility Fee		424.23
7027	Lot 27 Utility Fee		427.96
7027 Lien	Lien-12504 S HV Rd-Lot 27	494.97	
7028	Lot 28 Utility Fee		550.00
7029	Lot 29 Utility Fee		520.00
7030	Lot 30 Utility Fee		475.00
7031	Lot 31 Utility Fee		390.00
7032	Lot 32 Utility Fee		300.00
7033	Lot 33 Utility Fee		300.00
7034	Lot 34 Utility Fee		300.00
7036	Lot 36 Utility Fee		60.00
7037	Lot 37 Utility Fee		300.00
7038	Lot 38 Utility Fee		300.00
7039	Lot 39 Utility Fee		300.00
7040	Lot 40 Utility Fee		300.00
7041	Lot 41 Utility Fee		300.00
7042	Lot 42 Utility Fee		300.00
7043	Lot 43 Utility Fee		320.00
7044	Lot 44 Utility Fee		160.00
7045	Lot 45 Utility Fee		300.00
7046	Lot 46 Utility Fee		300.00
7047	Lot 47 Utility Fee		323.51
7048	Lot 48 Utility Fee		300.00
7050	Lot 50 Utility Fee		300.00
7051	Lot 51 Utility Fee		300.00
7052	Lot 52 Utility Fee		300.00
7053	Lot 53 Utility Fee		300.00
7054	Lot 54 Utility Fee		300.00
7055	Lot 55 Utility Fee		440.00
7056	Lot 56 Utility Fee		300.00
7057	Lot 57 Utility Fee		300.00

Q-1-1 (pg 2/2)

8/27/18 at 12:00:06.24

**Hillview Estates Sub Division Utilities
General Ledger Trial Balance
As of Dec 31, 2017**

Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.

Account ID	Account Description	Debit Amt	Credit Amt
7058	Lot 58 Utility Fee		300.00
7060	Lot 60 Utility Fee		300.00
7061	Lot 61 Utility Fee		430.18
7062	Lot 62 Utility Fee		300.00
7063	Lot 63 Utility Fee		300.00
7065	Lot 65 Utility Fee		475.00
7066	Lot 66 Utility Fee		300.00
7067	Lot 67 Utility Fee		300.00
7068	Lot 68 Utility Fee		300.00
7069	Lot 69 Utility Fee		300.00
7070	Lot 70 Utility Fee		300.00
7071	Lot 71 Utility Fee		475.00
7071 Lien	Lien - 12491 S HV Way, Lo	831.48	
7073	Lot 73 Utility Fee		300.00
7074	Lot 74 Utility Fee		300.00
7900	Miscellaneous Income		376.04
8000	Homeowner Donation		2,891.00
9050	Depreciation	4,635.87	
9080	Insurance	1,269.75	
9110	Legal Fees	624.60	
9112	Permits	350.00	
9115	Accounting Prof. Fees	6,900.00	
9120	Postage	343.00	
9135	Sludge Removal Expenses	3,010.20	
9136	licensed plant operator	18,000.00	
9140	Repairs & Maintenance	990.80	
9150	Supplies	3,615.85	
9180	Indiana Utility Receipts Tax	390.15	
9200	Utilities-Purchased Power	4,397.25	
	Total:	175,131.24	175,131.24

Q-1-4

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
101 WEST WASHINGTON STREET, SUITE 1500 EAST
INDIANAPOLIS, INDIANA 46204-3419

www.in.gov/iurc
Office: (317) 232-2701
Facsimile: (317) 232-6758

July 13, 2017

Hillview Estate Subdivision Utilities
Attn: Merrill Henderson, President
12563 S. Hillview Road
Columbus, IN 47201

Re: Current Rates

Dear Mr. Henderson:

Through our review of the annual report for Hillview Estate Subdivision Utilities ("Hillview"), it has come to our attention that Hillview appears to be charging rates higher than approved on the utility's current tariff. Hillview's current tariff reflects a flat rate of \$30 per month. Based on our phone conversation, you mentioned that Hillview currently charges its customers \$50 per month, but needs to increase its rate to \$75. As I explained, Hillview is under the jurisdiction of the Indiana Utility Regulatory Commission ("Commission"). Pursuant to state law, Hillview is only allowed to charge rates that are on its tariff, which are approved by the Commission.

At this time, Hillview must stop charging the unapproved rate of \$50 and begin charging its current approved rate of \$30. Please confirm in writing (via email or U.S. mail) no later than July 31, 2017, that Hillview has discontinued charging the unapproved rate of \$50, is charging the current approved rate of \$30, and has refunded the difference for the past year to its customers. Failure to confirm that you have corrected the charged rate will result in this matter being referred to the Commission's General Counsel for further investigation by the Commission.

Should Hillview believe it needs to raise its rates, I have included a copy of a Small Utility Rate Application that includes Hillview's 2016 financial information taken from its annual report. In addition, I have included a Small Utility Toolkit handout regarding the Commission's Small Utility Filing process. If you have questions or concerns, please give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Dana M. Lynn".

Dana M. Lynn
Principal Utility Analyst
Indiana Utility Regulatory Commission
Water/Wastewater Division

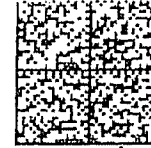


STATE OF INDIANA
UTILITY REGULATORY COMMISSION
 101 W WASHINGTON ST STE 1500E
 INDIANAPOLIS, IN 46204-3419

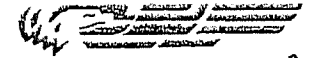
SF 3707 (R8 / 8-11)

TEMP RETURN SERV REQ

PRESORTED
 FIRST CLASS



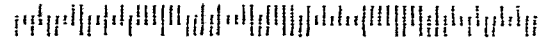
U.S. POSTAGE >>> PITNEY BOWES



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 0001396754 JUL 13 2017

**HILLVIEW ESTATE SUBDIVISION UTILITIES
 ATTN: MERRILL HENDERSON, PRESIDENT
 12563 S. HILLVIEW ROAD
 COLUMBUS, IN 47201**

122 FRDPMSB 47201



Public Notice

**Ernie Stone Tax & Accounting Services
908 Washington Street
Columbus, IN 47201
(812) 376-6068
(812) 376-6650 FAX**

August 27, 2018

Indiana Office of Utility Consumer Counselor
RE: **IURC Cause #45132-U**
Hillview Estates Subdivision Utilities, Inc.
OUCC Data Request Set No. 1

Mr. Deputy Consumer Counselor, Jason Haas:

In reference to the Data Request:

Q-1-1: Hillview detailed trial balance ending December 31, 2017 (Attached)

Q-1-2: Hillview general ledger January 1, 2017 thru December 31, 2017 Excel spreadsheet (Attached)

Q-1-3: Hillview general ledger January 1, 2018 thru August 27, 2018 Excel spreadsheet (Attached)

Q-1-4: "Please explain why Hillview's "flat rate revenues" decreased from \$41,738 in 2016 to \$25,186 in 2017", we submit the following,

The IURC letter from Dana M. Lynn, Principal Utility Analyst, postmarked July 13, 2017 demanding the Hillview (HESU) refund the difference of \$20.00 for the past year to every customer. (See attachment) On average there are sixty (60) customers, 60 times \$240 (\$20 x 12 months) is \$14,400.00.

Q-1-5: "Please explain why Hillview's "contractual services-other/testing" expense increased from \$1,746 in 2016 to \$26,725 in 2017", we submit the following explanation,

1. The \$26, 725 was a total of two accounts which were "Licensed Plant Operator, Acct #9136" and "Repairs and Maintenance, Acct#9140.
2. Check #5504 written August 4, 2017 to Jason Combs for \$1,500.00 was coded incorrectly to "pumping expense" (account #9135). This error was discovered and corrected to "licensed plant operator" while preparing the Small Utility

Rate Application and during a phone conversation with Dana Lynn, the Principal Utility Analyst I worked with.

3. Also, during phone conversations with Dana Lynn, it was determined that the following transactions should have been classified as assets with annual depreciation and not expensed all in 2017. Those transactions are as follows:
 - a. Check #5460 written January 13, 2017 to Ponder Electric for \$795.65 and Check#5467 written February 9, 2017 to Ponder Electric for \$3,638.35. These two checks were originally coded to "repairs & maintenance, Acct#9140", they were corrected to "Equipment, Acct#2020".
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4. These changes leave the Licensed Plant Operator account #9136 balance as \$18,000.00, Repairs & Maintenance account #9140 balance as \$990.80, and the Plumbing Expense (renamed Sludge Removal expense) account #9135 balance as \$3,010.20.

Q-1-6: "Please explain why Hillview incurred no chemical expense in 2016," we submit the following:

Those purchases were coded as "Supplies, Acct#9150" as were those purchases in 2017 until speaking with Dana Lynn and she asked the same question, so we changed the coding to "Chemicals, Acct#9139." Looking back just now, I found that \$2,781.00 probably should have been coded as "Chemicals" in 2016.

Q-1-7: "Please explain why Hillview's "billing expense" of \$3,240 in 2016 was reduced to \$0 in 2017," we submit the following:

Those expenses were coded as "Maintenance Agreements, Acct#9145" and were for Sally Brown, who had the maintenance contract on the sewer plant before Jason Combs. She was paid \$3,000 until leaving in June 2016. There was also a check for \$240.00 to ML Johnson Company. In October 2016, we started coding these expenses to the account titled "Licensed Plant Operator", thus these expenses were shown in 2017 under your column titled "contractual services-other/testing." (See Q-1-4 above)

Sincerely,



Jan Rynerson
HESU Representative

Q-1-1 (page 1/2)

8/27/18 at 12:00:06.22

**Hillview Estates Sub Division Utilities
General Ledger Trial Balance
As of Dec 31, 2017**

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Q-1-1 (pg 2/2)

8/27/18 at 12:00:06.24

**Hillview Estates Sub Division Utilities
General Ledger Trial Balance
As of Dec 31, 2017**

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9140	Repairs & Maintenance	990.80	
9150	Supplies	3,615.85	
9180	Indiana Utility Receipts Tax	390.15	
9200	Utilities-Purchased Power	4,397.25	
Total:		175,131.24	175,131.24

Q-1-4

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
101 WEST WASHINGTON STREET, SUITE 1500 EAST
INDIANAPOLIS, INDIANA 46204-3419

www.in.gov/iurc
Office: (317) 232-2701
Facsimile: (317) 232-6758

July 13, 2017

Hillview Estate Subdivision Utilities
Attn: Merrill Henderson, President
12563 S. Hillview Road
Columbus, IN 47201

Re: Current Rates

Dear Mr. Henderson:

Through our review of the annual report for Hillview Estate Subdivision Utilities ("Hillview"), it has come to our attention that Hillview appears to be charging rates higher than approved on the utility's current tariff. Hillview's current tariff reflects a flat rate of \$30 per month. Based on our phone conversation, you mentioned that Hillview currently charges its customers \$50 per month, but needs to increase its rate to \$75. As I explained, Hillview is under the jurisdiction of the Indiana Utility Regulatory Commission ("Commission"). Pursuant to state law, Hillview is only allowed to charge rates that are on its tariff, which are approved by the Commission.

