

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF
STUCKER FORK CONSERVANCY DISTRICT
FOR APPROVAL OF A NEW SCHEDULE OF
RATES AND CHARGES FOR WATER
SERVICE

CAUSE NO.: 46167

PREFILED DIRECT TESTIMONY AND EXHIBITS
OF RICHARD A. BURCH

Prefiled Direct Testimony of Richard Burch

Petitioner's Exhibit 1

Description of Service Area

Petitioner's Exhibit 2

Respectfully submitted,



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Petitioner's Exhibit 1

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OF RICHARD A. BURCH

ON BEHALF OF

STUCKER FORK CONSERVANCY DISTRICT

1 **I. INTRODUCTION**

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

3 A. My name is Richard A. Burch and my business address is Midwestern Engineers,
4 Inc., 802 West Broadway Street, Loogootee, Indiana 47553.

5 **2. Q. WHAT IS YOUR OCCUPATION AND BY WHOM ARE YOU**
6 **EMPLOYED?**

7 A. I am a Professional Engineer registered in the State of Indiana. Since 1988, I have
8 been employed by Midwestern Engineers, Inc. ("Midwestern"), and I currently
9 serve the company and our various clients as a Senior Project Engineer. Prior to
10 my employment at Midwestern, I was employed by the Indiana Port Commission
11 and Mitchell & Stark Construction Company, Inc.

12 **3. Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
13 **YOUR VARIOUS ENGINEERING EXPERIENCES WHICH YOU BELIEVE ARE**
14 **RELEVANT TO YOUR TESTIMONY IN THIS CASE.**

15 A. I graduated from Purdue University in 1985 with a Bachelor of Science degree in
16 Civil Engineering. I have been the lead design engineer on numerous projects that
17 my firm has been retained to design throughout the State of Indiana. I am also a
18 member of various professional organizations, including the American Water
19 Works Association, National Society of Professional Engineers, American Council
20 of Engineering Companies of Indiana, and the Alliance of Indiana Rural Water.

1 **4. Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION**
2 **PRIOR TO THIS CAUSE?**

3 A. Yes. I, along with various members of my firm, have offered testimony to the
4 Commission on a number of occasions.

5 **5. Q. HOW LONG HAS MIDWESTERN BEEN ENGAGED IN PROVIDING**
6 **ENGINEERING SERVICES IN INDIANA?**

7 A. In 1959, my father and his partners began Midwestern with a primary focus on
8 providing water and wastewater advice and design services to municipalities,
9 regional water and sewer districts, conservancy districts, and nonprofit rural utility
10 corporations throughout Indiana.

11 **II. EXPERIENCE IN WORKING WITH STUCKER FORK**

12 **6. Q. WHAT HAS BEEN MIDWESTERN'S EXPERIENCE IN WORKING WITH**
13 **STUCKER FORK CONSERVANCY DISTRICT ("STUCKER FORK")?**

14 A. Midwestern has provided engineering services to Stucker Fork for almost sixty (60)
15 years. In 1965, Midwestern was first engaged to assist Stucker Fork in developing
16 a master plan that outlined Stucker Fork's future system needs. Since its initial
17 engagement, Midwestern has designed and overseen installation of all Stucker
18 Fork's water production, treatment, transmission, and distribution facilities.

19 **7. Q. CAN YOU PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE**
20 **IN WORKING WITH STUCKER FORK?**

1 A. In approximately 1989, I became an assistant project engineer to William Dale
2 Meyer, P.E., of our firm. At that time, Mr. Meyer performed all engineering
3 consulting services for Stucker Fork. In 1995, I became the co-project engineer
4 (with Mr. Meyer). Over the last thirty (30) years, I have been involved in the
5 construction and expansion of Stucker Fork's water facilities. My work for Stucker
6 Fork began with performing the engineering services associated with extending
7 water lines to new customers. In the 1990's, I assisted Stucker Fork in evaluating
8 and eventually acquiring the Marble Hill groundwater system from PSI. Shortly
9 after Stucker Fork completed its acquisition of the Marble Hill facilities, I designed
10 and oversaw construction of the new facilities at the Marble Hill site, including: (i)
11 new wells in the existing well field; (ii) a newly constructed water treatment plant;
12 (iii) an onsite water storage tank; and (iv) a new transmission system to serve new
13 wholesale customers and augment supply to the existing Stucker Fork distribution
14 system. The US Department of Agriculture - - Rural Development ("RD")
15 provided funding for the new, expanded Marble Hill facilities, and I prepared and
16 submitted all the required engineering documentation requested by RD. I, along
17 with one of my former colleagues, John W. Wetzel, have assisted Stucker Fork in
18 evaluating the capital improvements necessary to ensure safe, efficient service and
19 its periodic maintenance needs. In recent months, I have met with Stucker Fork's
20 Board of Directors ("Board") and its employees to specifically discuss the needs of,

1 and any operational issues associated with, Stucker Fork's water production,
2 treatment, transmission, and distribution systems.

