

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF HOWARD COUNTY )  
UTILITIES, INC. ("SELLER"), AND )  
GREEN ACRES SUBDIVISION SEWER SYSTEM, )  
INC. ("PURCHASER") FOR: (A) )  
APPROVAL OF THE TRANSFER OF SELLER'S )  
FRANCHISE, WORKS, SYSTEM, )  
AND CERTIFICATE OF TERRITORIAL )  
AUTHORITY TO PURCHASER PURSUANT )  
TO AN AGREEMENT FOR ACQUISITION OF )  
ASSETS; (B) APPROVAL OF RATES )  
THAT PURCHASER MAY CHARGE UPON )  
CLOSING THE ACQUISITION; AND (C) )  
AUTHORITY FOR PURCHASER TO ISSUE )  
BONDS, NOTES, OR OTHER OBLIGATIONS, )  
INCLUDING A MORTGAGE ENCUMBRANCE )  
THEREON. )

CAUSE NO. 45360

TESTIMONY OF

SHAWN DELLINGER – PUBLIC'S EXHIBIT NO. 2

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

JULY 22, 2020

Respectfully Submitted,



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Daniel M. Le Vay, Atty. No. 22184-49  
Deputy Consumer Counselor  
Scott Franson, Atty. No. 27839-49  
Deputy Consumer Counselor  
115 W. Washington St., Ste 1500 South  
Indianapolis, IN 45204

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing *Office of Utility Consumer Counselor's Testimony of Shawn Dellinger* has been served upon the following counsel of record in the captioned proceeding by electronic service on July 22, 2020.

Nicholas K. Kile  
Hillary J. Close  
Lauren M. Box  
**BARNES & THORNBURG LLP**  
11 South Meridian Street  
Indianapolis, Indiana 46204  
Email: [nicholas.kile@btlaw.com](mailto:nicholas.kile@btlaw.com)  
[hillary.close@btlaw.com](mailto:hillary.close@btlaw.com)  
[lauren.box@btlaw.com](mailto:lauren.box@btlaw.com)

Marcus Misinec  
**BAYLIFF, HARRIGAN, CORD,  
MAUGANS, &  
COX P.C.**  
319 North Main Street  
P.O. Box 2249  
Kokomo, Indiana 46904  
Email: [marcus.misinec@bhcmlaw.com](mailto:marcus.misinec@bhcmlaw.com)



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Daniel M. Le Vay  
Deputy Consumer Counselor  
Scott Franson  
Deputy Consumer Counselor

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**  
115 West Washington Street  
Suite 1500 South  
Indianapolis, IN 46204  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)  
317/232-2494 – Phone  
317/232-5923 – Facsimile

**TESTIMONY OF OUCC WITNESS SHAWN DELLINGER**  
**CAUSE NO. 45360**  
**HOWARD COUNTY UTILITIES, INC. AND**  
**GREEN ACRES SANITARY SEWER SYSTEM, INC.**

**I. INTRODUCTION**

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

2 A: My name is Shawn Dellinger, and my business address is 115 W. Washington St., Suite  
3 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 a Utility  
6 Analyst II in the Water/Wastewater Division. My focus is on financial issues.

7 **Q: Please describe your educational background and experience.**

8 A: My credentials are set forth in Appendix A.

9 **Q: What relief are the Joint Petitioners seeking in this case?**

10 A: On March 9, 2020, Howard County Utilities, Inc. ("HCU" and "seller") and Green Acres  
11 Subdivision Sewer System, Inc. ("GASSS" and "purchaser") (collectively "Joint  
12 Petitioners") entered into an Asset Purchase Agreement. GASSS has agreed to purchase  
13 HCU's franchise, works, system and CTAs.<sup>1</sup> These assets are listed on page 8-9 of  
14 Attachment CL-1 of Ms. Cleland's testimony.<sup>2</sup> In this Cause, Joint Petitioners HCU and  
15 GASSS seek (a) approval of the transfer of HCU's franchise, works, system, and certificate  
16 of territorial authority to purchaser pursuant to an agreement for acquisition of assets; (b)  
17 approval of rates GASSS may charge upon closing the acquisition; and (c) authority for

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<sup>1</sup> See Mr. Lods' testimony, page 1.

<sup>2</sup> See OUCC Attachment SD-1, DR 2-5, list of assets located on page 8-9 of JC-1.

1 GASSS to issue bonds, notes, or other obligations, including a mortgage encumbrance  
2 thereon.

3 **Q: Are there any other transactions Joint Petitioners are not asking the Commission to**  
4 **approve?**

5 A: Yes. According to Joint Petitioners' response to OUCC DR 5-8, there is also an agreement  
6 in principle between the parties to sell the Green Acres Golf Course ("golf course") that is  
7 contiguous with the Green Acres Subdivision. It appears that the golf course will be  
8 transferred from HCU's affiliate Divot, LLC to GASSS or an affiliate of GASSS. In  
9 addition, the golf course assets will be used as collateral for the GASSS loan to purchase  
10 the HCU assets. GASSS also proposes to use the club house as an office for its sewer  
11 operations.

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

13 A: The purpose of my testimony is to recommend approval of financing necessary to allow  
14 GASSS to purchase HCU's assets. I also describe the acquisition of HCU's assets in a  
15 larger context, which appears to be tied to the transfer of the golf course. While the OUCC  
16 does not oppose the transfer of the utility or the financing necessary to complete the  
17 transaction, the OUCC does not agree that the purchase price equals the value of the used  
18 and useful plant. In his testimony, Mr. Parks discusses Joint Petitioners' valuation.  
19 However, the OUCC does not consider approval of the transaction requires a finding as to  
20 the fair value of HCU's used and useful plant.

21 **Q: What documents did you review to prepare your testimony.**

22 A: I reviewed the Joint Petition and the testimonies of Joint Petitioners' witnesses Cleland,  
23 Brock, Lewis and Lods. I prepared discovery questions and reviewed Joint Petitioners'  
24 responses to discovery questions. I reviewed Howard County Utility's IURC annual

1 reports for years 2015-2019. I reviewed documents provided by Howard County Utility in  
2 its small utility rate application (Cause No. 45283-U).

## II. THE TRANSACTION

3 **Q: What funding approval is GASSS seeking to acquire the assets of HCU's operations?**

4 A: GASSS is seeking approval to borrow \$2.2 million to fund the purchase of HCU's assets  
5 and operations. However, there appear to be several inconsistencies in Joint Petitioners'  
6 testimonies regarding the actual purchase price. In Mr. Lewis testimony Attachment CL-  
7 3, the purchase price is shown as \$1.950 Million, plus other costs. In Ms. Cleland's  
8 testimony Table 4.1 (per DR 1-2 revision, OUCC Attachment SD-1) and Mr. Brock's  
9 testimony Q11, the purchase cost is listed as \$2,022,000. In Mr. Lods' testimony  
10 Attachment SL-1, the purchase is described as \$2,038,000 plus accounts receivable, plus  
11 up to \$100,000 of transaction costs. Regardless of these inconsistencies, the total amount  
12 to be borrowed by GASSS is expected to be up to \$2,200,000.

13 **Q: How is this transaction structured?**

14 A: GASSS will borrow \$2.2 million to purchase the utility and fund working capital and  
15 transaction costs. In addition, the golf course will likewise be conveyed to GASSS or  
16 some other affiliated entity for the price of one dollar. According to Joint Petitioners, there  
17 is no written agreement for conveyance of the golf course. Petitioners' response to OUCC  
18 DR 5-8, indicated "There is an agreement in principle between the parties to sell the golf  
19 course, but no written agreement has been signed." (See OUCC Attachment SD-1)

1 **Q: Is the golf course worth more than one dollar?**

2 A: Clearly, the golf course is worth more than the nominal sum of \$1.<sup>3</sup> In fact, the golf course  
3 will serve as collateral on the loan to GASSS.

4 **Q: Has the value of the golf course been determined?**

5 A: According to Petitioner, there has been no appraisal of the golf course. (See Response to  
6 OUCC DR 2-4, OUCC Attachment SD-1.)

7 **Q: Why do you think the golf course has value?**

8 A: The golf course includes 158.06 acres of land.<sup>4</sup> The total acreage included in the sale of  
9 the utility assets is approximately three (3) acres.<sup>5</sup> Using Ms. Cleland's estimate of land  
10 valuation for the Wastewater utility of \$12,000 (page 113 of DR 1-2 response, Schedule of  
11 Calculation of Utility Plant and Annual Depreciation) and \$12,600 (see page 40 of DR 1-  
12 2 response, Table 1, Replacement Cost New Less Depreciation), the value placed on the  
13 land by Petitioner is \$12,300 (midpoint of the two numbers provided) divided by 3 acres,  
14 or \$4,100 per acre. The value of the golf course land, using this calculation, would be  
15 \$648,046 (158.06 acres x \$4,100 per acre). In addition, the buildings also have a value that  
16 can be estimated. For instance, the insurance documents included as part of the Petitioners  
17 Workpapers, Attachment SKB-1, indicate "Building #1" has an Insurance value of  
18 \$270,148. This was confirmed to be the Golf Clubhouse in Data Response DR 2-7 (see  
19 OUCC Attachment SD-1). There are other improvements to the golf course (as can be  
20 seen in the tax records discussed below).

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<sup>3</sup> Joint Petitioners claim they believe that the golf course has no monetary value. See Response to DR 6-3 (OUCC Attachment SD-1).

<sup>4</sup> See Workpaper SKB-1, Page 5, Collateral.

<sup>5</sup> See Mr. Lods testimony, Attachment SL-1, page 4, "Seller's System."

1 **Q: Does the golf course have a value as a going concern?**

2 A: Potentially. Although we have requested financial records that could shed light on its value  
3 as a going concern, it was not provided. Accordingly, I was unable to estimate the golf  
4 course's value as a going concern.

5 **Q: What is the value of the golf course?**

6 A: I have not determined a value for the entire golf course. However, based on the above  
7 calculations, \$648,046 may be considered the value of the land, and \$270,148 may be the  
8 value of the clubhouse. Therefore, the total valuation of those two components alone might  
9 be estimated to be \$918,194.

10 **Q: Are there alternative methods you looked at for valuing the golf course?**

11 A: Yes. Tax records for the golf course from 2019 are included in OUCC Attachment SD-2.  
12 The acreage does not match the total that appears to be part of the golf course based on the  
13 collateral on the bank loan. This information showed \$158,700 valuation for 101.61 total  
14 acres, and \$609,701 valuation for improvements (replacement cost new). Placing the same  
15 value per acre for the additional acreage to account for the total acreage of 158.06 arrives  
16 at a land valuation of \$262,927.14.<sup>6</sup> This indicates a total value of \$872,628.14. When  
17 asked for the financial records of the golf course, Joint Petitioners stated in DR 6-3 (see  
18 OUCC Attachment SD-1) that this information was irrelevant, and proceeded to state that  
19 the future ownership of the golf course is not relevant to this proceeding, as the golf course  
20 has little to no monetary value. Joint Petitioners claim that Divot was not making money  
21 operating the golf course and that GAHOA has been operating and maintaining the golf  
22 course since 2015. Despite the assertion that it has little or no monetary value, the same

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<sup>6</sup> \$158,700 divided by 101.61 equals \$1,663.46 per acre. 158.06 times \$1,663.46 equals \$262,927.14.

1 response indicated that the golf course serves “other important functions” and the HOA  
2 intends to continue operating it after closing.

3 **Q: Is the golf course a necessary component for the purchase of the utility?**

4 A: Ms. Cleland suggests that purchasing the golf course is an integral part of this transaction.

5 In section 5.1 of the PER, Ms. Cleland explained the golf course would accompany the  
6 transfer of the utility:

7 Some of the advantages to Alternative 2 are not directly related to the  
8 wastewater utility. Currently the single owner of the HCU is also the owner  
9 of Divot LLC that owns the golf course in the middle of the Green Acres  
10 Subdivision. The owner of Divot LLC wants to sell the golf course. They  
11 are willing to sell the golf course if the wastewater utility is also sold. They  
12 are not willing to sell the utility without the golf course also being sold.  
13 Currently there are other arrangement in place to purchase the golf course  
14 if in fact the wastewater utility is sold.

15 Response to OUCC DR 1-2 (OUCC Attachment SD-3). (emphasis added).

16 Ms. Cleland listed the advantages of the GASSS purchasing the wastewater utility (see  
17 Table 5.2, OUCC Attachment SD-3), and considers two (2) of the five (5) advantages to  
18 be directly related to the golf course. Notwithstanding these advantages, there is no written  
19 agreement to sell the golf course to GASSS, only an “understanding”. (See specifically  
20 DR 2-3, DR 5-8, DR 5-9, and DR 6-4 in OUCC Attachment SD-1), Further, a letter from  
21 Mr. Lods to two members of the GAHOA board and others underscored the link of the sale  
22 of the Utility to the fate of the golf course.<sup>7</sup> Mr. Lods wrote “if the sale is not completed  
23 by August 16, 2019, the deal will be off the table. I will be filing a rate case and closing  
24 the golf course this fall.”<sup>8</sup>

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<sup>7</sup> Source of this document is the Green Acres website. Please note the date given on this form of November 9, 2015 appears to be a formatting error. See OUCC Attachment SD-4, page 9.



1 **Q: Why does it matter that the golf course appears to be part of the transaction as a**  
2 **whole?**

3 A: Although the parties to this transaction have not entered into a written agreement for the  
4 purchase of the golf course, GASSS appears to place value on its continued operation.  
5 Moreover, GASSS appears to have viewed both acquisitions taking place more or less  
6 contemporaneously. For instance, GASSS intends to use the golf club to operate the utility.  
7 Accordingly, its being tied to the transaction suggests it may have affected GASSS's  
8 willingness to agree to the purchase price for the utility. Because of this, the agreed  
9 purchase price of the actual utility assets is not a reliable indicator of the fair value of  
10 HCU's used and useful plant for purposes of any future proceeding.

11 **Q: Are you asking the Commission to make any finding with respect to the value of the**  
12 **golf course?**

13 A: No. I am only asking the Commission to recognize that the golf course has some value to  
14 GASSS that puts the purchase in a larger context. While the transfer and the requested  
15 financing should be approved, it will be neither appropriate nor necessary for the  
16 Commission to find at this time that the fair value of the used and useful utility plant is  
17 \$2.2 million.

18 **Q: Why should the Commission accept the purchase price for purposes of authorizing**  
19 **the requested financing authority?**

20 A: GASSS is a not-for-profit public utility that will essentially be owned by its customers  
21 through their indirect ownership of GASSS. Moreover, the Joint Petitioners are not asking  
22 for the Commission to authorize GASSS to earn a return on rate base but rather merely  
23 authorization for debt service to pay the agreed purchase price. An agreed purchase price  
24 may include contributed plant or going concern value and other intangibles, which are not  
25 proper to include in rate base. The precise value of the used and useful plant only becomes

1 an issue under IC 8-1-2-6 when a public utility seeks to include that value in its rate base  
2 on which it will earn a return. Most importantly, it is not necessary at this time for the  
3 Commission to establish a fair value of HCU's used and useful utility plant.

4 **Q: Have the customers of this utility been made aware of the details of the proposed**  
5 **acquisition?**

6 A: Mr. Lewis stated in his testimony that there were numerous meetings that took place where  
7 this transaction was discussed. He stated that in many of those meetings, there were votes,  
8 and in every case the vote to proceed was greater than 90%.

9 **Q: Were you able to look more closely at the where the votes were taken.**

10 A: The support provided comes from minutes of a March 8, 2020 meeting where there were  
11 no objections to the sale.<sup>9</sup> There are a total of (211) members of the HOA.<sup>10</sup> At this meeting  
12 there were 8 board members present, and a total of (27) members represented, including  
13 proxies. This represents 12.5%<sup>11</sup> of the total membership of the HOA, or 9.4% of the non-  
14 board members of the HOA. The other testimony discussing the support of ratepayers for  
15 this transaction are given in the Preliminary Engineering Report ("PER") prepared by  
16 Cleland Engineering and found in OUCC Attachment SD-3. Section 1.5 discusses  
17 Community Engagement. This discusses a Meeting on May 18, 2017, which indicates the  
18 HOA was pursuing potential SRF funding and "Residents were supportive of the HOA's  
19 efforts and wanted the HOA to continue going forward."<sup>12</sup> Joint Petitioners also indicated

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<sup>9</sup> See Mr. Lewis testimony page 4, see also Mr. Lewis Attachment CL-3. Further, in this meeting the purchase agreement was described as the golf course being purchased for \$1, the Utility being purchased for \$1.95 Million and a decision by June 11<sup>th</sup> at the latest.

<sup>10</sup> See Preliminary Engineering Report prepared by Cleland Engineers, OUCC Attachment SD-3. Section 1.2. Including the golf course as a commercial customer. Also see Page 99 of same document.

<sup>11</sup> 5% is the requirement of a quorum in Section 3.5 of the Green Acres HOA Bylaws. See <https://c96.b38.myftpupload.com/wp-content/uploads/2017/04/GAbylaws.pdf>.

<sup>12</sup> See OUCC Attachment SD-1, PER Appendix B.

1 a November 24, 2019 HOA meeting was held to update members on the purchase status,  
2 although that has not been supported.<sup>13</sup>

3 The PER also discussed a November 6, 2019 meeting with the IURC and with the  
4 OUCC in attendance to discuss a possible future transfer of the utility. This seems to refer  
5 to the Field Hearing held on that date. According to Mr. Lewis' testimony (Q10), only one  
6 speaker addressed the acquisition and the Field Hearing was not, a venue for discussion of  
7 the acquisition.

### III. FINANCING

8 **Q: Is the financing for the transaction in place?**

9 A: Yes. The Interest Rate was updated in the response to DR 6-2 to 4.57% (See OUCC  
10 Attachment SD-5.) Based on my review, this is an appropriate interest rate to use for  
11 setting rates, although it should be subject to true-up once the financing closes with the  
12 actual rate incurred.

13 **Q: Should GASSS receive the debt service reserve revenue requirement it has requested?**

14 A: No. Joint Petitioners have not shown this is necessary. There is a 90% USRDA guarantee  
15 for the loan, and additional collateral in the form of the land for the golf course for this  
16 loan. With that safety, it is not clear that a debt service reserve would be required, and if  
17 it is, how quickly the bank would require the reserve to be fully funded. For instance, my  
18 understanding is that USRDA normally allows 10 years for the accumulation of the debt  
19 service reserve. OUCC DR 6-1 asked GASSS to confirm the requirement for a 1-year debt  
20 service reserve account Joint Petitioners' DR response did not provide that confirmation.

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<sup>13</sup> No minutes are available online for this document <https://greenacresnow.com/documents/>, and it was not included in any testimony or DR responses.

1 (See DR 6-1, OUCC Attachment SD-5.) Joint Petitioners merely stated that “there is a  
2 minimum of 1.25 debt-service coverage ratio requirement that will be tested annually...”  
3 and that the rate filing used a 5-year build-up of the debt reserve. This does not explain  
4 why a debt service reserve account is required.

5 **Q: Should Petitioner be required to true-up its proposed annual debt service once the**  
6 **interest rates on its proposed debt are known?**

7 A: Yes. The precise interest rates and annual debt service will not be known until Petitioner's  
8 debt is issued; therefore, Petitioner's rates should be trued-up to reflect the actual cost of  
9 the debt. I recommend the Commission require Petitioner to file a report within thirty (30)  
10 days of closing the loan, explaining the terms of the new loan and an itemized account of  
11 all issuance costs. The report should include a revised tariff, ammortization schedule and  
12 also calculate the rate impact.

13 **Q: How should disputes regarding Petitioner's true up report be identified?**

14 A: The OUCC should have no less than fourteen (14) days after service of the true-up to  
15 challenge Petitioner's proposed true-up. Petitioner should similarly have fourteen (14) days  
16 to file a response to the OUCC if it has challenged Petitioner's calculation. Thereafter, the  
17 Commission should resolve the issue through a process it deems appropriate. Any true-up  
18 report should state the time frames for objections or responses.

19 **Q: Should there be any exceptions to the requirement for a true-up?**

20 A: Yes. If both parties agree in writing that the increase or decrease would be immaterial, the  
21 true-up need not be implemented.

#### IV. OUCC RECOMMENDATIONS

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

23 A: With the understanding that the golf course will be transferred as described herein, I

1 recommend the Commission approve the requested financing authority and the proposed  
2 transaction. I recommend the Commission disallow GASSS's requested debt service  
3 reserve revenue requirement. I also recommend the true-up requirements as discussed  
4 above.

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

6 **A: Yes.**

**Appendix A**

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

2 A: I graduated from Indiana University with a degree in Biology, a minor in Economics and  
3 a certificate from the Liberal Arts and Management Program (LAMP) which is an honors  
4 certificate program through the Kelley School of Business and the College of Arts and  
5 Sciences, at the time restricted to twenty five (25) students per year. After spending time  
6 in the job market, I received my MBA from Indiana University with a concentration in  
7 finance.

8 **Q: Please describe your work experience.**

9 A: My first jobs after graduating with my undergraduate degree were in New York at Grant's  
10 Interest Rate Observer, which is a financial newsletter and Lebenthal and Co., which was  
11 a municipal bond brokerage. I worked at RCI Sales in Indianapolis, which was a  
12 manufacturer's representative/distributor in the commercial and institutional plumbing  
13 space, as the owner for a number of years, leaving when I sold the company and merged it  
14 into a competitor. After receiving my MBA, I worked at Amazon as a financial analyst in  
15 their fulfillment division.

16 **Q: How long have you been at the OUCC?**

17 A: I have been a Utility Analyst II in the water division at the OUCC since December of 2019.  
18 My focus is financial issues, such as ROE's, Capital Structures, etc.

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

20 A: Yes. I have previously testified before the IURC on cases involving water and wastewater  
21 utilities.

**OUCG DR 2-2**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Is the borrowing conditioned on Green Acres also acquiring the 158.06 acres referenced as collateral in Attachment SKB-1? Please explain.

**Information Provided:**

No. The borrowing is not conditioned on Green Acres acquiring the 158.06 acres. The loan commitment is conditioned, however, on the owner of the 158.06 acres granting the lender a mortgage on the property in favor of the lender and securing the loan.

**OUCC DR 2-3**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Please provide any agreement between Joint Petitioners or any affiliates (meaning an officer or director of either Petitioner is an owner, officer, director, trustee, partner or a person exercising similar functions with any business, financial organization, firm or partnership) for transfer of the 158.06 acres.

**Information Provided:**

No agreement exists. The transfer of the 158.06 acres is not part of the asset transfer at issue in this Cause. The affiliate which owns the 158.06 acres is agreeable to the mortgage referenced in Response to OUCC DR 2-2, however, there is no written agreement.



**OUCR DR 2-4**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Please provide any valuation or appraisal of the 158.06 acres to be used as collateral?  
Please explain what is included with that land.

**Information Provided:**

No current appraisal of the 158.06 acres exists.

**OUCC DR 2-5**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Please identify more precisely than the list included on page 4 of CL-3, all assets that will be transferred.

**Information Provided:**

Please see pp. 8-9 of Attachment JC-1.

**OUCR DR 2-6**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Is transfer of the golf course conditioned on Commission approval of the transfer of the utility? Please explain.

**Information Provided:**

No. Transfer of the golf course is not conditioned on Commission approval of the transfer of the utility. The owner of the golf course does intend to provide First Farmers Bank and Trust a first interest security interest in the golf course to secure the loan Green Acres has applied for to purchase the utility.

**OUCG DR 2-7**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Workpaper SKB-1 indicates insurance of a building with a value limit of \$270,148. Please describe the building and explain its current and prospective use?

**Information Provided:**

The building is the clubhouse for the golf course. It is the current plan that the utility will use a portion of the space for its offices. While there is no agreement in place for this use, the utility will need some space for its offices, and insurance will be needed.

**OUCG DR 4-2**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

The response to OUCG DR-2-6 stated that “The owner of the golf course does intend to provide First Farmers Bank and Trust a first interest security interest in the golf course to secure the loan....” Who precisely is the “owner of the golf course” referenced in the response?

**Party Responding:** HCU

**Information Provided:**

Divot, LLC.

**OUCR DR 4-5**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Was the owner of the golf course ever listed as an affiliate to HCU in any IURC annual reports from 2015-2018? Please explain.

**Party Responding:** HCU

**Information Provided:**

No. Divot, LLC has no contracts, agreements or business arrangements with HCU.

**OUCG DR 5-8**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Please confirm that the golf course owned by Divot, LLC is being sold concurrent with the transaction to purchase the utility.

**Information Provided:**

There is an agreement in principle between the parties to sell the golf course, but no written agreement has been signed.

**OUCC DR 5-9**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Please confirm the price of the golf course is \$1.00 per Mr. Lewis testimony, attachment CL-3. Please update this purchase price if necessary.

**Information Provided:**

See response to OUCC DR 5-8.



**OUCC DR 5-10**

**DATA INFORMATION REQUEST**  
**Howard County Utilities, Inc., and**  
**Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Please explain what entity is purchasing this golf course.

**Information Provided:**

See response to OUCC DR 5-8. Green Acres Subdivision Sewer System, Inc. is the entity that will purchase the golf course upon execution of a formal written agreement.

**OUCC DR 5-10 (Supplemental)**

**DATA REQUEST**

**Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Please explain what entity is purchasing this golf course.

**Original Information Provided:**

See response to OUCC DR 5-8. Green Acres Subdivision Sewer System, Inc. is the entity that will purchase the golf course upon execution of a formal written agreement.

**Supplemental Information Provided:**

GASSS has not yet determined what entity will be purchasing the golf course. It was originally thought that GASSS would be the purchaser, but after further discussions it was determined that this decision has not yet been made.

**OUCG DR 6-3**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

See Joint Petitioners' supplemental response to OUCG DR 5-10. Please confirm that GASSS may become the owner of the golf course, whether directly or indirectly. If not, please explain why that will no longer be a possibility. If so, please provide copies of the financial statements of Divot, LLC for the fiscal years 2017, 2018 and 2019.

**Objection:**

Joint Petitioners object to the request on the grounds and to the extent the request seeks information which is irrelevant to this proceeding and not reasonably calculated to lead to the discovery of admissible evidence. Divot, LLC is not a party to this proceeding and its financial statements are outside the scope of this proceeding. Subject to and without waiver of the foregoing objection, Joint Petitioners respond as follows:

**Information Provided:**

See Joint Petitioner's supplemental response to OUCG DR 5-10. GASSS has not yet determined what entity will be purchasing the golf course. Further, the question of what entity will own the golf course after closing is irrelevant to this proceeding, as the golf course has little to no monetary value. Divot, LLC has not operated the golf course since 2015 because the golf course was not making any money. The golf course has been operated and maintained by the Green Acres HOA since that time. Although the golf course is not making money, Green Acres HOA intends to continue operating the golf course because it serves as a source of recreation and enjoyment for the current homeowners and is viewed as a valuable amenity to potential home buyers considering buying a home in the neighborhood.

The real estate on which the golf course is operated cannot be dedicated to a different use. A large portion of the land sits in a floodplain, and therefore, commercial or residential development is not feasible. Further, it would require a change of zoning to use the property for any other purpose. For these reasons, GASSS and Green Acres HOA do not view the golf course as having any real monetary value. However, as stated, the golf course serves other important functions and therefore the HOA intends to continue operating it after closing.

**OUCC DR 6-4**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Please provide any written agreement between HCU, Divot, GASSS, or any other entity in any combination of the forgoing, regarding the ownership or transfer of the golf course. Please summarize any verbal understanding among any of the forgoing regarding ownership or transfer of the golf course.