At this time, Hillview must stop charging the unapproved rate of \$50 and begin charging its current approved rate of \$30. Please confirm in writing (via email or U.S. mail) no later than July 31, 2017, that Hillview has discontinued charging the unapproved rate of \$50, is charging the current approved rate of \$30, and has refunded the difference for the past year to its customers. Failure to confirm that you have corrected the charged rate will result in this matter being referred to the Commission's General Counsel for further investigation by the Commission.

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Sincerely,

Dana M. Lynn
Principal Utility Analyst
Indiana Utility Regulatory Commission
Water/Wastewater Division

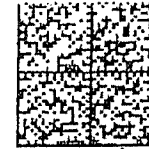


STATE OF INDIANA
UTILITY REGULATORY COMMISSION
 101 W WASHINGTON ST STE 1500E
 INDIANAPOLIS, IN 46204-3419

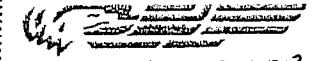
SF 3707 (R8 / 8-11)

TEMP RETURN SERV REQ

PRESORTED
 FIRST CLASS



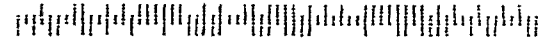
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**HILLVIEW ESTATE SUBDIVISION UTILITIES
 ATTN: MERRILL HENDERSON, PRESIDENT
 12563 S. HILLVIEW ROAD
 COLUMBUS, IN 47201**

122 FRDPMSB 47201



Public Notice

**Hillview Estates Subdivision Utility
908 Washington Street
Columbus IN 47201
Phone: 812-376-6068**

November 2, 2018

T. Jason Haas
Indiana Office of Utility Consumer Counselor
115 West Washington St, Suite 1500 South
Indianapolis, IN 46204

RE: IURC Cause #45132-U

Deputy Consumer Counselor,
In response to your email to Merrill Henderson, Friday, October 19, 2018
4:05pm requesting data:

Q-2-1: I have attached the general ledger activity for the Building Improvements, Equipment and Building accounts for the year of 2015.

Q-2-2: I have also attached the general ledger activity for the Building Improvements, Equipment and Building accounts for the year of 2016.

Q-2-3: For the Year 1, 2 & 3 historic extensions and replacements on page 25 on Hillview's filing (\$3,404 for each year) – these figures were already filled in on the Excel file that Dana Lynn, Principal Utility Analyst, Indiana Utility Regulatory Commission(IURC), Water/Wastewater Division, emailed to Merrill Henderson on July 13, 2017. Merrill forwarded this email to Jan Rynerson on January 23, 2018 for her to prepare and file with the IURC, but during this process Dana discovered she had sent the wrong year (2016) so on June 11, 2018 she emailed the 2017 Excel file to Merrill and Jan. This file also had the \$3,404 already filled in on page 25 for the Year 1, 2 & 3 historic extensions and replacements. You will need to ask Dana Lynn where those figures were derived from.

Q-2-4: As for the "balance sheet" Account #7000, "Utility Bill Income" this would have been an income statement account if it would have affected the books for Hillview in 2017. Since the \$11,830.07 amount did not show up on the income statement for December 31, 2017, I researched the

account and found there had been no activity since December 2010. This being an income account that balance should have closed out in December 2010 into the Net Income account on the balance sheet, but it did not. I had to contact Sage Software support to correct this issue on November 5th, 2018. After a four-hour wait for support, Aaron Lafayette remotely accessed our computer so he could examine this account. Aaron ran multiple integrity checks to correct this "Account did not close properly" problem and after thirty minutes had the problem corrected. No explanation as to what caused the problem but it is corrected and the \$11,830.07 error never affected the income statements in the years between 2010 and 2018. I am providing the General Ledger activity for Acct#7000 for the period January 1, 2008 through January 31, 2018, showing the ending balance of \$.00 in 2018. I am also providing the General Ledger Trial Balance as of January 31, 2018.

Q-2-5, Q-2-6 Q-2-7: Merrill Henderson will address these issues separately, according to the email when he forwarded your original email to me.

Respectfully,

Jan Rynerson
HESU Accounting Representative

system.

From: Merrill Henderson [<mailto:mshduke@yahoo.com>]
Sent: Tuesday, October 30, 2018 11:34 AM
To: Bland, Takia <tbland@oucc.IN.gov>
Subject: Re: 45132-U OUCG's Data Request 2 to Hillview_10192018

****** This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email. ******

I apologize for not getting back with you immediately. I had surgery 10 days ago and haven't checked my mail. As far as the first 4 questions, wouldn't that information have been in the paperwork that the State just inspected a few weeks ago when trying to figure out if we needed a rate increase? Any way, I have contacted our accountant who handles all our books to see if she can again find these answers. As far as the remaining questions;

Q-2-5- We have no organizational chart nor have we ever had one to my knowledge. There are 3 Board members, President (myself), Vice-President (Hubert Baker) and Secretary-Treasurer (Jessica Pendleton).

Q-2-6- We have had no Board meetings or committee meetings in the past 3 years.

Q-2-7- There are no current, nor are we aware of any former written rules and regulations or by-laws. I am not certain who might have filed for articles of incorporation as the plant has been in operation since the early 1970's before any of us resided here I am really uncertain who might hold these types of records but I will try and research through our local courthouse to see if I can find anything out as far as the incorporation.

Sincerely,

Merrill S. Henderson

From: "Bland, Takia" <tbland@oucc.IN.gov>
To: "mshduke@yahoo.com" <mshduke@yahoo.com>
Cc: "Haas, Jason" <THaas@oucc.IN.gov>
Sent: Friday, October 19, 2018 4:05 PM
Subject: 45132-U OUCG's Data Request 2 to Hillview_10192018

Corrected 45132-U OUCG's Data Request 2 to Hillview_10192018

Apologies,
Takia

Takia A. Bland
Administrative Assistant
Water/Wastewater Division
317-232-2917
Email: tbland@oucc.in.gov

Office of Utility Consumer Counselor
115 West Washington St.
Suite 1500 South
Indianapolis, IN 46204

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11/2/18 at 14:47:43.86

Q-2-1

**Hillview Estates Sub Division Utilities
General Ledger
For the Period From Jan 1, 2015 to Dec 31, 2015**

Filter Criteria includes: 1) IDs: Multiple IDs. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
2010 Building Improvement	1/1/15			Beginning Balance			11,437.35
	2/1/15			Beginning Balance			11,437.35
	3/1/15			Beginning Balance			11,437.35
	4/1/15			Beginning Balance			11,437.35
	5/1/15			Beginning Balance			11,437.35
	6/1/15			Beginning Balance			11,437.35
	7/1/15			Beginning Balance			11,437.35
	8/1/15			Beginning Balance			11,437.35
	9/1/15			Beginning Balance			11,437.35
	10/1/15			Beginning Balance			11,437.35
	11/1/15			Beginning Balance			11,437.35
	12/1/15			Beginning Balance			11,437.35
		12/31/15			Ending Balance		
2020 Equipment	1/1/15			Beginning Balance			7,276.65
	2/1/15			Beginning Balance			7,276.65
	3/1/15			Beginning Balance			7,276.65
	4/1/15			Beginning Balance			7,276.65
	5/1/15			Beginning Balance			7,276.65
	6/1/15			Beginning Balance			7,276.65
	7/1/15			Beginning Balance			7,276.65
	8/1/15			Beginning Balance			7,276.65
	9/1/15			Beginning Balance			7,276.65
	10/1/15			Beginning Balance			7,276.65
	11/1/15			Beginning Balance			7,276.65
	12/1/15			Beginning Balance			7,276.65
		12/31/15			Ending Balance		
2100 Building	1/1/15			Beginning Balance			24,000.00
	2/1/15			Beginning Balance			24,000.00
	3/1/15			Beginning Balance			24,000.00
	4/1/15			Beginning Balance			24,000.00
	5/1/15			Beginning Balance			24,000.00
	6/1/15			Beginning Balance			24,000.00
	7/1/15			Beginning Balance			24,000.00
	8/1/15			Beginning Balance			24,000.00
	9/1/15			Beginning Balance			24,000.00
	10/1/15			Beginning Balance			24,000.00
	11/1/15			Beginning Balance			24,000.00
	12/1/15			Beginning Balance			24,000.00
		12/31/15			Ending Balance		

11/2/18 at 14:48:58.02

Q-2-2

**Hillview Estates Sub Division Utilities
General Ledger
For the Period From Jan 1, 2016 to Dec 31, 2016**

Filter Criteria includes: 1) IDs: Multiple IDs. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
2010	1/1/16			Beginning Balance			11,437.35
Building Improvement	2/1/16			Beginning Balance			11,437.35
	3/1/16			Beginning Balance			11,437.35
	4/1/16			Beginning Balance			11,437.35
	5/1/16			Beginning Balance			11,437.35
	6/1/16			Beginning Balance			11,437.35
	7/1/16			Beginning Balance			11,437.35
	8/1/16			Beginning Balance			11,437.35
	9/1/16			Beginning Balance			11,437.35
	10/1/16			Beginning Balance			11,437.35
	11/1/16			Beginning Balance			11,437.35
	12/1/16			Beginning Balance			11,437.35
	12/31/16			Ending Balance			11,437.35
2020	1/1/16			Beginning Balance			7,276.65
Equipment	2/1/16			Beginning Balance			7,276.65
	3/1/16			Beginning Balance			7,276.65
	4/1/16			Beginning Balance			7,276.65
	5/1/16			Beginning Balance			7,276.65
	6/1/16			Beginning Balance			7,276.65
	7/1/16			Beginning Balance			7,276.65
	8/1/16			Beginning Balance			7,276.65
	9/1/16			Beginning Balance			7,276.65
	10/1/16			Beginning Balance			7,276.65
	11/1/16			Beginning Balance			7,276.65
	12/1/16			Beginning Balance			7,276.65
	12/8/16	5446	CDJ	Winsupply of Seymour	10,212.08		
				Current Period Change	10,212.08		
	12/31/16			Ending Balance			17,488.73
2100	1/1/16			Beginning Balance			24,000.00
Building	2/1/16			Beginning Balance			24,000.00
	3/1/16			Beginning Balance			24,000.00
	4/1/16			Beginning Balance			24,000.00
	5/1/16			Beginning Balance			24,000.00
	6/1/16			Beginning Balance			24,000.00
	7/1/16			Beginning Balance			24,000.00
	8/1/16			Beginning Balance			24,000.00
	9/1/16			Beginning Balance			24,000.00
	10/1/16			Beginning Balance			24,000.00
	11/1/16			Beginning Balance			24,000.00
	12/1/16			Beginning Balance			24,000.00
	12/31/16			Ending Balance			24,000.00