3 **8. Q. SINCE BEGINNING ITS WORK IN THE 1960'S, HAS YOUR FIRM**
4 **REGULARLY ADVISED STUCKER FORK REGARDING ITS CAPITAL ASSET**
5 **NEEDS?**

6 A. Yes, we have. We periodically develop capital improvements plans (or Master
7 Plans) for review and approval by the Board. For purposes of this case, we assisted
8 Stucker Fork in developing a capital improvement project at its Marble Hill water
9 production and treatment facilities, outlined Stucker Fork's anticipated periodic
10 maintenance expense, and developed a capital improvement plan.

11 **III. OVERVIEW OF STUCKER FORK'S SERVICE**
12 **AREA AND CUSTOMER BASE**
13

14 **9. Q. CAN YOU GENERALLY DESCRIBE STUCKER FORK'S SERVICE**
15 **AREA AND CUSTOMER BASE?**

16 A. Yes, I can. As an initial matter, I would note that Stucker Fork has maintained a
17 very consistent customer service area and customer base over the last 10-15 years.
18 Stucker Fork's service area includes 420 square miles and extends into the
19 following six counties: Scott, Jefferson, Jackson, Jennings, Washington, and Clark.
20 The exact boundaries of Stucker Fork's service territory are described in the
21 attached Exhibit 2.

1 Within its service territory, Stucker Fork serves a diverse customer base that
2 includes residential, agricultural, commercial, industrial, and wholesale customers.
3 At the time of the filing of the Petition initiating this Cause, Stucker Fork had a
4 total of approximately 8,000 customers. Since I became involved with Stucker
5 Fork in 1989, Stucker Fork's service territory, its customer base, and the demand
6 for water have grown.

7 **10. Q. DO YOU ANTICIPATE FUTURE GROWTH IN THE DEMAND FOR**
8 **WATER FROM STUCKER FORK?**

9 A. Yes, I do. Over the last 10-15 years, Stucker Fork has seen relatively stagnant
10 growth from its customer base. Based on recent meetings with the Board, however,
11 I understand that there is renewed discussions from developers and businesses that
12 may be locating in and around Stucker Fork's service area. The Board certainly
13 anticipates a growth and a demand for water over the coming years.

14 **IV. OVERVIEW OF STUCKER FORK'S EXISTING FACILITIES**

15 **11. Q. MR. BURCH, CAN YOU GENERALLY DESCRIBE STUCKER FORK'S**
16 **EXISTING FACILITIES?**

17 A. Yes, I can. Stucker Fork relies upon two water sources in providing water service
18 to its customers. The original water source is a surface water supply that originates
19 from the Muscatatuck River. During low flow or dry periods, Stucker Fork can
20 supplement its surface water supply with water from the Hardy Lake Reservoir.

1 Stucker Fork withdraws water from the Muscatatuck River at an intake structure
2 that is located approximately 1.5 miles southeast of Crothersville and downstream
3 from the 791 acre Hardy Lake Reservoir. While also used for recreational purposes,
4 the Hardy Lake Reservoir was designed to provide up to 7 million gallons of water
5 per day (“mgd”) during drought periods, if needed, by releasing water to Quick
6 Creek which flows into the Muscatatuck River. Stucker Fork’s original surface
7 water treatment plant was designed with 1.92 mgd of treatment capacity; however,
8 in 1982, Stucker Fork upgraded and increased the plant’s capacity to 5.76 mgd of
9 treatment capacity based upon a 16-hour per day operation.

10 In the last 1980's, the need for water from the Hardy Lake Reservoir dictated that
11 water be released from the Reservoir at a rate that exceeded the runoff inflow into
12 the Reservoir, thus decreasing Reservoir levels to the point that recreational
13 activities were restricted. This drove Stucker Fork's decision to look for an
14 additional source of supply. In 1998, Stucker Fork acquired a second source of
15 supply (i.e. a groundwater supply system) when purchasing the 10 mgd Marble Hill
16 well field from PSI. The Marble Hill well field is located in Jefferson County just
17 west of the Ohio River. After purchasing the Marble Hill well field, Stucker Fork
18 redeveloped two existing 600 gpm wells to their original rated capacity; constructed
19 two additional 1,000 gpm wells; and installed a four (4) mgd groundwater treatment
20 plant to treat water from the Marble Hill well fields.