**Information Provided:**

See Petitioner's supplemental response to OUCC DR 5-10. No written agreement or verbal understanding exists, as the parties have not yet determined what entity will own the golf course or how it will be transferred.

General Information

Parcel Number 34-08-03-151-002.000-018
Local Parcel Number

Tax ID:

Routing Number 08-03-100-102

Property Class 463 Golf Course or Country Club

Year: 2019

Location Information

County Howard
Township ERVIN TOWNSHIP
District 018 (Local 018 ) ERVIN TOWNSHIP
School Corp 3470 NORTHWESTERN
Neighborhood 300001-018 Ervin Township Homesites
Section/Plat 3
Location Address (1) 860 W 00 NS Kokomo, IN 46901

Ownership

Divot LLC
3350 W 250 N
West Lafayette, IN 47906

Legal

PT W2 3-23-2 101.61 AC

Transfer of Ownership

Table with columns: Date, Owner, Doc ID, Code, Book/Page, Adj Sale Price, V/I. Rows include transactions from 09/27/2007 to 01/01/1900.

Notes

5/13/2017 17GI: 1 YR OF INCOME SUBMITTED SINCE 2012 (2016). ZERO OUT IMP. AND LEAVE LAND AS IS.
7/1/2010 07SP: 1.47 AC SPLIT OUT TO 151-004 TO CORRECT DEED 09-17-2001 INSTR # 0134-016834
7/1/2010 07TC: IN CONSIDERATION OF FUNTIONAL INUTILITY FOR AN EXTENDED PERIOD, INCOME AND EXPENSE REPORTS, SALES AMOUNT, AND TESTIMONY OF THE PETITIONER, CHANGES TO THE PRICING IS APPLICABLE. GAVE 70% FUNCTIONAL OBSOL TO THE CLUBHOUSE, RESTROOMS, THE CART HOUSE AND THE GOLFCOURSE



Commercial

Valuation Records (Work In Progress values are not certified values and are subject to change)

Table with columns: Assessment Year, Reason For Change, As Of Date, Valuation Method, Equalization Factor, Notice Required, Land, Improvement, Total. Rows show valuation data for 2019 and 2018.

Land Data (Standard Depth: Res 100', CI 100' Base Lot: Res 0' X 0', CI 0' X 0')

Table with columns: Land Type, Pricing Method, Soil ID, Act Front., Size, Factor, Rate, Adj. Rate, Ext. Value, Infl. %, Res Elig %, Market Factor, Value. Rows show land data for lots 11, GC, and 6.

Market Model 300001-C

Characteristics

Topography Rolling Flood Hazard
Public Utilities ERA
Electricity
Streets or Roads TIF
Paved

Neighborhood Life Cycle Stage Other

Printed Sunday, July 21, 2019

Review Group 2016

Data Source Owner

Collector 09/06/2016 RM

Appraiser

Land Computations

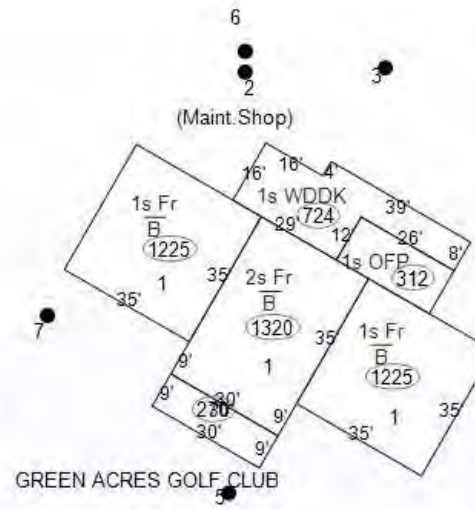
Table with columns: Land Computations, Value. Rows include Calculated Acreage (101.61), Actual Frontage (0), Developer Discount, Parcel Acreage (101.61), 81 Legal Drain NV (0.00), 82 Public Roads NV (0.00), 83 UT Towers NV (0.00), 9 Homesite (0.00), 91/92 Acres (0.00), Total Acres Farmland (101.61), Farmland Value (\$560), Measured Acreage (1.41), Avg Farmland Value/Acre (397), Value of Farmland (\$40,340), Classified Total (\$0), Farm / Classified Value (\$40,300), Homesite(s) Value (\$0), 91/92 Value (\$0), Supp. Page Land Value, CAP 1 Value (\$0), CAP 2 Value (\$0), CAP 3 Value (\$158,700), Total Value (\$158,700).

General Information			
<b>Occupancy</b>	C/I Building	<b>Pre. Use</b>	General Retail
<b>Description</b>	C/I Building C 01	<b>Pre. Framing</b>	Wood Joist
<b>Story Height</b>	2	<b>Pre. Finish</b>	Finished Open
<b>Type</b>	N/A	<b># of Units</b>	0
	<b>SB</b>	<b>B</b>	<b>1</b>
<b>Wall Type</b>	B: 1(288')	1: 1(288')	U: 1(148')
<b>Heating</b>		3770 sqft	3770 sqft
<b>A/C</b>		3770 sqft	
<b>Sprinkler</b>			

Plumbing RES/CI				Roofing		
#	TF	#	TF	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Full Bath</b>	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Half Bath</b>	0	0	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Kitchen Sinks</b>	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Water Heaters</b>	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Add Fixtures</b>	0	0	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Total</b>	0	0	13	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Exterior Features		
Description	Area	Value
Wood Deck	724	\$9,200
Porch, Open Frame	312	\$9,400

Special Features		Other Plumbing	
Description	Value	Description	Value
Can, CT 270sqft	\$7,280		



Floor/Use Computations			
Pricing Key	GCM	GCM	GCM
Use	GENRET	GENRET	GENRET
Use Area	3770 sqft	3770 sqft	1320 sqft
Area Not in Use	0 sqft	0 sqft	0 sqft
Use %	100.0%	100.0%	100.0%
Eff Perimeter	288'	288'	148'
PAR	8	8	11
# of Units / AC	0	0	0
Avg Unit sz dpth	-1	-1	-1
Floor	B	1	2
Wall Height	10'	10'	9'
<b>Base Rate</b>	<b>\$65.23</b>	<b>\$92.14</b>	<b>\$89.41</b>
Frame Adj	(\$8.93)	(\$8.90)	(\$7.78)
Wall Height Adj	(\$2.36)	(\$4.72)	(\$4.83)
Dock Floor	\$0.00	\$0.00	\$0.00
Roof Deck	\$0.00	\$0.00	\$0.00
<b>Adj Base Rate</b>	<b>\$53.94</b>	<b>\$78.52</b>	<b>\$76.80</b>
BPA Factor	1.00	1.00	1.00
<b>Sub Total (rate)</b>	<b>\$53.94</b>	<b>\$78.52</b>	<b>\$76.80</b>
Interior Finish	\$0.00	\$0.00	\$0.00
Partitions	\$0.00	\$0.00	\$0.00
Heating	\$0.00	\$0.00	\$0.00
A/C	\$0.00	(\$4.71)	(\$4.71)
Sprinkler	\$0.00	\$0.00	\$0.00
Lighting	\$0.00	\$0.00	\$0.00
Unit Finish/SR	\$0.00	\$0.00	\$0.00
GCK Adj.	\$0.00	\$0.00	\$0.00
<b>S.F. Price</b>	<b>\$53.94</b>	<b>\$73.81</b>	<b>\$72.09</b>
<b>Sub-Total</b>			
Unit Cost	\$0.00	\$0.00	\$0.00
Elevated Floor	\$0.00	\$0.00	\$0.00
<b>Total (Use)</b>	<b>\$203,354</b>	<b>\$278,264</b>	<b>\$95,159</b>

Building Computations			
<b>Sub-Total (all floors)</b>	<b>\$576,776</b>	Garages	\$0
Racquetball/Squash	\$0	Fireplaces	\$0
Theater Balcony	\$0	<b>Sub-Total (building)</b>	<b>\$629,856</b>
Plumbing	\$27,200	Quality (Grade)	\$692,843
Other Plumbing	\$0	Location Multiplier	0.88
Special Features	\$7,280	<b>Repl. Cost New</b>	<b>\$609,701</b>
Exterior Features	\$18,600		

Summary of Improvements																				
Description	Res Eligibl	Story Height	Construction	Grade	Year Built	Year	Eff Age	Eff Co nd	Base Rate	LCM	Adj Rate	Size	RCN	Norm Dep	Remain. Value	Abn Obs	PC	Nbhd	Mrkt	Improv Value
1: C/I Building C 01	0%	2	sv	C+2	1989	1989	30	A	0.88	0.88		8,860 sqft		59%		95%	100%	1.000	1.0400	\$0
2: Barn, Pole (T3) C 01	0%	1	sv	C	1966	1966	53	F	0.88	0.88		30' x 40' x 10'		70%		95%	100%	1.000	1.0400	\$0
3: Cart Hse	0%	1	sv	C	1989	1989	30	A	0.88	0.88		52' x 102' x 12'		50%		95%	100%	1.000	1.0400	\$0
4: Gazebo	0%	1	sv	C	1968	1968	51	A	0.88	0.88		180 sqft		65%		0%	100%	1.000	1.0400	\$0
5: Golf Course, Regulatio	0%	1	sv	C	1968	1968	51	A	0.88	0.88		19 Holes, 148		15%		95%	100%	1.000	1.0400	\$0
6: Lean-To C 01	0%	1	sv	C	1966	1966	53	VP	0.88	0.88		20'x66' x 8'		85%		95%	100%	1.000	1.0400	\$0
7: Paving C 01	0%	1	sv	C	1989	1989	30	A	0.88	0.88		39,000 sqft		80%		95%	100%	1.000	1.0400	\$0
8: Public Restrm	0%	1	sv	D+2	1968	1968	51	F	0.88	0.88		1,200 sqft		80%		95%	100%	1.000	1.0400	\$0

**PRELIMINARY ENGINEERING REPORT  
WASTEWATER UTILITY ACQUISITION**

**GREEN ACRES SUBDIVISION  
HOWARD COUNTY, IN**

**Prepared for:  
Green Acres Subdivision Homeowners Association**

**April 2020**

**Prepared by:**



**8308 Thorn Bend Drive  
Indianapolis, Indiana  
317-733-0351**

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## CHAPTER 1 PROJECT PLANNING

### 1.1 PROJECT BACKGROUND

The project addressed in this Preliminary Engineering Report is limited to the possible purchase of the privately-owned Howard County Utilities, Inc. (HCU) wastewater utility by a holding company and the associated immediate improvements that would be necessary for proper operation of the utility. Improvements to the utility are limited to replacement in kind or repair in place and do not include any new construction.

### 1.2 LOCATION

The study area includes the Green Acres Subdivision and Golf Course along with a few adjoining properties. Figure 1, Appendix A, shows the location of the service area on the Russiaville USGS Quadrangle Map. The site is in Howard County, Monroe Township, Section 4, Township 23 North, Range 2 East.

Figure 2 is an aerial of the service area showing the Green Acres Subdivision and Golf Course.

The present and future sanitary sewer service areas are the same. There is no anticipated growth in the subdivision. Some homes along CR W 00NS presently within the service area not now served could be served in the future. The present number of customers is 212. The future maximum number of customers is estimated to be 225.

### 1.3 ENVIRONMENTAL RESOURCES PRESENT

The proposed project does not include any new construction. Any repair or replacement would be at the existing locations and not involve any disturbance of environmental resources.

### 1.4 POPULATION TRENDS

The population census data for Howard County and Ervin Township from 1970 through 2010 were reviewed to determine trends. All of the residents served by the utility are located in Ervin Township. The wastewater treatment plant and part of the Green Acres golf course are located in Monroe Township. Table 1.1 presents the census data that indicates that Howard County

**Table 1.1  
Census Population Data and Percent Change**

	1970	1980	1990	2000	2010
Howard Co.	83,198	86,896	80,827	84,964	82,752
		4.44%	-6.98%	5.12%	-2.60%
Ervin Twp.	1,678	1,966	2,178	2,331	2,227
		17.16%	10.78%	7.02%	-4.46%

Note that the current estimated population for Howard County is 82,363, which is a slight decrease from the 2010 census number. Population in Ervin Township has also decreased between 2000 and 2010. The population of the sanitary sewer service area is anticipated to remain steady.

The customer base for the facility is residential with the exception of the clubhouse for the golf course. The number of homes served is 212. The estimated population for the service area based upon the county census data for number of people per household, 2.36 people/household, is 500.

The contribution from the clubhouse at the golf course is considered to be four equivalent dwelling units (EDU). Assuming the 2.36 people/household or dwelling unit, the clubhouse would be equivalent to approximately 10 people. The resulting estimated wastewater contribution for the sources of wastewater are presented in Table 1.2

**Table 1.2  
Calculated Existing Wastewater Flows**

	<b>Flow (gpd)</b>
Domestic (D)	65,720
Commercial (C)	1,240
Industrial (I)	NA
<b>Total DCI</b>	<b>66,960</b>
Peak Sustained Infiltration	93,040
<b>Total Existing Flow</b>	<b>160,000</b>
Peak Hourly (Total DCI X Peaking Factor)	277,127
Peak Day Flow	489,000

1. Based on the Number of Homes served times 310 gpd/home
2. Based on four times 310 gpd/EDU
3. Difference between average daily flow and the DCI for the period from January 2018 through April 2019
4. Average daily flow for the period from January 2018 through April 2019
5. Total DCI x peaking factor of 4.14 (Ten State Standards Reference)
6. Recorded peak daily flow for the period from January 2018 through April 2019

## **1.5 COMMUNITY ENGAGEMENT**

Minutes from a May 18, 2017 public hearing are included in Appendix B. The purpose of the public hearing was to advise member of the Green Acres Homeowner’s Association of the possible purchase of the wastewater utility by the HOA from HCU. Subsequent meetings have been held to update the HOA members of the possible utility purchase.

On November 6, 2019, the Indiana Utility Regulatory Commission (IURC) with the Indiana Office of Utility Consumer Counselor (OUCC) In attendance held a meeting at Green Acres to

discuss the possible future transfer of the utility. On November 24, 2019, a HOA meeting was held to update the members of the purchase status.

## **CHAPTER 2 EXISTING FACILITIES**

### **2.1 LOCATION MAP**

Figure 3 shows the wastewater collection system for the planning area. Figure 4 is a site plan for the HCU wastewater treatment plant (WWTP), and Figures 5 and 6 show a plan view and section for the treatment tankage. Photographs of the plant are included in Appendix C.

### **2.2 HISTORY**

The original collection system and WWTP were construction in 1967 to serve the first addition of the Green Acres Subdivision. As the subdivision expanded, the sewer system was extended. It is thought that the new sewers were constructed in approximately 1985. The utility was originally known as the Green Acres Sanitation Company, Inc.

The collection system was designed as a separate sanitary system. The WWTP was sized for 120,000 gallons per day (gpd). Indications are that the plant was to be constructed in two phases: one for the first phase and the second for the second phase of the subdivision development. As the subdivision developed the plant was not expanded which resulted in hydraulic overloads and effluent permit violations. The original plant site was located within the Wildcat Creek floodway, which resulted in the lift station being submerged during periods of wet weather and prevented proper operation of the plant.

In January 2008, the assets of the utility were transferred from the Green Acres Sanitation Company, Inc. to Howard County Utilities, Inc. Under the new utility, a new wastewater treatment plant was constructed with construction completed and placed in operation in May 2011. The new plant was constructed on a new site that is located outside of the Wildcat Creek floodway on Parcel 34-08-04-400-026.000-023. This parcel encompasses 18.53 acres.

The new wastewater treatment plant has a capacity of 0.2 million gallons per day (MGD). The plant is an extended aeration plant with ultraviolet disinfection.

The new WWTP discharges to Wildcat Creek via Outfall 001. The creek has a seven-day, ten-year low flow ( $Q_{7,10}$ ) of 10 MGD. The dilution ratio of receiving stream to treated effluent is 50:1. The stream designation is full body contact recreational use.

## 2.2.1 Utility Assets

The assets of the utility are presented below.

### Collection System

- Sanitary Sewers
  - 6-inch PVC - 250 feet
  - 8-inch VCP - 8,805 feet
  - 12-inch VCP - 2,420 feet
  - 15-inch - 1,750 feet (as part of new plant construction)
  - 24-inch - 77 feet
- Laterals - 212
- Manholes - 72

### Wastewater Treatment Plant

- Influent Pump Station
  - Concrete Wet Well - Approximately 12' x 15' x 32' 4" D
  - Concrete Valve Pit - Approximately 13' x 14' x 11' 7" D
  - Two, Zoeller Submersible Non-clog Sewage Pumps Model 6682, 25 HP motor
  - Three Slide Away Coupling Assemblies
  - Aluminum Access Hatch - 36" x 72"
  - Aluminum Access Hatch - 48" x 48"
  - Two Inline Grinders, 600 gpm
- Blower/Maintenance Building - Approximately 72' x 40', includes a garage area and blower room
- Control Building - Approximately 24' x 40', includes the electrical controls, break room, restroom and office
- One Concrete Equalization Tank - 24' x 49' 3" x 24' D
  - 4-inch Air Header with Coarse Bubble Diffusers
  - Two Submersible Non-Clog Surge Pumps
  - Divider Box with Float Controls
- Two Concrete Aeration Tanks - 26' x 24' x 24' D
  - 4-inch Air Header with Coarse Bubble Diffusers
- Two Concrete Final Clarifiers - 12' x 24' x 24' D
  - Two Return Sludge Airlifts
  - Two Surface Scum Return Airlifts
- One Concrete Sludge Holding Tank - 24' x 49' 3" x 24' D
  - 4-inch Air Header with Coarse Bubble Diffusers
  - Supernatant Return Airlift
- One Concrete Post Air Tank - 12' x 10' x 24' D
  - 2-inch Air Header with Coarse Bubble Diffusers
- Three Aeration Tank Blower Assemblies
- Two Sludge Holding Tank Blower Assemblies
- One Ultraviolet (UV) Disinfection Unit
- Steel Grating and Handrailing

- Yard Piping
- 18-inch PVC SDR 35 Effluent Line - 170 feet
- Electrical/HVAC
- Standby Diesel Engine Generator

A valuation of the wastewater utility was prepared and is included in Appendix D. The valuation indicated that the current value of the utility based on the replacement cost new less depreciation is \$2,225,000.

## **2.3 CONDITION OF EXISTING WASTEWATER TREATMENT FACILITIES**

### **2.3.1 Physical Condition**

A site visit was made to the wastewater treatment plant on May 31, 2019. A new motor for one of the blowers was onsite, but not yet installed. Other than that, the equipment and tankage at the plant appeared to be in good condition. Concerns from the most recent IDEM inspection at the plant had been addressed. See Appendix E for IDEM Correspondence.

### **2.3.2 Existing Capacity**

The tank sizing for the facility was evaluated relative to the design recommendations in “Recommended Standards for Wastewater Facilities” or commonly referred to as Ten State Standards.

The equalization basin has a volume of 0.205 million gallons (MG). At the design flow rate of 0.2 MGD, this tank can provide a day’s worth of storage. This is helpful during wet weather periods. Air is provided to the tanks to allow for mixing.

The aeration tanks have a volume of 0.205 million gallons (MG). These tanks provide a hydraulic detention time of one day at the average design flow rate. The carbonaceous biochemical oxygen demand (CBOD) loading for the tanks based on the influent design flow rate and CBOD is 15 lbs./day/1000 cf which is the Ten State Standards recommendation for single stage nitrification activated sludge plants.

The two secondary clarifiers have a combined surface area of 576 sf. At the peak design flow rate of 0.4 MGD, the surface overflow rate is 694 gpd/sf which is less than the recommended maximum rate of 1000 gpd/sf. The peak solids loading rate is 35 lbs./day/sf which is the recommended loading for a nitrification plant.

The UV disinfection unit is sized for the peak design flow rate.

The sludge holding tank have a volume of .195 MG. This tank volume is calculated to provide 400 days of storage. The minimum recommended range is 120 - 180 days so more than adequate sludge storage is provided.

### 2.3.3 Plant Performance

Table 2.1 shows the current NPDES permit limits along with the WWTP effluent values reported on the Monthly Reports of Operation (MRO). NPDES Permit No. IN0063754 became effective April 1, 2016 with an expiration date of March 21, 2021. A copy of the permit is included in Appendix F. The effluent values listed for the facility are based on monthly reports of operation from January 2018 through April 2019. As can be seen from this table, the WWTP has been in compliance with their NPDES permit for effluent water quality for the time period evaluated.

<b>TABLE 2.1 NPDES PERMIT LIMITS AND MRO EFFLUENT VALUES</b>		
<b>Parameter</b>	<b>NPDES Permit Limits</b>	<b>MRO Effluent Values</b>
Design Average Flow (MGD)	0.20	0.16
CBOD - Monthly Average		
• Concentration (mg/l)	25	4.64
• Loading (lbs./day)	42	6.41
Suspended Solids - Monthly Average		
• Concentration (mg/l)	30	6.35
• Loading (lbs./day)	50	9.68
Ammonia - Monthly Average		
• Concentration (mg/l)	11	0.91
• Loading (lbs./day)	18.4	0.63
pH Range (s.U.)	6-9	6.7 - 7.7
E. coli (cfu/100 ml)		
• Monthly Average	125	1.68
• Daily Maximum	235	20
Dissolved Oxygen (mg/l)	NA	9.55

The flow received at the plant varies significantly from dry weather to wet weather conditions. During wet weather, the flow rate typically exceeds that design capacity of 0.20 MGD. Despite the high flows, the plant has been able to exceed the treatment requirements identified in the NPDES permit. For the time period of evaluation, the percent removal for CBOD, suspended solids and ammonia-nitrogen were 96, 91 and 94 percent respectively.

### 2.4 CONDITION OF EXISTING COLLECTION SYSTEM

The existing collection system is adequately sized to serve the present and future customers. Over the years there have been some spot repairs to the sewer system, but no needed repairs are known at this time. Given the age of the system, repairs will likely be needed to address problems associated with age. No major sewer rehabilitation projects are felt needed at this time.



## 2.5 FINANCIAL STATUS OF EXISTING FACILITIES

The financial status of HCU is shown in Table 2.3. Refer to Appendix G, Financial for the source of these costs. As is shown, the receipts for the utility exceeds the current disbursements.

**Table 2.3**  
**2018 HCU Wastewater Budget**

	<b>Income</b>	<b>Debit</b>	<b>Total</b>
<b>Operating Revenue</b>			
Residential	\$ 174,396		\$ 174,396
Commercial	4,140		4,140
Forfeited Discounts	982		982
<b>Total Receipts</b>	<b>\$ 179,518</b>		<b>\$ 179,518</b>
<b>Operating Expenses</b>			
Salaries		\$ 900	\$ 900
Purchased Power		21,859	21,859
Contractual Services – Accounting		7,143	7,143
Contractual Services – Legal		8,383	8,383
Contractual Services – Testing		11,650	11,650
Contractual Services – Other		32,435	32,435
Materials and Supplies		5,037	5,037
Miscellaneous		4,000	4,000
Total Operating Expenses		\$ 91,407	\$ 91,407
<b>Non-Operating Expenses</b>			
Depreciation		\$ 46,215	\$ 46,215
Amortization		840	840
Property Taxes		16,223	16,223
Other Taxes		2,509	2,509
Income Taxes		<u>5,725</u>	<u>5,725</u>
Total Non-Operating Expenses		\$ 71,512	\$ 71,512
<b>Total Disbursements</b>			<b>\$ 162,919</b>

## 2.6 WATER/ENERGY/WASTE AUDITS

No known water, energy or waste audits have been conducted for the facility.

## **CHAPTER 3 NEED FOR PROJECT**

### **3.1 HEALTH, SANITATION AND SECURITY**

Past inspection reports for HCU have noted the fact that the plant often receives flow volumes in excess of the design flow capacity of the plant. Infiltration/inflow in the system is a concern. See Appendix C for relevant correspondence. That note, the WWTP does meet its effluent permitted concentrations and loading even during wet weather periods.

It appears that minimal effort/funding has gone towards reducing the infiltration/inflow in the system. Under HCU there does not appear to be a Sewer Use Ordinance. Without a Sewer Use Ordinance in place that stipulates residential clear water sources such as downspouts and sump pumps are not permitted to be connected to the sanitary sewer system, there is limited means of requiring the customers to disconnect such sources.

### **3.2 AGING INFRASTRUCTURE**

There are no aging issues with the WWTP.

The older portions of the collection system were installed about 52 years ago. The life expectancy of vitrified clay sewers is commonly considered to be 50 years. The sewer system is functional and no major problem areas presently exist, but repair in the future should be anticipated. Some of the infiltration/inflow issues for the system are probably related to the sewer systems, but it is felt the majority of those issues are related to clear water source connections to the sewers.

### **3.3 REASONABLE GROWTH**

Both the WWTP and collection system are adequately sized for the planning area. Only very minimal increase in customers is anticipated.

## **CHAPTER 4 ALTERNATIVES CONSIDERED**

Two broad alternatives are considered. One alternative would have the utility ownership remaining with the current shareholders of HCU. Under this alternative, operations would remain much as they are now, but a rate increase for the customers would be implemented. A petition has been sent to the IURC by HCU to raise the monthly residential user fee from \$69 to \$153.06 to cover operation and maintenance costs. The rate request is stayed pursuant to a joint petition.

The second considered option is for the not-for-profit entity, Green Acres Subdivision Sewer System, Inc., to purchase the HCU wastewater utility. The purchase cost of HCU is \$2,022,000. The non-construction costs associated with the purchase is estimate at \$178,000 for a total estimated cost of \$2,200,000.

Green Acres Subdivision Sewer System, Inc. would take over the administration, operation and maintenance of the facilities. The anticipated monthly residential user fee would be set at \$151.88. See the Financial Report prepared by Therber Brock Associates LLC included in Appendix G for calculations of this rate.

### **4.1 ALTERNATE 1 - PRESENT OWNERSHIP AND OPERATION**

#### **4.1.1 Description**

This alternative is the same as a “No Action” alternative except for the cost to the customers. The utility would remain HCU with the sole shareholder being Scott Lods. The utility would continue to be operated and maintained by HCU. The only change would be the monthly user charge to the customers. A rate hike from \$69/month/customer to \$153.06/month/customer is proposed. No other specific changes in administration, operation or maintenance are anticipated.

#### **4.1.2 Design Criteria**

No change in the design of the facilities is anticipated.

#### **4.1.3 Map**

Current service area, collection system and WWTP would remain unchanged.

#### **4.1.4 Environmental Impacts**

No environmental impact would result.

#### **4.1.5 Land Requirements**

No additional land would be required.

#### **4.1.6 Potential Construction Problems**

No construction is anticipated.

#### **4.1.7 Sustainability Considerations**

No change in water and energy usage is anticipated. No green infrastructure is anticipated.

#### **4.1.8 Cost Estimates**

No capital expenditure is anticipated. The annual operation and maintenance costs would be expected to remain similar to the current. The only significant change would be the increase in the monthly fee for wastewater utility service.

### **4.2 ALTERNATE 2 - LOCAL ACQUISITION OF WASTEWATER UTILITY**

#### **4.2.1 Description**

This alternative involves the purchase of HCU by Green Acres Subdivision Sewer System, Inc., a Not-for-Profit entity. They would assume the responsibility for the administration, operation and maintenance of the wastewater utility that serves the Green Acres Subdivision.