Q-2-4 Backup

11/5/18 at 18:06:57.50

**Hillview Estates Sub Division Utilities
General Ledger
For the Period From Jan 1, 2008 to Jan 31, 2018**

Filter Criteria includes: 1) IDs from 7000 to 7000. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
7000	1/1/08			Beginning Balance			
Utility Bill Income	2/1/08			Beginning Balance			
	3/1/08			Beginning Balance			
	4/1/08			Beginning Balance			
	5/1/08			Beginning Balance			
	6/1/08			Beginning Balance			
	7/1/08			Beginning Balance			
	8/1/08			Beginning Balance			
	9/1/08			Beginning Balance			
	10/1/08			Beginning Balance			
	11/1/08			Beginning Balance			
	12/1/08			Beginning Balance			
	12/31/08			Fiscal Year End Ba			
	1/1/09			Beginning Balance			
	2/1/09			Beginning Balance			
	3/1/09			Beginning Balance			
	4/1/09			Beginning Balance			
	5/1/09			Beginning Balance			
	6/1/09			Beginning Balance			
	7/1/09			Beginning Balance			
	8/1/09			Beginning Balance			
	9/1/09			Beginning Balance			
	10/1/09			Beginning Balance			
	11/1/09			Beginning Balance			
	12/1/09			Beginning Balance			
	12/31/09			Fiscal Year End Ba			
	1/1/10			Beginning Balance			
	1/1/10		GEN	JANUARY BILLIN	78.01		
	1/1/10		GEN	SJ - JANUARY BIL		1,770.00	
				Current Period Cha	78.01	1,770.00	-1,691.99
	2/1/10			Beginning Balance			-1,691.99
	2/1/10		GEN	FEBRUARY BILLI	80.34		
	2/1/10		GEN	CRJ - FEBRUARY		1,770.00	
				Current Period Cha	80.34	1,770.00	-1,689.66
	3/1/10			Beginning Balance			-3,381.65
	3/1/10		GEN	MARCH BILLING	78.75		
	3/1/10		GEN	SJ - MARCH REC		1,800.00	
				Current Period Cha	78.75	1,800.00	-1,721.25
	4/1/10			Beginning Balance			-5,102.90
	4/1/10	1929	SJ	BRITTNEY LIMAS		30.00	
	4/1/10		GEN	SJ - APRIL BILLIN		1,800.00	
	4/1/10		GEN	APRIL BILLING	123.67		
				Current Period Cha	123.67	1,830.00	-1,706.33
	5/1/10			Beginning Balance			-6,809.23
	5/1/10	1989	SJ	BRITTNEY LIMAS		31.20	
	5/1/10		GEN	CRJ - MAY BILLIN		1,808.00	
	5/1/10		GEN	MAY BILLING	144.85		
				Current Period Cha	144.85	1,839.20	-1,694.35
	6/1/10			Beginning Balance			-8,503.58
	6/1/10	2082	SJ	BRITTNEY LIMAS		2.44	
	6/1/10		GEN	SJ - JUNE BILLIN		1,830.00	
	6/1/10		GEN	JUNE BILLING		217.01	
				Current Period Cha		2,049.45	-2,049.45
	7/1/10			Beginning Balance			-10,553.03
	7/1/10	2147	SJ	BRITTNEY LIMAS		2.54	
	7/1/10		GEN	SJ - JULY BILLING		1,830.00	
	7/1/10		GEN	JULY BILLING	973.13		
				Current Period Cha	973.13	1,832.54	-859.41
	8/1/10			Beginning Balance			-11,412.44
	9/1/10			Beginning Balance			-11,412.44

11/5/18 at 18:06:57.53

Page: 2

**Hillview Estates Sub Division Utilities
General Ledger
For the Period From Jan 1, 2008 to Jan 31, 2018**

Filter Criteria includes: 1) IDs from 7000 to 7000. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
	10/1/10			Beginning Balance			-11,412.44
	11/1/10			Beginning Balance			-11,412.44
	11/9/10		GEN	RETURN CK - MIT	151.26		
				Current Period Cha	151.26		151.26
	12/1/10			Beginning Balance			-11,261.18
	12/31/10			Fiscal Year End Ba			-11,261.18
	1/1/11			Beginning Balance			-11,830.07
	2/1/11			Beginning Balance			-11,830.07
	3/1/11			Beginning Balance			-11,830.07
	4/1/11			Beginning Balance			-11,830.07
	5/1/11			Beginning Balance			-11,830.07
	6/1/11			Beginning Balance			-11,830.07
	7/1/11			Beginning Balance			-11,830.07
	8/1/11			Beginning Balance			-11,830.07
	9/1/11			Beginning Balance			-11,830.07
	10/1/11			Beginning Balance			-11,830.07
	11/1/11			Beginning Balance			-11,830.07
	12/1/11			Beginning Balance			-11,830.07
	12/31/11			Fiscal Year End Ba			-11,830.07
	1/1/12			Beginning Balance			-11,830.07
	2/1/12			Beginning Balance			-11,830.07
	3/1/12			Beginning Balance			-11,830.07
	4/1/12			Beginning Balance			-11,830.07
	5/1/12			Beginning Balance			-11,830.07
	6/1/12			Beginning Balance			-11,830.07
	7/1/12			Beginning Balance			-11,830.07
	8/1/12			Beginning Balance			-11,830.07
	9/1/12			Beginning Balance			-11,830.07
	10/1/12			Beginning Balance			-11,830.07
	11/1/12			Beginning Balance			-11,830.07
	12/1/12			Beginning Balance			-11,830.07
	12/31/12			Fiscal Year End Ba			-11,830.07
	1/1/13			Beginning Balance			-11,830.07
	2/1/13			Beginning Balance			-11,830.07
	3/1/13			Beginning Balance			-11,830.07
	4/1/13			Beginning Balance			-11,830.07
	5/1/13			Beginning Balance			-11,830.07
	6/1/13			Beginning Balance			-11,830.07
	7/1/13			Beginning Balance			-11,830.07
	8/1/13			Beginning Balance			-11,830.07
	9/1/13			Beginning Balance			-11,830.07
	10/1/13			Beginning Balance			-11,830.07
	11/1/13			Beginning Balance			-11,830.07
	12/1/13			Beginning Balance			-11,830.07
	12/31/13			Fiscal Year End Ba			-11,830.07
	1/1/14			Beginning Balance			-11,830.07
	2/1/14			Beginning Balance			-11,830.07
	3/1/14			Beginning Balance			-11,830.07
	4/1/14			Beginning Balance			-11,830.07
	5/1/14			Beginning Balance			-11,830.07
	6/1/14			Beginning Balance			-11,830.07
	7/1/14			Beginning Balance			-11,830.07
	8/1/14			Beginning Balance			-11,830.07
	9/1/14			Beginning Balance			-11,830.07
	10/1/14			Beginning Balance			-11,830.07
	11/1/14			Beginning Balance			-11,830.07
	12/1/14			Beginning Balance			-11,830.07
	12/31/14			Fiscal Year End Ba			-11,830.07

11/5/18 at 18:06:57.54

Page: 3

**Hillview Estates Sub Division Utilities
General Ledger**

For the Period From Jan 1, 2008 to Jan 31, 2018

Filter Criteria includes: 1) IDs from 7000 to 7000. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
	1/1/15			Beginning Balance			-11,830.07
	2/1/15			Beginning Balance			-11,830.07
	3/1/15			Beginning Balance			-11,830.07
	4/1/15			Beginning Balance			-11,830.07
	5/1/15			Beginning Balance			-11,830.07
	6/1/15			Beginning Balance			-11,830.07
	7/1/15			Beginning Balance			-11,830.07
	8/1/15			Beginning Balance			-11,830.07
	9/1/15			Beginning Balance			-11,830.07
	10/1/15			Beginning Balance			-11,830.07
	11/1/15			Beginning Balance			-11,830.07
	12/1/15			Beginning Balance			-11,830.07
	12/31/15			Fiscal Year End Ba			-11,830.07
	1/1/16			Beginning Balance			-11,830.07
	2/1/16			Beginning Balance			-11,830.07
	3/1/16			Beginning Balance			-11,830.07
	4/1/16			Beginning Balance			-11,830.07
	5/1/16			Beginning Balance			-11,830.07
	6/1/16			Beginning Balance			-11,830.07
	7/1/16			Beginning Balance			-11,830.07
	8/1/16			Beginning Balance			-11,830.07
	9/1/16			Beginning Balance			-11,830.07
	10/1/16			Beginning Balance			-11,830.07
	11/1/16			Beginning Balance			-11,830.07
	12/1/16			Beginning Balance			-11,830.07
	12/31/16			Fiscal Year End Ba			-11,830.07
	1/1/17			Beginning Balance			-11,830.07
	2/1/17			Beginning Balance			-11,830.07
	3/1/17			Beginning Balance			-11,830.07
	4/1/17			Beginning Balance			-11,830.07
	5/1/17			Beginning Balance			-11,830.07
	6/1/17			Beginning Balance			-11,830.07
	7/1/17			Beginning Balance			-11,830.07
	8/1/17			Beginning Balance			-11,830.07
	9/1/17			Beginning Balance			-11,830.07
	10/1/17			Beginning Balance			-11,830.07
	11/1/17			Beginning Balance			-11,830.07
	12/1/17			Beginning Balance			-11,830.07
	12/31/17			Fiscal Year End Ba			-11,830.07
	1/1/18			Beginning Balance			
	1/31/18			Ending Balance			

Q-2-4 Backup

11/5/18 at 18:10:42.02

**Hillview Estates Sub Division Utilities
General Ledger Trial Balance
As of Jan 31, 2018**

Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.