1 In addition to the facilities I mentioned above, Stucker Fork owns and operates
2 hundreds of miles of water transmission and distribution facilities, three (3) booster
3 stations, and eleven (11) distribution system water storage tanks that provide
4 approximately 3.8 million gallons of total storage.

5 **V. RELIEF REQUESTED**

6
7 **12. Q. WHAT RELIEF IS STUCKER FORK SEEKING IN THIS CASE?**

8 A. Stucker Fork is seeking to adjust its rates and charges based on a cost of service
9 study. As noted by Mr. Baldessari in his testimony, the petition filed
10 simultaneously with my testimony accurately reflects the relief the Board is seeking
11 on behalf of Stucker Fork in this case.

12 **13. Q. IN SUPPORT OF ITS REQUEST TO ADJUST ITS RATES AND**
13 **CHARGES, IS STUCKER FORK INCLUDING EXPENSES OR AMOUNTS FOR**
14 **PERIODIC MAINTENANCE?**

15 A. Yes, it is. The details of the individual components of Stucker Fork's revenue
16 requirements are discussed in much greater detail in the prefiled testimony and
17 exhibits of Mr. Baldessari.

18 **1. Periodic Maintenance Expense**

19
20 **14. Q. DO YOU AGREE WITH THE PERIODIC MAINTENANCE ITEMS AND**
21 **AMOUNTS SET FORTH IN MR. BALDESSARI'S PREFILED TESTIMONY**
22 **AND EXHIBITS?**

1 A. Yes, I do. I have reviewed the periodic maintenance items and amounts contained
2 on pages 9 to 12 of Mr. Baldessari's Consulting Report on Cost of Service Study
3 ("Accounting Report"), and I believe those items and amounts are consistent with
4 the expenses that Stucker Fork will occur.

5 **15. Q. ARE ALL THE EXPENSES CONSISTENT WITH THE PERIODIC**
6 **MAINTENANCE AMOUNTS THAT WERE APPROVED IN STUCKER FORK'S**
7 **LAST RATE CASE, CAUSE NO. 44987?**

8 A. Almost all of the periodic maintenance items are the same; however, almost all of
9 the expenses are higher than what was approved in Stucker Fork's prior rate case
10 due to inflation and the increased cost to complete these particular items.

11 **16. Q. CAN YOU EXPLAIN THE PROCESS BY WHICH STUCKER FORK**
12 **DETERMINED AN APPROPRIATE AMOUNT FOR PERIODIC**
13 **MAINTENANCE?**

14 A. Yes, I can. Stucker Fork started with the periodic maintenance expense items that
15 were included in Cause No. 44987. I then worked with Stucker Fork management
16 to determine if such periodic maintenance expense items were still applicable. For
17 the filter media and tank maintenance periodic maintenance items, I had actual costs
18 or bid tabs from other projects on which I worked. I used these costs or bids to
19 estimate the periodic maintenance expense for Stucker Fork. For all other items, I
20 adjusted the periodic maintenance expense items from Stucker Fork's last case and

1 then included an appropriate amount for inflation. Once I completed my initial
2 analysis, I shared my proposed periodic maintenance items and estimated costs with
3 Stucker Fork management who agreed that my list of and anticipated expense for
4 the periodic maintenance items were reasonable. I then provided a copy of these
5 periodic maintenance expense items and the estimated amounts to Mr. Baldessari,
6 who included these items and their respective costs in his Accounting Report.

7 **17. Q. DO YOU BELIEVE THE AMOUNTS FOR PERIODIC MAINTENANCE**
8 **ARE APPROPRIATE AND REASONABLE?**

9 A. Yes, I do. After significant review and research, I, along with the Stucker Fork
10 Board, believe the items and amounts detailed in the Accounting Report are an
11 accurate reflection of the type and amount of expenses that Stucker Fork will
12 experience for periodic maintenance.

13 **2. Depreciation Expense and Capital Improvement**
14

15 **18. Q. TO YOUR KNOWLEDGE, IS STUCKER FORK SEEKING AN EXPENSE**
16 **OR ALLOWANCE IN ITS RATES FOR DEPRECIATION THAT WILL BE USED**
17 **TO PAY FOR CAPITAL IMPROVEMENTS?**

18 A. Consistent with the Commission's prior orders in cause numbers 44164, 44687, and
19 44987, Stucker Fork is seeking an amount for depreciation. While Stucker Fork
20 traditionally has a number of unexpected capital repairs and replacements for which
21 it will use some of the depreciation proceeds, Stucker Fork has developed a list of

1 capital improvements that are included on page 15 of the Accounting Report. The
2 list of capital improvements does not, of course, include any amounts for
3 unexpected repairs that are made throughout the year.