Under the new administration of the utility, a Sewer Use Ordinance would be adopted and implemented. Given the quick increase in wastewater flow during wet weather, it is anticipated that there are some clear water connections to the sanitary sewer system. A Sewer Use Ordinance would stipulate that no clear water sources can be connected to the sanitary sewer such as downspouts and sump pumps.

No capital improvements to the WWTP are anticipated. There will be ongoing maintenance costs associated with equipment repair/replacement, but no initial capital expenditures.

No capital improvements to the collection system are anticipated at this time. Normal sewer cleaning and repair would continue and costs for this work is included in the operation and maintenance costs for the system.

#### **4.2.2 Design Criteria**

No change in the design of the facilities is anticipated.

#### **4.2.3 Map**

Current service area, collection system and WWTP would remain unchanged.

#### 4.2.4 Environmental Impacts

No new construction is anticipated. Rehabilitation to the facilities would be done at the current locations. Environmental impact should be limited to short term construction related impacts.

#### 4.2.5 Land Requirements

No additional land would be required.

#### 4.2.6 Potential Construction Problems

Improvements to the existing collection system would occur at the current locations with the land has been previously disturbed. Construction could result in disruption of the traffic flow through the subdivision due to isolated construction activity.

#### 4.2.7 Sustainability Considerations

Adoption and implementation of a Sewer Use Ordinance will likely reduce the inflow into the collection system. The reduction in flow to the plant lift station and WWTP could result in slight energy savings due to decreased pumpage. No green infrastructure is anticipated.

#### 4.2.8 Cost Estimates

The capital cost associated with this alternative are presented in Table 4.1. Annual operation and maintenance costs are presented in Table 4.2. Costs presented are from the Financial Report prepared by Therber Brock Associates LLC as included in Appendix G.

**Table 4.1**  
**Capital Cost Alternative 2**  
**Green Acres Subdivision Sewer System, Inc. Purchase of the Wastewater Utility**

Item	Cost
Purchase Cost for the Utility	\$ 2,022,000
<u>Non-Construction Costs</u>	
Engineering	20,000
Legal, Bond Counsel, Financial & Accounting	80,000
Operating Capital	40,000
RD Loan Guarantee (1%)	22,000
Underwriters Discount	16,000
Total Non-Construction Costs	178,000
<b>Total Capital Costs</b>	<b>\$ 2,200,000</b>

**Table 4.2**  
**Annual Operating and Maintenance Costs Alternative 2**  
**Green Acres Subdivision Sewer System, Inc. Purchase of the Wastewater Utility**

<b>Operating Expense</b>	<b>Cost</b>
Salaries	\$ 18,000
Payroll Taxes	2,907
Purchased Power	21,859
Rentals	10,056
Contractual Services – Accounting	10,800
Contractual Services – Legal	24,000
Contractual Services – Testing	18,000
Contractual Services - Operator	30,000
Contractual Services – Sewer Cleaning	6,000
Insurance	3,285
Materials and Supplies	5,037
Miscellaneous	4,000
Utilities	<u>1,455</u>
<b>Total Operating Costs</b>	<b>\$ 154,631</b>

**CHAPTER 5  
SELECTION OF ALTERNATIVE**

**5.1 ALTERNATIVE ADVANTAGES AND DISADVANTAGES**

The advantages and disadvantages to the two alternatives have been considered. Some of the advantages to Alternative 2 are not directly related to the wastewater utility. Currently the single owner of the HCU is also the owner of Divot LLC that owns the golf course in the middle of the Green Acres Subdivision. The owner of Divot LLC wants to sell the golf course. They are willing to sell the golf course if the wastewater utility is also sold. They are not willing to sell the utility without the golf course also being sold. Currently there are other arrangement in place to purchase the golf course if in fact the wastewater utility is sold. Owner for the utility and golf course would be separate.

The advantages/disadvantages of Alternative 1 and Alternative 2 are shown in Table 5.1 and Table 5.2, respectively. The advantages/disadvantages are from the viewpoint of the Green Acre community.

**Table 5.1 – Advantage and Disadvantages Alternative 1  
HCU Retaining Utility**

<b>Advantages</b>	<b>Disadvantages</b>
Utility Operation Issues are handles by others	Response to Issues may be slower
Benefit of Cost Sharing with another utility	Lack of Control of Costs
	No Decision-Making Input
	Loss of Control of the Golf Course Property use including the current clubhouse
	Potential loss in property value without control of Golf Course Property

**Table 5.2 - Advantage and Disadvantages Alternative 2  
Green Acres Subdivision Sewer System, Inc. Purchase of the Wastewater Utility**

<b>Advantages</b>	<b>Disadvantages</b>
Local Control of utility and response to need for repairs	Need to establish contracts for various utility services
Not-for-Profit Cost Savings	Need to respond to regulatory agencies
Possible Reduction in Wastewater Flow with enforcement of Sewer Use Ordinance	
Local control over use of Golf Course Property including clubhouse	
Part of clubhouse could be used for Utility offices	

## 5.2 LIFE CYCLE COST ANALYSIS

A Life Cycle Analysis based on the Present Worth Analysis method was performed for Alternative 2. The analysis is for the 20-year planning period of the PER. The interest rate for the analysis is 5.5% which is the current rate for open market, 30-year loans. To determine the future worth of present, future and annual costs, the following formulas would apply.

The Present Worth of a present cost is the present cost. So, the present worth of the initial capital cost would be \$2.2 million.

The Present Worth of a future cost such as the salvage value would be expressed as:

$$P = ( 1 / ( 1 + i ) ^ n )$$

Where i = the interest rate and n = the number of years for the analysis

Assuming an interest rate of 5.5% and a 20-year planning period, the Present Worth factor for a future cost is 0.3427.

The Present Worth of an annual cost is expressed as:

$$P = A [ ( 1 + i ) ^ n - 1 ] / [ i ( 1 + i ) ^ n ]$$

The Present Worth factor for an annual cost assuming 5.5% interest and a 20-year planning period is 11.9504.

**Table 5.3**  
**Summary of Life Cycle Analyses Alternative 2**  
**Green Acres Subdivision Sewer System, Inc. Purchase of the Wastewater Utility**

<b>Cost Summary</b>	
Construction Cost	\$ 2,022,000
Contingency	-
Non-Construction Cost	178,000
Total Capital Costs	2,200,000
Annual O & M Cost	154,631
Replacement Costs	55,000
Salvage Value	950,000
<b>Present Worth Description</b>	
Total Capital Costs	2,200,000
O & M Present Worth	1,847,902
Short Term Present Worth	657,272
Salvage Present Worth	325,565
<b>TOTAL PRESENT WORTH</b>	<b>\$ 5,030,739</b>



## **5.2 NON-MONETARY FACTORS**

The non-monetary factors correlate with the advantages and disadvantage listed in Tables 5.1 and 5.2. The primary advantage with Alternative 2 is that the local community will have more direct control over utility costs and use of community property.

## **CHAPTER 6 PROPOSED PROJECT**

### **6.1 PRELIMINARY PROJECT DESIGN**

The project will involve the purchase of the wastewater utility presently owned by Howard County Utilities, Inc. that serves the Green Acre Subdivision and Golf Course by Green Acres Subdivision Sewer System, Inc.

### **6.2 PROJECT SCHEDULE**

The preliminary schedule for purchase of the utility by Green Acres Subdivision Sewer System, Inc. is presented in Table 6.1.

**Table 6.1  
Project Schedule for Acquisition of Utility  
Green Acres Subdivision Sewer System, Inc. Purchase of the Wastewater Utility**

<b>Task</b>	<b>Projected Schedule</b>
Submittal of Preliminary Engineering Report (PER) to USDA	February 2020
USDA Approval of PER	May 2020
IURC Review of Rate Request	September 2020
Financing Secured	October 2020
Finalization of Utility Purchase	November/December 2020

### **6.3 PERMIT REQUIREMENTS**

No permits are required for the proposed project.

### **6.4 SUSTAINABILITY CONSIDERATIONS**

#### **6.4.1 Water and Energy Efficiency**

No improvements to the WWTP that would reduce water usage or increase energy efficiency are anticipated. There is the potential to slightly reduce the energy consumption with the efforts to eliminate sump pump connections to the sanitary sewer. Less wet weather flow would reduce the flow pumped and, in turn, the energy usage at the plant.

#### **6.4.2 Green Infrastructure**

No green infrastructure is anticipated with the proposed project.

## 6.5 TOTAL PROJECT CAPITAL COST ESTIMATE

The project capital costs are presented in Table 6.2.

**Table 6.2**  
**Capital Cost Proposed Project**  
**Purchase of the Wastewater Utility**  
**Green Acres Subdivision Sewer System, Inc.**

	<b>Cost</b>
<u>Purchase Cost for the Utility</u>	\$ 2,022,000
<u>Non-Construction Costs</u>	
Engineering	20,000
Legal, Bond Counsel, Financial & Accounting	80,000
Operating Capital	40,000
RD Loan Guarantee (1%)	22,000
Underwriters Discount	16,000
Total Non-Construction Costs	178,000
<b>Total Capital Costs</b>	<b>\$ 2,200,000</b>

## 6.6 ANNUAL OPERATING BUDGET

The annual operating budget for Green Acres Subdivision Sewer System, Inc. including income, annual operation and maintenance costs, debt repayment and reserves is shown in Table 6.3 on the following page.

**Table 6.3  
Annual Operating Budget Proposed Project  
Purchase of the Wastewater Utility  
Green Acres Subdivision Sewer System, Inc.**

	<b>Income</b>	<b>Debit</b>	<b>Total</b>
<b>Operating Revenue</b>			
Residential	\$ 388,105		\$ 388,105
Commercial	9,197		9,197
Forfeited Discounts	<u>8</u>		<u>8</u>
<b>Total Receipts</b>	\$ 397,310		\$ 397,310
<b>Operating Expenses</b>			
Salaries		\$ 18,000	\$ 18,000
Payroll Taxes		2,907	2,907
Purchased Power		21,859	21,859
Rentals		10,056	10,056
Contractual Services – Accounting		10,800	10,800
Contractual Services – Legal		24,000	24,000
Contractual Services – Testing		18,000	18,000
Contractual Services - Operator		30,000	30,000
Contractual Services – Sewer Cleaning		6,000	6,000
Insurance		3,285	3,285
Materials and Supplies		5,037	5,037
Miscellaneous		4,000	4,000
Utilities		<u>1,455</u>	<u>1,455</u>
Total Operating Costs		155,399	155,399
Working Capital		5,564	5,564
Extensions and Replacements		54,700	54,700
Debt Service – 2020 Bonds		151,372	151,372
Debt Service Reserve – 2020 Bonds		30,274	30,274
<b>Total Revenue Required</b>			<b>\$ 397,310</b>

**6.7 SHORT TERM ASSET RESERVE**

Table 6.4 is a breakdown of the Short-Term Asset Reserve. Short-Term Asset Reserve is the amount of money to be set aside each year to cover costs for repairs and replacement of equipment or controls. This value is included in the Annual Operating Budget as part of the cost listed as Extensions and Replacements in Table 6.3.

**Table 6.4**  
**Short Term Asset Reserve**  
**Purchase of the Wastewater Utility**  
**Green Acres Subdivision Sewer System, Inc.**

	<b>Asset</b>	<b>Expected Life (years)</b>	<b>Reserve</b>
1	Influent Pump Station		
	Pumps	20	\$ 2,800
	Inline Grinder	15	1,333
2	Treatment Process Equipment		
	Surge Pumps	25	400
	Airlift Pumps	25	150
	UV Equipment	25	1,600
	Flow Meter	15	67
	Blowers	25	2,800
3	Laboratory Equipment	15	1,333
4	Electrical, Instrumentation and Controls	20	7,500
	<b>Funds to Set Aside Annually</b>		<b>\$ 17,983</b>

## **CHAPTER 7 CONCLUSIONS AND RECOMMENDATIONS**

The conclusion of this Preliminary Engineering Report is that the purchase of the wastewater utility that presently serves Green Acres Subdivision and Golf Course from Howard County Utilities, Inc. by the Golf Course by Green Acres Subdivision Sewer System, Inc. would be beneficial to the residents of the community. The community would have more direct control over the costs associated with the utility and have more input to the use of the properties presently occupied by the golf course. The recommendation is to pursue IURC approval of the purchase of the utility and the proposed rate increase associated with the purchase.

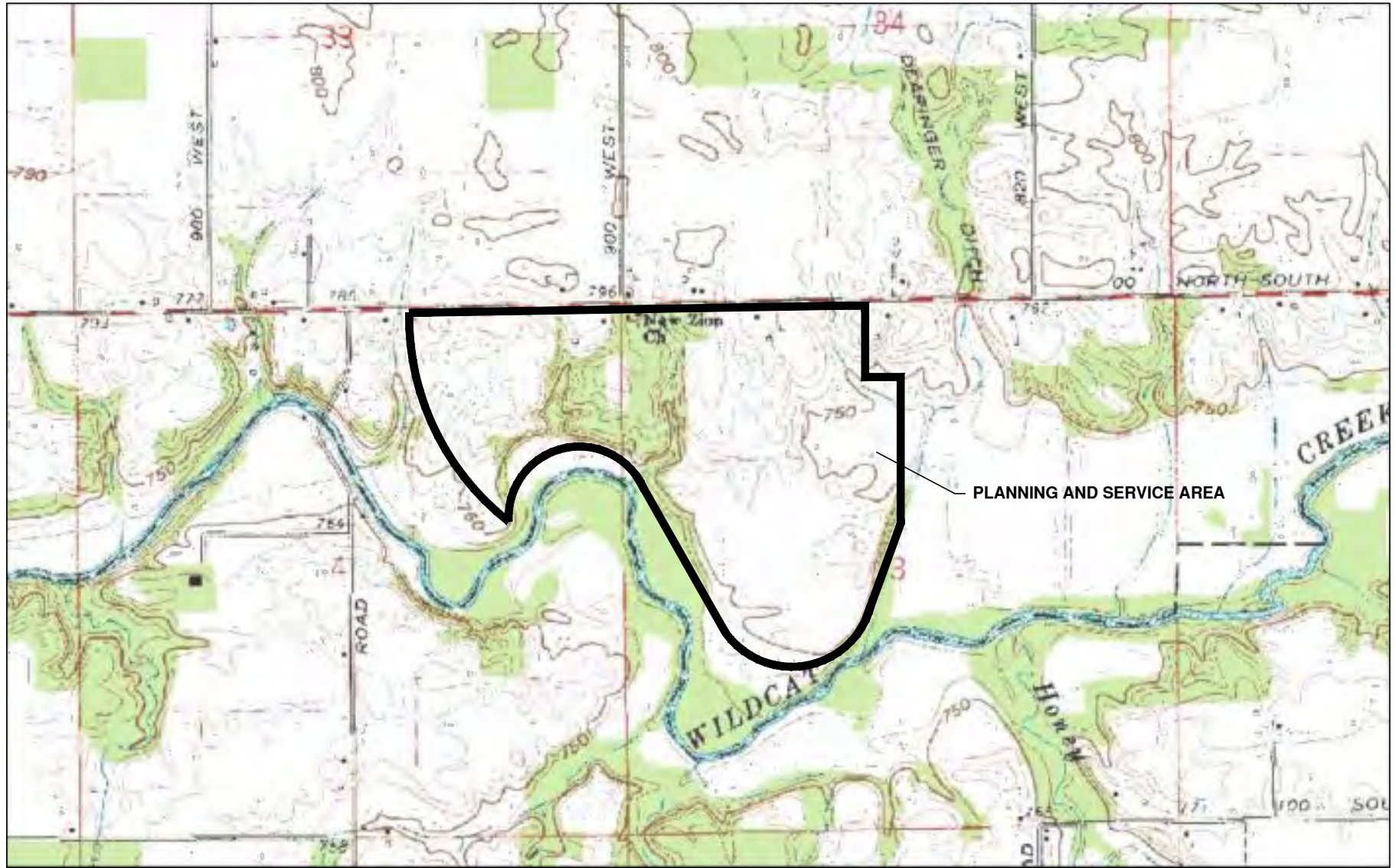
# **APPENDICES**

- A. Figures**
- B. Community Input**
- C. Photographs**
- D. Wastewater Utility Valuation**
- E. IDEM Correspondence**
- F. NPDES Permit**
- G. Financial**

# **APPENDIX A**

## **FIGURES**





RUSSIAVILLE USGS QUADRANGLE MAP

NORTH   
SCALE: 1=16,000

FIGURE 1
LOCATION MAP
GREEN ACRES SUBDIVISION
HOWARD COUNTY
AUGUST, 2019



8308 Thorn Bend Drive  
Indianapolis, IN 46278-5049  
PHONE: (317) 733-0351



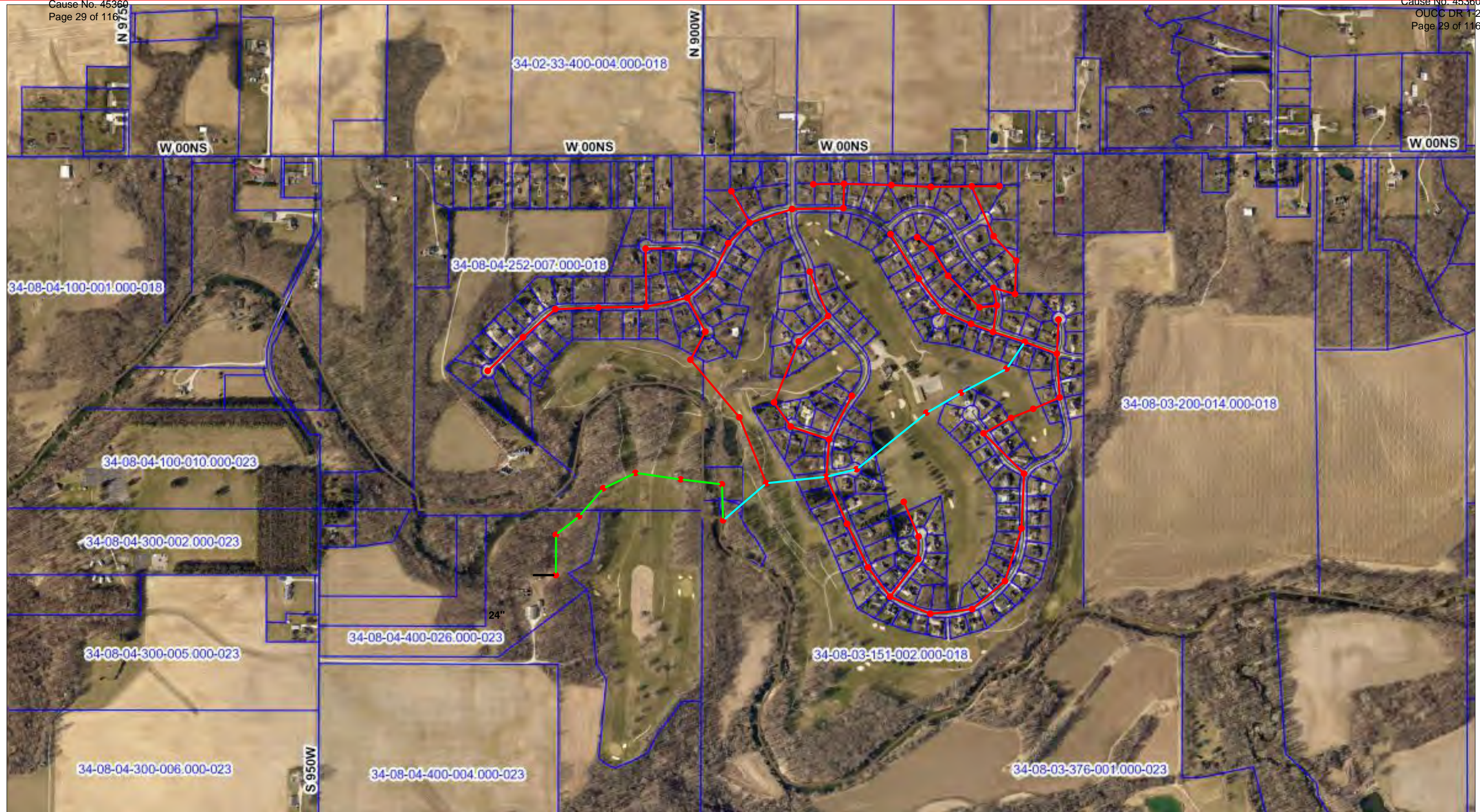
BEACON/SCHNEIDER CORP USGS MAP

NORTH   
SCALE: 1=660

<b>FIGURE 2</b>
<b>AERIAL VIEW</b>
<b>GREEN ACRES</b>
<b>SUBDIVISION</b>
<b>HOWARD COUNTY</b>
<b>AUGUST, 2019</b>



8308 Thorn Bend Drive  
Indianapolis, IN 46278-5049  
PHONE: (317) 733-0351



BEACON/SCHNEIDER CORP USGS MAP

8308 Thorn Bend Drive  
Indianapolis, IN 46278-5049  
PHONE: (317) 733-0351

- - SANITARY MANHOLE
- - 8" SEWER MAIN
- - 12" SEWER MAIN
- - 15" SEWER MAIN
- - 24" SEWER MAIN

NORTH ↑  
SCALE: 1=639

FIGURE 3
WASTEWATER COLLECTION SYSTEM
GREEN ACRES SUBDIVISION
HOWARD COUNTY
AUGUST, 2019



NORTH ↑  
SCALE: 1=1000

FIGURE 4
WWTP SITE LAYOUT
GREEN ACRES SUBDIVISION
HOWARD COUNTY
AUGUST, 2019



8308 Thorn Bend Drive  
Indianapolis, IN 46278-5049  
PHONE: (317) 733-0351

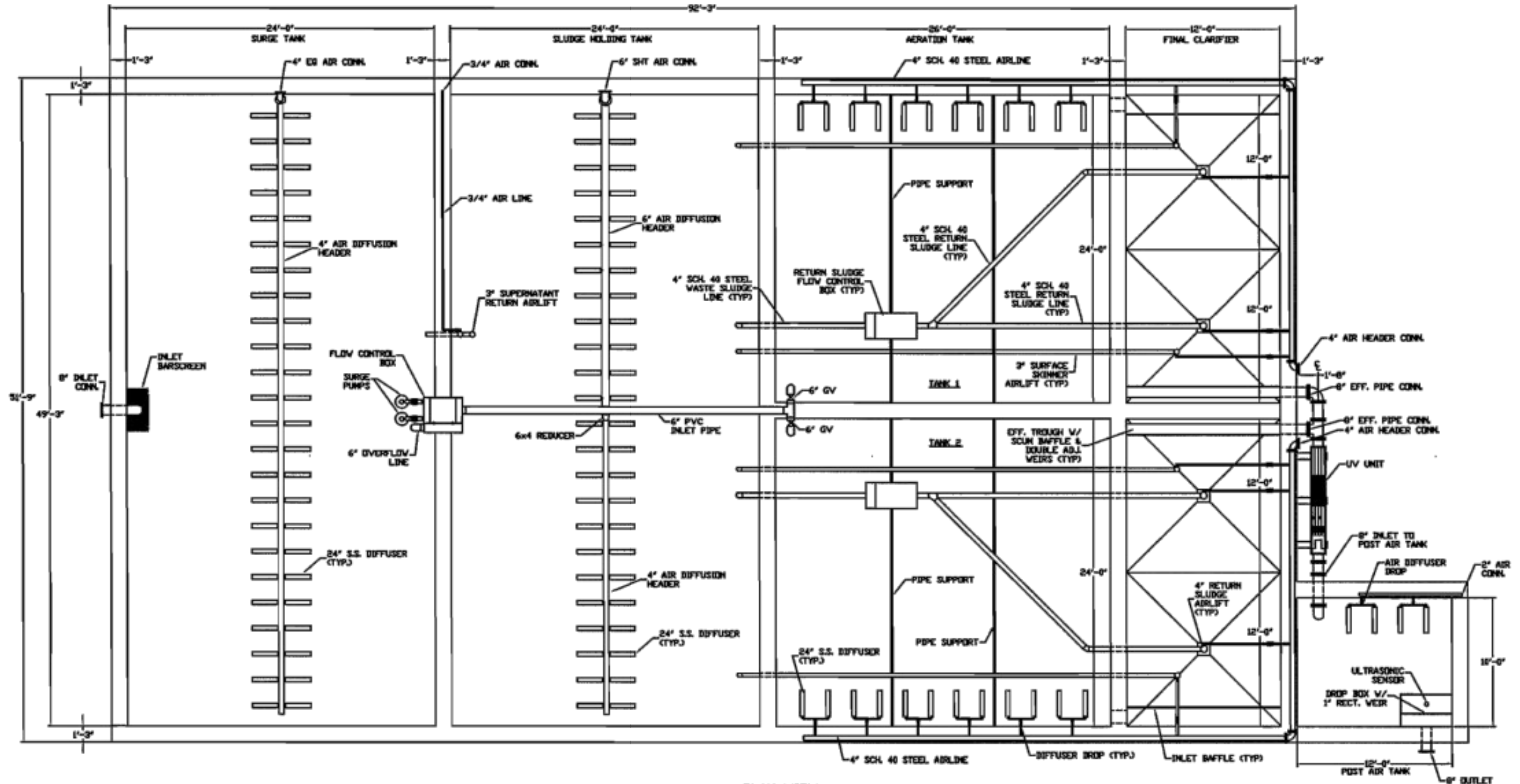


FIGURE PROVIDED BY: HCU

SCALE: 1/8"=1'-0"



8308 Thorn Bend Drive  
 Indianapolis, IN 46278-5049  
 PHONE: (317) 733-0351

FIGURE 5
WWTP LAYOUT
PLAN VIEW
GREEN ACRES
SUBDIVISION
HOWARD COUNTY
AUGUST, 2019

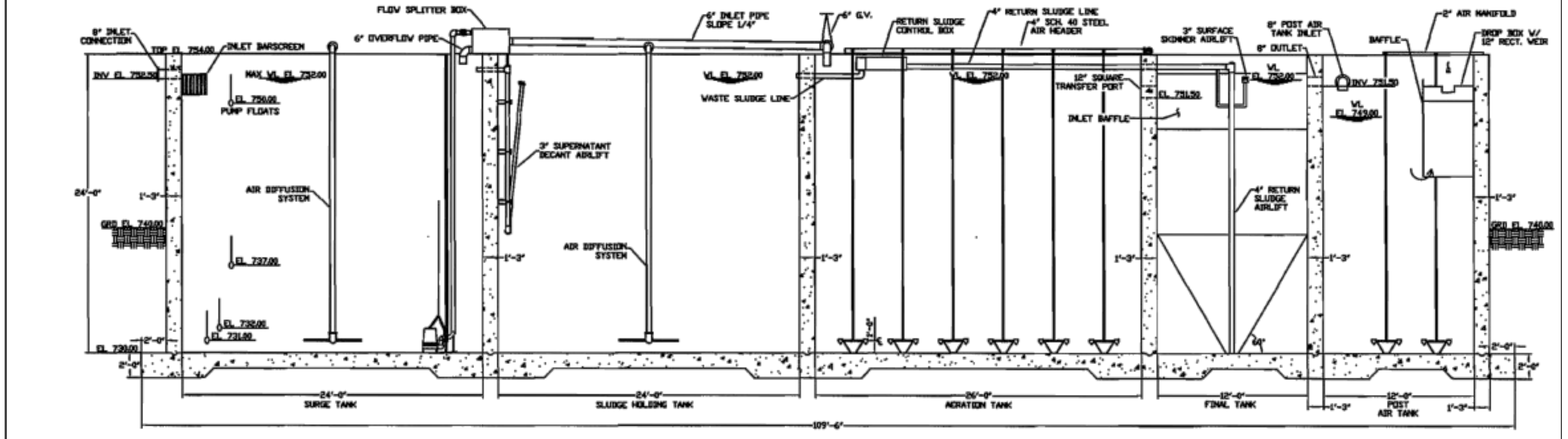


FIGURE PROVIDED BY: HCU

SCALE: 1/8"=1'-0"

8308 Thorn Bend Drive  
Indianapolis, IN 46278-5049  
PHONE: (317) 733-0351

**FIGURE 5**  
WWTP LAYOUT  
SECTION VIEW  
GREEN ACRES  
SUBDIVISION  
HOWARD COUNTY  
AUGUST, 2019

# **APPENDIX B**

## **COMMUNITY INPUT**

### MINUTES FROM GREEN ACRES PUBLIC HEARING

WHO: Green Acres HOA and residents

WHAT: Public hearing to discuss submission of Petition to IDEM

WHERE: Green Acres Community Center, 1300 Green Acres Drive, Kokomo, IN 46901

WHY: Inform GA residents about Petition and address any comments/concerns

WHEN: May 18, 2017 at 7:00 p.m.