Account ID	Account Description	Debit Amt	Credit Amt
1000	Old National Bank Checkin	32,453.25	
1010	Old National Bank Savings	34,838.11	
1200	Accounts Receivable		3,533.37
2010	Building Improvements	15,197.35	
2020	Equipment	21,922.73	
2100	Building	24,000.00	
2210	Depr-Bldg Improvements		11,437.35
2220	Depr-Equipment		11,258.84
2300	Depr-Building		24,000.00
6995	Equity		78,838.37
7001	Lot 1 Utility Fee		30.00
7002	Lot 2 Utility Fee		30.00
7003	Lot 3 Utility Fee		30.00
7004	Lot 4 Utility Fee		30.00
7005	Lot 5 Utility Fee		30.00
7006	Lot 6 Utility Fee		30.00
7007	Lot 7 Utility Fee		30.00
7008	Lot 8 Utility Fee		30.00
7009	Lot 9 Utility Fee		30.00
7010	Lot 10 Utility Fee		30.00
7011	Lot 11 Utility Fee		60.00
7015	Lot 15 Utility Fee		30.00
7016	Lot 16 Utility Fee		30.00
7017	Lot 17 Utility Fee		30.00
7018	Lot 18 Utility Fee		30.00
7019	Lot 19 Utility Fee		30.00
7021	Lot 21 Utility Fee		30.00
7022	Lot 22 Utility Fee		30.00
7023	Lot 23 Utility Fee		30.00
7024	Lot 24 Utility Fee		30.00
7025	Lot 25 Utility Fee		30.00
7026	Lot 26 Utility Fee		30.00
7027	Lot 27 Utility Fee		30.00
7027 Lien	Lien-12504 S HV Rd-Lot 27	494.97	
7028	Lot 28 Utility Fee		30.00
7029	Lot 29 Utility Fee		60.00
7030	Lot 30 Utility Fee		30.00
7031	Lot 31 Utility Fee		30.00
7032	Lot 32 Utility Fee		30.00
7033	Lot 33 Utility Fee		30.00
7034	Lot 34 Utility Fee		30.00
7036	Lot 36 Utility Fee		30.00
7037	Lot 37 Utility Fee		30.00
7038	Lot 38 Utility Fee		530.00
7039	Lot 39 Utility Fee		30.00
7040	Lot 40 Utility Fee		30.00
7041	Lot 41 Utility Fee		30.00
7042	Lot 42 Utility Fee		30.00
7043	Lot 43 Utility Fee		30.00
7044	Lot 44 Utility Fee		30.00
7045	Lot 45 Utility Fee		30.00
7046	Lot 46 Utility Fee		30.00
7047	Lot 47 Utility Fee		30.00
7048	Lot 48 Utility Fee		30.00
7050	Lot 50 Utility Fee		30.00
7051	Lot 51 Utility Fee		30.00
7052	Lot 52 Utility Fee		30.00
7053	Lot 53 Utility Fee		30.00
7054	Lot 54 Utility Fee		30.00
7055	Lot 55 Utility Fee		30.00
7056	Lot 56 Utility Fee		30.00
7057	Lot 57 Utility Fee		30.00
7058	Lot 58 Utility Fee		30.00

11/5/18 at 18:10:42.04

Page: 2

**Hillview Estates Sub Division Utilities
General Ledger Trial Balance
As of Jan 31, 2018**

Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.

Account ID	Account Description	Debit Amt	Credit Amt
7060	Lot 60 Utility Fee		30.00
7061	Lot 61 Utility Fee		30.00
7062	Lot 62 Utility Fee		30.00
7063	Lot 63 Utility Fee		30.00
7065	Lot 65 Utility Fee		30.00
7066	Lot 66 Utility Fee		30.00
7067	Lot 67 Utility Fee		30.00
7068	Lot 68 Utility Fee		30.00
7069	Lot 69 Utility Fee		30.00
7070	Lot 70 Utility Fee		30.00
7071	Lot 71 Utility Fee		30.00
7071 Lien	Lien - 12491 S HV Way, Lo	831.48	
7073	Lot 73 Utility Fee		30.00
7074	Lot 74 Utility Fee		30.00
7500	Interest Income		17.41
7900	Miscellaneous Income		32.16
8000	Homeowner Donation		930.00
9050	Depreciation	386.32	
9112	Permits	350.00	
9136	licensed plant operator	1,500.00	
9140	Repairs & Maintenance	200.00	
9200	Utilities-Purchased Power	383.29	
	Total:	132,557.50	132,557.50

BUSINESS INFORMATION
CONNIE LAWSON
INDIANA SECRETARY OF STATE
11/19/2018 11:30 AM

Business Details

Business Name: **HILLVIEW ESTATES SUBDIVISION UTILITIES INC** Business ID: **198608-053**
Entity Type: **Domestic Nonprofit Corporation** Business Status: **Pending Admin Dissolution**
Creation Date: **08/01/1986** Inactive Date:
Principal Office Address: **MERRILL HENDERSON, 12563 S HILLVIEW RD, COLUMBUS, IN, 47201 - 4720, USA** Expiration Date: **Perpetual**
Jurisdiction of Formation: **Indiana** Business Entity Report Due Date: **08/31/2018**
Years Due: **2018/2019**

Principal Information

Title	Name	Address
President	MERRILL HENDERSON	12563 S HILLVIEW RD, COLUMBUS, IN, 47201, USA
Secretary	JESSICA PENDLETON	12442 S HILLVIEW WAY, COLUMBUS, IN, 47201, USA

Incorporators Information

Name	Title	Address
CLIPP.LARRY.	Incorporator	12412 S HILLVIEW, COLUMBUS, IN, USA

Registered Agent Information

Type: **Individual**
Name: **MERRILL HENDERSON**
Address: **12563 S HILLVIEW RD, COLUMBUS, IN, 47201 - 0000, USA**

SS-C02
Rev. 2-80
State Form 39721

STATE OF INDIANA
OFFICE OF THE SECRETARY OF STATE

To Whom These Presents Come, Greeting:

CERTIFICATE OF INCORPORATION

HILLVIEW ESTATES SUBDIVISION UTILITIES, INC

I, EDWIN J. SIMCOX, Secretary of State of Indiana, hereby certify that Articles of Incorporation of the above not-for-profit corporation, in the form prescribed by this Office, prepared and signed in duplicate by the Incorporator(s) and acknowledged and verified by the same before a Notary Public, have been presented to me at this office accompanied by the fees prescribed by law; that I have found such Articles conform to law; that I have endorsed my approval upon the duplicate copies of such Articles; that all fees have been paid as required by law; that one copy of such Articles has been filed in this office; and that the remaining copy(ies) of such Articles bearing the endorsement of my approval and filing has (have) been returned by me to the incorporator(s) or his (their) representatives; all as prescribed by the Indiana Not-For-Profit Corporation Act of 1971.

NOW, THEREFORE, I hereby issue to such Corporation this Certificate of Incorporation, and further certify that its corporate existence has begun.

In Witness Whereof, I have hereunto set my hand and affixed
the seal of the State of Indiana, at the City of Indianapolis, this

1st

day of

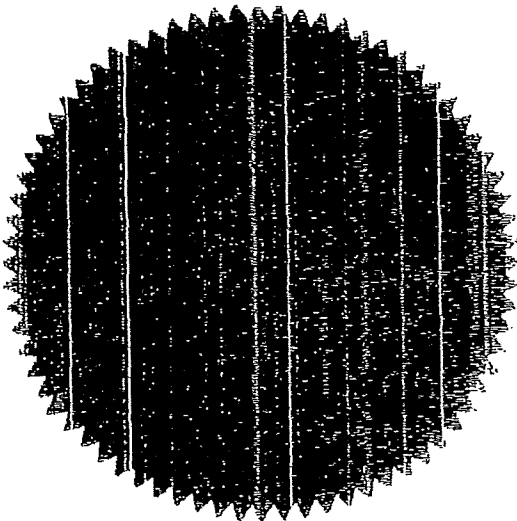
August

19 86

EDWIN J. SIMCOX, Secretary of State

By _____

Deputy





ARTICLES OF INCORPORATION
State Form 4162R/Corporate Form No. 364-1 (August 1983)
Articles of Incorporation (Not-for-Profit)
Prescribed by Edwin J. Simcox, Secretary of State of Indiana.

*Instructions: Use 8 1/2 x 11 inch paper for inserts
Present 2 executed copies to:*

SECRETARY OF STATE
Room 155, State House
Indianapolis, Indiana 46204

RECORDING IS NO LONGER REQUIRED.

**ANNUAL REPORTS MUST BE FILED WITH THIS OFFICE
BY THE LAST DAY OF FEBRUARY OF EACH YEAR.**

FILING FEE IS \$28.00

For tax exempt status, Not-For-Profit Corporations must qualify with both the Internal Revenue Service and the Indiana Department of Revenue.

**ARTICLES OF INCORPORATION
OF**

HILLVIEW ESTATES SUBDIVISION UTILITIES, INC.

(Complete name as will be shown in Article 1)

The undersigned incorporator or incorporators, desiring to form a corporation (hereinafter referred to as the "Corporation") pursuant to the provisions of the Indiana Not-For-Profit Corporation Act of 1971 (hereinafter referred to as the "Act"), execute the following Articles of Incorporation:

ARTICLE I Name

The name of the Corporation is *(The name MUST include the word "Corporation" or "Incorporated," or one of the abbreviations thereof):*

HILLVIEW ESTATES SUBDIVISION UTILITIES, INC.

ARTICLE II Purpose

The purposes for which the Corporation is formed are:

To manage and operate a sewage treatment utility serving the Hillview Estates Subdivision in Bartholomew County, Indiana.

Also, see attached.

