

FILED
April 24, 2018
INDIANA UTILITY
REGULATORY COMMISSION

PETITIONER'S EXHIBIT 5

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**IN THE MATTER OF THE PETITION OF)
GIBSON WATER, INC., A NONPROFIT)
CORPORATION, FOR AUTHORITY TO) CAUSE NO. 45080
ISSUE LONG-TERM DEBT AND FOR
APPROVAL OF A CHANGE IN RATES AND
CHARGES**

VERIFIED DIRECT TESTIMONY AND EXHIBITS

OF

STEVE JENKINS

ON BEHALF OF PETITIONER,

GIBSON WATER, INC.

PETITIONER, GIBSON WATER, INC.
IURC Cause No. _____
Verified Direct Testimony of Steve Jenkins

I.
Introduction

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3 **1. Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Steve Jenkins and my business address is 517 East 1250 South,
5 Haubstadt, Indiana 47639.

6 **2. Q. WHAT IS YOUR OCCUPATION AND PRESENT POSITION?**

7 A. I am the utility Manager for Gibson Water, Inc. ("Gibson Water"). As the Utility
8 Manager, I am responsible for the day to day operations of the utility.

9 **3. Q. HOW LONG HAVE YOU HELD THAT POSITION?**

10 A. I have held this position since May, 2007.

11 **4. Q. PLEASE DESCRIBE YOUR PROFESSIONAL EDUCATION, TRAINING,**
12 **AND EXPERIENCE?**

13 A. I graduated from Oakland City University in 1997 with a Bachelor of Arts degree
14 in Art. In February of 1998, I applied for and accepted a maintenance position
15 with Gibson Water under then Utility Manager Jim Vickers. Under the direction
16 of Mr. Vickers, I received training in the daily operation of the utility, completed
17 the operators' course, and in 1999, passed the license exam. When Mr. Vickers
18 passed away in May, 2007, the Gibson Water board of directors offered me the
19 position of utility manager, and I have served in that capacity since.

20 **5. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CAUSE?**

IURC Cause No. _____

II.

6. Q. HAVE GIBSON WATER'S EXISTING FACILITIES MATERIALLY CHANGED SINCE GIBSON WATER'S LAST RATE CASE IN 1986?

7. Q. HAS THE NUMBER OF CUSTOMERS AND USAGE ON GIBSON WATER'S SYSTEM INCREASED OVER THE LAST 30 YEARS?

8. Q. IS GIBSON WATER'S EXISTING SYSTEM IN NEED OF ADDITIONAL IMPROVEMENTS?

A. Yes. With all aging water infrastructure, improvements must be periodically completed in order to maintain the system in good working condition and reduce the risk of water outages. In our case, Gibson Water needs to make a series of improvements to ensure that it has sufficient capacity and reliability for its retail customers and, in particular, for its wholesale customer, the Town of Haubstadt (“Haubstadt”), and Toyota.

IV. Proposed Water System Improvements

9. Q. FROM YOUR PERSPECTIVE, DOES MR. WETZEL ACCURATELY DESCRIBE THE IMPROVEMENTS THAT GIBSON WATER PROPOSES TO COMPLETE?

A. Yes. Mr. Wetzel accurately describes the improvements that Gibson Water believes it needs to make in order to ensure safe and adequate service to its customers. In addition to his testimony, the Preliminary Engineering Report attached to his testimony specifically describes each of the improvements, the need for these improvements, as well as the estimated cost.

10. Q. FROM AN OPERATIONS PERSPECTIVE, DO YOU BELIEVE THE PROPOSED IMPROVEMENTS ARE NECESSARY?

A. Yes, I do. As I alluded to above, we receive periodic complaints from customers in certain areas regarding low pressure or volume especially during the peak usage months in the summer. In addition, we have multiple instances where the utility has dead-end lines. As with all utilities, dead-end lines require additional

1 flushing in order to maintain water quality. The dead-end lines also present an
2 operational issue. When there is a break on a dead-end line, Gibson Water has no
3 ability to isolate the main break and then "back feed" water to customers while
4 the main break is being fixed. With the looping of lines, Gibson Water will have
5 the ability to isolate and fix main breaks while maintaining service to customers
6 on either side of the main break.

7 Finally, I believe it is extremely important for Gibson Water to install a parallel
8 transmission main from its interconnection with the City of Evansville, Indiana
9 ("Evansville"). For the last 40 years, Gibson Water has relied on a single
10 transmission main to transport water from Evansville to all of Gibson Water's
11 customers, including Haubstadt and Toyota. This transmission main is located
12 under Interstate 64. If Gibson Water were to experience a break on the main
13 under Interstate 64, it could require days, if not weeks, to fix the break. In this
14 scenario, Gibson Water would have approximately 1.5 days of water storage in
15 order to meet the needs of its customers after which Gibson Water's customers
16 would be without water service. Considering the age of the transmission main,
17 the need for more water across our system, and the redundancy that the parallel
18 main would provide, it is critical for us to complete the project.

19 V.
20 Rate Adjustment

21 11. Q. MR. JENKINS, ARE YOU GENERALLY FAMILIAR WITH THE
22 FINANCES OF GIBSON WATER'S WATER UTILITY?

1 A. Yes, as the Utility Manager, I am very familiar with the finances of the utility.

2 **12. Q. DO YOU BELIEVE THAT GIBSON WATER NEEDS AN ADJUSTMENT**
3 **TO ITS RATES AND CHARGES?**

4 A. Yes, I do. In order for Gibson Water to maintain its existing infrastructure and to
5 ensure safe, adequate, and reliable service to its customers, Gibson Water needs
6 an adjustment to its rates and charges. In addition, Gibson Water will need an
7 adjustment to its rates to cover the anticipated principal and interest payments on
8 its long-term debt from Rural Development and the SRF Program.

9 **13. Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes, it does.

VERIFICATION

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

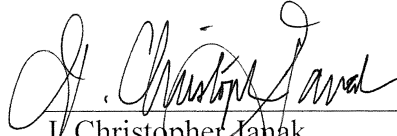
A handwritten signature in black ink, appearing to read "Steve Jenkins", written over a horizontal line.

Steve Jenkins

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing “Verified Direct Testimony and Exhibits of Steve Jenkins” was served upon the following by electronic mail this 24th day of April, 2018:

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