Meeting opened by HOA President, Henry Weller, at 7:02 pm. Weller addressed approximately 55 GA residents with opening comments and then introduced HOA Treasurer, Chuck Lewis. All members of the HOA were present. Also in attendance were: Mrs. Joanna Thompson, President, Taylor Regional Sewer District, Paul Wyman, Howard County Commissioner, and Marcus Misinec, Attorney, Bayliff, Harrigan, Cord, Maugans, & Cox P.C.

Chuck Lewis greeted the residents of GA and introduced Mrs. Thompson, Commissioner Wyman, and Attorney Marcus Misinec.

Chuck Lewis then began a PowerPoint presentation (attached) about purchasing the sewer system from Howard County Utilities, Inc. After each slide, Chuck Lewis entertained questions. Few questions were asked until Slide #9, which discussed the potential rate increase if the GA HOA did not purchase the sewer system and Mr. Scott Lods, owner of Howard County Utilities, Inc. was able to obtain authorization from IURC to increase the sewer rates as he did with his Lafayette customers.

Residents were satisfied with the research conducted by the HOA. A question was raised about the GA Golf Course being included in the purchase price. Chuck Lewis and Attorney Misinec explained the SRF process and that if there was any shortfall between the assessment of the sewer system and the purchase price, other funding was going to have to be obtained because SRF would likely not pay for the cost incurred by the golf course being included.

Chuck Lewis went on to describe the remaining steps in obtaining IDEM approval of the Petition as well as securing funding to purchase the sewer system. Residents were supportive of the HOA's efforts and wanted the HOA to continue going forward.



# **APPENDIX C**

# **PHOTOGRAPHS**



**Looking northwest towards WWTP**



**Looking southeast towards Control Building and Blower Building**



**Influent Flow Splitter Box**



**Aeration Tank, One of Two**



**South Secondary Clarifier Under Walkway  
(One of Two)**



**Ultraviolet Disinfection Unit**



**WWTP Looking East**



**Looking Northeast  
Towards Influent Pump Station**



**Blower Building Looking East  
Three of the Five Blowers**



**Break and Locker Room in Control Building**



**Electrical Gear in Control Building**



**Standby Generator**

# **APPENDIX D**

## **WASTEWATER UTILITY VALUATION**

**TABLE 1**  
**REPLACEMENT COST NEW LESS DEPRECIATION**  
**WASTEWATER FACILITIES**  
**HOWARD COUNTY UTILITIES, INC. - GREEN ACRES**

<b>Item</b>	<b>Unit</b>	<b>Qty</b>	<b>Unit Price to Replace</b>	<b>Total Cost to Replace</b>	<b>Useful Life</b>	<b>Year Built</b>	<b>Percent Depreciated</b>	<b>Total Depreciated Cost</b>	<b>Total Cost New Less Depreciation</b>
<b>Wastewater Treatment Plant</b>									
Influent Pump Station									
Earthwork	LS	1	\$ 13,500	\$ 13,500	75	2011	11	\$ 1,440	\$ 12,060
Concrete Structure	CY	114	\$ 600	\$ 68,400	75	2011	11	\$ 7,296	\$ 61,104
Pumps	EA	2	\$ 28,000	\$ 56,000	20	2011	40	\$ 22,400	\$ 33,600
Inline Grinder	EA	1	\$ 20,000	\$ 20,000	15	2011	53	\$ 10,667	\$ 9,333
Piping, Fittings and Valves	LS	1	\$ 25,000	\$ 25,000	75	2011	11	\$ 2,667	\$ 22,333
Force Main to Plant	LF	60	\$ 40	\$ 2,400	50	2011	16	\$ 384	\$ 2,016
Hatches	EA	3	\$ 1,500	\$ 4,500	40	2011	20	\$ 900	\$ 3,600
Treatment Tank									
Earthwork	LS	1	\$ 43,000	\$ 43,000	75	2011	11	\$ 4,587	\$ 38,413
Concrete Structure	CY	880	\$ 600	\$ 528,000	75	2011	11	\$ 56,320	\$ 471,680
Surge Pumps	EA	2	\$ 5,000	\$ 10,000	25	2011	32	\$ 3,200	\$ 6,800
Air Piping/Diffuser Equipment	LS	1	\$ 55,000	\$ 55,000	40	2011	20	\$ 11,000	\$ 44,000
Baffles/Clarifier Cone	LS	1	\$ 40,000	\$ 40,000	40	2011	20	\$ 8,000	\$ 32,000
Piping/Valves	LS	1	\$ 7,000	\$ 7,000	50	2011	16	\$ 1,120	\$ 5,880
Airlift Pump	EA	5	\$ 750	\$ 3,750	25	2011	32	\$ 1,200	\$ 2,550
UV Equipment	EA	1	\$ 40,000	\$ 40,000	25	2011	32	\$ 12,800	\$ 27,200
Flow Meter	EA	1	\$ 1,000	\$ 1,000	15	2011	53	\$ 533	\$ 467
Handrail/Bridge/Stairs	LS	1	\$ 45,000	\$ 45,000	40	2011	20	\$ 9,000	\$ 36,000
18-inch Effluent Sewer and Outfall	LS	1	\$ 20,800	\$ 20,800	50	2011	16	\$ 3,328	\$ 17,472
Blower Building									
Building Structure	SF	2,880	\$ 35	\$ 100,800	40	2011	20	\$ 20,160	\$ 80,640
Blowers	LS	1	\$ 73,000	\$ 73,000	25	2011	32	\$ 23,360	\$ 49,640
Blower Piping	LS	1	\$ 10,000	\$ 10,000	25	2011	32	\$ 3,200	\$ 6,800
Control Building									
Building Structure	SF	960	\$ 75	\$ 72,000	40	2011	20	\$ 14,400	\$ 57,600
Laboratory	LS	1	\$ 20,000	\$ 20,000	15	2011	53	\$ 10,667	\$ 9,333
Standby Generator	EA	1	\$ 62,000	\$ 62,000	40	2011	20	\$ 12,400	\$ 49,600
Electrical/ I & C	LS	1	\$ 200,000	\$ 200,000	20	2011	40	\$ 80,000	\$ 120,000
Mechanical Plumbing	LS	1	\$ 40,000	\$ 40,000	20	2011	40	\$ 16,000	\$ 24,000
Site Work									
Gravel Drive	SF	26,150	\$ 3.00	\$ 78,450	50	2011	16	\$ 12,552	\$ 65,898
Fencing	LF	470	\$ 60	\$ 28,200	50	2011	16	\$ 4,512	\$ 23,688
Erosion Control	LS	1	\$ 20,000	\$ 20,000	50	2011	16	\$ 3,200	\$ 16,800
<b>Collection System</b>									
6-inch, PVC	LF	250	\$ 58	\$ 14,500	50	1985	68	\$ 9,860	\$ 4,640
8-inch	LF	3,820	\$ 58	\$ 221,560	50	1985	68	\$ 150,661	\$ 70,899
8-inch	LF	4,985	\$ 58	\$ 289,130	50	1965	100	\$ 289,130	\$ -
12-inch	LF	248	\$ 85	\$ 21,080	50	1985	68	\$ 14,334	\$ 6,746
12-inch	LF	2,420	\$ 65	\$ 157,300	50	1965	100	\$ 157,300	\$ -
15-inch	LF	1,453	\$ 95	\$ 138,035	50	2011	16	\$ 22,086	\$ 115,949
24-inch	LF	77	\$ 120	\$ 9,240	50	2011	16	\$ 1,478	\$ 7,762
Creek Crossing	LF	218	\$ 300	\$ 65,400	50	2011	16	\$ 10,464	\$ 54,936
Manholes	EA	7	\$ 4,500	\$ 31,500	50	2011	16	\$ 5,040	\$ 26,460
Manholes	EA	25	\$ 3,500	\$ 87,500	50	1985	68	\$ 59,500	\$ 28,000
Manholes	EA	52	\$ 3,500	\$ 182,000	50	1965	100	\$ 182,000	\$ -
Dewatering for 2011 Sewer	LF	1,996	\$ 90	\$ 179,640	50	2011	16	\$ 28,742	\$ 150,898
<b>Laterals</b>									
Laterals - 4"	EA	80	\$ 500	\$ 40,000	50	1985	68	\$ 27,200	\$ 12,800
Laterals - 4"	EA	131	\$ 500	\$ 65,500	50	1965	100	\$ 65,500	\$ -
Laterals - 6"	EA	1	\$ 550	\$ 550	50	1965	100	\$ 550	\$ -
<b>WWTP Property</b>									
				\$ 12,600				\$ 12,600	\$ 12,600
<b>Inventory</b>									
	LS	1		\$ 5,000	50	2018	0	\$ -	\$ 5,000
<b>Mobilization, Demobilization, Bonds, Etc. (7%)</b>									
				\$ 223,351				\$ 96,680	\$ 126,672
<b>Non-Construction (15%)</b>									
				\$ 478,610				\$ 207,171	\$ 271,440
<b>Total</b>				<b>\$ 3,910,297</b>				<b>\$ 1,697,588</b>	<b>\$ 2,225,309</b>

# **APPENDIX E**

## **IDEM CORRESPONDENCE**



## INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

*We Protect Hoosiers and Our Environment.*

100 N. Senate Avenue • Indianapolis, IN 46204  
(800) 451-6027 • (317) 232-8603 • [www.idem.IN.gov](http://www.idem.IN.gov)

**Eric J. Holcomb**  
Governor

**Bruno Pigott**  
Commissioner

August 28, 2018

Via Email to: [asu-inc@hotmail.com](mailto:asu-inc@hotmail.com)  
Mr. Scott Lods, President  
Howard County Utilities, Inc.  
3350 W 250 N  
West Lafayette, Indiana 47906

Dear Mr. Lods:

Re: **No Response Letter**  
Howard County Utilities, Inc. WWTP  
NPDES Permit No. IN0063754  
Russiaville, Howard County

An inspection of the above-referenced facility or location was conducted on July 18<sup>th</sup>, 2018 by a representative of the Indiana Department of Environmental Management pursuant to IC 13-18-3-9.

Your facility was sent a Non-Compliance Letter concerning issues observed during the above noted inspection. The letter and inspection report are enclosed. A written detailed response documenting the corrections required in the inspection was due thirty (30) days from receipt of the Non-Compliance Letter and to date, no response has been received.

Within 20 days of receipt of this letter, a written detailed response to our July 26<sup>th</sup>, 2018 letter must be submitted to this office. Please direct your response to this letter to the attention of Bridget S. Murphy, at our letterhead address or via email to [wwViolationResponse@idem.IN.gov](mailto:wwViolationResponse@idem.IN.gov). Any questions should be directed to Aaron Deeter at 317-691-1915 or by email to [adeeter@idem.in.gov](mailto:adeeter@idem.in.gov). Thank you for your attention to this matter.

Sincerely,

Bridget S. Murphy, Section Chief  
Wastewater Inspection Section  
Compliance Branch  
Office of Water Quality

CC:  
Aaron Deeter, Field Inspector





## Indiana Department of Environmental Management

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(800) 451-6027 • (317) 232-8603 • www.idem.IN.gov

**Eric J. Holcomb**  
*Governor*

**Bruno Pigott**  
*Commissioner*

July 26, 2018

Via Email to: asu-inc@hotmail.com  
Mr. Scott Lods, President  
Howard County Utilities, Inc.  
3350 West 250 North  
West Lafayette, Indiana 47906

Dear Mr. Lods:

**Re: Inspection Summary/ Noncompliance Letter**  
Howard County Utilities, Inc. WWTP  
NPDES Permit No. IN0063754  
Russiaville, Howard County

An inspection of the above-referenced facility or location was conducted by a representative of the Indiana Department of Environmental Management, Office of Water Quality, pursuant to IC 13-18-3-9. A summary of the inspection is provided below:

Date(s) of Inspection: July 18, 2018  
Type of Inspection: Compliance Evaluation Inspection  
Inspection Results: Violations were observed.

The following concerns were noted:

Maintenance was rated as unsatisfactory due to the facility experiencing excessive inflow and infiltration (I/I) in the collection system which hydraulically overloads the wastewater treatment plant's rated capacity. This is a violation of Part II. B. 1 of the permit which states, in part, that all waste collection, control, treatment, and disposal facilities shall be operated as efficiently as possible and in a manner which will minimize upsets and discharges of excessive pollutants, with adequate operating staff which is duly qualified to carry out the operation, maintenance, and testing functions required to ensure compliance with the conditions of this permit. This includes the facility's collection system.

A review of the facility's MROs revealed that the facility was above 90% of its plant capacity in six out of the twelve months and above 100% in four of those months of MROs reviewed. The facility averaged 91% of its plant capacity in 2017 and has an averaged of 89% for the first five months 2018. **The facility needs to identify possible sources of I/I in the sanitary collection system and eliminate them from the system.**

Maintenance was rated as **marginal** due to several pieces of equipment being out of service or needing repaired at the time of inspection. At the time of the inspection it was noted that the facility had three out of the five blowers out of service due to mechanical repairs. The blowers out of service appeared to be in the process of being repaired. Also the air supply lines to both air lift return pumps appeared to have a small air leak in each clarifier. **You need to look into repairing the air leaks before they become major air leaks.**

Part II. A. 1. of your permit requires you to comply with its terms and conditions. Any noncompliance with the terms of your permit may subject you to an enforcement action which can include the imposition of penalties. You are required to immediately take all necessary measures to comply with the terms and conditions of your NPDES Permit, specifically those violations identified above.

Within 30 days of receipt of this letter, a written detailed response documenting correction of the concerns listed above and/or a plan for assuring future compliance must be submitted to this office. Failure to respond adequately to this letter may result in formal enforcement action. Please direct your response to this letter to the attention of Bridget S. Murphy, at our letterhead address or via email to [wwViolationResponse@idem.IN.gov](mailto:wwViolationResponse@idem.IN.gov). Any questions should be directed to Aaron Deeter at 317-691-1915 or by email to [adeeter@idem.IN.gov](mailto:adeeter@idem.IN.gov). Thank you for your attention to this matter.

Sincerely,



Bridget S. Murphy, Inspections Section Chief  
Compliance Branch  
Office of Water Quality

Enclosure



## NPDES Wastewater Facility Inspection Report

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

NPDES Permit Number: <b>IN0063754</b>		Facility Type: Mixed Ownership		Facility Classification: Minor		TEMPO AI ID 105678	
Date(s) of Inspection: July 18, 2018							
Type of Inspection: Compliance Evaluation Inspection							
Name and Location of Facility Inspected: <b>Howard County Utilities, Inc. WWTP</b> 678 S CR 950 W Russiaville IN 46979				Receiving Waters: Wildcat Creek		Permit Expiration Date: 3/31/2021	
County: Howard						Design Flow: 0.200MGD	
On Site Representative(s): First Name: Doug Last Name: Whitman Title: Contract Certified Operator Email: dougwhitman83@hotmail.com Phone: 317-331-0511							
Was a verbal summary of findings presented to the on-site representative? <b>Yes</b>							
Certified Operator: Doug Whitman		Number: 13968	Class: IV	Effective Date: 7-1-17	Expiration Date: 6-30-19	Email: dougwhitman83@hotmail.com	
Responsible Official: Mr. Scott Lods, President 3350 West 250 North West Lafayette, Indiana 47906				Permittee: Howard County Utilities, Inc. Email: asu-inc@hotmail.com Phone: 765-463-3856 Fax:		Contacted? No	
<b>INSPECTION FINDINGS</b>							
<input type="radio"/> Conditions evaluated were found to be satisfactory at the time of the inspection. (5) <input type="radio"/> Violations were discovered but corrected during the inspection. (4) <input type="radio"/> Potential problems were discovered or observed. (3) <input checked="" type="radio"/> Violations were discovered and require a submittal from you and/or a follow-up inspection by IDEM. (2) <input type="radio"/> Violations were discovered and may subject you to an appropriate enforcement response. (1)							
<b>AREAS EVALUATED DURING INSPECTION</b>							
<i>(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)</i>							
S	Receiving Waters	S	Facility/Site	S	Self-Monitoring	N	Compliance Schedules
S	Effluent Appearance	S	Operation	S	Flow Measurement	N	Pretreatment
S	Permit	U	Maintenance	S	Laboratory	S	Effluent Limits Compliance
S	Collection System	N	Sludge	S	Records/Reports	N	Other:
<b>DETAILED AREA EVALUATIONS</b>							
<b>Receiving Waters:</b>							
S 1. The receiving stream was visibly free of excessive deposits of settled solids, floating debris, oil, scum, or billowy foam.							
Comments: The receiving stream was observed at the outfall structure and was free of notable foam, algae, sheen, or solids.							
<b>Effluent Appearance:</b>							
S 1. Treated effluent was free of excessive solids, floating debris, oil, scum, or billowy foam.							
Comments: The effluent was observed at the final flow meter and outfall structure and it was clear and free of color at the time of the inspection.							
<b>Permit:</b>							
S 1. Did the facility have a current copy of the permit available for reference?							
N 2. If the permit expires within 180 days, has a renewal application been submitted?							
S 3. Receiving waters were accurately described in permit.							

N 4. The permit has been properly transferred if there is a new owner.

Comments:

The facility has a valid permit and the facility description and receiving stream is accurate. A copy of the permit was available for review at the time of inspection.

**Collection System:**

N 1. CSO's were found to be adequately monitored and maintained.

S 2. Evaluation of maintenance-related (clogged or blocked lines) overflow events in last 12 months.

S 2. Evaluation of hydraulic (I&I) overflow events in last 12 months.

N 3. Facility has met SSO and dry weather CSO reporting requirements

N 4. Any adverse impacts from SSO and CSO events have been properly mitigated.

Comments:

Facility's collection system is comprised of 100% separate sanitary sewers by design with no overflow or bypass points. There have not been any reported SSO events in the last twelve months.

**Facility/Site:**

S 1. The facility was found to have standby power or equivalent provision.

S 2. An adequate alarm or notification system for power or equipment failure was available for the treatment facility and lift stations.

S 3. Safe and adequate access was provided for inspection of all units and outfalls.

S 4. Facilities and equipment did not appear beyond their useful life.

5. List any safety concerns:

Comments:

The facility grounds are well maintained and access to the units of treatment was adequate. The outfall was barely accessible due to the tall weeds and woody vegetation, so the facility needs to maintain a clearer path for future inspections. The facility has an onsite generator that is automatically tested every Tuesday for its readiness during power outages. The units of treatment and the lift station at the treatment plant are all monitored by an auto-dialer system that contacts facility personnel when problems occur.

**Operation:**

S 1. All facilities and systems necessary for achieving compliance with the terms and conditions of the permit were operated efficiently, including a report for an anticipated bypass report for steps of treatment taken out of service.

S 2. An adequate, qualified operating staff was found to be provided to carry out the operation of the facility, including:

a. Certified Operator's on-site attendance and/or qualified operations personnel attendance was adequate.

b. Adequate documentation of operational activities, including system monitoring and cleaning.

c. Adequate funding to ensure proper operation.

S 3. Solids handling procedures include.

a. Sufficient solids wasted from the treatment system, in a timely manner, to maintain process efficiency.

b. Wasting of solids based on appropriate operational targets and valid process control testing.

c. Adequate documentation of solids removal, handling, or control was available for review.

N 4. The facility was found to be operated efficiently during wet weather events.

Comments:

All units of treatment appeared to be operating efficiently at the time of inspection. Good mixing and color was noted in both the EQ tank and in the aeration tank. The two secondary clarifiers were clear and free of algae with slight duck weed and debris on the surface of both clarifiers, but they both appeared to be operating efficiently. The UV system was in service and appeared to be operating correctly at the time of the inspection. Sludge wasting appeared to be adequate at the time of the inspection.

**Maintenance:**

S 1. A maintenance record system has been established and includes maintenance/repair history and preventative maintenance plan.

M 2. Facility maintenance activities appeared to be adequate.

S 3. Lift stations were found to be adequately inspected, cleaned, and maintained, with adequate documentation of activities.

U 4. Collection system maintenance activities appeared to be adequate.

Comments:

Maintenance was rated as **unsatisfactory** due to the facility experiencing excessive inflow and infiltration (I/I) in the collection system, which hydraulically overloads the wastewater treatment plant. This is a violation of Part II. B. 1 of the permit which states, in part, that all waste collection, control, treatment, and disposal facilities shall be operated as efficiently as possible and in a manner which will minimize upsets and discharges of excessive

pollutants, with adequate operating staff which is duly qualified to carry out the operation, maintenance, and testing functions required to ensure compliance with the conditions of this permit. This includes the facility's collection system.

A review of the facility's MROs revealed that the facility was above 90% of its plant capacity in six out of the twelve months and above 100% in four of those months of MROs reviewed. The facility averaged 91% of its plant capacity in 2017 and has an averaged of 89% for the first five months 2018. The facility needs to identify possible sources of I/I in the sanitary collection system and eliminate them from the system.

Maintenance was rated as **marginal** due to several pieces of equipment being out of service or needing to be repaired at the time of inspection. At the time of the inspection it was noted that facility had three out of the five blowers out of service due to mechanical repairs. The blowers out of service appeared to be in the process of being repaired. Also the air supply lines to both air lift return pumps appeared to have a small air leak in each clarifier. **The facility needs to look into repairing the air leaks before they become major air leaks.**

---

**Sludge:**

N 1. Sludges, screenings, and slurries were found to be handled and disposed of properly.

Comments:

Sludge Disposal was not rated due to the facility not having to dispose of any sludge, screenings, or slurries since the last inspection.

---

**Self-Monitoring:**

S 1. Samples were found to be taken at pre-designated locations and were found to be representative.

S 2. Flow-proportioned samples were found to be obtained where needed.

S 3. The facility was found to conduct sampling of all waste streams, including type and frequency, as required in the permit.

S 4. Sample collection procedures, including automatic sampling, were found to include:

- a. Samples refrigerated during compositing.
- b. Proper preservation techniques used.
- c. Containers and holding times conformed to 40 CFR 136.3.

S 5. Sample documentation was found to be adequate and included:

- a. Dates, times, and locations of sampling.
- b. Name of individual performing sampling.
- c. Instantaneous flow for flow-weighted aliquots.
- d. Chain of Custody records.

N 6. NPDES Permit Whole Effluent Toxicity (WET) testing requirements were found to be met.

Comments:

The Self-Monitoring Program was rated as satisfactory. All sampling practices, including raw and intermediate unit process testing, are conducted accurately and at the frequency required by the permit. Raw, intermediate unit treatment and final sampling locations are representative of the waste stream sampled. Final effluent samples are accurately flow proportioned composites where required by permit.

---

**Flow Measurement:**

S 1. Flow was found to be properly monitored as required by the permit.

S 2. Flow data and calibration records were available for review.

Comments:

The facility's flow measurement program, including all documentation, is adequate and representative. The effluent flow meter was last calibrated on 3-26-18 by B.L. Anderson.

---

**Laboratory:**

The following laboratory records were reviewed:

D. O. Bench Sheets	Flow Proportion Data Sheet	CBOD Bench Sheets
TSS Bench Sheets	Ammonia Bench Sheets	pH Bench Sheets
E. coli Bench Sheets	pH/DO Calibration Log	

S 1. The laboratory practices and protocol reviewed were adequate, including:  
a. A written laboratory QA/QC manual was available.

- b. Samples were found to be properly stored.
- c. Approved analytical methods were found to be used.
- d. Calibration and maintenance of instruments was found to be adequate.
- e. QA/QC procedures were found to be adequate.
- f. Dates of analyses (and times where required) were recorded.
- g. Name of person performing analyses was recorded.

S 2. Review of lab records and/or on-site field testing equipment and protocols was found to be adequate.

### Contract Lab Information

Richard Kain Lab/Chrysler lab

Jonesboro, IN/Kokomo, IN

Comments:

Analyses for pH is performed on-site with all other parameters of the permit being performed at the contract lab. The parameters of *E. Coli* and CBOD are being performed at the Richard Kain lab with all other parameters of the permit being performed at the operators full time job's lab (Chrysler Transmission Plant). All applicable bench sheets and contract reports on site were reviewed, and all appeared to be accurate and complete. The actual contract labs were not evaluated during the inspection, but review of the bench sheets and contract reports was enough to rate lab as satisfactory. The bench sheets observed documented the person performing analysis and sampling, QA/QC procedures (blanks and duplicates), and dates and times of analysis.

### Records/Reports:

The following records/reports were reviewed:

DMRs for the period of June 2017 to May 2018 were reviewed as part of the inspection.

S 1. All facility records for the period including the previous three years were available for review.

S 2. DMRs and MROs were found to be completed properly and accurately including:

- a. "No Ex" column was accurate.
- b. Signatory requirements were met.
- c. Reports were prepared by or under the direction of a certified operator.

N 3. Bypass and Noncompliance reporting were found to be adequate.

Comments:

The requested records were available and appear complete and accurate. The facility has been reporting electronically each month with NetDMR since May 2016.

### Compliance Schedules:

N 1. The NPDES Permit Schedule of Compliance monitoring and reporting milestones have been met.

N 2. Agreed Order compliance milestones have been met.

Comments:

There is no Schedule of Compliance in the current permit, and there is no Agreed Order.

### Pretreatment:

N 1. No evidence of interference from industrial or other sources of toxic substances was noted.

N 2. For both Delegated and Non-Delegated pretreatment programs:

- a. Industrial or commercial dischargers were found to be regulated as required.
- b. The permittee was found to enforce the Sewer Use Ordinance (SOU) and the Enforcement Response Plan (ERP).

N 3. If the non-delegated permittee accepts hauled waste:

- a. Does the POTW provide written permission to haulers?
- b. Does the POTW obtain samples from each hauled waste load and retain them for at least 48 hours?
- c. Does the POTW retain records of each load?

Comments:

The facility has no industrial sources.

### Effluent Limits Compliance:

Yes 1. Were DMRs reviewed as part of the inspection?

DMRs for the period of June 2017 to May 2018 were reviewed as part of the inspection.

No 2. Were violations noted during the review of DMRs?

Comments:

A records review during the inspection indicated no effluent violations have been reported during the period reviewed.