FILED
IND. SECRETARY OF STATE

ARTICLE III Period of Existence

The period during which the Corporation shall continue is:

perpetual

ARTICLE IV Resident Agent and Principal Office

SECTION 1 Resident Agent. The name and address of the Corporation's Resident Agent for service of process are:

Name

Larry E. Nichalson

Address *(street or building and city)*

12392 S. Hillview Way, Columbus

Indiana

Zip Code

47201

SECTION 2 Principal Office. The post office address of the principal office of the Corporation is:

12392 S. Hillview Way, Columbus

Indiana

Zip Code

47201

ARTICLE V Membership

A minimum of three (3) persons shall have signed the membership list. *(Directors or Trustees or Incorporators may be included in the membership.)*

SECTION 1 Classes *(if any):*

See attached

ARTICLE V Membership (continued)

SECTION 2 Rights, Preferences, Limitations, and Restrictions of Classes

See attached

SECTION 3 Voting Rights of Classes

See attached

ARTICLE VI Directors

SECTION 1 Number of Directors

The initial Board of Directors is composed of **four (4)** members. If the exact number of Directors is not stated, the minimum number shall be **n/a** and the maximum number shall be **n/a** provided, however, that the exact number of directors shall be prescribed from time to time in the By Laws of the Corporation, AND PROVIDED FURTHER THAT UNDER NO CIRCUMSTANCES SHALL THE MINIMUM NUMBER BE LESS THAN THREE (3)

SECTION 2 Names and Post Office Addresses of the Initial Board of Directors are

Name	No. and Street or Building	City	State	Zip Code
Larry E. Nicholson	12392 S. Hillview Way	Columbus	Indiana	47201
Larry Joe Clipp	12412 S. Hillview Way	Columbus	Indiana	47201
Jerry Freeman	12381 Hillview Way	Columbus	Indiana	47201
Nancy Rotert	12401 Hillview Way	Columbus	Indiana	47201

ARTICLE VII Incorporator(s)

Names and Post Office Address(es) of the Incorporator(s) of the Corporation is (are) as follows:

Name	No. and Street or Building	City	State	Zip Code
Larry E. Nicholson	12392 S. Hillview Way	Columbus	Indiana	47201
Larry Joe Clipp	12412 S. Hillview Way	Columbus	Indiana	47201
Jerry Freeman	12381 Hillview Way	Columbus	Indiana	47201
Nancy Rotert	12401 Hillview Way	Columbus	Indiana	47201

ARTICLE VIII Statement of Property and Value (if any)

A statement of the property and an estimate of the value thereof to be taken over by the Corporation at or upon its incorporation is as follows:

ARTICLE VIII Statement of Property and Value (if any) (continued)

Sewage treatment facility located in Hillview Estates Subdivision

ARTICLE IX Provisions for Regulation and Conduct of the Affairs of Corporation

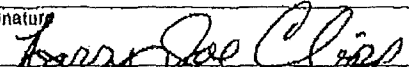
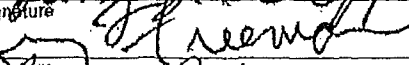
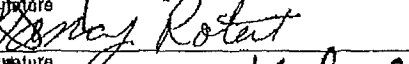

Other provisions, consistent with the laws of this state, for the regulation and conduct of the affairs of the Corporation, and creating, defining, limiting or regulating the powers of the corporation, the directors or the members of any class or classes of members are as follows (Can be provided for in the "By-Laws") (Any provision in this section may only be changed by amending the Articles of Incorporation.)

See corporate by-laws.

The undersigned, being one or more persons, do hereby adopt these Articles of Incorporation, representing beforehand to the Secretary of State of the State of Indiana and all persons whom it may concern, that a membership list or lists of the above-named corporation for which a Certificate of Incorporation is hereby applied for, have heretofore been opened in accordance with the law and that at least three (3) persons have signed such membership list.

THIS DOCUMENT MUST BE SIGNED BY ALL INCORPORATORS.

I (we) hereby verify subject to penalties of perjury that the facts contained herein are true. (Notarization not necessary)

Written Signature 	Printed Signature Larry Joe Clipp
Written Signature 	Printed Signature Jerry FREEMAN
Written Signature 	Printed Signature NANCY Rotert
Written Signature 	Printed Signature LARRY E. NICHALSON

This instrument was prepared by:
Arthur F. Beck, Beck & Harrison
Address
231 Washington Street, P. O. Box 426, Columbus, IN 47202-0426

Section 1 (Classes)

There shall be two (2) classes of membership:

1. Owners of property in Hillview Estates Subdivision that are connected to the subdivision sewage treatment facility;
2. All other owners of property in Hillview Estates Subdivision.

Section 2 (Rights, Preferences, Limitations, and Restrictions of Classes)

Class one (1) members shall be considered active members of the corporation. Class two (2) members shall be considered inactive members. Only class one (1) members shall have voting rights. Likewise, only class one (1) members shall be subject to the dues and other assessments determined by the board of directors. Class two (2) members shall not be subject to any charges of the corporation of any type whatsoever until such time as they may improve their property, connect the property to the sewage treatment facility and become class one (1) members.

Other limitations, rights, preferences and restrictions shall be provided for by the corporate by-laws.

Section 3 (Voting Rights of Classes)

Class one (1) members shall have full voting rights so long as they are current in the payment of dues and assessments. Class two (2) members shall not be entitled to vote.

Class one (1) members shall be entitled to cast one (1) vote for each improved lot owned in Hillview Estates Subdivision that is currently connected to the sewage treatment facility.

ARTICLE II (Con't.)

To acquire by lease, purchase, gift, devise, contract, concession or otherwise, and to hold, own, develop, exploit, improve, operate, lease, enjoy, control, manage, or otherwise turn to account, mortgage, grant, sell, exchange, convey, or otherwise dispose of, wherever situated, within or without the State of Indiana, any and all real estate, lands, options, concessions, grants, land patents, franchises, rights, privileges, easements, tenements, estates, hereditaments, interests and properties of every kind, nature and description whatsoever.

To adopt, apply for, obtain, register, produce, take, purchase, exchange, lease, hire, acquire, secure, own, hold, use, operate, contract, or negotiate for, take licenses or other rights in respect of manufacture under, introduce, sell, assign, collect the royalties on, mortgage, pledge, create liens upon, or otherwise dispose of, deal in, and turn to account, letters patent, patents, patent rights, patents applied for or to be applied for, trademarks, trade names and symbols, distinction marks and indications of origin or ownership, copyrights, syndicate rights, invention, discoveries, devices, machines, improvements, licenses, processes, data and formulae of any and all kinds granted by, or recognized under or pursuant to the laws of the United States of America, or of any other country or countries whatsoever, and with a view to the working and development of the same, to carry on any business, whether manufacturing or otherwise, which the corporation may think calculated, directly or indirectly, to effectuate these objects.

To borrow money for its corporate purpose, and to make, accept, endorse, execute and issue promissory notes, bills of exchange, bonds, debentures, or other obligations from time to time for the purchase of property and for any purpose in or about the business of the company, and if deemed proper, to secure the payment of such obligation by mortgage, pledge, deed or trust or otherwise.

To underwrite, purchase, acquire, hold, pledge, hypothecate, exchange, sell, deal in or dispose of, alone or in syndicates or otherwise in conjunction with others, stocks, bonds or other evidences of indebtedness and obligations of any corporation, association, partnership, syndicate, entity, person or governmental municipal or public authority, domestic or foreign, and evidence of any interest, in respect of any such stocks, bonds and other evidences of indebtedness and obligations; to issue in exchange therefor its own stocks, bonds or other obligations, and while the owner or holder of any such, to exercise all the rights, powers and privileges of ownership in respect thereof; and, to

ARTICLE II (Con't.)

the extent now or hereafter permitted by law, to aid by loan, subsidy or otherwise those issuing, creating or responsible for any such stocks, bonds or other evidences of indebtedness or obligations or evidences of any interest in respect of.

To purchase, hold, sell, transfer, re-issue or cancel the shares of its own capital stock or any securities or other obligations of the corporation in the manner and to the extent now or hereafter permitted to corporations organized under the laws of the State of Indiana; provided that shares of its own capital stock belonging to the corporation shall not be voted upon directly or indirectly.

To enter into, make, perform and carry out contracts of every sort and kind which may be necessary or convenient for the business of this company, or business of a similar nature, with any person, corporation, private, public or municipal, body politic under the government of the United States or any state, territory, or colony thereof, or any foreign government, so far as and to the extent permitted by law.

To do all and everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objects, or the furtherance of any of the powers hereinbefore set forth, either alone or in connection with other corporations, first or individuals and either as principals, or agents, and to do every other act or acts, thing or things incidental or appurtenant to or growing out of or connected with the aforesaid objects, purposes or powers or any of them.

BY-LAWS
OF
HILLVIEW ESTATES SUBDIVISION UTILITIES, INC.
A Not-For-Profit Corporation Organized
Under the Laws of the State of Indiana

ARTICLE I

Section 1. Membership

a. The membership of the corporation shall consist of all persons owning property in the Hillview Estates Subdivision, Bartholomew County, Indiana. The membership shall be divided into two (2) classes. Class one (1) members shall include all owners whose property has been improved and connected to the sewage treatment facility. Class two (2) members shall include all other property owners.

b. Class one (1) members shall be considered active members and shall have full voting rights. They shall also be subject to such dues and assessments determined from time to time to be necessary by the board of directors. Class two (2) members shall be considered inactive or associate members and shall not have voting rights. They shall not be subject to dues or assessments of any type whatsoever by the corporation so long as they are class two (2) members.

c. Class two (2) members may petition the board of directors for approval to connect their property to the sewage treatment facility. No such connection shall occur without prior board approval. Upon the granting of such approval and the connection of the property to the facility, such class two (2) member shall automatically be enrolled as a class one (1) member with all attendant rights and liabilities.

d. The board of directors may assess any person petitioning under section 1(c) above a reasonable fee for any cost incurred or service rendered by the corporation in conjunction with petitioner's connection to the sewage treatment facility. The board may not assess any tap-on fee other than as noted hereinabove.

e. A membership log shall be maintained by the corporation showing the names and addresses of all members and their class membership. Such log shall be updated as necessary.

Section 2. Annual Meeting

The annual meeting of the membership shall be held at the principal office of the corporation on the 1st Monday in August at 7:30 P.M. before the regular monthly meeting of the board of directors for the election of directors and the transaction of such other business as may come before the meeting. It shall be the duty of the secretary to give ten (10) days notice of such meeting in person to each member or by mail to each member

not personally notified, such notice to state that the meeting is the annual meeting and the time and place thereof. Oral notice by telephone shall be deemed sufficient. This notice shall be addressed to each member at his address as the same appears upon the records of the corporation, provided, however, failure to give such notice shall not affect the validity of such annual meeting or of any of the proceedings at such meeting, and a member's attendance at the annual meeting shall constitute a waiver of such member's notice of such meeting.

Section 3. Special Meetings

Special meetings may be called by the majority of the board of directors or by the president. The secretary shall give immediate notice of such meeting by mailing written notice thereof to post office address of each member at his last address as the same appears upon the records of the company, and shall state in said notice the time, place and purpose of holding such meeting. Such notice shall be mailed at least ten (10) days prior to the time fixed for such meeting. If all members attend in person or by proxy, no notice shall be required.

Section 4. Irregular Meetings

When all of the members of the corporation shall be present at any meeting, however notified, or shall sign a written consent to the holding of such meeting on the records thereof, they may transact any business at such meeting which could lawfully be transacted at any meeting of the members of this corporation regularly called and notified.

Section 5. Proxies

A member of this corporation may vote by proxy at all membership meetings. Such proxy may designate only a member of the board of directors who shall have authority to vote for and on behalf of the absent member. The president may require at any time written evidence of such proxy from the absent member.

Section 6. Quorum

A majority of the members of this corporation shall constitute a quorum at any membership meeting, and be capable of transacting any business thereof, except when otherwise provided by law or by the Articles of Incorporation of this corporation; but, if at any meeting of the membership, there be less than a quorum present, a majority of members present in person or by proxy may adjourn from time to time without notice other than by announcement at the meeting until the members requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. Organization

The president, and in his absence the vice-president, and in their

absence any member chosen by the membership present, shall call meetings of the members to order and shall act as chairman of such meetings, and the secretary of the company shall act as secretary of all meetings of the membership, but in the absence of the secretary, the presiding officer may appoint any member to act as secretary of the meeting.