4 **19. Q. IN YOUR PROFESSIONAL OPINION, ARE THE PROPOSED CAPITAL**
5 **IMPROVEMENT ITEMS IDENTIFIED ON PAGE 15 OF THE ACCOUNTING**
6 **REPORT REASONABLE AND NECESSARY FOR STUCKER FORK TO**
7 **PROVIDE SAFE, EFFICIENT SERVICE TO ITS CUSTOMERS?**

8 A. Yes, they are.

9 **3. Capacity Factors for Cost of Service Study**

10
11 **20. Q. DID YOU ASSIST OR DISCUSS THE CAPACITY FACTORS**
12 **CONTAINED WITHIN THE ACCOUNTING REPORT WITH MR.**
13 **BALDESSARI?**

14 A. Yes, I did. Prior to the completion of the cost of service portion of the Accounting
15 Report, I spoke with Mr. Baldessari about the usage characteristics of Stucker
16 Fork's various customer classes. Based on these conversations, Mr. Baldessari
17 developed capacity factors that were included in the Accounting Report and used
18 to allocate the costs to the respective customer classes for Stucker Fork.

19 **21. Q. DO YOU AGREE WITH THE CAPACITY FACTORS CONTAINED**
20 **WITHIN THE ACCOUNTING REPORT?**

21 A. Yes, I do.

1 businesses wanting to develop the remaining property at the PSI Marble Hill site.
2 Expansion of the Marble Hill Water Treatment Plant will make water available for
3 these developments.

4 **24. Q. WHAT IS THE ESTIMATED COST OF THE MARBLE HILL EXPANSION**
5 **PROJECT?**

6 A. I estimate that the total cost of the Marble Hill expansion project will be \$7,325,000.
7 This estimate includes all construction and non-construction costs. A compilation
8 of the individual costs of the Marble Hill expansion project are contained on page
9 17 of the Accounting Report.

10 **25. Q. BASED ON YOUR FOUR (4) DECADES OF EXPERIENCE AS A**
11 **PROFESSIONAL ENGINEER, DO YOU BELIEVE THESE ESTIMATES ARE**
12 **REASONABLE?**

13 Yes, I do.

14 **VI. CONCLUSION**

15 **26. Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

16 A. Yes, it does.

17

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.

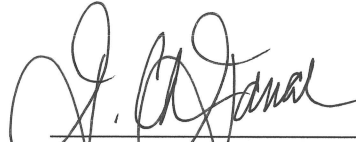
Richard A. Burch

Richard A. Burch, P.E.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the following counsel of record via electronic mail this 25th day of November, 2024:

Indiana Office of Utility Consumer Counselor
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Petitioner's Exhibit 2

Stucker Fork Conservancy District
Description of Service Area

Washington County

Township 3 North, Range 5 East
Sections: 9-16, 23 and 24

Township 3 North, Range 6 East
Sections: 18, 19 and 30

Jackson County

Township 4 North, Range 6 East
Sections: 15, 20-22, 28, 29 and 31-34

Scott County

Township 2 North, Range 6 East
Sections: 1-5, 9-16, 20-24 and 26-29

Township 3 North, Range 6 East
Sections 1, 2 and 7-36

Township 4 North, Range 6 East
Sections: 24-26 and 34-36

Township 2 North, Range 7 East
Sections: 1-11 and 15-18

Township 3 North, Range 7 East
Sections: 1-6, 8-17, 20-28 and 33-36

Township 4 North, Range 7 East
Sections: 1-4 and 7-36

Township 3 North, Range 8 East
Sections: 15-21, 28 and 29

Township 2 North, Range 8 East
Sections: 13-16

Clark Military Grant
Grants: 277, 278 and 288-292

Clark County

Township 2 North, Range 7 East
Sections: 19-21, 28-31

Clark Military Grant
Grants: 247, 248, 263, 264, 271-273, 277, 278 and 284-289

Jefferson County

Township 3 North, Range 8 East
Sections: 1-14

Township 4 North, Range 8 East
Sections: 4-10 and 13-36

Township 2 North, Range 9 East
Sections: 15-18, 23 and 24

Township 2 North, Range 10 East
Section: 19

Jennings County

Township 5 North, Range 7 East
Sections: 1-12, 21-29 and 36

Township 5 North, Range 8 East
Sections: 2-11, 15-21 and 28-35

Township 6 North, Range 8 East
Sections: 20-22, 25-29 and 31-36