### IDEM REPRESENTATIVE

Inspector Name:

Email:

Phone Number:

Aaron Deeter

adeeter@idem.IN.gov

317-691-1915

**IDEM MANAGER REVIEW**

IDEM Manager:

Date:

Bridget S. Murphy

7/23/2018

09/10/2018

[WWWViolationResponse@idem.IN.gov](mailto:WWWViolationResponse@idem.IN.gov)

RE: Inspection Summary/Noncompliance Letter  
American Suburban Utilities  
Green Acres W.W.T.P.  
Howard County Utilities, Inc.  
West Lafayette, Tippecanoe County, Indiana  
NPDES Permit No. IN0063754  
Project No. 18-001GA-01

Bridget:

In response to the July 18, 2018 inspection of the Howard County Utilities, Inc. Green Acres Wastewater Treatment Plant, please note that the following responses by Howard County Utilities to the comments listed in IDEM's letter of July 26, 2018.

**IDEM COMMENT 1:**

Maintenance was rated as unsatisfactory due to the facility experiencing excessive inflow and infiltration (I/I) in the collection system which hydraulically overloads the wastewater treatment plant's rated capacity. This is a violation of Part II. B. 1 of the permit which states, in part, that all waste collection, control, treatment, and disposal facilities shall be operated as efficiently as possible and in a manner which will minimize upsets and discharges of excessive pollutants, with adequate operating staff which is duly qualified to carry out the operation, maintenance, and testing functions required to ensure compliance with the conditions of this permit. This includes the facility's collection system.

A review of the facility's MROs revealed that the facility was above 90% of its plant capacity in six out of twelve months and above 100% in four of those months of MROs reviewed. The facility averaged 91% of its plant capacity in 2017 and has an average of 89% for the first five months 2018. The facility needs to identify possible sources of I/I in the sanitary collection system and eliminate them from the system.

**HCU Response**

Howard County Utilities is requesting an opportunity to meet with Ms. Bridget Murphy, Section Chief, Mr. Aaron Deeter, Field Inspector, and any other interested Compliance



Branch Staff to discuss the current Infiltration and Inflow (I/I) situation in the Howard County Collection System.

Please email our office at [slods@asucorp.com](mailto:slods@asucorp.com) or call at 765-463-4449 to set up a meeting.

### **IDEM Comment 2**

Maintenance was rated as marginal due to several pieces of equipment being out of service or needing repair at the time of inspection. At the time of the inspection it was noted that the facility had three out of the five blowers out of service due to mechanical repairs. The blowers out of service appeared to be in the process of being repaired. Also, the air supply lines to both air lift return pumps appeared to have a small air leak in each clarifier. You need to look into repairing the air leaks before they become major air leaks.

### **HCU Response**

- a. Currently two (2) of the five (5) aeration blowers are sufficient to operate the Wastewater Treatment Plant. The remaining three (3) blowers had their V-belt drives disconnected so that these blowers can be easily rotated to ensure that their gears and bearings are lubricated as recommended by the blower manufacturer's representative (Power Equipment Company of Terre Haute, Indiana). Any one of these three (3) blowers can be placed on line in less than a day if required.
- b. All the air leaks in the aeration piping including the air lift piping have been repaired.

Thank you and please do not hesitate to contact us if we can be of any additional assistance.

Very truly yours,

Edward Serowka, P.E.

# **APPENDIX F**

## **NPDES PERMIT**



## INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

*We Protect Hoosiers and Our Environment.*

100 N. Senate Avenue • Indianapolis, IN 46204  
(800) 451-6027 • (317) 232-8603 • [www.idem.IN.gov](http://www.idem.IN.gov)

**Michael R. Pence**  
Governor

**Carol S. Comer**  
Commissioner

VIA ELECTRONIC MAIL

January 7, 2016

Mr. Scott Lods, President  
Howard County Utilities, Inc.  
3350 West 250 North  
West Lafayette, IN 47906

Dear Mr. Lods:

Re: Final NPDES Permit No. IN0063754  
Howard County Utilities Wastewater Treatment Plant  
Howard County

Your application for a National Pollutant Discharge Elimination System (NPDES) permit has been processed in accordance with Sections 402 and 405 of the Federal Water Pollution Control Act as amended, (33 U.S.C. 1251, et seq.), and IDEM's permitting authority under IC 13-15. The enclosed NPDES permit covers your discharges to Wildcat Creek. All discharges from this facility shall be consistent with the terms and conditions of this permit.

One condition of your permit requires monthly reporting of several effluent parameters. Reporting is to be done on the applicable state Monthly Report of Operation (MRO) form. This form is available on the internet at the following web site:

<http://in.gov/idem/cleanwater/2339.htm>

Once you are on this page, select the "IDEM Forms" page and locate the version of the MRO applicable to your plant under the "Wastewater Facilities" heading. We recommend selecting the "XLS" version as it will complete all of the calculations on the data entered.

Additionally, if you are not already using NetDMR, you will soon be receiving an email with a supply of the federal NPDES DMR form attached. Both the state and federal forms need to be completed and submitted. If you do not receive the DMR forms in a timely manner, please call this office at 317/232-8670. Please note that IDEM will no longer accept paper DMR or MRO forms after December 31, 2016. After that date all NPDES permit holders will be required to submit their monitoring data to IDEM using NetDMR.

Another condition which needs to be clearly understood concerns violation of the effluent limitations in the permit. Exceeding the limitations constitutes a violation of the permit and may bring criminal or civil penalties upon the permittee. (See Part II.A.1 and II.A.11 of this permit). It is very important that your office and treatment operator understand this part of the permit.

Mr. Scott Lods, President  
Page 2

Please note that this permit issuance can be appealed. An appeal must be filed under procedures outlined in IC 13-15-6, IC 4-21.5, and the enclosed public notice. The appeal must be initiated by you within 18 days from the date this letter is postmarked, by filing a request for an adjudicatory hearing with the Office of Environmental Adjudication (OEA), at the following address:

Office of Environmental Adjudication  
Indiana Government Center North  
100 North Senate Avenue, Room 501  
Indianapolis, IN 46204

Please send a copy of any such appeal to me at IDEM, Office of Water Quality-Mail Code 65-42, 100 North Senate Avenue, Indianapolis, Indiana 46204-2251.

The permit should be read and studied. It requires certain action at specific times by you, the discharger, or your authorized representative. One copy of this permit is also being sent to your operator to be kept at the treatment facility. You may wish to call this permit to the attention of your consulting engineer and/or attorney.

If you have any questions concerning your NPDES permit, please contact Jay Hanko at 317/233-0704. Questions concerning appeal procedures should be directed to the Office of Environmental Adjudication, at 317/232-8591.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Higginbotham", with a long horizontal flourish extending to the right.

Paul Higginbotham  
Deputy Assistant Commissioner  
Office of Water Quality

Enclosures

cc: William D. Whitman Jr., Certified Operator

**Briefing Memo**  
November 4, 2015

Howard County Utilities Wastewater Treatment Plant  
located at 678 South 950 West, Russiaville, Indiana in Howard County

<u>Outfall Location</u>	Latitude: 40° 27' 47.6" N
	Longitude: 86° 17' 42.6" W

NPDES Permit No. IN0063754

**Background**

This is the proposed renewal of the NPDES permit for the Howard County Utilities Wastewater Treatment Plant which was issued on March 11, 2011 and has an expiration date of March 31, 2016. The permittee submitted an application for renewal which was received on September 29, 2015.

The permittee currently operates a Class II, 0.2 MGD extended aeration treatment facility consisting of a comminutor, flow equalization, two aeration basins, two final clarifiers, ultraviolet light disinfection, post aeration, and flow measurement. Solids are stored in a sludge holding tank until disposal.

**Collection System**

The collection system is comprised of 100% separate sanitary sewers by design with no overflow or bypass points.

**Spill Reporting Requirements**

Reporting requirements associated with the Spill Reporting, Containment, and Response requirements of 327 IAC 2-6.1 are included in Part II.B.2.c. and Part II.C.3. of the NPDES permit. Spills from the permitted facility meeting the definition of a spill under 327 IAC 2-6.1-4(15), the applicability requirements of 327 IAC 2-6.1-1, and the Reportable Spills requirements of 327 IAC 2-6.1-5 (other than those meeting an exclusion under 327 IAC 2-6.1-3 or the criteria outlined below) are subject to the Reporting Responsibilities of 327 IAC 2-6.1-7.

It should be noted that the reporting requirements of 327 IAC 2-6.1 do not apply to those discharges or exceedences that are under the jurisdiction of an applicable permit when the substance in question is covered by the permit and death or acute injury or illness to animals or humans does not occur. In order for a discharge or exceedence to be under the jurisdiction of this NPDES permit, the substance in question (a) must have been discharged in the normal course of operation from an outfall listed in this permit, and (b) must have been discharged from an outfall for which the permittee has authorization to discharge that substance.

### **Solids Disposal**

The permittee is required to dispose of its sludge in accordance with 329 IAC 10, 327 IAC 6.1, or 40 CFR Part 503.

### **Receiving Stream**

The facility discharges to Wildcat Creek via Outfall 001. The receiving water has a seven day, ten year low flow ( $Q_{7,10}$ ) of 16 cubic feet per second (10 MGD) at the outfall location. This provides a dilution ratio of receiving stream flow to treated effluent of 50:1.

Wildcat Creek is designated for full body contact recreational use and shall be capable of supporting a well-balanced warm water aquatic community in accordance with 327 IAC 2-1.

### **Industrial Contributions**

There is no industrial flow to the wastewater treatment plant. This NPDES permit does not authorize the facility to accept industrial contributions until the permittee has provided the Indiana Department of Environmental Management with a characterization of the waste, including volume amounts, and this Office has determined whether effluent limitations are needed to ensure the State water quality standards are met in the receiving stream.

### **Antidegradation**

327 IAC 2-1.3 outlines the state's Antidegradation Standards and Implementation Procedures. The Tier 1 antidegradation standard found in 327 IAC 2-1.3-3(a) applies to all surface waters of the state regardless of their existing water quality. Based on this standard, for all surface waters of the state, existing uses and the level of water quality necessary to protect existing uses shall be maintained and protected. IDEM implements the Tier 1 antidegradation standard by requiring NPDES permits to contain effluent limits and best management practices for regulated pollutants that ensure the narrative and numeric water quality criteria applicable to the designated use are achieved in the water and any designated use of the downstream water is maintained and protected.

The Tier 2 antidegradation standard found in 327 IAC 2-1.3-3(b) applies to surface waters of the state where the existing quality for a parameter is better than the water quality criterion for that parameter established in 327 IAC 2-1-6. These surface waters are considered high quality for the parameter and this high quality shall be maintained and protected unless the commissioner finds that allowing a significant lowering of water quality is necessary and accommodates important social or economic development in the area in which the waters are located. IDEM implements the Tier 2 antidegradation standard for regulated pollutants with numeric water quality criteria quality adopted in or developed pursuant to 327 IAC 2-1 and utilizes the antidegradation implementation procedures in 327 IAC 2-1.3-5 and 2-1.3-6.

According to 327 IAC 2-1.3-1(b), the antidegradation implementation procedures in 327 IAC 2-1.3-5 and 2-1.3-6 apply to a proposed new or increased loading of a regulated pollutant to surface waters

of the state from a deliberate activity subject to the Clean Water Act, including a change in process or operation that will result in a significant lowering of water quality.

The NPDES permit does not propose to establish a new or increased loading of a regulated pollutant; therefore, the Antidegradation Implementation Procedures in 327 IAC 2-1.3-5 and 2-1.3-6 do not apply to the permitted discharge.

### **Effluent Limitations and Rationale**

The effluent limitations proposed herein are based on Indiana Water Quality Standards, NPDES regulations, and a Wasteload Allocation (WLA) analysis performed by this Office's Permits Branch staff on July 17, 2008. These limits are in accordance with antibacksliding regulations specified in 327 IAC 5-2-10(a)(11)(A). Monitoring frequencies are based upon facility size and type.

The final effluent limitations to be limited and/or monitored include: Flow, Carbonaceous Biochemical Oxygen Demand (CBOD<sub>5</sub>), Total Suspended Solids (TSS), Ammonia-nitrogen (NH<sub>3</sub>-N), pH, and *Escherichia coli* (*E. coli*).

Dissolved Oxygen (DO) limitations have not been included in the permit due to the high dilution afforded by the receiving stream.

### **Final Effluent Limitations**

The disinfection season runs from April 1 through October 31 of each year. The mass limits for CBOD<sub>5</sub>, TSS, and ammonia-nitrogen are calculated by multiplying the average design flow (in MGD) by the corresponding concentration value and by 8.345.

### **Influent Monitoring**

The raw influent and the wastewater from intermediate unit treatment processes, as well as the final effluent shall be sampled and analyzed for the pollutants and operational parameters specified by the applicable Monthly Report of Operation Form, as appropriate, in accordance with 327 IAC 5-2-13 and Part I.B.2 of the permit. Except where the permit specifically states otherwise, the sample frequency for the raw influent and intermediate unit treatment process shall be at a minimum the same frequency as that for the final effluent. The measurement frequencies specified in each of the tables in Part I.A. are the minimum frequencies required by the permit.

### **Flow**

Flow is to be measured five (5) times weekly as a 24-hour total. Reporting of flow is required by 327 IAC 5-2-13.



### CBOD<sub>5</sub>

CBOD<sub>5</sub> is limited to 25 mg/l (42 lbs/day) as a monthly average and 40 mg/l (67 lbs/day) as a weekly average. The permit requires a monthly average percent removal of not less than 85%. The percent removal is to be calculated from a comparison of raw influent to final effluent sampling results and is to be reported as a monthly average.

Monitoring is to be conducted three (3) times weekly by 24-hour composite sampling. The CBOD<sub>5</sub> concentration limitations included in this permit are set in accordance with the Wasteload Allocation (WLA) analysis performed by this Office's Permits Branch staff on July 17, 2008. The 85% removal requirement is included in accordance with 40 CFR 133.102 and is a new requirement for this facility.

### TSS

TSS is limited to 30 mg/l (50 lbs/day) as a monthly average and 45 mg/l (75 lbs/day) as a weekly average. The permit requires a monthly average percent removal of not less than 85%. The percent removal is to be calculated from a comparison of raw influent to final effluent sampling results and is to be reported as a monthly average.

Monitoring is to be conducted three (3) times weekly by 24-hour composite sampling. The TSS concentration limitations included in this permit are set in accordance with the Wasteload Allocation (WLA) analysis performed by this Office's Permits Branch staff on July 17, 2008. The 85% removal requirement is included in accordance with 40 CFR 133.102 and is a new requirement for this facility.

### Ammonia-nitrogen

Ammonia-nitrogen is limited to 11 mg/l (18.4 lbs/day) as a monthly average and 17 mg/l (28.4 lbs/day) as a weekly average.

Monitoring is to be conducted three (3) times weekly by 24-hour composite sampling. The ammonia-nitrogen concentration limitations included in this permit are set in accordance with the Wasteload Allocation (WLA) analysis performed by this Office's Permits Branch staff on July 17, 2008 and are the same as the concentration limitations found in the facility's previous permit.

### pH

The pH limitations have been based on 40 CFR 133.102 which is cross-referenced in 327 IAC 5-5-3.

To ensure conditions necessary for the maintenance of a well-balanced aquatic community, the pH of the final effluent must be between 6.0 and 9.0 standard units in accordance with provisions in 327 IAC 2-1-6(b)(2). Monitoring is to be conducted five (5) times weekly by grab sample.

### *E. coli*

The *E. coli* limitations and monitoring requirements apply from April 1 through October 31, annually. *E. coli* is limited to 125 count/100 ml as a monthly average, and 235 count/100 ml as a daily maximum. The monthly average *E. coli* value shall be calculated as a geometric mean. This monitoring is to be conducted three (3) times weekly by grab sampling. These *E. coli* limitations are set in accordance with regulations specified in 327 IAC 5-10-6.

### **Backsliding**

None of the concentration limits included in this permit conflict with antibacksliding regulations found in 327 IAC 5-2-10(a)(11)(A), therefore, backsliding is not an issue.

### **Reopening Clauses**

Three (3) reopening clauses were incorporated into the permit in Part I.C. One clause is to incorporate effluent limits from any further wasteload allocations performed; a second clause is to allow for changes in the sludge disposal standards; and a third clause is to incorporate any applicable effluent limitation or standard issued or approved under section 301(b)(2)(C), (D) and (E), 304(b)(2), and 307(a)(2) of the Clean Water Act.

### **Compliance Status**

The permittee has no enforcement actions at the time of this permit preparation.

### **Expiration Date**

A five-year NPDES permit is proposed.

Drafted by: Jay Hanko  
November 4, 2015

STATE OF INDIANA  
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
AUTHORIZATION TO DISCHARGE UNDER THE  
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

In compliance with the provisions of the Federal Water Pollution Control Act, as amended, (33 U.S.C. 1251 et seq., the "Act"), Title 13 of the Indiana Code, and regulations adopted by the Water Pollution Control Board, the Indiana Department of Environmental Management (IDEM) is issuing this permit to

**HOWARD COUNTY UTILITIES, INC.**

hereinafter referred to as "the permittee." The permittee owns and/or operates the **Howard County Utilities Wastewater Treatment Plant**, a minor semi-public wastewater treatment plant located at 678 South 950 West, Russiaville, Indiana in Howard County. The permittee is hereby authorized to discharge from the outfalls identified in Part I of this permit to receiving waters named Wildcat Creek in accordance with the effluent limitations, monitoring requirements, and other conditions set forth in the permit. This permit may be revoked for the nonpayment of applicable fees in accordance with IC 13-18-20.

Effective Date: April 1, 2016.

Expiration Date: March 31, 2021.

In order to receive authorization to discharge beyond the date of expiration, the permittee shall submit such information and application forms as are required by the Indiana Department of Environmental Management. The application shall be submitted to IDEM at least 180 days prior to the expiration date of this permit, unless a later date is allowed by the Commissioner in accordance with 327 IAC 5-3-2 and Part II.A.4 of this permit.

Issued January 7, 2016, for the Indiana Department of Environmental Management.



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Paul Higginbotham  
Deputy Assistant Commissioner  
Office of Water Quality

### TREATMENT FACILITY DESCRIPTION

The permittee currently operates a Class II, 0.2 MGD extended aeration treatment facility consisting of a comminutor, flow equalization, two aeration basins, two final clarifiers, ultraviolet light disinfection, post aeration, and flow measurement. Solids are stored in a sludge holding tank until disposal.

The collection system is comprised of 100% separate sanitary sewers by design with no overflow or bypass points.

### PART I

#### A. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

The permittee is authorized to discharge from the outfall listed below in accordance with the terms and conditions of this permit. The permittee shall take samples and measurements at a location representative of each discharge to determine whether the effluent limitations have been met. Refer to Part I.B of this permit for additional monitoring and reporting requirements.

1. Beginning on the effective date of this permit, the permittee is authorized to discharge from Outfall 001, which is located at Latitude: 40° 27' 47.6" N, Longitude: 86° 17' 42.6" W. The discharge is subject to the following requirements:

TABLE 1

<u>Parameter</u>	<u>Quantity or Loading</u>			<u>Quality or Concentration</u>			<u>Monitoring Requirements</u>	
	<u>Monthly Average</u>	<u>Weekly Average</u>	<u>Units</u>	<u>Monthly Average</u>	<u>Weekly Average</u>	<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
Flow [1]	Report	----	MGD	----	----	----	5 X Weekly	24-Hr. Total
CBOD <sub>5</sub>	42	67	lbs/day	25 [2]	40	mg/l	3 X Weekly	24-Hr. Composite
TSS	50	75	lbs/day	30 [2]	45	mg/l	3 X Weekly	24-Hr. Composite
Ammonia-nitrogen	18.4	28.4	lbs/day	11	17	mg/l	3 X Weekly	24-Hr. Composite

TABLE 2

<u>Parameter</u>	<u>Quality or Concentration</u>				<u>Monitoring Requirements</u>	
	<u>Daily Minimum</u>	<u>Monthly Average</u>	<u>Daily Maximum</u>	<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
pH [3]	6.0	----	9.0	s.u.	5 X Weekly	Grab
<i>E. coli</i> [4]	----	125 [5]	235 [6]	cfu/100 ml	3 X Weekly	Grab

[1] Effluent flow measurement is required per 327 IAC 5-2-13. The flow meter(s) shall be calibrated at least once every twelve months.

[2] The monthly average percent removal shall not be less than 85%. The percent removal shall be calculated from a comparison of raw influent to final effluent sampling results.

- [3] If the permittee collects more than one grab sample on a given day for pH, the values shall not be averaged for reporting daily maximums or daily minimums. The permittee must report the individual minimum and the individual maximum pH value of any sample during the month on the Monthly Report of Operation forms.
- [4] The effluent shall be disinfected on a continuous basis such that violations of the applicable bacteriological limitations (fecal coliform or *E. coli*) do not occur from April 1 through October 31, annually.

The *Escherichia coli* (*E. coli*) limitations apply from April 1 through October 31 annually. IDEM has specified the following methods as allowable for the detection and enumeration of *Escherichia coli* (*E. coli*):

1. Coliscan MF® Method
2. EPA Method 1603 Modified m-TEC agar
3. mColi Blue-24®
4. Colilert® MPN Method or Colilert-18® MPN Method

- [5] The monthly average *E. coli* value shall be calculated as a geometric mean. Per 327 IAC 5-10-6, the concentration of *E. coli* shall not exceed one hundred twenty-five (125) cfu or mpn per 100 milliliters as a geometric mean of the effluent samples taken in a calendar month. No samples may be excluded when calculating the monthly geometric mean.
- [6] If less than ten samples are taken and analyzed for *E. coli* in a calendar month, no samples may exceed two hundred thirty-five (235) cfu or mpn as a daily maximum. However, when ten (10) or more samples are taken and analyzed for *E. coli* in a calendar month, not more than ten percent (10%) of those samples may exceed two hundred thirty-five (235) cfu or mpn as a daily maximum. When calculating ten percent, the result must not be rounded up. In reporting for compliance purposes on the Discharge Monitoring Report (DMR) form, the permittee shall record the highest non-excluded value for the daily maximum.

## 2. Minimum Narrative Limitations

At all times the discharge from any and all point sources specified within this permit shall not cause receiving waters:

- a. including the mixing zone, to contain substances, materials, floating debris, oil, scum or other pollutants:
  - (1) that will settle to form putrescent or otherwise objectionable deposits;
  - (2) that are in amounts sufficient to be unsightly or deleterious;

- (3) that produce color, visible oil sheen, odor, or other conditions in such degree as to create a nuisance;
  - (4) which are in amounts sufficient to be acutely toxic to, or to otherwise severely injure or kill aquatic life, other animals, plants, or humans;
  - (5) which are in concentrations or combinations that will cause or contribute to the growth of aquatic plants or algae to such a degree as to create a nuisance, be unsightly, or otherwise impair the designated uses.
- b. outside the mixing zone, to contain substances in concentrations which on the basis of available scientific data are believed to be sufficient to injure, be chronically toxic to, or be carcinogenic, mutagenic, or teratogenic to humans, animals, aquatic life, or plants.

## B. MONITORING AND REPORTING

### 1. Representative Sampling

Samples and measurements taken as required herein shall be representative of the volume and nature of the monitored discharge flow and shall be taken at times which reflect the full range and concentration of effluent parameters normally expected to be present. Samples shall not be taken at times to avoid showing elevated levels of any parameters.

### 2. Data on Plant Operation

The raw influent and the wastewater from intermediate unit treatment processes, as well as the final effluent shall be sampled and analyzed for the pollutants and operational parameters specified by the applicable Monthly Report of Operation Form, as appropriate, in accordance with 327 IAC 5-2-13. Except where the permit specifically states otherwise, the sample frequency for the raw influent and intermediate unit treatment process shall be at a minimum the same frequency as that for the final effluent. The measurement frequencies specified in each of the tables in Part I.A. are the minimum frequencies required by this permit.

### 3. Monthly Reporting

The permittee shall submit accurate monitoring reports to the Indiana Department of Environmental Management containing results obtained during the previous monitoring period and shall be postmarked no later than the 28th day of the month following each completed monitoring period. The first report shall be submitted by the 28th day of the month following the monitoring period in which the permit becomes effective. These reports shall include, but not necessarily be limited to, the Discharge Monitoring Report (DMR) and the Monthly Report of Operation (MRO). Until December 31, 2016, all reports shall be mailed to IDEM, Office of Water Quality –Compliance Data Section, 100 North Senate Ave., Indianapolis, Indiana 46204-2251 or submitted to IDEM electronically by using the NetDMR application, upon registration and approval receipt. Electronically

submitted reports (using NetDMR) have the same deadline as mailed reports. After December 31, 2016, all reports shall be submitted using NetDMR, and paper reports will no longer be accepted. The Regional Administrator may request the permittee to submit monitoring reports to the Environmental Protection Agency if it is deemed necessary to assure compliance with the permit.

A calendar week will begin on Sunday and end on Saturday. Partial weeks consisting of four or more days at the end of any month will include the remaining days of the week, which occur in the following month in order to calculate a consecutive seven-day average. This value will be reported as a weekly average or seven-day average on the MRO for the month containing the partial week of four or more days. Partial calendar weeks consisting of less than four days at the end of any month will be carried forward to the succeeding month and reported as a weekly average or a seven-day average for the calendar week that ends with the first Saturday of that month.

#### 4. Definitions

##### a. Calculation of Averages

Pursuant to 327 IAC 5-2-11(a)(5), the calculation of the average of discharge data shall be determined as follows: For all parameters except fecal coliform and *E. coli*, calculations that require averaging of sample analyses or measurements of daily discharges shall use an arithmetic mean unless otherwise specified in this permit. For *E. coli*, the monthly average discharge, as a concentration, shall be calculated as a geometric mean.

##### b. Terms

- (1) “Monthly Average” -The monthly average discharge means the total mass or flow-weighted concentration of all daily discharges during a calendar month on which daily discharges are sampled or measured, divided by the number of daily discharges sampled and/or measured during such calendar month. The monthly average discharge limitation is the highest allowable average monthly discharge for any calendar month.
- (2) “Weekly Average” - The weekly average discharge means the total mass or flow weighted concentration of all daily discharges during any calendar week for which daily discharges are sampled or measured, divided by the number of daily discharges sampled and/or measured during such calendar week. The average weekly discharge limitation is the maximum allowable average weekly discharge for any calendar week.
- (3) “Daily Maximum” - The daily maximum discharge limitation is the maximum allowable daily discharge for any calendar day. The “daily discharge” means the total mass of a pollutant discharged during the calendar day or, in the case of a pollutant limited in terms other than mass pursuant to 327 IAC 5-2-11(e), the average concentration or other measurement of the pollutant specified over the

calendar day or any twenty-four hour period that represents the calendar day for purposes of sampling.

- (4) "24-hour Composite" - A 24-hour composite sample consists of at least three (3) individual flow-proportioned samples of wastewater, taken by the grab sample method over equal time intervals during the period of operator attendance or by an automatic sampler, and which are combined prior to analysis. A flow proportioned composite sample shall be obtained by:
  - (a) recording the discharge flow rate at the time each individual sample is taken,
  - (b) adding together the discharge flow rates recorded from each individual sampling time to formulate the "total flow value,"
  - (c) dividing the discharge flow rate of each individual sampling time by the total flow value to determine its percentage of the total flow value, and
  - (d) multiplying the volume of the total composite sample by each individual sample's percentage to determine the volume of that individual sample which will be included in the total composite sample.

Alternatively, a 24-hour composite sample may be obtained by an automatic sampler on an equal time interval basis over a twenty-four hour period provided that a minimum of 24 samples are taken and combined prior to analysis. The samples do not need to be flow-proportioned if the permittee collects samples in this manner.