ARTICLE II BOARD OF DIRECTORS

Section 1. Number and Qualifications

The board of directors shall consist of four (4) members. A director shall be at least twenty-one (21) years of age, be a resident of Bartholomew County, be a class one (1) member of the corporation, and be interested in the activities of the corporation.

Section 2. Election and Term of Office

The board of directors shall be elected annually by a majority vote of the members present at the annual membership meeting. Each director shall serve a term of three (3) years, unless otherwise specified by a majority of the board of directors at the time of the election of any member of the board of directors. To the extent the same shall be possible the board shall attempt to have no more than the terms of two (2) directors expire in any one year.

Section 3. Duties

The corporate power of this corporation shall be vested in the board of directors, who shall have the management and control of the business of the corporation, shall employ such agents and servants as they may deem advisable, and fix the rate of compensation of all agents, employees and officers, if any.

Section 4. Resignation

A director may resign at any time by filing his written resignation with the secretary.

Section 5. Removal

Any director may be removed at any time at any regular meeting or at a special meeting of the membership of the corporation called for such purpose by the affirmative vote of a majority of the members.

Section 6. Vacancies

In case of any vacancy in the board of directors through death, resignation, removal or other cause, the remaining directors by the affirmative vote of a majority thereof may elect a successor to fill such vacancy until the next annual meeting and until his successor is elected and qualified.

Section 7. Special Meetings

Special meetings of the board of directors shall be held whenever called by the secretary upon the direction of the president, or upon written request of any two (2) directors; and it shall be the duty of the secretary to give sufficient notice of such meetings in person, by mail, or by telephone in order to enable the directors to attend such meeting.

Section 8. Regular Meetings

Meetings of the board of directors may be held at any time or place where a majority of the directors are present and consent to the holding of such meeting.

Section 9. Quorum

A majority of the directors convened according to these by-laws shall constitute a quorum for the transaction of business, but if at any meeting of the board, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

Section 10. Organization

The president and in his absence the vice-president and in their absence any director chosen by the directors present shall call meetings of the board of directors to order, and shall act as chairman of such meetings, and the secretary of the corporation shall act as secretary of the board of directors, but in the absence of the secretary the presiding officer may appoint any director to act as secretary of the meeting.

ARTICLE III GENERAL OFFICERS

Section 1. Election

The officers of this corporation shall be a president, vice-president, secretary, treasurer, and such other officers as may be created by the by-laws or by the board of directors. The board of directors shall, annually at the regular meeting of said board held immediately following the annual meeting of the members, elect a president, vice-president, secretary, treasurer, and such other officers as the corporation articles and by-laws require, and fix their compensation, if any. Said officers to hold office for a period of one (1) year and until their successors are elected and qualified.

Section 2. Duties

The principal duties of the general officers respectively are as follows:

- (1) The president shall preside at all meetings of the members and

the board of directors. He shall be the chief executive officer of the corporation and shall have the general supervision, direction and active management of the property, affairs, and business of the corporation, subject to the board of directors. He shall see that all orders and resolutions of the board of directors are carried into effect. He shall sign all certificates, bonds, deeds, leases, conveyances, commercial paper, contracts and all other obligations and instruments in writing, unless otherwise ordered by the board of directors. He shall submit a complete and detailed report of the corporation for the fiscal year and of its fiscal year and of its financial condition to the board of directors at its first regular meetings, and shall from time to time report to the board of directors all matters within his knowledge which the interests of the corporation may require to be brought to its notice. He shall perform such additional duties as may be prescribed from time to time by the board of directors or by the by-laws.

(2) The vice-president shall discharge the duties of the president in the event of his absence or disability for any cause whatever. He shall perform such additional duties as may be prescribed from time to time by the board of directors or as may be prescribed from time to time by the by-laws.

(3) The secretary shall sign and attest all bonds, deeds, leases, or conveyances executed by said corporation, affix the corporate seal thereto and to all other papers requiring such seal, and shall keep a correct and complete record of all of the proceedings of said corporation, including such as relate to the election of its officers, and shall safely and systematically keep all books, records, and papers belonging to the corporation, or in anyway pertaining to the business thereof; keep a membership list, he shall attend to the giving and serving of all notices of the corporation whereby meetings of the board of directors or members are assembled. He shall in general, perform all of the duties which are incidental to the office of secretary of a corporation, subject to the board of directors or as may be prescribed from time to time by the by-laws.

(4) The treasurer shall keep account of all monies, credits, and property of the corporation which shall come into his hands and keep an accurate account of all monies received and disbursed. He shall have the custody of all the funds and securities of the corporation. Whenever necessary he shall endorse on behalf of the corporation all checks, notes, or other obligations and evidences of the payment of money payable to the corporation or coming into his possession, and shall deposit the funds arising therefrom, together with all other funds of this corporation coming into his possession in such banks as may be selected as the depositories of the corporation or properly care for them in such other manner as the board of directors may direct. He shall countersign and deliver after the same have been signed by the president, all contracts, commercial paper, and all other obligations and instruments in writing, of the corporation not requiring the seal of the corporation. Whenever required by the board of directors so to do, he shall exhibit a true and complete statement of his cash account and of the securities and other

funds in his custody and control, and shall at all reasonable times within business hours, exhibit his books and accounts to any director. He shall, in general, perform all the duties which are incident to the office of treasurer of a corporation, subject to the board of directors. If the board of directors shall so require, he shall give bond in such sum and with such surety as the board of directors may direct for the faithful performance of his duties and for the safe custody of the funds and property coming into his possession. He shall perform such additional duties as may be prescribed from time to time by the directors or by the by-laws.

ARTICLE IV EXECUTIVE COMMITTEE

Section 1. Executive Committee

There shall be an executive committee. The executive committee shall be the president, vice-president, secretary and treasurer, with the executive director of the corporation as an ex-officio officer. The chairman of the executive committee shall be the president. The executive committee shall meet at such times as designated by the president. The executive committee may make recommendations to the board of directors and shall have the powers and the authority as determined from time to time by a majority of the board of directors.

ARTICLE V CORPORATE SEAL

Section 1. Seal

This corporation shall have a corporate seal which shall be as follows: Hillview Estates Subdivision Utilities, Inc.

ARTICLE VI MISCELLANEOUS

Section 1. Fiscal Year

The board of directors shall establish a fiscal year consistent with the efficient operation of the corporation.

Section 2. Waiver of Notice

Any member, director or officer may in writing waive the giving and the mailing of any notice required to be given or mailed, either by the statutes of Indiana, the Articles of Incorporation, or by the by-laws of this corporation.

Section 3. Amendments

By-laws may be adopted, amended or repealed at any meeting of the membership by the vote of a majority at such meeting.

Section 4. Contracts

The board of directors may authorize any officer or officers to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation; provided however, that any contract involving more than five hundred dollars (\$500.00) shall be acted upon by the whole board and may not be delegated to any other person or entity.

Section 5. Loans

No loans shall be contracted on behalf of this corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors.

Section 6. Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers of the corporation as shall from time to time be determined by resolution of the board of directors; provided however, that any checks, drafts or other payments of any type whatsoever for five hundred dollars (\$500.00) or more shall be executed by or in the presence of the full board of directors.

Section 7. Deposits

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of this corporation in such banks, trust companies or other depositories as the board of directors may select.

Section 8. Audits

The books of the corporation shall be audited each fiscal year by either a special committee appointed by the board of directors or an independent accountant selected by the board.

BECK & HARRISON, P.C.
ATTORNEYS AT LAW

Arthur F. Beck
Patrick (Woody) Harrison

231 Washington Street
Post Office Box 426
Columbus, Indiana 47002-0426

(812) 372-8858

July 31, 1986

Secretary of State
Room 155, State House
Indianapolis, IN 46204

To Whom It May Concern:

Enclosed for filing please find two executed copies of Articles of Incorporation for for a Not-For-Profit Corporation for Hillview Estates Subdivision Utilities, Inc. I am also enclosing a check in the amount of \$26 to cover the filing fee.

Please return a file-marked copy to me at the above address.

Very truly yours,


Arthur F. Beck

AFB:dja
Enclosures

SS-C-35
State Form 3701B

FEB 23 1988

MICROFILMED

STATE OF INDIANA
OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AMENDMENT

8608-053

To Whom These Presents Come, Greeting:

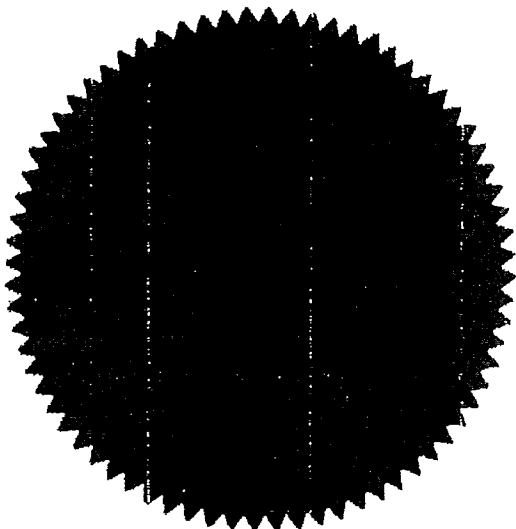
EVAN BAYH
I, ~~XXXXXXXXXXXX~~, Secretary of State of Indiana, hereby certify that

HILLVIEW ESTATES SUBDIVISION UTILITIES, INC.

a corporation duly organized and existing under the laws of the State of Indiana, has this day filed in the office of the Secretary of State, Articles of Amendment showing an amendment to the articles of incorporation of said company, in accordance with the ~~Indiana General Not-For-Profit Corporation Act (approved March 11, 1975)~~ / The Indiana Not-For-Profit Corporation Act of 1971 (IC 23-7-1.1).

WHEREAS, upon due examination, I find that they conform to law:

NOW, THEREFORE, I, ~~XXXXXXXXXXXX~~ EVAN BAYH, Secretary of State, hereby certify that I have this day endorsed my approval upon all copies of Articles so presented, and, having received the fees required by law, have filed one copy of the Articles in this office and returned the remaining copies bearing the endorsement of my approval to the Corporation.



In Witness Whereof, I have hereunto set my hand and affixed

the seal of the State of Indiana, at the City of Indianapolis,

this 19TH day of

NOVEMBER, 19 87

EVAN BAYH ~~XXXXXXXXXXXX~~, Secretary of State

By _____

Deputy

198608-053



ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION

State Form 4181R3/Corporate Form No. 384-2 (August 1984)
Articles of Amendment (Amending Individual Articles Only) NOT-FOR-PROFIT
Prescribed by Edwin J. Simcox, Secretary of State of Indiana

**APPROVED
AND
FILED**

Instructions: Present 2 Executed Copies to:

SECRETARY OF STATE
Room 155, State House
Indianapolis, Indiana 46204

E. B. J.
SECRETARY OF STATE OF INDIANA

FILING FEE IS \$25.00

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF**

HILLVIEW ESTATES SUBDIVISION UTILITIES, INC.

The undersigned officers of

Hillview Estates Subdivision Utilities, Inc.

(hereinafter referred to as the "Corporation") existing pursuant to the provisions of:
(check appropriate box)

- The Indiana Not-For-Profit Corporation Act of 1971 (I.C. 23-7-1.1), as amended
- Indiana General Not-For-Profit Corporation Act (approved March 7, 1935)

(hereinafter referred to as the "Act") desiring to give notice of corporate action effectuating amendment to its Articles of Incorporation certify the following facts:

ARTICLE I Amendment(s)

SECTION 1 The date of Incorporation of the corporation is:

August 1, 1986

SECTION 2 The name of the corporation following this amendment to the Articles of Incorporation is:

Hillview Estates Subdivision Utilities, Inc.

SECTION 3

The exact text of Article(s) II, V, VI and IX of the Articles of Incorporation is now as follows.

See attached.

ARTICLE II Manner of Adoption and Vote

SECTION 1 Action by Directors

The Board of Directors of the Corporation duly adopted a resolution proposing to amend the terms and provisions of Article(s) II, V, VI and IX of the Articles of Incorporation and directing a meeting of the members, to be held on November 12, 1987, allowing such members to vote on the proposed amendment.

The resolution was adopted by: *(select appropriate paragraph)*

(a) Vote of the Board of Directors at a meeting held on _____, 19____, at which a quorum of such Board was present.

(b) Written consent executed on November 12, 19 87, and signed by all members of the Board of Directors.

SECTION 2 Action by Members

The members of the corporation entitled to vote in respect to the Articles of Amendment adopted the proposed Amendment.

The proposed Amendment was adopted by: *(select appropriate paragraph)*

(a) Vote of such members during the meeting as called by the Board of Directors. The result of such vote is as follows:

	TOTAL
MEMBERS ENTITLED TO VOTE:	
MEMBERS VOTED IN FAVOR:	
MEMBERS VOTED AGAINST:	

(b) Written consent executed on November 12, 19 87, and signed by all such members.

SECTION 3 Compliance with legal requirements

The manner of the adoption of the Articles of Amendment and the vote by which they were adopted constitute full legal compliance with the provisions of the Act, the Articles of Incorporation, and the By-Laws of the Corporation.

I hereby verify subject to penalties or perjury that the facts contained herein are true.

Current Officer's Signature

Officer's Name Printed

Officer's Title

[Handwritten Signature]

Larry E. Nicholas

ARTICLE II. PURPOSE. The purposes for which the Corporation is formed are: to manage and operate a sewage treatment utility serving the Hillview Estates Subdivision in Bartholomew County, Indiana, including the collection system and all other functions in order for the utility to serve the Hillview Estates Subdivision in Bartholomew County, Indiana. Also, see attached.

ARTICLE V. MEMBERSHIP.

Section 1. Classes (if any): N/A

Section 2. Rights, Preferences, Limitations and Restrictions of Classes: N/A

Section 3. Voting Rights of Classes: N/A

ARTICLE VI. DIRECTORS.

Section 1. Number of Directors: The initial Board of Directors is composed of five (5) members.

Section 2. Names and Post Office Addresses of the Initial Board of Directors are:

Larry E. Nichalson, 12392 S. Hillview Way, Columbus, IN 47201
Sherry Nichalson, 12392 S. Hillview Way, Columbus, IN 47201
Larry Joe Clipp, 12412 S. Hillview Way, Columbus, IN 47201
Jerry Freeman, 12381 Hillview Way, Columbus, IN 47201
Nancy Rotert, 12401 Hillview Way, Columbus, IN 47201

ARTICLE IX. PROVISIONS FOR REGULATION AND CONDUCT OF THE AFFAIRS OF THE CORPORATION.

Other provisions, consistent with the laws of this state, for the regulation and conduct of the affairs of the Corporation, and creating, defining, limiting or regulating the powers of the corporation, the directors or the members of any class or classes of members are as follows: See attached By-laws.

ARTICLE II (Con't.)

To acquire by lease, purchase, gift, devise, contract, concession or otherwise, and to hold, own, develop, exploit, improve, operate, lease, enjoy, control, manage, or otherwise turn to account, mortgage, grant, sell, exchange, convey, or otherwise dispose of, wherever situated, within or without the State of Indiana, any and all real estate, lands, options, concessions, grants, land patents, franchises, rights, privileges, easements, tenements, estates, hereditaments, interests and properties of every kind, nature and description whatsoever.

To adopt, apply for, obtain, register, produce, take, purchase, exchange, lease, hire, acquire, secure, own, hold, use, operate, contract, or negotiate for, take licenses or other rights in respect of manufacture under, introduce, sell, assign, collect the royalties on, mortgage, pledge, create liens upon, or otherwise dispose of, deal in, and turn to account, letters patent, patents, patent rights, patents applied for or to be applied for, trademarks, trade names and symbols, distinction marks and indications of origin or ownership, copyrights, syndicate rights, invention, discoveries, devices, machines, improvements, licenses, processes, data and formulae of any and all kinds granted by, or recognized under or pursuant to the laws of the United States of America, or of any other country or countries whatsoever, and with a view to the working and development of the same, to carry on any business, whether manufacturing or otherwise, which the corporation may think calculated, directly or indirectly, to effectuate these objects.

To borrow money for its corporate purpose, and to make, accept, endorse, execute and issue promissory notes, bills of exchange, bonds, debentures, or other obligations from time to time for the purchase of property and for any purpose in or about the business of the company, and if deemed proper, to secure the payment of such obligation by mortgage, pledge, deed or trust or otherwise.

To underwrite, purchase, acquire, hold, pledge, hypothecate, exchange, sell, deal in or dispose of, alone or in syndicates or otherwise in conjunction with others, stocks, bonds or other evidences of indebtedness and obligations of any corporation, association, partnership, syndicate, entity, person or governmental municipal or public authority, domestic or foreign, and evidence of any interest, in respect of any such stocks, bonds and other evidences of indebtedness and obligations; to issue in exchange therefor its own stocks, bonds or other obligations, and while the owner or holder of any such, to exercise all the rights, powers and privileges of ownership in respect thereof; and, to

ARTICLE II (Con't.)

the extent now or hereafter permitted by law, to aid by loan, subsidy or otherwise those issuing, creating or responsible for any such stocks, bonds or other evidences of indebtedness or obligations or evidences of any interest in respect of.

To purchase, hold, sell, transfer, re-issue or cancel the shares of its own capital stock or any securities or other obligations of the corporation in the manner and to the extent now or hereafter permitted to corporations organized under the laws of the State of Indiana; provided that shares of its own capital stock belonging to the corporation shall not be voted upon directly or indirectly.

To enter into, make, perform and carry out contracts of every sort and kind which may be necessary or convenient for the business of this company, or business of a similar nature, with any person, corporation, private, public or municipal, body politic under the government of the United States or any state, territory, or colony thereof, or any foreign government, so far as and to the extent permitted by law.

To do all and everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objects, or the furtherance of any of the powers hereinbefore set forth, either alone or in connection with other corporations, first or individuals and either as principals, or agents, and to do every other act or acts, thing or things incidental or appurtenant to or growing out of or connected with the aforesaid objects, purposes or powers or any of them.

HILLVIEW ESTATES SUBDIVISION UTILITIES, INC.
A Not-For-Profit Corporation Organized
Under the Laws of the State of Indiana

BY-LAWS

ARTICLE I

GENERAL

Section 1. NAME. The name of this corporation shall be Hillview Estates Subdivision Utilities, Inc.

Section 2. LOCATION. The offices of this corporation shall be in Jackson Township, Bartholomew County, State of Indiana.

Section 3. SEAL. This corporation shall possess a seal. The secretary shall have custody of the seal. The seal shall have inscribed the name of the corporation, the year of its organization and the words "Non-Stock Company, Hillview Estates Subdivision Utilities, Inc."

Section 4. FISCAL YEAR. The fiscal year of this corporation shall be the same as the calendar year, unless a different fiscal year is approved by FmHA.

ARTICLE II

MEMBERSHIP

Section 1. Any occupant or person, including any body politic and/or corporate, holding property having need of and reasonable accessibility to the services operated by the corporation, may be a member of this corporation by obtaining a membership certificate from the corporation. Persons who receive the approval of the board of directors may be admitted to membership upon subscribing for a membership certificate and by signing such agreements for the purchase of services as may be provided and required by the corporation, and, in fact, receive said services, provided that no person otherwise eligible shall be permitted to subscribe for or require a membership of the corporation if the capacity of the corporation's system is exhausted by the needs of its existing members. A fee established by the board of directors approved by the Indiana Utility Regulatory Commission, and set forth in the rules and regulations shall be paid per membership, upon application for membership in this corporation. The purpose of

Page 2

the corporation shall be to render services to its members only, and no person shall become or remain a member of the corporation unless such person shall use the services supplied by such corporation and shall have complied with the terms and conditions with respect to membership contained in these by-laws.

Section 2. A member ceases to be eligible to hold membership as provided in Section 1 in case of death, or willfull failure to comply with these by-laws and other requirements of the corporation or willfull obstruction of the purposes and proper activities of the corporation. The board of directors may elect to purchase his or her membership certificate and terminate the membership upon tender to him/her or his/her heirs or legal representative the membership fee paid for that certificate as determined by the board of directors, together with any dividends due and unpaid less any indebtedness then due from him or her to the corporation. Any member whose membership is so terminated for cause other than that of ceasing to be eligible may appeal from the action of the board of directors to a vote of the members at the next regular meeting of the members, or special meeting of the members called for such purpose.

Section 3. The capital of this corporation shall be represented by membership certificates.

Section 4. The membership certificates shall be issued to each holder of fully paid membership and shall be numbered consecutively, in accordance with the order of issue. No number may be issued more than once. Each membership certificate shall bear on its face the following statements:

a. This membership certificate, No. _____, is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the articles of incorporation and by-laws and amendments to the same of Hillview Estates Subdivision Utilities, Inc.

b. No member shall be entitled to more than one (1) vote at meetings of the members, regardless of the number of certificates held by the member. Every member, upon becoming a member of this corporation, agrees to sign such agreements for the purchase of sewer service as may from time to time be provided and required by the corporation and agrees, in case he or she desires to dispose of his or

Page 3

her membership certificate, to offer the same to the corporation for the membership fee paid for that certificate, and that he or she will make no offer to assignment of sale elsewhere of the same.