- (5) CBOD<sub>5</sub>: Five-day Carbonaceous Biochemical Oxygen Demand
- (6) TSS: Total Suspended Solids
- (7) *E. coli*: Escherichia coli bacteria
- (8) The "Regional Administrator" is defined as the Region V Administrator, U.S. EPA, located at 77 West Jackson Boulevard, Chicago, Illinois 60604.
- (9) The "Commissioner" is defined as the Commissioner of the Indiana Department of Environmental Management, located at the following address: 100 North Senate Avenue, Indianapolis, Indiana 46204-2251.
- (10) Limit of Detection or LOD is defined as a measurement of the concentration of a substance that can be measured and reported with 99% confidence that the analyte concentration is greater than zero (0) for a particular analytical method and sample matrix. The LOD is equivalent to the Method Detection Level or MDL.
- (11) Limit of Quantitation or LOQ is defined as a measurement of the concentration of a contaminant obtained by using a specified laboratory procedure calibrated at a



specified concentration about the method detection level. It is considered the lowest concentration at which a particular contaminant can be quantitatively measured using a specified laboratory procedure for monitoring of the contaminant. This term is also called the limit of quantification or quantification level.

(12) Method Detection Level or MDL is defined as the minimum concentration of an analyte (substance) that can be measured and reported with a ninety-nine percent (99%) confidence that the analyte concentration is greater than zero (0) as determined by the procedure set forth in 40 CFR Part 136, Appendix B. The method detection level or MDL is equivalent to the LOD.

## 5. Test Procedures

The analytical and sampling methods used shall conform to the current version of 40 CFR, Part 136, unless otherwise specified within this permit. Multiple editions of Standard Methods for the Examination of Water and Wastewater are currently approved for most methods, however, 40 CFR Part 136 should be checked to ascertain if a particular method is approved for a particular analyte. The approved methods may be included in the texts listed below. However, different but equivalent methods are allowable if they receive the prior written approval of the State agency and the U.S. Environmental Protection Agency.

- a. Standard Methods for the Examination of Water and Wastewater  
18<sup>th</sup>, 19<sup>th</sup>, or 20<sup>th</sup> Editions, 1992, 1995 or 1998 American Public Health Association, Washington, D.C. 20005.
- b. A.S.T.M. Standards, Part 23, Water; Atmospheric Analysis  
1972 American Society for Testing and Materials, Philadelphia, PA 19103.
- c. Methods for Chemical Analysis of Water and Wastes  
June 1974, Revised, March 1983, Environmental Protection Agency, Water Quality Office, Analytical Quality Control Laboratory, 1014 Broadway, Cincinnati, OH 45202.

## 6. Recording of Results

For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record and maintain records of all monitoring information on activities under this permit, including the following information:

- a. The exact place, date, and time of sampling or measurements;
- b. The person(s) who performed the sampling or measurements;
- c. The dates and times the analyses were performed;

- d. The person(s) who performed the analyses;
  - e. The analytical techniques or methods used; and
  - f. The results of all required analyses and measurements.
7. Additional Monitoring by Permittee

If the permittee monitors any pollutant at the location(s) designated herein more frequently than required by this permit, using approved analytical methods as specified above, the results of such monitoring shall be included in the calculation and reporting of the values required in the Monthly Discharge Monitoring Report and on the Monthly Report of Operation form. Such increased frequency shall also be indicated on these forms. Any such additional monitoring data which indicates a violation of a permit limitation shall be followed up by the permittee, whenever feasible, with a monitoring sample obtained and analyzed pursuant to approved analytical methods. The results of the follow-up sample shall be reported to the Commissioner in the Monthly Discharge Monitoring Report.

8. Records Retention

All records and information resulting from the monitoring activities required by this permit, including all records of analyses performed and calibration and maintenance of instrumentation and recording from continuous monitoring instrumentation, shall be retained for a minimum of three (3) years. In cases where the original records are kept at another location, a copy of all such records shall be kept at the permitted facility. The three-year period shall be extended:

- a. automatically during the course of any unresolved litigation regarding the discharge of pollutants by the permittee or regarding promulgated effluent guidelines applicable to the permittee; or
- b. as requested by the Regional Administrator or the Indiana Department of Environmental Management.

C. REOPENING CLAUSES

In addition to the reopening clause provisions cited at 327 IAC 5-2-16, the following reopening clauses are incorporated into this permit:

- 1. This permit may be modified or, alternately, revoked and reissued after public notice and opportunity for hearing to incorporate effluent limitations reflecting the results of a wasteload allocation if the Department of Environmental Management determines that such effluent limitations are needed to assure that State Water Quality Standards are met in the receiving stream.

2. This permit may be modified due to a change in sludge disposal standards pursuant to Section 405(d) of the Clean Water Act, if the standards when promulgated contain different conditions, are otherwise more stringent, or control pollutants not addressed by this permit.
3. This permit may be modified, or, alternately, revoked and reissued, to comply with any applicable effluent limitation or standard issued or approved under section 301(b)(2)(C), (D) and (E), 304(b)(2), and 307(a)(2) of the Clean Water Act, if the effluent limitation or standard so issued or approved:
  - a. contains different conditions or is otherwise more stringent than any effluent limitation in the permit; or
  - b. controls any pollutant not limited in the permit.

## PART II

### STANDARD CONDITIONS FOR NPDES PERMITS

#### A. GENERAL CONDITIONS

##### 1. Duty to Comply

The permittee shall comply with all terms and conditions of this permit in accordance with 327 IAC 5-2-8(1) and all other requirements of 327 IAC 5-2-8. Any permit noncompliance constitutes a violation of the Clean Water Act and IC 13 and is grounds for enforcement action or permit termination, revocation and reissuance, modification, or denial of a permit renewal application.

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.

##### 2. Duty to Mitigate

In accordance with 327 IAC 5-2-8(3), the permittee shall take all reasonable steps to minimize or correct any adverse impact to the environment resulting from noncompliance with this permit. During periods of noncompliance, the permittee shall conduct such accelerated or additional monitoring for the affected parameters, as appropriate or as requested by IDEM, to determine the nature and impact of the noncompliance.

##### 3. Duty to Provide Information

The permittee shall submit any information that the permittee knows or has reason to believe would constitute cause for modification or revocation and reissuance of the permit at the earliest time such information becomes available, such as plans for physical alterations or additions to the facility that:

- a. could significantly change the nature of, or increase the quantity of, pollutants discharged; or
- b. the Commissioner may request to evaluate whether such cause exists.

In accordance with 327 IAC 5-1-3(a)(5), the permittee must also provide any information reasonably requested by the Commissioner.

##### 4. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must obtain and submit a renewal of this permit in accordance with 327 IAC 5-3-2(a)(2). It is the permittee's responsibility to obtain and submit the application. In accordance with 327 IAC 5-2-3(c), the owner of the facility or

operation from which a discharge of pollutants occurs is responsible for applying for and obtaining the NPDES permit, except where the facility or operation is operated by a person other than an employee of the owner in which case it is the operator's responsibility to apply for and obtain the permit. The application must be submitted at least 180 days before the expiration date of this permit. This deadline may be extended if:

- a. permission is requested in writing before such deadline;
- b. IDEM grants permission to submit the application after the deadline; and
- c. the application is received no later than the permit expiration date.

As required under 327 IAC 5-2-3(g)(1) and (2), POTWs with design influent flows equal to or greater than one million (1,000,000) gallons per day and POTWs with an approved pretreatment program or that are required to develop a pretreatment program, will be required to provide the results of whole effluent toxicity testing as part of their NPDES renewal application.

#### 5. Transfers

In accordance with 327 IAC 5-2-8(4)(D), this permit is nontransferable to any person except in accordance with 327 IAC 5-2-6(c). This permit may be transferred to another person by the permittee, without modification or revocation and reissuance being required under 327 IAC 5-2-16(c)(1) or 16(e)(4), if the following occurs:

- a. the current permittee notified the Commissioner at least thirty (30) days in advance of the proposed transfer date.
- b. a written agreement containing a specific date of transfer of permit responsibility and coverage between the current permittee and the transferee (including acknowledgment that the existing permittee is liable for violations up to that date, and the transferee is liable for violations from that date on) is submitted to the Commissioner.
- c. the transferee certifies in writing to the Commissioner their intent to operate the facility without making such material and substantial alterations or additions to the facility as would significantly change the nature or quantities of pollutants discharged and thus constitute cause for permit modification under 327 IAC 5-2-16(d). However, the Commissioner may allow a temporary transfer of the permit without permit modification for good cause, e.g., to enable the transferee to purge and empty the facility's treatment system prior to making alterations, despite the transferee's intent to make such material and substantial alterations or additions to the facility.
- d. the Commissioner, within thirty (30) days, does not notify the current permittee and the transferee of the intent to modify, revoke and reissue, or terminate the permit and

to require that a new application be filed rather than agreeing to the transfer of the permit.

The Commissioner may require modification or revocation and reissuance of the permit to identify the new permittee and incorporate such other requirements as may be necessary under the Clean Water Act or state law.

#### 6. Permit Actions

In accordance with 327 IAC 5-2-16(b) and 327 IAC 5-2-8(4), this permit may be modified, revoked and reissued, or terminated for cause, including, but not limited to, the following:

- a. Violation of any terms or conditions of this permit;
- b. Failure of the permittee to disclose fully all relevant facts or misrepresentation of any relevant facts in the application, or during the permit issuance process; or
- c. A change in any condition that requires either a temporary or permanent reduction or elimination of the authorized discharge controlled by the permittee (e.g., plant closure, termination of the discharge by connecting to a POTW, a change in state law or information indicating the discharge poses a substantial threat to human health or welfare).

Filing of either of the following items does not stay or suspend any permit condition: (1) a request by the permittee for a permit modification, revocation and reissuance, or termination, or (2) submittal of information specified in Part II.A.3 of the permit including planned changes or anticipated noncompliance.

The permittee shall submit any information that the permittee knows or has reason to believe would constitute cause for modification or revocation and reissuance of the permit at the earliest time such information becomes available, such as plans for physical alterations or additions to the permitted facility that:

1. could significantly change the nature of, or increase the quantity of, pollutants discharged; or
2. the commissioner may request to evaluate whether such cause exists.

#### 7. Property Rights

Pursuant to 327 IAC 5-2-8(6) and 327 IAC 5-2-5(b), the issuance of this permit does not convey any property rights of any sort or any exclusive privileges, nor does it authorize any injury to persons or private property or an invasion of rights, any infringement of federal, state, or local laws or regulations. The issuance of the permit also does not preempt any duty to obtain any other state, or local assent required by law for the

discharge or for the construction or operation of the facility from which a discharge is made.

8. Severability

In accordance with 327 IAC 1-1-3, the provisions of this permit are severable and, if any provision of this permit or the application of any provision of this permit to any person or circumstance is held invalid, the invalidity shall not affect any other provisions or applications of the permit which can be given effect without the invalid provision or application.

9. Oil and Hazardous Substance Liability

Nothing in this permit shall be construed to relieve the permittee from any responsibilities, liabilities, or penalties to which the permittee is or may be subject to under Section 311 of the Clean Water Act.

10. State Laws

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties established pursuant to any applicable state law or regulation under authority preserved by Section 510 of the Clean Water Act or state law.

11. Penalties for Violation of Permit Conditions

Pursuant to IC 13-30-4, a person who violates any provision of this permit, the water pollution control laws; environmental management laws; or a rule or standard adopted by the Water Pollution Control Board is liable for a civil penalty not to exceed twenty-five thousand dollars (\$25,000) per day of any violation. Pursuant to IC 13-30-5, a person who obstructs, delays, resists, prevents, or interferes with (1) the department; or (2) the department's personnel or designated agent in the performance of an inspection or investigation commits a class C infraction.

Pursuant to IC 13-30-10, a person who intentionally, knowingly, or recklessly violates any provision of this permit, the water pollution control laws or a rule or standard adopted by the Water Pollution Control Board commits a class D felony punishable by the term of imprisonment established under IC 35-50-2-7(a) (up to one year), and/or by a fine of not less than five thousand dollars (\$5,000) and not more than fifty thousand dollars (\$50,000) per day of violation. A person convicted for a violation committed after a first conviction of such person under this provision is subject to a fine of not more than one hundred thousand dollars (\$100,000) per day of violation, or by imprisonment for not more than two (2) years, or both.

## 12. Penalties for Tampering or Falsification

In accordance with 327 IAC 5-2-8(9), the permittee shall comply with monitoring, recording, and reporting requirements of this permit. The Clean Water Act, as well as IC 13-30-10, provides that any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under a permit shall, upon conviction, be punished by a fine of not more than ten thousand dollars (\$10,000) per violation, or by imprisonment for not more than one hundred eighty (180) days per violation, or by both.

## 13. Toxic Pollutants

If any applicable effluent standard or prohibition (including any schedule of compliance specified in such effluent standard or prohibition) is established under Section 307(a) of the Clean Water Act for a toxic pollutant injurious to human health, and that standard or prohibition is more stringent than any limitation for such pollutant in this permit, this permit shall be modified or revoked and reissued to conform to the toxic effluent standard or prohibition in accordance with 327 IAC 5-2-8(5). Effluent standards or prohibitions established under Section 307(a) of the Clean Water Act for toxic pollutants injurious to human health are effective and must be complied with, if applicable to the permittee, within the time provided in the implementing regulations, even absent permit modification.

## 14. Operator Certification

The permittee shall have the wastewater treatment facilities under the responsible charge of an operator certified by the Commissioner in a classification corresponding to the classification of the wastewater treatment plant as required by IC 13-18-11-11 and 327 IAC 5-22. In order to operate a wastewater treatment plant the operator shall have qualifications as established in 327 IAC 5-22-7. The permittee shall designate one (1) person as the certified operator with complete responsibility for the proper operations of the wastewater facility.

327 IAC 5-22-10.5(a) provides that a certified operator may be designated as being in responsible charge of more than one (1) wastewater treatment plant, if it can be shown that he will give adequate supervision to all units involved. Adequate supervision means that sufficient time is spent at the plant on a regular basis to assure that the certified operator is knowledgeable of the actual operations and that test reports and results are representative of the actual operations conditions. In accordance with 327 IAC 5-22-3(11), "responsible charge" means the person responsible for the overall daily operation, supervision, or management of a wastewater facility.

Pursuant to 327 IAC 5-22-10(4), the permittee shall notify IDEM when there is a change of the person serving as the certified operator in responsible charge of the wastewater treatment facility. The notification shall be made no later than thirty (30) days after a change in the operator.



15. Construction Permit

Except in accordance with 327 IAC 3, the permittee shall not construct, install, or modify any water pollution treatment/control facility as defined in 327 IAC 3-1-2(24). Upon completion of any construction, the permittee must notify the Compliance Data Section of the Office of Water Quality in writing.

16. Inspection and Entry

In accordance with 327 IAC 5-2-8(7), the permittee shall allow the Commissioner, or an authorized representative, (including an authorized contractor acting as a representative of the Commissioner) upon the presentation of credentials and other documents as may be required by law, to:

- a. Enter upon the permittee's premises where a point source, regulated facility, or activity is located or conducted, or where records must be kept pursuant to the conditions of this permit;
- b. Have access to and copy, at reasonable times, any records that must be kept under the terms and conditions of this permit;
- c. Inspect at reasonable times any facilities, equipment or methods (including monitoring and control equipment), practices, or operations regulated or required pursuant to this permit; and
- d. Sample or monitor at reasonable times, any discharge of pollutants or internal wastestreams for the purposes of evaluating compliance with the permit or as otherwise authorized.

17. New or Increased Discharge of Pollutants

This permit prohibits the permittee from undertaking any action that would result in a new or increased discharge of a bioaccumulative chemical of concern (BCC) or a new or increased permit limit for a regulated pollutant that is not a BCC unless one of the following is completed prior to the commencement of the action:

- a. Information is submitted to the Commissioner demonstrating that the proposed new or increased discharges will not cause a significant lowering of water quality as defined under 327 IAC 2-1.3-2(50). Upon review of this information, the Commissioner may request additional information or may determine that the proposed increase is a significant lowering of water quality and require the submittal of an antidegradation demonstration.
- b. An antidegradation demonstration is submitted to and approved by the Commissioner in accordance with 327 IAC 2-1.3-5 and 327 IAC 2-1.3-6.

## B. MANAGEMENT REQUIREMENTS

### 1. Facility Operation, Maintenance and Quality Control

- a. In accordance with 327 IAC 5-2-8(8), the permittee shall at all times maintain in good working order and efficiently operate all facilities and systems (and related appurtenances) for collection and treatment that are:

- (1) installed or used by the permittee; and
- (2) necessary for achieving compliance with the terms and conditions of the permit.

Neither 327 IAC 5-2-8(8), nor this provision, shall be construed to require the operation of installed treatment facilities that are unnecessary for achieving compliance with the terms and conditions of the permit. Taking redundant treatment units off line does not violate the bypass provisions of the permit, provided that the permittee is at all times: maintaining in good working order and efficiently operating all facilities and systems; providing best quality effluent; and achieving compliance with the terms and conditions of the permit.

- b. The permittee shall operate the permitted facility in a manner which will minimize upsets and discharges of excessive pollutants. The permittee shall properly remove and dispose of excessive solids and sludges.
- c. The permittee shall provide an adequate operating staff which is duly qualified to carry out the operation, maintenance, and testing functions required to ensure compliance with the conditions of this permit.
- d. Maintenance of all waste collection, control, treatment, and disposal facilities shall be conducted in a manner that complies with the bypass provisions set forth below.
- e. Any extensions to the sewer system must continue to be constructed on a separated basis. Plans and specifications, when required, for extension of the sanitary system must be submitted to the Facility Construction and Engineering Support Section, Office of Water Quality in accordance with 327 IAC 3-2-1. There shall also be an ongoing preventative maintenance program for the sanitary sewer system.

### 2. Bypass of Treatment Facilities

Pursuant to 327 IAC 5-2-8(11):

- a. Terms as defined in 327 IAC 5-2-8(11)(A):
- (1) "Bypass" means the intentional diversion of a waste stream from any portion of a treatment facility.

- (2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which would cause them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.
- b. Bypasses, as defined above, are prohibited, and the Commissioner may take enforcement action against a permittee for bypass, unless:
- (1) The bypass was unavoidable to prevent loss of life, personal injury, or severe property damage, as defined above;
  - (2) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass that occurred during normal periods of equipment downtime or preventive maintenance; and
  - (3) The permittee submitted notices as required under Part II.B.2.d; or
  - (4) The condition under Part II.B.2.f below is met.
- c. Bypasses that result in death or acute injury or illness to animals or humans must be reported in accordance with the "Spill Response and Reporting Requirements" in 327 IAC 2-6.1, including calling 888/233-7745 as soon as possible, but within two (2) hours of discovery. However, under 327 IAC 2-6.1-3(1), when the constituents of the bypass are regulated by this permit, and death or acute injury or illness to animals or humans does not occur, the reporting requirements of 327 IAC 2-6.1 do not apply.
- d. The permittee must provide the Commissioner with the following notice:
- (1) If the permittee knows or should have known in advance of the need for a bypass (anticipated bypass), it shall submit prior written notice. If possible, such notice shall be provided at least ten (10) days before the date of the bypass for approval by the Commissioner.
  - (2) The permittee shall orally report or fax a report of an unanticipated bypass within 24 hours of becoming aware of the bypass event. The permittee must also provide a written report within five (5) days of the time the permittee becomes aware of the bypass event. The written report must contain a description of the noncompliance (i.e. the bypass) and its cause; the period of noncompliance, including exact dates and times; if the cause of noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate and prevent recurrence of the bypass event. If a complete fax or email submittal is sent within 24 hours of the time that the

permittee became aware of the unanticipated bypass event, then that report will satisfy both the oral and written reporting requirement.

- e. The Commissioner may approve an anticipated bypass, after considering its adverse effects, if the Commissioner determines that it will meet the conditions listed above in Part II.B.2.b. The Commissioner may impose any conditions determined to be necessary to minimize any adverse effects.
  - f. The permittee may allow any bypass to occur that does not cause a violation of the effluent limitations in the permit, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of Part II.B.2.b.,d and e of this permit.
3. Upset Conditions

Pursuant to 327 IAC 5-2-8(12):

- a. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.
- b. An upset shall constitute an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the requirements of Paragraph c of this subsection, are met.
- c. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs or other relevant evidence, that:
  - (1) An upset occurred and the permittee has identified the specific cause(s) of the upset;
  - (2) The permitted facility was at the time being operated in compliance with proper operation and maintenance procedures;
  - (3) The permittee complied with any remedial measures required under "Duty to Mitigate", Part II.A.2; and
  - (4) The permittee submitted notice of the upset as required in the "Incident Reporting Requirements," Part II.C.3, or 327 IAC 2-6.1, whichever is applicable. However, under 327 IAC 2-6.1-3(1), when the constituents of the discharge are regulated by this permit, and death or acute injury or illness to animals or humans does not occur, the reporting requirements of 327 IAC 2-6.1 do not apply.

- d. In any enforcement proceeding, the permittee seeking to establish the occurrence of an upset has the burden of proof pursuant to 40 CFR 122.41(n)(4).

#### 4. Removed Substances

Solids, sludges, filter backwash, or other pollutants removed from or resulting from treatment or control of wastewaters shall be disposed of in a manner such as to prevent any pollutant from such materials from entering waters of the State and to be in compliance with all Indiana statutes and regulations relative to liquid and/or solid waste disposal.

- a. Collected screenings, slurries, sludges, and other such pollutants shall be disposed of in accordance with provisions set forth in 329 IAC 10, 327 IAC 6.1, or another method approved by the Commissioner.
- b. The permittee shall comply with existing federal regulations governing solids disposal, and with applicable provisions of 40 CFR Part 503, the federal sludge disposal regulation standards.
- c. The permittee shall notify the Commissioner prior to any changes in sludge use or disposal practices.
- d. The permittee shall maintain records to demonstrate its compliance with the above disposal requirements.

#### 5. Power Failures

In accordance with 327 IAC 5-2-10 and 327 IAC 5-2-8(13) in order to maintain compliance with the effluent limitations and prohibitions of this permit, the permittee shall either:

- a. provide an alternative power source sufficient to operate facilities utilized by the permittee to maintain compliance with the effluent limitations and conditions of this permit, or
- b. shall halt, reduce or otherwise control all discharge in order to maintain compliance with the effluent limitations and conditions of this permit upon the reduction, loss, or failure of one or more of the primary sources of power to facilities utilized by the permittee to maintain compliance with the effluent limitations and conditions of this permit.

#### 6. Unauthorized Discharge

Any overflow or release of sanitary wastewater from the wastewater treatment facilities or collection system that results in a discharge to waters of the state and is not specifically authorized by this permit is expressly prohibited. These discharges are subject to the reporting requirements in Part II.C.3 of this permit.

## C. REPORTING REQUIREMENTS

### 1. Planned Changes in Facility or Discharge

Pursuant to 327 IAC 5-2-8(10)(F) and 5-2-16(d), the permittee shall give notice to the Commissioner as soon as possible of any planned alterations or additions to the facility (which includes any point source) that could significantly change the nature of, or increase the quantity of, pollutants discharged. Following such notice, the permit may be modified to revise existing pollutant limitations and/or to specify and limit any pollutants not previously limited. Material and substantial alterations or additions to the permittee's operation that were not covered in the permit (e.g., production changes, relocation or combination of discharge points, changes in the nature or mix of products produced) are also cause for modification of the permit. However those alterations which constitute total replacement of the process or the production equipment causing the discharge converts it into a new source, which requires the submittal of a new NPDES application.

### 2. Monitoring Reports

Pursuant to 327 IAC 5-2-8(9), 327 IAC 5-2-13, and 327 IAC 5-2-15, monitoring results shall be reported at the intervals and in the form specified in "Data On Plant Operation", Part I.B.2.

### 3. Incident Reporting Requirements

Pursuant to 327 IAC 5-2-8(10) and 327 IAC 5-1-3, the permittee shall orally report to the Commissioner information on the following incidents within 24 hours from the time permittee becomes aware of such occurrence. If the incident meets the emergency criteria of item b (Part II.C.3.b) or 327 IAC 2-6.1, then the report shall be made as soon as possible, but within two (2) hours of discovery. However, under 327 IAC 2-6.1-3(1), when the constituents of the discharge are regulated by this permit, and death or acute injury or illness to animals or humans does not occur, the reporting requirements of 327 IAC 2-6.1 do not apply.

- a. Any unanticipated bypass which exceeds any effluent limitation in the permit;
- b. Any emergency incident which may pose a significant danger to human health or the environment. Reports under this item shall be made as soon as the permittee becomes aware of the incident by calling 317/233-7745 (888/233-7745 toll free in Indiana). This number should only be called when reporting these emergency events;
- c. Any upset (as defined in Part II.B.3 above) that exceeds any technology-based effluent limitations in the permit;
- d. Any release, including basement backups, from the sanitary sewer system (including satellite sewer systems operated or maintained by the permittee) not specifically authorized by this permit. Reporting of known releases from private laterals not caused by a problem in the sewer system owned or operated by the permittee is not

required under Part II.C.3, however, documentation of such events must be maintained by the permittee and available for review by IDEM staff; or

- e. Any discharge from any outfall from which discharge is explicitly prohibited by this permit as well as any discharge from any other outfall or point not listed in this permit.

The permittee can make the oral reports by calling 317/232-8670 during regular business hours. A written submission shall also be provided within five (5) days of the time the permittee becomes aware of the circumstances. For incidents involving effluent limit violations or discharges, the written submission shall contain: a description of the event and its cause; the period of occurrence, including exact dates and times, and, if the event has not concluded, the anticipated time it is expected to continue; and steps taken or planned to reduce, mitigate and eliminate the event and steps taken or planned to prevent its recurrence. For sewer releases which do not meet the definition of a discharge, the written submission shall contain: a description of the event and its believed cause; the period of occurrence; and any steps taken or planned to mitigate the event and steps taken or planned to prevent its recurrence. The permittee may submit a "Bypass Overflow/Incident Report" or a "Noncompliance Notification Report", whichever is applicable, to IDEM at 317/232-8637 or 317/232-8406 or to [wwreports@idem.IN.gov](mailto:wwreports@idem.IN.gov). If a complete fax or email submittal is sent within 24 hours of the time that the permittee became aware of the occurrence, then that report will satisfy both the oral and written reporting requirements.

#### 4. Other Noncompliance

Pursuant to 327 IAC 5-2-8(10)(D), the permittee shall report any instance of noncompliance not reported under the "Incident Reporting Requirements" in Part II.C.3 at the time the pertinent Discharge Monitoring Report is submitted. The written submission shall contain: a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and, if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate and prevent the noncompliance.

#### 5. Other Information

Pursuant to 327 IAC 5-2-8(10)(E), where the permittee becomes aware that it failed to submit any relevant facts or submitted incorrect information in a permit application or in any report to the Commissioner, the permittee shall promptly submit such facts or corrected information to the Commissioner.

#### 6. Signatory Requirements

Pursuant to 327 IAC 5-2-22 and 327 IAC 5-2-8(14):

- a. All reports required by the permit and other information requested by the Commissioner shall be signed and certified by a person described below or by a duly authorized representative of that person:
- (1) For a corporation: by a principal executive defined as a president, secretary, treasurer, any vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy-making functions for the corporation or the manager of one or more manufacturing, production, or operating facilities employing more than two hundred fifty (250) persons or having gross annual sales or expenditures exceeding twenty-five million dollars (\$25,000,000) (in second quarter 1980 dollars), if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.
  - (2) For a partnership or sole proprietorship: by a general partner or the proprietor, respectively; or
  - (3) For a federal, state, or local governmental body or any agency or political subdivision thereof: by either a principal executive officer or ranking elected official.
- b. A person is a duly authorized representative only if:
- (1) The authorization is made in writing by a person described above.
  - (2) The authorization specifies either an individual or a position having responsibility for the overall operation of the regulated facility or activity, such as the position of plant manager, operator of a well or a well field, superintendent, or position of equivalent responsibility. (A duly authorized representative may thus be either a named individual or any individual occupying a named position.); and
  - (3) The authorization is submitted to the Commissioner.
- c. Certification. Any person signing a document identified under paragraphs a and b of this section, shall make the following certification:
- “I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”



7. Availability of Reports

Except for data determined to be confidential under 327 IAC 12.1, all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Indiana Department of Environmental Management and the Regional Administrator. As required by the Clean Water Act, permit applications, permits, and effluent data shall not be considered confidential.

8. Penalties for Falsification of Reports

IC 13-30 and 327 IAC 5-2-8(14) provides that any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance, shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 180 days per violation, or by both.

9. Progress Reports

In accordance with 327 IAC 5-2-8(10)(A), reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of this permit shall be submitted no later than fourteen (14) days following each schedule date.

10. Advance Notice for Planned Changes

In accordance with 327 IAC 5-2-8(10)(B), the permittee shall give advance notice to IDEM of any planned changes in the permitted facility, any activity, or other circumstances that the permittee has reason to believe may result in noncompliance with permit requirements.

11. Additional Requirements for POTWs and/or Treatment Works Treating Domestic Sewage

- a. All POTWs shall identify, in terms of character and volume of pollutants, any significant indirect discharges into the POTW which are subject to pretreatment standards under section 307(b) and 307 (c) of the CWA.
- b. All POTWs must provide adequate notice to the Commissioner of the following:
  - (1) Any new introduction of pollutants into the POTW from an indirect discharger that would be subject to section 301 or 306 of the CWA if it were directly discharging those pollutants.
  - (2) Any substantial change in the volume or character of pollutants being introduced into that POTW by any source where such change would render the source

subject to pretreatment standards under section 307(b) or 307(c) of the CWA or would result in a modified application of such standards.

As used in this clause, “adequate notice” includes information on the quality and quantity of effluent introduced into the POTW, and any anticipated impact of the change on the quantity or quality of the effluent to be discharged from the POTW.

- c. This permit incorporates any conditions imposed in grants made by the U.S. EPA and/or IDEM to a POTW pursuant to Sections 201 and 204 of the Clean Water Act, that are reasonably necessary for the achievement of effluent limitations required by Section 301 of the Clean Water Act.
- d. This permit incorporates any requirements of Section 405 of the Clean Water Act governing the disposal of sewage sludge from POTWs or any other treatment works treating domestic sewage for any use for which rules have been established in accordance with any applicable rules.
- e. POTWs must develop and submit to the Commissioner a POTW pretreatment program when required by 40 CFR 403 and 327 IAC 5-19-1, in order to assure compliance by industrial users of the POTW with applicable pretreatment standards established under Sections 307(b) and 307(c) of the Clean Water Act. The pretreatment program shall meet the criteria of 327 IAC 5-19-3 and, once approved, shall be incorporated into the POTW’s NPDES permit.

#### D. ADDRESSES

##### 1. Municipal NPDES Permits Section

Indiana Department of Environmental Management  
Office of Water Quality – Mail Code 65-42  
Municipal NPDES Permits Section  
100 N. Senate Avenue  
Indianapolis, Indiana 46204-2251

The following correspondence shall be sent to the Municipal NPDES Permits Section:

- a. NPDES permit applications (new, renewal or modifications) with fee
- b. Preliminary Effluent Limits request letters
- c. Comment letters pertaining to draft NPDES permits
- d. NPDES permit transfer of ownership requests
- e. NPDES permit termination requests

- f. Notifications of substantial changes to a treatment facility, including new industrial sources
  - g. Combined Sewer Overflow (CSO) Operational Plans
  - h. CSO Long Term Control Plans (LTCP)
  - i. Stream Reach Characterization and Evaluation Reports (SRCER)
2. Facility Construction and Engineering Support Section

Indiana Department of Environmental Management  
Office of Water Quality – Mail Code 65-42  
Facility Construction and Engineering Support Section  
100 N. Senate Avenue  
Indianapolis, Indiana 46204-2251

The following correspondence shall be sent to the Facility Construction and Engineering Support Section:

- a. Construction permit applications with fee
3. Compliance Data Section

Indiana Department of Environmental Management  
Office of Water Quality – Mail Code 65-42  
Compliance Data Section  
100 N. Senate Avenue  
Indianapolis, Indiana 46204-2251

The following correspondence shall be sent to the Compliance Data Section:

- a. Discharge Monitoring Reports (DMRs)
- b. Monthly Reports of Operation (MROs)
- c. Monthly Monitoring Reports (MMRs)
- d. CSO MROs
- e. Gauging station and flow meter calibration documentation
- f. Compliance schedule progress reports
- g. Completion of Construction notifications
- h. Whole Effluent Toxicity Testing reports

- i. Toxicity Reduction Evaluation (TRE) plans and progress reports
  - j. Bypass/Overflow Reports
  - k. Anticipated Bypass/Overflow Reports
  - l. Streamlined Mercury Variance Annual Reports
4. Pretreatment Group

Indiana Department of Environmental Management  
Office of Water Quality – Mail Code 65-42  
Compliance Data Section – Pretreatment Group  
100 N. Senate Avenue  
Indianapolis, Indiana 46204-2251

The following correspondence shall be sent to the Pretreatment Group:

- a. Organic Pollutant Monitoring Reports
- b. Significant Industrial User (SIU) Quarterly Noncompliance Reports
- c. Pretreatment Program Annual Reports
- d. Sewer Use Ordinances
- e. Enforcement Response Plans (ERP)
- f. Sludge analytical results

**Briefing Memo**  
November 4, 2015

Howard County Utilities Wastewater Treatment Plant  
located at 678 South 950 West, Russiaville, Indiana in Howard County

<u>Outfall Location</u>	Latitude:	40° 27' 47.6" N
	Longitude:	86° 17' 42.6" W

NPDES Permit No. IN0063754

**Background**

This is the proposed renewal of the NPDES permit for the Howard County Utilities Wastewater Treatment Plant which was issued on March 11, 2011 and has an expiration date of March 31, 2016. The permittee submitted an application for renewal which was received on September 29, 2015.

The permittee currently operates a Class II, 0.2 MGD extended aeration treatment facility consisting of a comminutor, flow equalization, two aeration basins, two final clarifiers, ultraviolet light disinfection, post aeration, and flow measurement. Solids are stored in a sludge holding tank until disposal.

**Collection System**

The collection system is comprised of 100% separate sanitary sewers by design with no overflow or bypass points.

**Spill Reporting Requirements**

Reporting requirements associated with the Spill Reporting, Containment, and Response requirements of 327 IAC 2-6.1 are included in Part II.B.2.c. and Part II.C.3. of the NPDES permit. Spills from the permitted facility meeting the definition of a spill under 327 IAC 2-6.1-4(15), the applicability requirements of 327 IAC 2-6.1-1, and the Reportable Spills requirements of 327 IAC 2-6.1-5 (other than those meeting an exclusion under 327 IAC 2-6.1-3 or the criteria outlined below) are subject to the Reporting Responsibilities of 327 IAC 2-6.1-7.

It should be noted that the reporting requirements of 327 IAC 2-6.1 do not apply to those discharges or exceedences that are under the jurisdiction of an applicable permit when the substance in question is covered by the permit and death or acute injury or illness to animals or humans does not occur. In order for a discharge or exceedence to be under the jurisdiction of this NPDES permit, the substance in question (a) must have been discharged in the normal course of operation from an outfall listed in this permit, and (b) must have been discharged from an outfall for which the permittee has authorization to discharge that substance.

### **Solids Disposal**

The permittee is required to dispose of its sludge in accordance with 329 IAC 10, 327 IAC 6.1, or 40 CFR Part 503.

### **Receiving Stream**

The facility discharges to Wildcat Creek via Outfall 001. The receiving water has a seven day, ten year low flow ( $Q_{7,10}$ ) of 16 cubic feet per second (10 MGD) at the outfall location. This provides a dilution ratio of receiving stream flow to treated effluent of 50:1.

Wildcat Creek is designated for full body contact recreational use and shall be capable of supporting a well-balanced warm water aquatic community in accordance with 327 IAC 2-1.

### **Industrial Contributions**

There is no industrial flow to the wastewater treatment plant. This NPDES permit does not authorize the facility to accept industrial contributions until the permittee has provided the Indiana Department of Environmental Management with a characterization of the waste, including volume amounts, and this Office has determined whether effluent limitations are needed to ensure the State water quality standards are met in the receiving stream.

### **Antidegradation**

327 IAC 2-1.3 outlines the state's Antidegradation Standards and Implementation Procedures. The Tier 1 antidegradation standard found in 327 IAC 2-1.3-3(a) applies to all surface waters of the state regardless of their existing water quality. Based on this standard, for all surface waters of the state, existing uses and the level of water quality necessary to protect existing uses shall be maintained and protected. IDEM implements the Tier 1 antidegradation standard by requiring NPDES permits to contain effluent limits and best management practices for regulated pollutants that ensure the narrative and numeric water quality criteria applicable to the designated use are achieved in the water and any designated use of the downstream water is maintained and protected.

The Tier 2 antidegradation standard found in 327 IAC 2-1.3-3(b) applies to surface waters of the state where the existing quality for a parameter is better than the water quality criterion for that parameter established in 327 IAC 2-1-6. These surface waters are considered high quality for the parameter and this high quality shall be maintained and protected unless the commissioner finds that allowing a significant lowering of water quality is necessary and accommodates important social or economic development in the area in which the waters are located. IDEM implements the Tier 2 antidegradation standard for regulated pollutants with numeric water quality criteria quality adopted in or developed pursuant to 327 IAC 2-1 and utilizes the antidegradation implementation procedures in 327 IAC 2-1.3-5 and 2-1.3-6.

According to 327 IAC 2-1.3-1(b), the antidegradation implementation procedures in 327 IAC 2-1.3-5 and 2-1.3-6 apply to a proposed new or increased loading of a regulated pollutant to surface waters

of the state from a deliberate activity subject to the Clean Water Act, including a change in process or operation that will result in a significant lowering of water quality.

The NPDES permit does not propose to establish a new or increased loading of a regulated pollutant; therefore, the Antidegradation Implementation Procedures in 327 IAC 2-1.3-5 and 2-1.3-6 do not apply to the permitted discharge.

### **Effluent Limitations and Rationale**

The effluent limitations proposed herein are based on Indiana Water Quality Standards, NPDES regulations, and a Wasteload Allocation (WLA) analysis performed by this Office's Permits Branch staff on July 17, 2008. These limits are in accordance with antibacksliding regulations specified in 327 IAC 5-2-10(a)(11)(A). Monitoring frequencies are based upon facility size and type.

The final effluent limitations to be limited and/or monitored include: Flow, Carbonaceous Biochemical Oxygen Demand (CBOD<sub>5</sub>), Total Suspended Solids (TSS), Ammonia-nitrogen (NH<sub>3</sub>-N), pH, and *Escherichia coli* (*E. coli*).

Dissolved Oxygen (DO) limitations have not been included in the permit due to the high dilution afforded by the receiving stream.

### **Final Effluent Limitations**

The disinfection season runs from April 1 through October 31 of each year. The mass limits for CBOD<sub>5</sub>, TSS, and ammonia-nitrogen are calculated by multiplying the average design flow (in MGD) by the corresponding concentration value and by 8.345.

### **Influent Monitoring**

The raw influent and the wastewater from intermediate unit treatment processes, as well as the final effluent shall be sampled and analyzed for the pollutants and operational parameters specified by the applicable Monthly Report of Operation Form, as appropriate, in accordance with 327 IAC 5-2-13 and Part I.B.2 of the permit. Except where the permit specifically states otherwise, the sample frequency for the raw influent and intermediate unit treatment process shall be at a minimum the same frequency as that for the final effluent. The measurement frequencies specified in each of the tables in Part I.A. are the minimum frequencies required by the permit.

### **Flow**

Flow is to be measured five (5) times weekly as a 24-hour total. Reporting of flow is required by 327 IAC 5-2-13.

### CBOD<sub>5</sub>

CBOD<sub>5</sub> is limited to 25 mg/l (42 lbs/day) as a monthly average and 40 mg/l (67 lbs/day) as a weekly average. The permit requires a monthly average percent removal of not less than 85%. The percent removal is to be calculated from a comparison of raw influent to final effluent sampling results and is to be reported as a monthly average.

Monitoring is to be conducted three (3) times weekly by 24-hour composite sampling. The CBOD<sub>5</sub> concentration limitations included in this permit are set in accordance with the Wasteload Allocation (WLA) analysis performed by this Office's Permits Branch staff on July 17, 2008. The 85% removal requirement is included in accordance with 40 CFR 133.102 and is a new requirement for this facility.

### TSS

TSS is limited to 30 mg/l (50 lbs/day) as a monthly average and 45 mg/l (75 lbs/day) as a weekly average. The permit requires a monthly average percent removal of not less than 85%. The percent removal is to be calculated from a comparison of raw influent to final effluent sampling results and is to be reported as a monthly average.

Monitoring is to be conducted three (3) times weekly by 24-hour composite sampling. The TSS concentration limitations included in this permit are set in accordance with the Wasteload Allocation (WLA) analysis performed by this Office's Permits Branch staff on July 17, 2008. The 85% removal requirement is included in accordance with 40 CFR 133.102 and is a new requirement for this facility.

### Ammonia-nitrogen

Ammonia-nitrogen is limited to 11 mg/l (18.4 lbs/day) as a monthly average and 17 mg/l (28.4 lbs/day) as a weekly average.

Monitoring is to be conducted three (3) times weekly by 24-hour composite sampling. The ammonia-nitrogen concentration limitations included in this permit are set in accordance with the Wasteload Allocation (WLA) analysis performed by this Office's Permits Branch staff on July 17, 2008 and are the same as the concentration limitations found in the facility's previous permit.

### pH

The pH limitations have been based on 40 CFR 133.102 which is cross-referenced in 327 IAC 5-5-3.

To ensure conditions necessary for the maintenance of a well-balanced aquatic community, the pH of the final effluent must be between 6.0 and 9.0 standard units in accordance with provisions in 327 IAC 2-1-6(b)(2). Monitoring is to be conducted five (5) times weekly by grab sample.



### *E. coli*

The *E. coli* limitations and monitoring requirements apply from April 1 through October 31, annually. *E. coli* is limited to 125 count/100 ml as a monthly average, and 235 count/100 ml as a daily maximum. The monthly average *E. coli* value shall be calculated as a geometric mean. This monitoring is to be conducted three (3) times weekly by grab sampling. These *E. coli* limitations are set in accordance with regulations specified in 327 IAC 5-10-6.

### **Backsliding**

None of the concentration limits included in this permit conflict with antibacksliding regulations found in 327 IAC 5-2-10(a)(11)(A), therefore, backsliding is not an issue.

### **Reopening Clauses**

Three (3) reopening clauses were incorporated into the permit in Part I.C. One clause is to incorporate effluent limits from any further wasteload allocations performed; a second clause is to allow for changes in the sludge disposal standards; and a third clause is to incorporate any applicable effluent limitation or standard issued or approved under section 301(b)(2)(C), (D) and (E), 304(b)(2), and 307(a)(2) of the Clean Water Act.

### **Compliance Status**

The permittee has no enforcement actions at the time of this permit preparation.

### **Expiration Date**

A five-year NPDES permit is proposed.

Drafted by: Jay Hanko  
November 4, 2015

STATE OF INDIANA  
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
PUBLIC NOTICE NO: 2016 – 1A – F  
DATE OF NOTICE: JANUARY 7, 2016

The Office of Water Quality issues the following NPDES FINAL PERMIT.

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MINOR - RENEWAL

HOWARD CO UTILITIES WWTP, Permit No. IN0063754, HOWARD COUNTY, 678 S 950 W, Russiaville, IN. This semi-public facility discharges 0.02 million gallons daily of sanitary wastewater into Wildcat Creek. Contact Permit Manager: Jay Hanko, [jhanko@idem.in.gov](mailto:jhanko@idem.in.gov), 317/233-0704.

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**APPEAL PROCEDURES FOR FINAL PERMITS**

The Final Permit documents are available for review & copies at IDEM, Indiana Government Center, North Bldg, 100 N Senate Ave, Indianapolis, IN, Rm 1203, Office of Water Quality/NPDES Permit Section, from 9 – 4, M - F (copies 10¢ per page). The Final Permit is available at the local County Health Department. See these sites for your rights & responsibilities: Public Participation: <http://www.in.gov/idem/5474.htm>; Citizen Guide: <http://www.in.gov/idem/5903.htm>. **Please tell others you think would be interested in this matter**

**Appeal Procedure:** Any person affected by the issuance of the Final Permit may appeal by filing a Petition for Administrative Review with the Office of Environmental Adjudication **within** eighteen (18) days of the date of this Public Notice. Any appeal request must be filed in accordance with IC 4-21.5-3-7 and must include facts demonstrating that the party requesting appeal is the applicant; a person aggrieved or adversely affected or is otherwise entitled to review by law.

**Timely filing:** The Petition for Administrative Review must be received by the Office of Environmental Adjudication (OEA) **within** 18 days of the date of this Public Notice; either by U.S. Mail postmark or by private carrier with dated receipt. This Petition for Administrative Review represents a request for an Adjudicatory Hearing, therefore must:

- state the name and address of the person making the request;
- identify the interest of the person making the request;
- identify any persons represented by the person making the request;
- state specifically the reasons for the request;
- state specifically the issues proposed for consideration at the hearing;
- identify the Final Permit Rule terms and conditions which, in the judgment of the person making the request, would be appropriate to satisfy the requirements of the law governing this NPDES Permit rule.

If the person filing the Petition for Administrative Review desires any part of the NPDES Final Permit Rule to be stayed pending the outcome of the appeal, a Petition for Stay must be included in the appeal request, identifying those parts to be stayed. Both Petitions shall be mailed or delivered to the address here:

**Phone: 317/232-8591.**

Environmental Law Judge  
Office of Environmental Adjudication  
IGC – North Building- Rm 501  
100 N. Senate Avenue  
Indianapolis IN 46204

**Stay Time frame:** If the Petition (s) is filed **within** eighteen (18) days of the mailing of this Public Notice, the effective date of any part of the permit, within the scope of the Petition for Stay is suspended for fifteen (15) days. The Permit will become effective again upon expiration of the fifteen (15) days, unless or until an Environmental Law Judge stays the permit action in whole or in part.

**Hearing Notification:** Pursuant to Indiana Code, when a written request is submitted, the OEA will provide the petitioner or any person wanting notification, with the Notice of pre-hearing conferences, preliminary hearings, hearing stays or orders disposing of the Petition for Administrative Review. Petition for Administrative Review must be filed in compliance with the procedures and time frames outlined above. Procedural or scheduling questions should be directed to the OEA at the phone listed above.

# **APPENDIX G**

# **FINANCIAL**

**Green Acres Subdivision Sewer System Inc.**

Schedules For The Sewage Rate Increase Application

Cause No.

Prepared By

Steven K. Brock MBA, CPA  
Therber Brock & Associates LLC

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**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Comparative Balance Sheets - Assets & Other Debits - Howard County Utilities  
(From 2018 IURC Annual Report For Howard County Utilities Page F-1)

	<u>As Of</u> <u>12/31/18</u>	<u>As Of</u> <u>12/31/17</u>	<u>As Of</u> <u>12/31/16</u>	<u>As Of</u> <u>12/31/15</u>	<u>As Of</u> <u>12/31/14</u>
<u>Utility Plant</u> [1]					
Utility Plant	\$ 1,882,049	\$ 1,878,634	\$ 1,875,780	\$ 1,875,780	\$ 1,874,926
Less: Accum. Deprec.	341,088	294,873	247,908	205,324	162,740
Less: Accum. Amort.	<u>9,224</u>	<u>8,384</u>	<u>7,544</u>	<u>6,704</u>	<u>5,864</u>
 Total Net Utility Plant	 <u>\$ 1,531,737</u>	 <u>\$ 1,575,377</u>	 <u>\$ 1,620,328</u>	 <u>\$ 1,663,752</u>	 <u>\$ 1,706,322</u>
 <u>Current and Accrued Assets</u>					
Cash	\$ 133,520	\$ 58,650	\$ 6,420	\$ 5,539	\$ 7,798
Provision For Uncollectible Accounts	4,211	9,367	7,943	3,652	7,233
Materials and supplies inventory	-	4,000	15,000	12,000	-
Pre-payments	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Current And Accrued Assets	 <u>\$ 137,981</u>	 <u>\$ 72,017</u>	 <u>\$ 29,363</u>	 <u>\$ 21,191</u>	 <u>\$ 15,031</u>
 <u>Deferred Debits</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>
 Total Assets and Other Debits	 <u>\$ 1,669,718</u>	 <u>\$ 1,647,394</u>	 <u>\$ 1,649,691</u>	 <u>\$ 1,684,943</u>	 <u>\$ 1,721,353</u>

[1] Howard County Utilities Information.

**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Comparative Balance Sheets - Liabilities and Equity - Howard County Utilities  
(From 2018 IURC Annual Report For Howard County Utilities Page F-1)

	<u>As Of</u> <u>12/31/18</u>	<u>As Of</u> <u>12/31/17</u>	<u>As Of</u> <u>12/31/16</u>	<u>As Of</u> <u>12/31/15</u>	<u>As Of</u> <u>12/31/14</u>
<u>Equity Capital</u> [1]					
Common Stock Issued	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Other Paid-In Capital	1,612,236	1,612,236	1,620,237	1,662,237	1,662,237
Retained Earnings	<u>(20,836)</u>	<u>(37,435)</u>	<u>(41,934)</u>	<u>(48,683)</u>	<u>(12,272)</u>
Total Equity Capital	<u>\$ 1,592,400</u>	<u>\$ 1,575,801</u>	<u>\$ 1,579,303</u>	<u>\$ 1,614,554</u>	<u>\$ 1,650,965</u>
<u>Long-Term Debt</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Current And Accrued Liabilities</u>					
Accrued Taxes	<u>\$ 6,930</u>	<u>\$ 1,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Current And Accrued Taxes	<u>\$ 6,930</u>	<u>\$ 1,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Contributions In Aid Of Construction</u>	<u>\$ 70,388</u>	<u>\$ 70,388</u>	<u>\$ 70,388</u>	<u>\$ 70,388</u>	<u>\$ 70,388</u>
Total Liabilities and Equity	<u>\$ 1,669,718</u>	<u>\$ 1,647,394</u>	<u>\$ 1,649,691</u>	<u>\$ 1,684,942</u>	<u>\$ 1,721,353</u>

[1] Howard County Utilities Information.

**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Summary of Cash Balances - Howard County Utilities

	Cash Operating <u>Fund</u>	<u>Total</u>
2012	N/A	N/A
2013	N/A	N/A
2014	7,798.00	7,798.00
2015	5,538.00	5,538.00
2016	6,420.00	6,420.00
2017	58,650.00	58,650.00
2018	133,520.00	133,520.00



**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Proof of Annual Receipts - Howard County Utilities

<u>Number of Persons Residing at Connection</u>	<u>Current Rates [1] [2]</u>	<u>Number of Customers [3]</u>	<u>Monthly Bill</u>	<u>Annual Billing</u>
Residential	\$ 69.00	211	14,559.00	\$ 174,708.00
Commercial [4]	- 345.00	<u>1</u>	<u>345.00</u>	<u>4,140.00</u>
Total		<u>212</u>	<u>\$ 14,904.00</u>	<u>\$ 178,848.00</u>
Equivalent Customers		<u>218</u>		

[1] Rates effective June 1, 2011.

[2] Rates per EDU

[3] Per Page S-1, 2018 IURC Annual Report (Number of customers at year end)

[4] 5 EDU's

**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Comparative Revenue and Expense Statement - Howard County Utilities  
(Per IURC Annual Reports)

	Year Ended <u>12/31/18</u>	Year Ended <u>12/31/17</u>	Year Ended <u>12/31/16</u>	Year Ended <u>12/31/15</u>	Year Ended <u>12/31/14</u>
<u>Operating Revenue</u>					
Residential	\$ 174,396.00	\$ 176,353.00	\$ 177,053.00	\$ 174,099.00	\$ -
Commercial	4,140.00	4,140.00	4,140.00	3,588.00	-
Forfeited Discounts	982.00	929.00	1,079.00	1,005.00	-
Other Receipts	-	-	-	-	-
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Operating Receipts	<u>\$ 179,518.00</u>	<u>\$ 181,422.00</u>	<u>\$ 182,272.00</u>	<u>\$ 178,692.00</u>	<u>\$ 180,180.00</u>
<u>Operating Expenses</u>					
Salaries	\$ 900.00	\$ 900.00	\$ -	\$ -	\$ -
Purchased Power	21,859.00	26,603.00	18,971.00	19,033.00	-
Rentals	-	-	-	379.00	-
Contractual Services - Accounting	7,143.00	8,103.00	1,386.00	1,984.00	-
Contractual Services - Legal	8,383.00	11,749.00	-	124,289.00	-
Contractual Services - Testing	11,650.00	12,279.00	-	-	-
Contractual Services - Other	32,435.00	34,975.00	84,891.00	-	-
Insurance	-	-	-	-	-
Materials and Supplies	5,037.00	1,328.00	2,478.00	3,158.00	-
Chemicals	-	-	-	-	-
Admin. & General	-	-	-	-	-
Sludge Removal	-	-	-	-	-
Other	-	-	-	-	-
Debt Service	-	-	-	-	-
Miscellaneous	4,000.00	3,581.00	4,319.00	3,314.00	-
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Operating Disb.	<u>\$ 91,407.00</u>	<u>\$ 99,518.00</u>	<u>\$ 112,045.00</u>	<u>\$ 152,157.00</u>	<u>\$ 126,999.00</u>
Net Operating Receipts	<u>\$ 88,111.00</u>	<u>\$ 81,904.00</u>	<u>\$ 70,227.00</u>	<u>\$ 26,535.00</u>	<u>\$ 53,181.00</u>
<u>Non-Operating Revenue</u>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Non-Operating Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Non-Operating Expenses</u>					
Depreciation	\$ 46,215.00	\$ 46,965.00	\$ 42,584.00	\$ 42,584.00	\$ 46,037.00
Amortization	840.00	840.00	840.00	840.00	840.00
Property Taxes	16,223.00	17,422.00	19,846.00	19,206.00	11,083.00
Other Taxes	2,509.00	10,973.00	208.00	315.00	-
Income Taxes	5,725.00	-	-	-	-
Deferred Federal	-	855.00	-	-	-
Deferred State	-	350.00	-	-	-
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Non-Operating Receipts	<u>\$ 71,512.00</u>	<u>\$ 77,405.00</u>	<u>\$ 63,478.00</u>	<u>\$ 62,945.00</u>	<u>\$ 57,960.00</u>
Net Receipts (Disbursements)	<u>\$ 16,599.00</u>	<u>\$ 4,499.00</u>	<u>\$ 6,749.00</u>	<u>\$ (36,410.00)</u>	<u>\$ (4,779.00)</u>

**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Illustrative Schedule of Present and Proposed Rates and Charges

Un-Metered Rates

<u>Number of Persons Residing at Connection</u>	<u>Present</u>	<u>Proposed</u>	<u>Difference</u>	
	<u>Rates [1]</u>	<u>Rates</u>	<u>Amount</u>	<u>Percent</u>
Residential	\$ 69.00	\$ 153.04	\$ 84.04	121.80%
Commercial	345.00	765.20	420.20	121.80%

Penalties

Penalties One time charge of 10% of amount past due

Customer Deposit

Deposit	\$ -	\$ -	\$ -	#DIV/0!
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Sewer Connection

If District Installs Service	\$ -	\$ -	\$ -	#DIV/0!
If District Does Not Install Service	\$ -	\$ -	\$ -	#DIV/0!

[1] Rates approved most recently on June 1, 2011, in IURC Cause No. 45294.

**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Schedule of Estimated Project Cost

	Open Market Financing Cost	<u>Ref</u>
I <u>Purchase Cost</u>		
Howard County Utilities Assets	\$ 2,022,000	1
Cost To Replace Pumps And Electric Box	-	1
Total Purchase Costs	<b><u>\$ 2,022,000</u></b>	
II Contingency (estimated) [10%]	<b><u>\$ _____ :</u></b>	3
IV <u>Non-Construction Costs (estimated)</u>		
Engineering PER and plant evaluation.	\$ 20,000	2
Legal, SRF, Bond Counsel, Financial & Accounting	80,000	3
Operating Capital	40,000	
RD Loan Guarantee (1%)	22,000	
Loan Origination Fee	11,000	3
Other/Miscellaneous	<u>5,000</u>	
Total Non-Construction Costs	<b><u>\$ 178,000</u></b>	
V <u>Total Project Cost</u>	<b><u>\$ 2,200,000</u></b>	

- [1] Per March 12, 2018 agreement between HCU and GA
- [2] Per engineer
- [3] Per FA (estimated)
- [4] May not be eligible for borrowing.
- [5] SRF funding may not be available due to project funding timeline.  
SRF funding may not be available for a utility purchase.

**Green Acres Subdivision Sewer System, Inc.**  
Sewer Works  
Sources and Uses of Funds Statement

I	<u>Sources and Uses of Funds Statement</u>	Open Market <u>20-Year</u>	Open Market <u>25-Year</u>	Open Market <u>30-Year</u>	Open Market <u>40-Year</u>
	Loan Financing	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
	Funds on Hand	-	-	-	-
	Grant	-	-	-	-
	Total Sources of Funds	<b><u>\$ 2,200,000</u></b>	<b><u>\$ 2,200,000</u></b>	<b><u>\$ 2,200,000</u></b>	<b><u>\$ 2,200,000</u></b>
II	<u>Uses of Funds</u>				
	Purchase Cost	\$ 2,022,000	\$ 2,022,000	\$ 2,022,000	\$ 2,022,000
	Contingency	-	-	-	-
	Non-Construction Costs	<u>178,000</u>	<u>178,000</u>	<u>178,000</u>	<u>178,000</u>
	Total Uses of Funds	<b><u>\$ 2,200,000</u></b>	<b><u>\$ 2,200,000</u></b>	<b><u>\$ 2,200,000</u></b>	<b><u>\$ 2,200,000</u></b>

**Green Acres Subdivision Sewer System, Inc.**  
Sewer Works  
Estimated Financing Parameters

	Open Market <u>20-Year</u>	Open Market <u>25-Year</u>	<b>Open Market <u>30-Year</u></b>	Open Market <u>40-Year</u>
Estimation Financing Amount	\$ 2,200,000	\$ 2,200,000	<b>\$ 2,200,000</b>	\$ 2,200,000
Estimated Interest Rate	5.00%	5.25%	<b>5.50%</b>	6.25%
Estimated Loan Term (in years)	20	25	<b>30</b>	40
Estimated Annual Debt Service	<u>\$ 176,533.69</u>	<u>\$ 160,029.45</u>	<b><u>\$ 151,371.86</u></b>	<u>\$ 150,846.85</u>
Estimated Annual Debt Service Reserve (20%)	<u>\$ 35,306.74</u>	<u>\$ 32,005.89</u>	<b><u>\$ 30,274.37</u></b>	<u>\$ 30,169.37</u>
Total Est. Debt Service and Debt Service Reserve	<u>\$ 211,840.43</u>	<u>\$ 192,035.33</u>	<b><u>\$ 181,646.23</u></b>	<u>\$ 181,016.22</u>

**Green Acres Subdivision Sewer System, Inc.**  
Sewer Works  
Illustrative Amortization Schedule - 2020 Bonds

	<u>Date</u>	<u>Amount Outstanding</u>	<u>Principal Payments</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>Semi-Annual Debt Service</u>	<u>Annual Debt Service</u>
	6/15/20	\$ 2,200,000	\$ -	5.50%	\$ -	\$ -	
1	1/1/21	2,200,000	30,000.00	5.50%	30,250.00	60,250.00	\$ 60,250.00
	7/1/21	2,170,000		5.50%	59,675.00	59,675.00	
2	1/1/22	2,170,000	32,000.00	5.50%	59,675.00	91,675.00	151,350.00
	7/1/22	2,138,000		5.50%	58,795.00	58,795.00	
3	1/1/23	2,138,000	34,000.00	5.50%	58,795.00	92,795.00	151,590.00
	7/1/23	2,104,000		5.50%	57,860.00	57,860.00	
4	1/1/24	2,104,000	36,000.00	5.50%	57,860.00	93,860.00	151,720.00
	7/1/24	2,068,000		5.50%	56,870.00	56,870.00	
5	1/1/25	2,068,000	38,000.00	5.50%	56,870.00	94,870.00	151,740.00
	7/1/25	2,030,000		5.50%	55,825.00	55,825.00	
6	1/1/26	2,030,000	40,000.00	5.50%	55,825.00	95,825.00	151,650.00
	7/1/26	1,990,000		5.50%	54,725.00	54,725.00	
7	1/1/17	1,990,000	42,000.00	5.50%	54,725.00	96,725.00	151,450.00
	7/1/27	1,948,000		5.50%	53,570.00	53,570.00	
8	1/1/28	1,948,000	44,000.00	5.50%	53,570.00	97,570.00	151,140.00
	7/1/28	1,904,000		5.50%	52,360.00	52,360.00	
9	1/1/29	1,904,000	47,000.00	5.50%	52,360.00	99,360.00	151,720.00
	7/1/29	1,857,000		5.50%	51,067.50	51,067.50	
10	1/1/30	1,857,000	49,000.00	5.50%	51,067.50	100,067.50	151,135.00
	7/1/30	1,808,000		5.50%	49,720.00	49,720.00	
11	1/1/31	1,808,000	52,000.00	5.50%	49,720.00	101,720.00	151,440.00
	7/1/31	1,756,000		5.50%	48,290.00	48,290.00	
12	1/1/32	1,756,000	55,000.00	5.50%	48,290.00	103,290.00	151,580.00
	7/1/32	1,701,000		5.50%	46,777.50	46,777.50	
13	1/1/33	1,701,000	58,000.00	5.50%	46,777.50	104,777.50	151,555.00
	7/1/33	1,643,000		5.50%	45,182.50	45,182.50	
14	1/1/34	1,643,000	61,000.00	5.50%	45,182.50	106,182.50	151,365.00
	7/1/34	1,582,000		5.50%	43,505.00	43,505.00	
15	1/1/35	1,582,000	64,000.00	5.50%	43,505.00	107,505.00	151,010.00
	7/1/35	1,518,000	-	5.50%	41,745.00	41,745.00	
16	1/1/36	1,518,000	68,000.00	5.50%	41,745.00	109,745.00	151,490.00
	7/1/36	1,450,000	-	5.50%	39,875.00	39,875.00	
17	1/1/37	1,450,000	71,000.00	5.50%	39,875.00	110,875.00	150,750.00
	7/1/37	1,379,000	-	5.50%	37,922.50	37,922.50	
18	1/1/38	1,379,000	75,000.00	5.50%	37,922.50	112,922.50	150,845.00
	7/1/39	1,304,000	-	5.50%	35,860.00	35,860.00	
19	1/1/39	1,304,000	80,000.00	5.50%	35,860.00	115,860.00	151,720.00
	7/1/39	1,224,000	-	5.50%	33,660.00	33,660.00	
20	1/1/40	1,224,000	84,000.00	5.50%	33,660.00	117,660.00	151,320.00
	7/1/40	1,140,000		5.50%	31,350.00	31,350.00	
21	1/1/41	1,140,000	88,000.00	5.50%	31,350.00	119,350.00	150,700.00
	7/1/41	1,052,000		5.50%	28,930.00	28,930.00	
22	1/1/42	1,052,000	93,000.00	5.50%	28,930.00	121,930.00	150,860.00
	7/1/42	959,000		5.50%	26,372.50	26,372.50	
23	1/1/43	959,000	99,000.00	5.50%	26,372.50	125,372.50	151,745.00

	7/1/43	860,000		5.50%	23,650.00	23,650.00	
24	1/1/44	860,000	104,000.00	5.50%	23,650.00	127,650.00	151,300.00
	7/1/44	756,000		5.50%	20,790.00	20,790.00	
25	1/1/45	756,000	110,000.00	5.50%	20,790.00	130,790.00	151,580.00
	7/1/45	646,000		5.50%	17,765.00	17,765.00	
26	1/1/46	646,000	116,000.00	5.50%	17,765.00	133,765.00	151,530.00
	7/1/46	530,000		5.50%	14,575.00	14,575.00	
27	1/1/47	530,000	122,000.00	5.50%	14,575.00	136,575.00	151,150.00
	7/1/47	408,000		5.50%	11,220.00	11,220.00	
28	1/1/48	408,000	129,000.00	5.50%	11,220.00	140,220.00	151,440.00
	7/1/48	279,000		5.50%	7,672.50	7,672.50	
29	1/1/49	279,000	136,000.00	5.50%	7,672.50	143,672.50	151,345.00
	7/1/49	143,000		5.50%	3,932.50	3,932.50	
30	1/1/50	143,000	<u>143,000.00</u>	5.50%	3,932.50	<u>146,932.50</u>	<u>150,865.00</u>
Total			<u>\$ 2,200,000</u>		<u>\$ 2,249,335</u>	<u>\$ 4,449,335</u>	<u>\$ 4,449,335</u>
Average		(2022-2050)					<u>\$ 151,347.76</u>

Dated Date 6/15/2020



**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Summary of Employment Contracts

<u>Service</u>	<u>Office Administration</u>	<u>Plant Operator</u>	<u>Lab Work &amp; Sampling</u>
Type of Employment	Independent Contractor	Independent Contractor	Independent Contractor
Contractee	Doug Whitman	Bill Groome	Doug Whitman
Compensation (monthly)	\$ 900.00	\$ 2,500.00	\$ 1,500.00
Compensation (annual)	<u>\$ 10,800.00</u>	<u>\$ 30,000.00</u>	<u>\$ 18,000.00</u>
Benefits	None	None	None
Probationary Period	6 Months	3 Months	6 Months



**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Detail Of Adjustments

<u>Adjustment Number</u>	<u>Amount</u>	<u>Explanation</u>
1	\$ 17,100.00	Annual salaries for 5 Board members
2	2,907.00	Payroll taxes on salaries
3	10,056.00	Building Rental per agreement
4	3,657.00	Contract accounting per quote
5	15,617.00	Contract legal per quote
6	6,350.00	Contract testing per quote
7	(32,435.00)	Eliminate contract other
8	30,000.00	Contract operator per quote
9	6,000.00	Contract sewer cleaning per estimate
10	3,285.00	Insurance cost per quote
11	1,455.38	Allocated utility cost

**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Revenue Requirements Statement

<u>Revenue Requirements</u>	Open Market <u>20-Year</u> Col. A	Open Market <u>25-Year</u> Col. B	<b>Open Market</b> <b><u>30-Year</u></b> <b>Col. C</b>	Open Market <u>40-Year</u> Col. D
Operation and Maintenance	\$ 155,399.38	\$ 155,399.38	<b>\$ 155,399.38</b>	\$ 155,399.38
Taxes	-	-	-	-
Working Capital	5,564.18	5,564.18	<b>5,564.18</b>	5,564.18
Extensions and Replacements (calculated as depre	54,700.00	54,700.00	<b>54,700.00</b>	54,700.00
Debt Service - 2015A Bonds	-	-	-	-
Debt Service Reserve - 2015A Bonds [3]	-	-	-	-
Debt Service - 2009B	-	-	-	-
Debt Service Reserve - 2009B Bonds	-	-	-	-
Debt Service - 2020 Bonds	176,533.69	160,029.45	<b>151,371.86</b>	150,846.85
Debt Service Reserve - 2020 Bonds	35,306.74	32,005.89	<b>30,274.37</b>	30,169.37
Coverage / Payment in Lieu of Tax	-	-	-	-
Return on Plant (Inflation Provision) [2]	-	-	-	-
Total Revenue Requirements	\$ 427,503.99	\$ 407,698.90	<b>\$ 397,309.79</b>	\$ 396,679.78
Less: Pro Forma Present Rate Receipts	<u>178,848.00</u>	<u>178,848.00</u>	<b><u>178,848.00</u></b>	<u>178,848.00</u>
Increase - Amount	\$ 248,655.99	\$ 228,850.90	<b>\$ 218,461.79</b>	\$ 217,831.78
Pro Forma Present Rate Sewer Receipts	<u>178,848.00</u>	<u>178,848.00</u>	<b><u>178,848.00</u></b>	<u>178,848.00</u>
Increase - Percentage	<u>139.03%</u>	<u>127.96%</u>	<b><u>122.15%</u></b>	<u>121.80%</u>
Calculated Rate	<u>\$ 163.42</u>	<u>\$ 155.85</u>	<b><u>\$ 151.88</u></b>	<u>\$ 151.64</u>

**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Calculation of Debt Service Coverage

	Open Market <u>20-Year</u> Col. A	Open Market <u>25-Year</u> Col. B	<b>Open Market <u>30-Year</u> Col. C</b>	Open Market <u>40-Year</u> Col. D
<u>Calculation of Debt Service Coverage</u>				
Total Receipts	\$ 427,503.99	\$ 407,698.90	\$ <b>397,309.79</b>	\$ 396,679.78
Less: Operation and Maint.	<u>155,399.38</u>	<u>155,399.38</u>	<b><u>155,399.38</u></b>	<u>155,399.38</u>
Receipts Available for Debt Service	\$ 272,104.61	\$ 252,299.52	\$ <b>241,910.41</b>	\$ 241,280.40
Maximum Annual Debt Service	<u>176,533.69</u>	<u>160,029.45</u>	<b><u>151,371.86</u></b>	<u>150,846.85</u>
Debt Service Coverage	<u>1.541</u>	<u>1.577</u>	<b><u>1.598</u></b>	<u>1.600</u>

Note: Bonds require a minimum 1.25 debt service coverage ratio.

**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Schedule of Miscellaneous Calculations

**Working Capital (FERC Method)**

Operation and Maintenance	\$ 155,399.38
Less: Purchased Power	<u>(21,859.00)</u>
Expenses Requiring Working Capital	\$ 133,540.38
Divide by 45 Days	<u>8.00</u>
Static Working Capital	\$ 16,692.55
Amortize Over 5 Years	<u>3.00</u>
Working Capital Revenue Requirement	<u>\$ 5,564.18</u>

Note: Working capital is not required in this instance.

<b><u>Inflation Projection</u></b>	<b><u>Base Year</u></b>	<b><u>Year</u></b> <b><u>1</u></b>	<b><u>Year</u></b> <b><u>2</u></b>	<b><u>Year</u></b> <b><u>3</u></b>	<b><u>Year</u></b> <b><u>4</u></b>	<b><u>Year</u></b> <b><u>5</u></b>
Operation and Maintenance	\$ 155,399.38					
Extensions and Replacements	<u>31,233.33</u>					
Tot. Rev. Req. Subject to Inflation	\$ 186,632.71					
1% inflation		<u>1,866.33</u>	<u>3,732.65</u>	<u>5,598.98</u>	<u>7,465.31</u>	<u>9,331.64</u>
2% inflation		<u>3,732.65</u>	<u>7,465.31</u>	<u>11,197.96</u>	<u>14,930.62</u>	<u>18,663.27</u>
4% inflation		<u>7,465.31</u>	<u>14,930.62</u>	<u>22,395.93</u>	<u>29,861.23</u>	<u>37,326.54</u>

**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Schedule of Calculation Of Utility Plant and Annual Depreciation

Purchase Price of Utility	<u>\$ 2,200,000</u>
Gross Utility Plant of Acquired Utility	\$ 2,200,000
Less: Land Cost (per Judy Cleland estimate)	<u>(12,000)</u>
Depreciable Plant	\$ 2,188,000
Composite Depreciation Rate for Complete Wastewater Systems [1]	<u>2.500%</u>
Annual Composite Depreciation Amount	<u>\$ 54,700.00</u>

[1] Per composite depreciation rate for complete wastewater systems from small utility accounting manual page 11.

**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Schedule of Extensions and Replacements

	Estimated Cost	No of Units	Extension	Estimated Service Life	Annual Amortization All Equipment	Annual Amortization 25-Year and Less
<u>Influent Pump Station [1]</u>						
Pumps	\$ 28,000	2.00	56,000.00	20	\$ 2,800.00	\$ 2,800.00
Inline Grinder	20,000	1.00	20,000.00	15	1,333.33	1,333.33
Valves	1,000	11.00	11,000.00	75	146.67	
<u>Treatment Tank [1]</u>						
Surge Pumps	5,000	2.00	10,000.00	25	400.00	400.00
Difusser Equipment	40,000	1.00	40,000.00	40	1,000.00	
Valves	1,000	4.00	4,000.00	50	80.00	
Airlift Pumps	750	5.00	3,750.00	25	150.00	150.00
UV Equipment	40,000	1.00	40,000.00	25	1,600.00	1,600.00
Flow Meter	1,000	1.00	1,000.00	15	66.67	66.67
<u>Blower Building [1]</u>						
Blower	14,000	5.00	70,000.00	25	2,800.00	2,800.00
<u>Control Building [1]</u>						
Laboratory	20,000	1.00	20,000.00	15	1,333.33	1,333.33
<u>Standby Generator [1]</u>						
	62,000	1.00	62,000.00	40	1,550.00	
<u>Electrical I&amp;C [1]</u>						
	150,000	1.00	150,000.00	20	7,500.00	7,500.00
<u>Sludge Removal [1]</u>						
	50,000	1.00	50,000.00	8	6,250.00	6,250.00
<u>Rate Case Expense</u>						
	<u>35,000</u>	1.00	<u>35,000.00</u>	5	<u>7,000.00</u>	<u>7,000.00</u>
Total	\$ <u>467,750</u>		\$ <u>572,750</u>		\$ <u>34,010.00</u>	\$ <u>31,233.33</u>

[1] Per Judy Cleland Estimates



**Green Acres Subdivision Sewer System, Inc.**  
Sewage Works  
Typical Residential Billing Schedule

<u>Number of Persons Residing at Connection</u>	<u>Current Rates [1]</u> Col. A	<u>Open Market 20-Year</u> Col. B	<u>Open Market 25-Year</u> Col. C	<b><u>Open Market 30-Year</u></b> <b>Col. D</b>	<u>Open Market 40-Year</u> Col. E
Residential	\$ 69.00	\$ 163.42	\$ 155.85	\$ <b>151.88</b>	\$ 151.64
Commercial	345.00	824.66	786.46	<b>766.42</b>	765.20

[1] Rates Effective June 1, 2011.



# Welcome

Please:      Silence cell phones  
                  No video or audio recording  
                  No dual conversation

## Topics to be presented

- Election of BoD Members
- HOA 2018 Financial Performance
- Social Calendar Update
- Sewer System Acquisition Update
- Golf Course Update
- Election Result

## 2018 HOA Board of Directors

Henry Weller	President
Montrel McGee	Vice-President
Laura Brumbaugh	Treasurer
Chuck Lewis	Secretary
Bill Groome	Co-Treasurer
Vern Emery	
Kevin McClure	
Greg Johnson	
Open	One year open

## Home Owners Association

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### **BoD Expiring Terms:**

Laura Brumbaugh

Bill Groome

Chuck Lewis

Home Owners Association

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## **Election of BoD Members**

Candidates:      Bill Groome  
                         Chelsea Harmon  
                         Chuck Lewis  
                         Bob Marley  
                         Steve Rector

## Home Owners Association

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### 2018 P&L

#### Income

Dues	\$ 41,892.39
Interest	\$ 13.65
Comedy	\$ 1,035.00
Other	\$ 175.00
Total	\$ 43,116.04

#### Expense

Administration	\$ 628.56
Building Maint.	\$ 1,397.13
Fac. & Equipment	\$ 1,181.31
Insurance	\$ 11,534.26
License	\$ 1,000.00
Utilities	\$ 11,160.47
Salary	\$ 3,200.00
Sewer Acq.	\$ 2,470.00
Tax	\$ 4,182.59
Website/Welcome	\$ 499.79



## Home Owners Association

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### 2018 P&L (continued)

	<u>Income</u>	<u>Expense</u>
<b>Total</b>	<b>\$43,116.04</b>	<b>\$39,924.30</b>
<b>+/-</b>	<b>+\$3,191.74</b>	

## Social Calendar Update (April-August)

Fridays @ 6:00 p.m.	Community dinner (kids free)
April 21	Easter Egg Hunt
April 27	GA Garage Sale
July 4	Parade and Fireworks
Fall	Fall festival
December	Breakfast with Santa
TBD	Wine Tasting and Night Golf

**Social Committee seeking members and event ideas**

### Sewer Update

### memo

#### Howard County Utilities

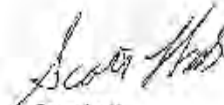
To: Chuck Lewis, Henry Weller, Marcus Misfenc, Steve Brock  
From: Scott Lods  
CC: Nick Kile, Brad Marley  
Date: 28-Mar-19  
Re: Howard County Utilities Sale/ GA Purchase

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I am sending this memo so that everyone has time to get things accomplished. As I am getting ready for my bike the US for MS trip, I am trying to get things wrapped up.

I am not trying to rush anyone, but this process has gone on long enough. I will be returning from my bike trip on 4-Aug-19. If the sale is not completed by 10-Aug-19, the deal will be off the table. I will be filing a rate case and closing the golf course this fall.

Sincerely,



Scott Lods  
President

## Home Owners Association

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### Sewer Update

April 2018	Working with USDA as affiliate of TRSD
May 2018	Taylor withdraws due to loan requirements
Balance 2018	Determining alternatives available
March 2019	Board decides to pursue loan through FFBT

## Home Owners Association

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### **Golf Course Update:**

Harold Vincent Dir. of Ops. for course and CC

Significant effort to improve course

Working on golf outings and leagues

CC to be open weather permitting for food and beverage

Friday meals to continue

Community support appreciated

Home Owners Association

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## Election Results

Thank you for attending

Adjourn

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR  
DATA REQUEST**

**HOWARD COUNTY UTILITIES, INC.**

**and**

**GREEN ACRES SUBDIVISION SEWER SYSTEM, INC.**

**CAUSE NO. 45360**

**OUCG Data Request Set No. 6**

**Date: July 16, 2020**

**JOINT PETITIONERS' RESPONSES AND OBJECTIONS TO THE SIXTH SET  
OF DATA REQUESTS FROM INDIANA OFFICE OF  
UTILITY CONSUMER COUNSELOR**

Joint Petitioners, Howard County Utilities, Inc., and Green Acres Subdivision Sewer System, Inc., hereby provide the following responses to the sixth set of Data Requests from Indiana Office of Utility Consumer Counselor, subject to the following objections:

**I. General Objections.**

1. The responses provided to the Requests have been prepared pursuant to a reasonable and diligent investigation and search conducted in connection with the Requests in those areas where information is expected to be found. To the extent the Requests purport to require more than a reasonable and diligent investigation and search, Joint Petitioners object on grounds that they include an undue burden or unreasonable expense.

2. Joint Petitioners object to the Requests to the extent they seek documents or information which are not relevant to the subject matter of this proceeding and which are not reasonably calculated to lead to the discovery of admissible evidence.

3. Joint Petitioners object to the Requests to the extent they seek an analysis, calculation, or compilation which has not already been performed and which Joint Petitioners object to performing.

4. Joint Petitioners object to the Requests to the extent they are vague and ambiguous and provide no basis from which Joint Petitioner can determine what information is sought.

5. Joint Petitioners object to the Requests to the extent they seek information that is subject to the attorney-client, work product, settlement negotiation or other applicable privileges.

6. The responses constitute the corporate responses of Joint Petitioners and contain information gathered from a variety of sources. Joint Petitioners object to the Requests to the



extent they request identification of and personal information about all persons who participated in responding to each data request on the grounds that it is overbroad, unreasonably burdensome and irrelevant given the nature and scope of the requests and the many people who may be consulted about them. Joint Petitioners further object to the Requests to the extent they purport to require identification of a witness who can answer questions regarding the substance of or origination of information supplied in each response on the ground that Petitioner has no obligation to call witnesses to testify as to information provided in discovery.

Without waiving these objections, Joint Petitioners respond to the Requests in the manner set forth below.

## **II. Data Request Responses**

**OUCG DR 6-1**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Please reference the loan documents provided in attachment SKB-1, which are dated December 31, 2019.

- a. Please confirm that FFBT is requiring a 1-year debt service reserve fund for this loan, and please provide the document or communication from First Farmers Bank and Trust that requires or discusses that requirement.
- b. If the debt service reserve fund is required, please confirm that this is expected to be funded over five years.

**Information Provided:**

- a. Under the covenants on page 2 of the letter included as Attachment SKB-1, it states “there is a minimum of 1.25 debt-service coverage ratio requirement that will be tested annually upon receipt of financial reports.”
- b. The debt reserve requested in the GASS rate filing is a 5-year build-up of the debt reserve.

**OUCR DR 6-2**

**DATA INFORMATION REQUEST  
Howard County Utilities, Inc., and  
Green Acres Subdivision Sewer System, Inc.**

**Cause No. 45360**

**Information Requested:**

Please reference the loan documents provided in attachment SKB-1, which are dated December 31, 2019.

- a. Please describe all efforts to date to procure more recent interest rates from First Farmers Bank and Trust or other lenders. Please advise as to the results of those efforts.
- b. Please state the latest quoted interest rates available from First Farmers Bank and Trust (FFBT). Please include the date the interest rate quote was provided.
- c. If GASSS has not taken steps to procure less expensive financing, please explain why not.

**Information Provided:**

- a. With respect to Indiana State Revolving Loan Fund (SRF) financing, GASS's financial consultant, Steve Brock, has had several verbal and email conversations with the SRF asking whether they would fund this project. See Joint Petitioner's response to OUCC DR 6-6 describing GASSS's most recent conversation with the SRF regarding financing this project. Within the last two months, GASSS has also inquired at Key Bank, Community First Bank and Solidarity Federal Credit Union as to financing the purchase. None of these banks had any interest in providing a loan for this type of purchase.
- b. Upon request, First Farmers provided updated fixed rates as follows on July 10, 2020:  
  
20 year: 4.34%  
25 year: 4.44%  
30 year: 4.57%

However, these rates cannot be locked in until 3 days before closing.

- c. As evidenced by the responses to a and b, GASSS has taken steps to procure less expensive financing. However, due to the long loan term (30-years), the lack of any

operating history by the purchaser and the lack of any funded cash reserves from the purchaser, this would be a difficult loan for a bank or financial institution to get through their credit committee. The loan guarantee from Rural Development is a major credit enhancement for this loan, but many banks have little interest in loans with over a 10-year loan term. This loan, with its 30-year term, is well out of the normal loan term that most banks allow.