Section 5. All transfers of membership certificates shall be made upon the books of the corporation upon surrender of the certificates covering the same by the holders thereof or by their legal representatives but only with the approval of the board of directors and only to persons eligible to become members and only when the transferring member is free from indebtedness to the corporation.

Section 6. Each member agrees to sign such user's agreements as the corporation shall from time to time provide and require.

Section 7. Those members owning property and improvements in the Hillview Estates Subdivision, Bartholomew County, Indiana, but whose property has not been connected to the sewage treatment facility, shall be subject to a monthly "readiness to service" charge.

Section 8. Membership may be cancelled and/or service discontinued by the corporation for any violation of any rule or regulation.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. The annual meeting of the members shall be held at the principal offices of the corporation on the first Monday in August at 7:30 P.M. before the regular monthly meeting of the board of directors for the election of directors and the transaction of such other business as may come before the meeting, pursuant to written notice thereof as required by law. Said notice shall include the names and addresses of all nominees to the board of directors.

Section 2. A special meeting of the members may be called by the board of directors, and such meeting must be called whenever a petition requesting such meeting is signed by at least ten percent (10%) of the members and presented to the secretary or board of directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the

Page 4

notice. Such notice shall be mailed to each member of record, directed to the address shown on the books, at least ten (10) days prior to the meeting; and such notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of notice of any annual meeting, regularly held, shall affect any proceedings taken thereat.

Section 3. The members present at any meeting of the members shall constitute a quorum at any meeting for the transaction of business. No member shall be entitled to more than one (1) vote, and no voting by proxy shall be allowed.

Section 4. The directors of the corporation shall be elected at the annual meeting of the members from a list of nominees to be selected as follows: the President of the corporation shall appoint a nominating committee comprised of two (2) board members whose terms of office will not expire at the next annual meeting, and one (1) member from the membership at large. The president of the board shall not be a member of this committee. Any member of the corporation wishing to be a nominee may submit his or her name in writing to the secretary of the board by certified mail, return receipt requested, or delivered in person to the office of the corporation. Such nominees name(s) shall be added to the slate prepared by the nominating committee. The nominating committee shall present to the board of directors a slate of at least one (1) name for each directorship to become vacant at the next annual meeting. There will be no nominations from the floor at the annual meeting.

Section 5. The order of business at the regular meetings and so far as possible at all other meetings shall be:

1. Call to order and proof of quorum.
2. Proof of notice of meeting.
3. Reading and action on any unapproved minutes.
4. Reports of officers and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV

DIRECTORS AND OFFICES

Section 1. The board of directors of the corporation shall consist of five (5) members, all of whom shall be members

Page 5

of the corporation. The size of the board may not be changed except by amendment to these articles. At the first annual election, one (1) director shall be elected for a term of one (1) year; two (2) directors shall be elected for a term of two (2) years; two (2) directors shall be elected for a term of three (3) years. Thereafter, directors shall be elected for terms of three (3) years.

Section 2. The board of directors shall meet within ten (10) days after their election and shall elect by ballot a president, vice president, secretary and treasurer from their number, each of whom shall hold office until the next annual meeting and until election and qualification of his or her successor unless sooner removed by death, resignation or for other cause.

Section 3. Special meetings of the board of directors may be called by the President and held at any place stated in the notice thereof, upon giving of ten (10) days notice, orally or in writing, without the necessity of stating the purpose of the meeting. Notice of any special meeting may be waived by the members of the board, and the presence of any director at any such meeting shall constitute a waiver of notice thereof.

Section 4. A majority of the board of directors shall constitute a quorum at any meeting of the board.

Section 5. If the office of any director or officer becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining directors shall choose a successor who shall hold office until the next meeting of the members at which time the members shall elect a director for the unexpired term or terms.

Section 6. Compensation of officers may be fixed at any meeting (regular or special) of the members of the corporation. Directors shall receive no compensation for their services as such.

Section 7. A director may be removed if consistently absent from board meetings.

Section 8. Officers and directors may be removed from office in the following manner: Any member, officer or director may present charges against a director or officer by filing them in writing with the secretary of the corporation.

Page 6

The charges must be accompanied by a petition signed by ten percent (10%) of the membership of the corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of the majority of the members present. The director or officer against whom such charges have been presented shall be informed, in writing, of such charges five (5) days prior to the meeting, and shall have the opportunity to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him or her shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director in the corporation. A vacancy in the board thus created shall immediately be filled by a vote of a majority of the members present and voting. A vacancy in any office thus created shall be filled by the directors from among their number so constituted after the vacancy in the board has been filled.

ARTICLE V

DUTIES OF DIRECTORS

Section 1. The board of directors, subject to restrictions of law, the articles of incorporation or these by-laws shall exercise all of the powers of the corporation, and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the board of directors shall have, and are hereby given, full power and authority, upon approval of the members of the board by a majority vote at a regular or special meeting, in respect to the matters as hereinafter set forth;

a. To pass upon the qualifications of members and to cause appropriate certificates of membership to be issued.

b. To select and appoint all agents and employees and removal of same for just cause, fix their compensation and pay for services and prescribe their duties as may not be inconsistent with these by-laws. The board of directors may not select or appoint any duly elected director nor any member of his/her household or his/her blood relative as an employee of the corporation. If the majority of the board of directors is disposed so to do, the related director(s) shall resign immediately.

Page 7

c. To borrow from any source, money, goods or services and to make and issue notes and other negotiable and transferable instruments and to do every act necessary to effectuate the same.

d. To prescribe, adopt, amend, publish and make available to the members, from time to time, such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the corporation and the guidance and control of its officers and employees; and to prescribe adequate penalties for breach thereof.

e. To order an annual audit of the books and accounts by a competent accountant. The report prepared by such person shall be made available to the members upon request as soon as same is completed.

f. To fix charges to be paid, the time of payment and manner of collection by each member for services rendered to him or her.

g. To require adequate bonds, the cost thereof to be paid by the corporation, by all officers, agents and employees charged with responsibility for custody of any funds of the corporation.

h. To select the bank or banks to act as depositories of the funds provided such funds are covered by insurance. To determine the manner of receiving, depositing and disbursing of funds, and the form of checks and the person or persons by whom the same shall be signed with the power to make charges thereof at will.

i. To levy assessments against the membership certificates of the corporation and to enforce the collection of such assessments in the manner provided for enforcement of collection of monthly charges set forth in the rules and regulations of the corporation. Including the forfeiture of delinquent certificates of members failing to pay such assessments within the time prescribed for payment, provided, that prior to forfeiture the board must give the member at least thirty (30) days written notice at the last address of the member on the books of the corporation of its intention to forfeit the certificate if the assessment is not paid by a specific date.

Page 8

ARTICLE VI

DUTIES OF OFFICERS

Section 1. DUTIES OF PRESIDENT. The president shall preside at all meetings of the corporation and of the board of directors; shall call special meetings of the board; shall perform such other duties as may be prescribed in these by-laws or assigned to him or her by the board of directors; and shall sign all membership certificates and such other papers as he or she may be authorized or directed to sign by the board of directors.

Section 2. DUTIES OF VICE PRESIDENT. The vice president shall act as aide to the president and shall perform the duties of the president in the absence or inability of that officer to serve.

Section 3. DUTIES OF SECRETARY. The secretary shall record the minutes of all meetings of the corporation and of the board of directors. The secretary shall sign all membership certificates with the president and such other papers pertaining to the corporation as he or she may be authorized or directed to do so by the board. The secretary shall serve all notices required by law and by these by-laws and shall make a full report of all matters pertaining to his or her office to the members at the annual meeting. The secretary shall keep the corporate seal, membership certificates and records of the corporation complete and countersign all certificates issued and affix said seal to all papers requiring same. The secretary shall keep a proper membership certificate record showing the name, date of issuance, surrender, cancellation or forfeiture. The secretary shall perform such duties as may be delegated to him or her including the turnover to his or her successor all books and other property belonging to the corporation that may be in his or her possession.

Section 4. DUTIES OF TREASURER. The treasurer shall receive all moneys of the corporation, keep an accurate record of receipts and expenditures, and pay out funds as authorized by the corporation. The treasurer shall present a financial statement at every meeting of the board of directors and at other times when requested by the board and shall make a full report at the annual meeting. The treasurer shall furnish the corporation a fidelity bond in an amount equal to the largest sum of funds in his or her possession at any time.

Page 9

Section 5. All officers shall perform the duties prescribed in the parliamentary authority in addition to those outlined in these by-laws and those assigned from time to time. The officers shall deliver to their successors all official material, records and property within ten (10) days following the meeting at which they are elected and qualified.

ARTICLE VII

DISTRIBUTION OF SURPLUS FUNDS

Section 1. It is not anticipated that there will be any net income; but, if there should be any, then at the end of the fiscal year, after paying all costs of operations and maintenance, set aside reserves for depreciation on buildings, equipment, etc., and such other reserves as may be deemed proper and provide for payment of interest and principal of obligations and debts, and after providing for the purchase of proper supplies and equipment, the net earning shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the corporation and for such other purposes as the board of directors may determine to be for the best interest of the corporation. The said surplus fund or any portion thereof may, from time to time, at the discretion of the board of directors be distributed to the members as provided in the by-laws, on the basis of the assessments and charges made and levied against and paid by such members during the year.

Section 2. Any part of the whole or such apportionment may be credited at the discretion of the board of directors to the indebtedness of the members, should any exist, and in such case, the members shall be notified in writing of the amount so applied.

ARTICLE VIII

RULES OF ORDER

The rules contained in Robert's Rules of Order Revised shall govern the corporation in all cases to which they are applicable, and in which they are not inconsistent with the articles of incorporation, by-laws or the special rules of order of this corporation.

Page 10

ARTICLE IX

AMENDMENTS

Section 1. Amendments of these by-laws may be adopted by a vote of a majority of the members present at any special or regular meeting of the corporation if the members have been given at least ten (10) days written notice of said meeting and the notice has contained a copy of the proposed amendment or amendments.

Section 2. For so long as the corporation is indebted for a loan or loans made to them for the United States of America through the Farmers Home Administration, the by-laws shall not be altered, amended or repealed without the prior consent of the State Director of the Farmers Home Administration for the State of Indiana.

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.



By: Thomas W. Malan
Cause No. 45132-U
Indiana Office of
Utility Consumer Counselor



Date: