

STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

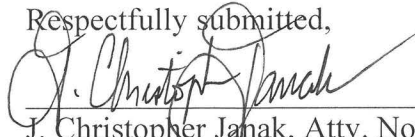
JOINT PETITION OF INDIANA-AMERICAN )  
WATER COMPANY INC. (“INDIANA AMERICAN”) )  
AND SILVER CREEK WATER CORPORATION )  
 (“SILVER CREEK”) FOR APPROVAL AND )  
AUTHORIZATION OF: (A) THE ACQUISITION BY )  
INDIANA AMERICAN OF SILVER CREEK’S )  
UTILITY PROPERTY (THE “SILVER CREEK )  
WATER SYSTEM”) IN CLARK AND FLOYD )  
COUNTIES IN INDIANA IN ACCORDANCE WITH A )  
PURCHASE AGREEMENT THEREFOR; (B) )  
APPROVAL OF ACCOUNTING AND RATE BASE )  
TREATMENT; (C) APPROVAL OF THE RATES AND )  
CHARGES TO BE APPLIED TO THE SILVER )  
CREEK WATER SYSTEM AFTER CLOSING; (D) )  
APPROVAL OF APPLICATION OF INDIANA )  
AMERICAN’S RULES AND REGULATIONS FOR )  
WATER SERVICE TO THE SILVER CREEK WATER )  
SYSTEM; (E) APPLICATION OF INDIANA )  
AMERICAN’S DEPRECIATION ACCRUAL RATES )  
TO SUCH ACQUIRED PROPERTIES; AND (F) THE )  
SUBJECTION OF THE ACQUIRED PROPERTIES TO )  
THE LIEN OF INDIANA-AMERICAN’S MORTGAGE )  
INDENTURE. )

CAUSE NO. 46023

**PREFILED DIRECT TESTIMONY AND EXHIBITS**  
**OF CHRISTOPHER ADAM SNYDER**

Silver Creek Water System Map	Attachment CAS-1
November 2022 Appraisal	Attachment CAS-2
Board Minutes Approving Asset Purchase Agreement	Attachment CAS-3
Member Letter	Attachment CAS-4
Frequently Asked Questions	Attachment CAS-5
Ballot	Attachment CAS-6
Voting Memorandum	Attachment CAS-7
October 12, 2023 Membership Letter Regarding Vote	Attachment CAS-8

Respectfully submitted,



J. Christopher Janak, Atty. No. 18499-49

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*Counsel for Joint Petitioner, Silver Creek  
Water Corporation*

**JOINT PETITIONERS' EXHIBIT 1**

**STATE OF INDIANA  
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CAUSE NO. 46023

**PREFILED DIRECT TESTIMONY AND EXHIBITS**  
**OF CHRISTOPHER ADAM SNYDER**

**ON BEHALF OF  
SILVER CREEK WATER CORPORATION**

**I.**  
**Introduction**

1    **1.    PLEASE STATE YOUR NAME AND ADDRESS.**

2    A.    My name is Christopher Adam Snyder and my address is 1223 Amy Avenue, Sellersburg,  
3        Indiana 47172.

4    **2.    PLEASE DESCRIBE YOUR RELATIONSHIP WITH JOINT PETITIONER,**  
5        **SILVER CREEK WATER CORPORATION (“SILVER CREEK”).**

6    A.    I was a customer of Silver Creek from 2012 to 2016 before I moved to Florida for my job.  
7        I returned to the area in 2017 and have been a customer of Silver Creek ever since that  
8        time. I have also been a member of the Silver Creek Board of Directors (“Board”) since  
9        2020 and currently serve as the Vice President of the Board.

10   **3.    HAVE YOU REVIEWED THE JOINT PETITION INITIATING THIS CAUSE?**

11   A.    Yes, I have.

12   **4.    DO YOU BELIEVE THE JOINT PETITION ACCURATELY DESCRIBES THE**  
13        **FACTS WITH RESPECT TO SILVER CREEK?**

14   A.    Yes, I do.

15   **5.    WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

16   A.    My testimony will support the proposed transaction between Silver Creek and Indiana  
17        American Water Company, Inc. (“Indiana American”) whereby Silver Creek would sell all  
18        of its water facilities to Indiana American (“Proposed Transaction”). Specifically, I will  
19        discuss and provide information regarding the following: (i) a brief description of Silver  
20        Creek’s current water system; (ii) the Board’s decision to sell its assets to Indiana American

1 and the procedures the Board followed; and (iii) the general terms of the Proposed  
2 Transaction and the benefits to Silver Creek's customers.

3 **II.**  
4 **Silver Creek's Existing System and Service Territory**

5 **6. PLEASE PROVIDE AN OVERVIEW OF SILVER CREEK AND ITS WATER**  
6 **SYSTEM.**

7 A. Silver Creek is a nonprofit water corporation that was incorporated on April 15, 1963.  
8 Since its inception in 1963, Silver Creek has grown to the point that it now has  
9 approximately 7,938 unique customers as of July 28, 2023, and is one of the largest  
10 nonprofit water utilities in the State of Indiana. Silver Creek does not currently produce  
11 its own water. Rather, Silver Creek buys all of its water from Indiana American on a  
12 wholesale basis and, in turn, distributes the purchased water to its primarily residential  
13 customer base. Silver Creek's water system currently consists of approximately 742,430  
14 linear feet of water mains that range in size from .75 inches to 16 inches in diameter and  
15 range in age from 0 to 59 years. As part of its transmission and distribution system Silver  
16 Creek has 2,148 valves, 8,451 meters, and 877 fire hydrants. In terms of storage, Silver  
17 Creek has 5 water tanks. The Highway 60 Tank and Deam Lake Tank are elevated storage  
18 tanks while the Lake Division Tank, St. Joe Tank, and Fairview Knob Tank are ground  
19 storage tanks. The storage volume within these tanks range from .15 to 2.25 million  
20 gallons. The majority of the water system is constructed within the right of way; however,  
21 Silver Creek owns 368 separate and distinct easements in which it has various water

1 facilities, primarily water lines. Silver Creek also has its headquarters which consists of  
2 an office building and storage yard, as well as 4 pump stations, geographic information  
3 system (“GIS”), billing systems, a supervisory control and data acquisition (“SCADA”)  
4 system, and vehicles that are currently used by Silver Creek employees to operate and  
5 maintain its system. A map delineating Silver Creek’s water system is attached to my  
6 testimony as Attachment CAS-1.

7 **7. MR. SNYDER, CAN YOU PLEASE BRIEFLY DESCRIBE SILVER CREEK’S**  
8 **SERVICE AREA?**

9 A. Yes, I can. The Silver Creek service area is located in Silver Creek and Carr Townships  
10 within Clark County and New Albany Township in Floyd County in southern Indiana.  
11 Silver Creek’s service area is approximately 10 miles north of Louisville, Kentucky, and  
12 is about 5 miles wide and 12 miles long.

13 **8. IS SILVER CREEK PROPOSING TO SELL ALL OF ITS ASSETS TO INDIANA**  
14 **AMERICAN?**

15 A. Yes, Silver Creek proposes to sell all of its assets to Indiana American, including its real  
16 property, fixtures, and easements, as part of the Proposed Transaction. At closing, Silver  
17 Creek would have no water assets or customers and Indiana American would assume full  
18 responsibility for providing water service to Silver Creek’s customers on an uninterrupted  
19 basis.

20 **9. WHY HAS SILVER CREEK MADE THE DECISION TO SELL ITS SYSTEM AT**



1    **10.    BEFORE AGREEING TO THE PROPOSED TRANSACTION, DID SILVER**  
2    **CREEK COMPLETE AN APPRAISAL OF ITS WATER FACILITIES?**

3    A.    Yes, it did. Silver Creek retained Beam Longest & Neff (“BLN”) and Banning Engineering  
4    (“Banning”) to complete an appraisal of Silver Creek’s utility facilities and BLN Right-  
5    Of-Way Services (“BLN Services”) to value Silver Creek’s real estate and land rights. The  
6    work of BLN, Banning, and BLN Services was compiled in a single report entitled *Public*  
7    *Water System Facilities Inventory/Valuation* dated November of 2022 (“November 2022  
8    Appraisal”). A copy of the November 2022 Appraisal is attached hereto as Attachment  
9    CAS-2.

10   **11.   WHAT WAS THE TOTAL VALUE OF SILVER CREEK’S ASSETS AS**  
11   **DETERMINED BY THE APPRAISAL?**

12   A.    Based on the November 2022 Appraisal, the just and true valuation of Silver Creek’s water  
13   facilities was \$44,517,100. The value of the real estate and land (as determined by BLN  
14   Services) was \$4,140,500. The total value of Silver Creek’s water system, including all  
15   real estate and land rights, was determined to be \$48,657,600.

16   **12.   PLEASE DESCRIBE THE NEGOTIATIONS BETWEEN SILVER CREEK AND**  
17   **INDIANA AMERICAN FOR THE SALE OF SILVER CREEK’S ASSETS.**

18   A.    Over the years, Indiana American has periodically inquired to see if the Board had any  
19   interest in discussing a potential acquisition. In July of 2022, Indiana American again  
20   approached the Board to see if the Board was interested in selling its water system. After



1 much consideration, the Board decided to have an appraisal completed. Upon receipt of  
2 the appraisal, the Board negotiated with Indiana American over the course of several  
3 months and ultimately reached a tentative agreement on general terms, including the  
4 amount of the potential purchase price. These terms were memorialized in an *Asset*  
5 *Purchase Agreement* (“Purchase Agreement”), a copy of which is attached to the prefiled  
6 testimony of Indiana-American witness Justin Schneider as Attachment JS-2.

7 **13. IS THE ASSET PURCHASE AGREEMENT THE RESULT OF MUTUAL**  
8 **AGREEMENT MADE AT ARM’S LENGTH?**

9 A. Yes. As I testified, the Board engaged in arm’s-length negotiations with Indiana American  
10 over several months where we exchanged potential purchase prices and proposed terms for  
11 the Purchase Agreement. Ultimately, the Board and Indiana American were able to  
12 mutually agree to the acquisition according to the terms set forth in the Purchase  
13 Agreement.

14 **14. DO SILVER CREEK AND INDIANA AMERICAN HAVE ANY AFFILIATION OR**  
15 **SHARE OWNERSHIP INTERESTS?**

16 A. No. Silver Creek is not affiliated with Indiana American in any way and we share no  
17 ownership interests.

18 **15. CAN YOU DESCRIBE THE PROCESS BY WHICH THE BOARD APPROVED**  
19 **THE PURCHASE AGREEMENT AND PROPOSED TRANSACTION?**

20 A. Yes, I can. Initially, the Board interviewed and retained counsel to assist in negotiating

1 terms for inclusion in the Purchase Agreement. Throughout the negotiation process, the  
2 Board met several times, discussed the proposed terms, and ultimately approved and  
3 executed the Purchase Agreement on July 28, 2023. A copy of the Board minutes  
4 authorizing the President to execute the Purchase Agreement are attached as Attachment  
5 CAS-3. The Purchase Agreement specifically provided that the Purchase Agreement and  
6 the Proposed Transaction are contingent on approval by the members of Silver Creek and  
7 the Indiana Utility Regulatory Commission (“IURC”). Once the Purchase Agreement was  
8 approved and executed by the Board and Indiana American, the Board began the process  
9 of notifying its members of the Proposed Transaction. In addition to July 28, 2023, being  
10 the date Silver Creek executed the Purchase Agreement, it is also the date Silver Creek  
11 used to certify the number of members eligible to vote on the proposed acquisition. The  
12 formal voting process is described later in my testimony.

13 **16. CAN YOU DESCRIBE THE PROCESS BY WHICH THE BOARD INFORMED**  
14 **ITS MEMBERS OF THE TRANSACTION AND OBTAINED THEIR APPROVAL?**

15 A. Yes. On August 9, 2023, the Board sent a letter to each of its members summarizing the  
16 Proposed Transaction (“Member Letter”) and included a list of frequently asked questions  
17 (“FAQs”). For the Commission’s reference, a copy of the Member Letter and FAQs are  
18 attached hereto as Attachments CAS-4 and CAS-5, respectively. In the Member Letter,  
19 the Board stated that it would be sending out a subsequent Ballot summarizing again the  
20 Proposed Transaction and requesting that the members vote either against or in favor of

1 the Proposed Transaction. Consistent with the Member Letter, the Board sent a Ballot  
2 (“Ballot”) to the members seeking their vote on the Proposed Transaction on approximately  
3 August 14, 2023. A copy of the Ballot is attached as Attachment CAS-6.

4 **17. DID THE BOARD TAKE ANY ADDITIONAL STEPS TO INFORM AND**  
5 **EDUCATE THE MEMBERS ABOUT THE PROPOSED TRANSACTION?**

6 A. Yes, we did. The Board posted the Member Letter and the FAQs on Silver Creek’s website  
7 so that the members could review this information. In addition, the Board set up a special  
8 phone line for the members to call with any questions. The Board also received a number  
9 of emails and written questions. The Board attempted to respond to each and every inquiry  
10 and question from members regarding the Proposed Transaction. It was our goal to ensure  
11 that the members were aware of the Proposed Transaction and had their questions  
12 answered.

13 **18. CAN YOU DESCRIBE THE PROCEDURES IMPLEMENTED BY THE BOARD**  
14 **TO ENSURE FAIR, ACCURATE, AND TRANSPARENT VOTING?**

15 A. Yes, I can. First and foremost, the Board decided that individual Board members would  
16 not have any role in receiving or counting the votes. Instead, the Ballot and related  
17 materials sent to each member requested that the member send their individual Ballot to  
18 Sherman, Barber & Mullikin, an independent accounting firm. The point of contact at  
19 Sherman, Barber & Mullikin was Mr. Ben Foley, a certified professional accountant. Upon  
20 receipt of the Ballots, Mr. Foley and his colleagues at Sherman, Barber & Mullikin placed

1 the unopened Ballots in locked containers. The Ballots were held in the locked containers  
2 until the Ballots were opened and the votes counted and recorded on September 26 and  
3 October 3, 2023, at Sherman, Barber & Mullikin's office in Madison, Indiana. Silver  
4 Creek's attorney was present during the entirety of the Ballot counting and he reviewed the  
5 results of each Ballot. Mr. Foley was also present during the entirety of the procedure.  
6 Upon conclusion of the vote counting, Mr. Foley prepared a memorandum describing the  
7 voting and vote counting procedures. A copy of this memorandum is attached to my  
8 testimony as Attachment CAS-7.

9 **19. PLEASE STATE THE RESULTS OF THE VOTE.**

10 A. Although only ten percent (10%) of the membership is required for a quorum to take  
11 official action on a given matter, Silver Creek received a total of 3,691 votes on the  
12 proposed Indiana American transaction (that could be verified). Of these votes, 2,719  
13 members voted "yes" and 977 members voted "no". Based on vote totals, 73.67%  
14 approved of the Proposed Transaction while 26.33% did not. Because the "yes" votes were  
15 well in excess of fifty percent (50%), the Board determined that the members had voted in  
16 favor of and approved the Proposed Transaction.

17 **20. DID THE BOARD NOTIFY THE SILVER CREEK MEMBERS OF THE RESULT**  
18 **OF THE VOTE?**

19 A. Yes, we did. On October 12, 2023, the Board sent a letter to the membership notifying  
20 them of the results of the vote. A copy of the October 12, 2023 letter to the members is

1 attached as Attachment CAS-8.

2 **IV.**  
3 **General Terms of Proposed Transaction**

4 **21. MR. SNYDER, PLEASE GENERALLY DESCRIBE THE TERMS OF THE ASSET**  
5 **PURCHASE AGREEMENT (“PURCHASE AGREEMENT”) FROM SILVER**  
6 **CREEK’S PERSPECTIVE.**

7 A. As a general matter, the Purchase Agreement is divided into nine (9) different articles or  
8 sections. Outlined below is a brief description of each of these sections.

9 Article I describes the definitions and related matters. In this section, Silver Creek and  
10 Indiana American (collectively, “Parties”) reference an exhibit (i.e. Exhibit B) that defines  
11 the capitalized terms used throughout the agreement. The capitalized terms will have the  
12 meaning set forth in Exhibit B and such meaning shall include any capitalized terms used  
13 in the disclosure schedules that are attached to the Purchase Agreement.

14 Article II deals with the purchase and sale of assets. In this section, the Parties describe  
15 the property to be transferred, as well as the excluded assets. As a general matter, all of  
16 Silver Creek’s existing water utility assets, including its land rights and fixtures, will be  
17 transferred to Indiana American. In exchange, Section 2.3 of the Purchase Agreement  
18 provides that Indiana American will pay Silver Creek \$45,000,000. Article II also states  
19 that the closing is contingent on membership and IURC approval of the Proposed  
20 Transaction and it outlines the closing obligations of the Parties.

21 Article III contains the representations and warranties of the Seller, including, but not

1 limited to, the representation that Silver Creek is a nonprofit utility; Silver Creek has the  
2 authority to enter into the Proposed Transaction; the assets will be transferred free and clear  
3 of all liens; and the transferred assets will include all facilities necessary to provide service  
4 to Silver Creek's customers. There are additional representations concerning Silver  
5 Creek's real property, as well as the accuracy of Silver Creek's audited financial statements  
6 for the calendar year ended December 31, 2022. Finally, Silver Creek makes certain  
7 representations about taxes owed, outstanding contracts, and certain environmental  
8 matters, permits, and insurance.

9 Article IV concerns the representations and warranties by Indiana American. Many of the  
10 representations and warranties by Indiana American are the same type of representations  
11 that were made by Silver Creek.

12 Article V contains the conditions precedent to closing which includes, among other things,  
13 a due diligence period for Indiana American that expires ninety (90) days after the  
14 membership vote approving the Proposed Transaction. This section also states that the  
15 Purchase Agreement is contingent upon IURC and Silver Creek member approval.

16 Article VI contains certain covenants and special agreements. These covenants include  
17 both pre-closing and post-closing obligations of both Silver Creek and Indiana American.

18 Article VII contains the indemnification language of the parties. I understand that this  
19 language is consistent with prior purchase agreements executed by Indiana American and  
20 presented to the IURC.

1 Article VIII contains the termination provisions for the Purchase Agreement.

2 Article IX contains the general or standard provisions.

3 **22. IN YOUR OPINION, DO YOU BELIEVE THE TERMS AND CONDITIONS IN**  
4 **THE PURCHASE AGREEMENT ARE FAIR AND EQUITABLE TO SILVER**  
5 **CREEK AND ITS MEMBERS?**

6 A. Yes, I do. The sale of the Silver Creek water system will have many benefits for Silver  
7 Creek's customers, including:

- 8 • The vast majority of the sale proceeds and remaining cash on hand will be distributed  
9 to the membership. It is anticipated that each member (as of July 28, 2023) will receive  
10 approximately \$5,450.00.
- 11 • All members would receive a refund of any membership fees previously paid to Silver  
12 Creek.
- 13 • Long-term rate stability because of Indiana American's large customer base, access to  
14 capital, commitment to operating efficiently, and the ability to leverage Indiana  
15 American's buying power to procure goods and services less expensively.
- 16 • Access to industry-leading expertise and resources (from Indiana American).
- 17 • Access to full-time capital asset management and operations professionals.
- 18 • Access to 24-7 award-winning customer service and several convenient billing and  
19 paying and online customer service options.
- 20 • Enhanced economic development opportunities.
- 21 • Indiana American and its employees are committed to engaging in the community they  
22 serve by giving of their time and money to local charities service, and other types of  
23 community organizations.

24 **23. DO YOU BELIEVE THAT THE PROPOSED TRANSACTION IS IN THE BEST**  
25 **INTEREST OF SILVER CREEK'S CUSTOMERS?**

26 A. Yes, I do. I also believe the Silver Creek customers feel the same way based on their  
27 overwhelming vote in favor of proceeding with the Proposed Transaction.

1  
2

**VI.**  
**Conclusion**

3 **24. DOES THIS CONCLUDE YOUR TESTIMONY?**

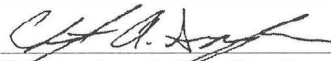
4 A. Yes, it does.



Silver Creek Water Corporation  
Cause No. 46023  
Testimony of Christopher Adam Snyder

**VERIFICATION**

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

  
\_\_\_\_\_  
Christopher Adam Snyder

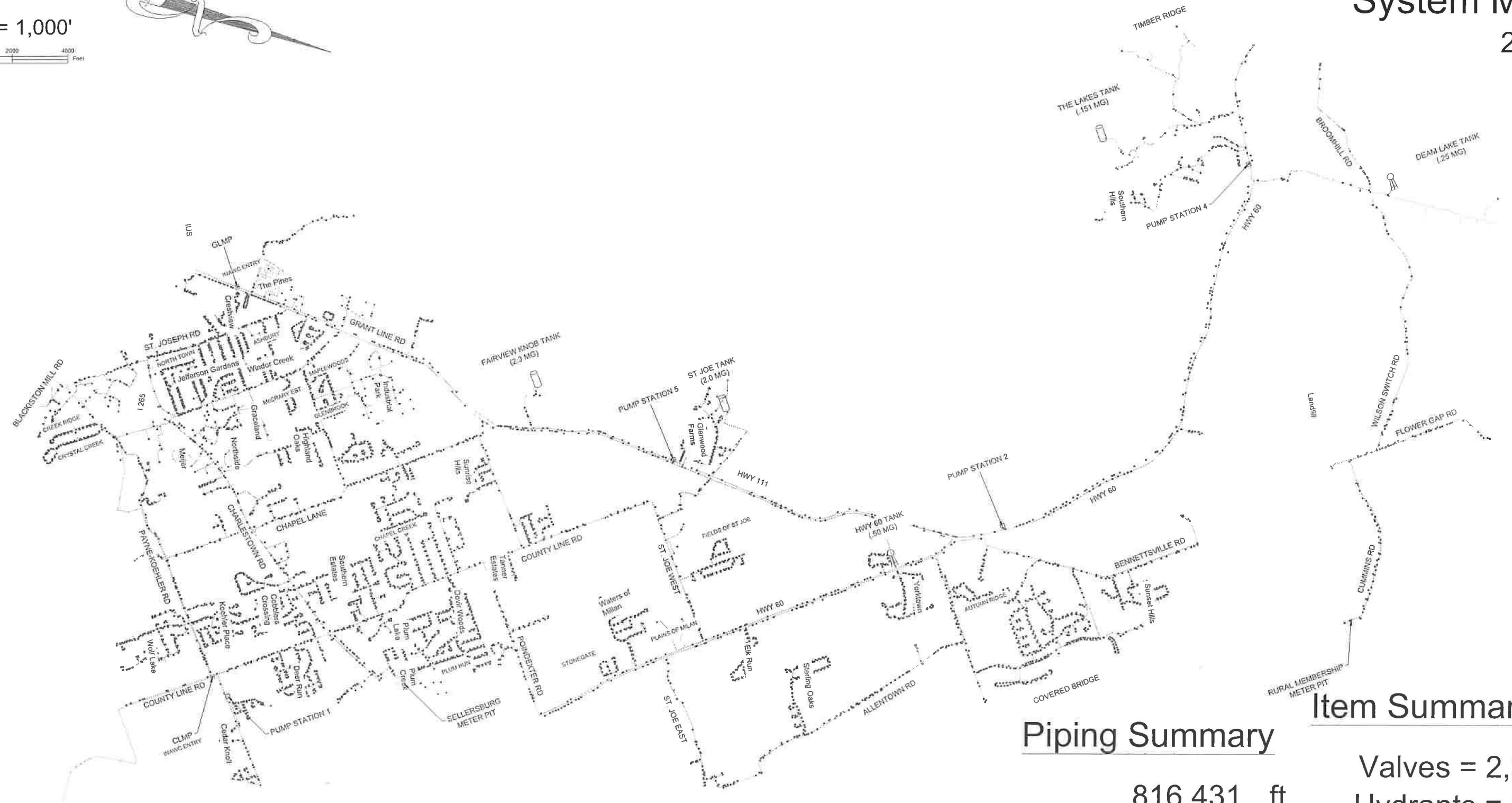
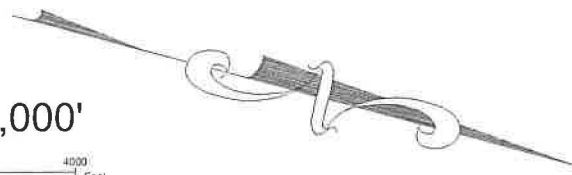
# **Attachment CAS-1**

# Silver Creek Water Corporation

## System Map

2023

1" = 1,000'



### Piping Summary

816,431 ft  
154.6mi

### Item Summary

Valves = 2,380  
Hydrants = 952  
Meters = 8,361

# **Attachment CAS-2**

Filed separately

# **Attachment CAS-3**

## MINUTES

A special meeting of the Silver Creek Water Corporation Board of Directors was held at 4222 Grant Line Rd on July 24, 2023.

Those in attendance were Doug Chumbler, Chris Snyder, Patricia Byrd, Mark Belles, Kenny Rush, Tim Peoples and Sam Kelley.

### **Review, Edit and Approve All Documents:**

The FAQ document, the Board of Directors Communication Letter and the Disclosure Schedule was reviewed and revised.

Kenny Rush made a motion to accept the FAQ, Board of Directors Communication letter and Disclosure Schedule. The motion was second by Tim Peoples and passed on a voice vote.

### **Review and Approve Resolution and Purchase Agreement:**

The Resolution of the Board of Directors document was reviewed.

Tim peoples made a motion to approve the Resolution of the Board of Directors. The motion was second by Chris Snyder and passed on a voice vote.

Chris Snyder made a motion to approve the Purchase Agreement. The motion was second by Sam Kelley and passed on a voice vote.

### **Align on Timing/Plan to Send Documents:**

The Board agrees that the mailings will be submitted through L&D Mail Masters as quickly as possible.

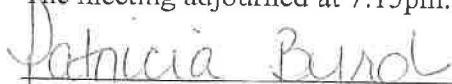
### **Align on Member Question Process:**

The Board agrees that all questions shall come through an email dedicated to the Board of Directors and will be reviewed and answered by the Board.

### **Ballot Delivery/Counting Procedure:**

The Board agrees the ballots will be mailed to Sherman, Barber and Mullikin and will be tabulated by SBM with Board observance. The Board agrees to get clarification from Chris Janak on votes and payout question.

The meeting adjourned at 7:15pm.

  
\_\_\_\_\_  
Patricia Byrd, Secretary

# **Attachment CAS-4**

Dear Silver Creek Water Corporation Member:

Over the years, the Indiana American Water Corporation ("IAWC") has periodically approached the Board of Directors ("Board") for Silver Creek Water Corporation ("SCWC") and expressed its interest in purchasing SCWC's water system. **In 2022, IAWC again approached the Board and made a very strong offer that, after a period of negotiation, has been accepted by the Board, and is now subject to approval by the SCWC members and the Indiana Utility Regulatory Commission ("IURC").** The purpose of this letter is to briefly describe the terms of the offer, provide information about the effect of a potential purchase, and explain the nature of and timing for the prospective steps to complete a sale.

As an initial matter, the SCWC water system has grown to almost 8,000 customers and is in good financial health. SCWC and its water system are not, in any way, financially troubled or in a state of technical or operational distress. **SCWC is, however, at an inflection point in its history because of its growing membership. With SCWC's current classification, the regulatory requirements are reduced (and therefore less expensive), and the value of SCWC's system is based on more favorable criteria than is the value of a larger utility system.**

As part of the negotiations with IAWC, the Board hired two independent professional engineering firms, Beam Longest & Neff and Banning Engineers, and an appraisal company, BLN Right of Way Services, to perform an inventory and valuation ("Appraisal") of SCWC's assets. **Based on the Appraisal and its own valuation, IAWC ultimately agreed to a purchase price of \$45 Million for SCWC's system.** The Board of Directors for SCWC have a fiduciary responsibility to work in the best interest of the members and therefore explored this issue and its ramifications for valuing the company for the membership.

The Board wants the membership to be fully informed of the impact of a sale. Outlined below are the general terms associated with the proposed sale:

- 1) Members will be **reimbursed their membership fee.**
- 2) Members as of the date of execution of the Asset Purchase Agreement between Silver Creek and IAWC (i.e., July 28<sup>th</sup>, 2023) will also **receive an estimated payment of approximately \$4,500-\$4,800 per membership** from the sale proceeds and any remaining cash on hand.
- 3) SCWC anticipates that timing of the reimbursement for the membership fee and each member's share of the purchase price will be **paid by the end of 2024, but it should be no later than June 30, 2025.**
- 4) **If the IAWC acquisition does not occur, then SCWC will need to increase its rates** due to rising expenses and lower growth projections over the next decade..
- 5) The **Members would transition to IAWC's Tier One rates,** which would result in an **increase from \$34.75 to \$58.40 for a typical monthly bill of a SCWC customer using 5,000 gallons per month** using IAWC's current tariff.
- 6) The **higher volume users** (i.e., customers using more than 35,000 gallons per month) with 5/8" meters will **experience decreased rates.** Please see attached chart which shows the anticipated impact on customers at various monthly usage amounts and meter sizes.
- 7) **SCWC's current employees will have the opportunity to transition** to employment with IAWC.
- 8) IAWC will establish a call center **dedicated to former SCWC members.**
- 9) Payout remuneration for the SCWC employees and Board will total **5.6%** of the total sale price. This is compensation for:
  - i. A retention and salary bonus for the SCWC staff to ensure that the staff remains with SCWC until the sale is finalized and as a reward for years (in many instances, decades) of dedicated service.



- ii. Compensation to the Board who: (a) has diligently negotiated this deal for over a year with the members' and employees' best interests in mind; (b) did not engage a broker and negotiated directly with IAWC, thus saving SCWC and its members the substantial cost of a brokerage fee; (c) negotiated a purchase price which results in a favorable payout to each member; and (d) ensured continued employment for SCWC's existing employees after the IAWC acquisition.

**In the coming days, IAWC will be sending you information about itself and its service which will then be followed by a ballot for each member (as of close of business on July 28, 2023) to cast a vote in favor of or against the transaction. The Board would like to have the votes mailed and postmarked by September 15th, 2023.** If the membership decides to move forward with the sale, then the Board (along with IAWC) will pursue IURC and IAWC Board approvals before closing on the transaction. To assist you in your review of the potential sale, I am **attaching a list of Frequently Asked Questions** with answers.

On behalf of the Board, I would like to thank each of you for your consideration of this important matter. If you have any questions regarding the proposed transaction, you may contact the Board by emailing **scwcboard@silvercreekwater.org**. The Board will endeavor to review and respond to all inquiries as quickly as possible.

Respectfully,



Doug Chumbler  
President of Board of Directors for  
Silver Creek Water Corporation

Current as of 7/24/23

5/8" Meter Rates

Meter Size	Usage Gallons	INAWC - Area One Rates				SCWC				Estimated Variance	Estimated Var. %
		Water Rate*	Fire Protection Service	Water Sales Tax	Total	Water Rate	Fire Protection Service	Water Sales Tax	Total		
5/8"	-	\$ 24.31	\$ 4.85	\$ 1.70	\$ 30.86	\$ 15.40	\$ 1.63	\$ 1.08	\$ 18.11	\$ 12.75	70.4%
5/8"	5,000	\$ 50.05	\$ 4.85	\$ 3.50	\$ 58.40	\$ 30.95	\$ 1.63	\$ 2.17	\$ 34.75	\$ 23.66	68.1%
5/8"	10,000	\$ 75.79	\$ 4.85	\$ 5.31	\$ 85.95	\$ 61.90	\$ 1.63	\$ 4.33	\$ 67.86	\$ 18.08	26.6%
5/8"	20,000	\$ 118.94	\$ 4.85	\$ 8.33	\$ 132.11	\$ 115.90	\$ 1.63	\$ 8.11	\$ 125.64	\$ 6.47	5.1%
5/8"	50,000	\$ 223.38	\$ 4.85	\$ 15.64	\$ 243.87	\$ 270.80	\$ 1.63	\$ 18.96	\$ 291.39	\$ (47.52)	-16.3%
5/8"	100,000	\$ 397.45	\$ 4.85	\$ 27.82	\$ 430.12	\$ 505.30	\$ 1.63	\$ 35.37	\$ 542.30	\$ (112.18)	-20.7%
5/8"	300,000	\$ 1,093.73	\$ 4.85	\$ 76.56	\$ 1,175.14	\$ 1,357.30	\$ 1.63	\$ 95.01	\$ 1,453.94	\$ (278.80)	-19.2%

\*INAWC Includes Water Rate, Flat Meter Fee (\$15.26), SEI (\$1.07), and DSIC (\$7.98)

Other Meter Sizes

Meter Size	Avg. SCWC Usage Gallons by Meter Size	INAWC - Area One Rates				SCWC				Estimated Variance	Estimated Var. %
		Water Rate*	Fire Protection Service	Water Sales Tax	Total	Water Rate	Fire Protection Service	Water Sales Tax	Total		
1"	15,155	\$ 115.50	\$ 12.27	\$ 8.09	\$ 135.86	\$ 89.98	\$ 1.63	\$ 6.30	\$ 97.91	\$ 37.95	38.8%
1-1/2"	30,719	\$ 203.46	\$ 24.57	\$ 14.24	\$ 242.27	\$ 173.69	\$ 1.63	\$ 12.16	\$ 187.48	\$ 54.79	29.2%
2"	71,594	\$ 401.76	\$ 39.30	\$ 28.12	\$ 469.18	\$ 372.09	\$ 1.63	\$ 26.05	\$ 399.77	\$ 69.42	17.4%
3"	213,052	\$ 979.99	\$ 73.68	\$ 68.60	\$ 1,122.27	\$ 987.10	\$ 15.91	\$ 69.10	\$ 1,072.11	\$ 50.16	4.7%
4"	258,108	\$ 1,256.69	\$ 122.80	\$ 87.97	\$ 1,467.46	\$ 1,178.81	\$ 15.91	\$ 82.52	\$ 1,277.24	\$ 190.22	14.9%
6"	364,691	\$ 1,907.66	\$ 245.62	\$ 133.54	\$ 2,286.81	\$ 1,632.92	\$ 57.12	\$ 114.30	\$ 1,804.34	\$ 482.47	26.7%

# **Attachment CAS-5**

## **Frequently Asked Questions Regarding Indiana American Water Company (“IAWC”) Acquisition**

### **Why has the Board of Directors (“Board”) for Silver Creek Water Corporation (“SCWC”) preliminarily approved a sale?**

The Board has been periodically approached by IAWC seeking to purchase the SCWC utility. In 2022, IAWC again approached the Board and made a very strong offer. The Board has a fiduciary responsibility to the members to work on their behalf for what is best for them and therefore wants to give the SCWC members the opportunity to realize full value from a sale at this time. The Board hired two independent professional engineering firms and an appraisal company to perform an appraisal or valuation of SCWC’s assets, and the price ultimately negotiated is consistent with the appraisals and the Board’s own valuation of the SCWC system. The Board also believes that due to the economics of water utilities, if SCWC continued to grow as an independent water utility, the value available on a per-member basis from a sale would likely decrease.

### **What are the benefits of a potential sale of the SCWC system for the SCWC customers?**

The sale of the SCWC water system would have many benefits for the existing SCWC customers, including:

- The vast majority of the sale proceeds and remaining cash on hand will be distributed to the membership. It is anticipated that each member (as of July 28, 2023) will receive between \$4,500 and \$4,800 after closing.
- All members would receive a refund of any membership fees previously paid to SCWC.
- Long-term rate stability because of IAWC’s large customer base, access to capital, commitment to operating efficiently, and the ability to leverage its buying power to procure goods and services less expensively.
- Access to industry-leading expertise and resources.
- Access to full-time capital asset management and operations professionals.
- Access to 24-7 award-winning customer service and several convenient billing and paying and online customer service options.
- Enhanced economic development opportunities.
- IAWC and its employees are committed to engaging in the community they serve by giving of their time and money to local charities service, and other types of community organizations.

### **What is IAWC’s plan regarding investment in SCWC’s infrastructure if the sale occurs?**

Based on its due diligence, the Board believes that IAWC systematically invests in infrastructure improvements across the state to ensure that it can continually provide clean water services to its customers. In Indiana, IAWC annually invests more than \$100 million to address aging infrastructure, reduce and eliminate leaks, meet evolving water quality regulations, improve cyber and physical security, and enhance service reliability.

SCWC has done an excellent job in maintaining the system and growth seen over the years and has been forward thinking in planning for future growth. After the acquisition, IAWC plans to complete a more thorough evaluation

to develop both short and long-term improvement plans for the SCWC system. In making this evaluation, IAWC can use its own employees as IAWC has significant expertise throughout its business, including water quality specialists, design engineers, plant operators, and field service representatives, among others who provide value every day for its customers.

### **Would we still be serviced by the same staff as SCWC?**

The staff at SCWC will be offered the opportunity for positions at IAWC but SCWC's current staff will not necessarily be dedicated to SCWC customers. IAWC will deploy the staff where they need them in their operations.

### **How would the sale affect my water rates?**

The Board understands that IAWC will be asking the Indiana Utility Regulatory Commission ("IURC") to implement IAWC's existing Tier One water rates that are in place at the time of the sale. Moving forward, water rates would be regulated by the IURC and would not change unless approved by this state agency. The IURC is an administrative agency that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the IURC is required by state statute to make decisions in the public interest to ensure utilities provide safe and reliable service at just and reasonable rates. Because SCWC currently purchases water from IAWC, any rate increase by IAWC is already typically passed through to members after the increase is approved by the IURC.

### **What will be the process for determining IAWC's rates?**

Water rates are typically set for both a service fee and a charge based on the amount of water. These fees are determined through a proceeding called a Rate Case. Rate Cases can take anywhere from 6 months to a year to complete. They involve a thorough examination of all components of the company's operations, investments, and expenses. The process involves a variety of stakeholders, including not only state government, but also consumer advocates, local governments, and sometimes trade associations or business groups.

Prices are based on the cost of providing service. In general, IAWC recovers its operating expenses and taxes on a dollar-for-dollar basis, and it is allowed a return on its investment equal to its cost of capital. IAWC does not profit from its expenses. Whether it's the chemicals it buys to treat its water, the water quality tests it runs, or the staffing of its maintenance crews, IAWC will only charge what it costs to provide the service. The IURC does make an allowance for providing a return to IAWC's shareholders for the infrastructure they fund.

### **Will SCWC customers have a voice in the rate-setting process?**

Yes. The IURC regulatory process is open and transparent. Customers can become involved in the IURC's rate-making process by making their voices heard through comments on regulatory proceedings through the agency's website or at public hearings.

**What is IAWC's history on water rate/bill increases?**

Since 2009, IAWC's rates have increased by a compound annual average of 2.9 percent, which is less than the consumer price index for water and sewerage maintenance compiled by the U.S Bureau of Labor Statistics. These increases have, in large part, been used to improve IAWC's facilities. IAWC has represented to the Board that IAWC has invested over \$1.3 billion in its water and wastewater infrastructure around the state to ensure service reliability, water quality, and fire protection capabilities for its 1.3 million customers.

**What types of customer service options will IAWC offer to the SCWC customers?**

In 2019, IAWC upgraded its customer self-service portal, MyWater, to make it easier for its customers to access and pay their bills online, 24/7, from anywhere in the world. For its residential customers, IAWC provides options to get alerts about high-water usage, planned work in their service area and emergency repairs, easy-to-read bills, and convenient payment options and plans. IAWC also provides several services for its larger customers, like collective billing and personalized services to help them better manage their accounts and water usage.

IAWC consistently ranks among the best performing water utilities in the nation and has won several awards for its excellent customer service.

**Will we see any reduction in the quality of water or service?**

SCWC currently purchases its water for sale from IAWC on a 50-year contract. The water will be the same. IAWC has around the clock customer service professionals which should enable IAWC to offer at least the same customer service capabilities as SCWC, and IAWC has agreed to have a dedicated customer service line for SCWC customers for 1 year after the purchase. IAWC also has a maintenance program like SCWC. IAWC is required to meet state and federal regulations for quality and safety the same as SCWC. The Board has no reason to believe that SCWC customers will see any reduction in the quality of water or service after a sale to IAWC.

**Will IAWC stop selling water to SCWC if the company decides not to sell to IAWC?**

No. IAWC and SCWC are in the middle of a 50-year water purchase agreement, and we have no reason to believe that IAWC would fail to honor this contract. If the membership decides to not move forward with the sale, the SCWC will continue to operate as a nonprofit water corporation.

**Is there any consequence to not selling SCWC to IAWC?**

As a result of SCWC's growing membership, it is on the verge of going to a new classification for valuation purposes. Because of its current classification (under Ind. Code § 8-1-30.3-6), the value of SCWC's system is based on more favorable criteria than it could be in the future as membership continues to grow. If SCWC's system is not sold now, the Board cannot be sure that members will receive the same value for the system in the future as IAWC is offering now.

**Is SCWC in distress?**

No. SCWC is in good financial health. SCWC and its water system are not, in any way, financially troubled or in a state of technical or operational distress.

**What is the justification for the retention package for the employees?**

The Board feels that the employees are key to the smooth operation of SCWC and have been critical in enabling SCWC to demand a high price for any potential sale. The Board also recognizes that the proposed sale will place an extra burden on those employees, and it is critical to the success of the sale that SCWC's employees remain on the job and ready to help with the extra duties involved with the sale, while allowing the company to continue operating at the high level its customers have come to expect. Many companies in the process of a sale provide extra compensation to employees to make the sale process successful. Therefore, the Board has determined that in connection with the completion of the sale, SCWC's employees will receive a retention and severance bonus.

**What is the justification for the payment to the Board?**

The Board has been the guiding force of the company throughout its history. It has evaluated strategies and needs presented by the management and ensured fiscal responsibility and accountability. It collaborated with the staff on long range plans and ensured the activities were needed and funded. The Board believes that these efforts have resulted in the SCWC system being highly respected throughout the state. The Board did not engage a broker and negotiated directly with IAWC, thus saving SCWC and its members an estimated \$3 million in brokerage fees on the sale. The Board also negotiated a purchase price of \$45 million which was an increase of \$9 million from the initial offer. This results in a favorable payout to each member and a price the Board believes is at the top of the range for the company's fair market value. The payment to the Board is recognition for the leadership and work required to achieve the high sale price as well as the substantial savings to SCWC achieved by not engaging a commercial broker to negotiate the sale price. The negotiations have taken well over a year to perform the due diligence required to ensure the members best interest was met. This detailed work during these negotiations has allowed this favorable position for the member as well as the employees who perform the day-to-day duties in a highly professional manner.

**Is the membership the only entity that must approve this sale?**

No. The sale will require approvals by the Board, SCWC membership, IURC, and IAWC Board of Directors. At this time, the Board has preliminarily approved the transaction and is now seeking input and approval from SCWC membership. If the membership approves the sale, then the sale and specific details of the sale must be reviewed and approved by the IURC before the deal can be completed. If the IURC approves the sale, then the IAWC Board will be the final entity that approves the sale before closing can occur. Future updates and results of the membership vote and IURC approval can be found on the SCWC website ([silvercreekwater.org](http://silvercreekwater.org)). Ballots will be received and counted by a Certified Public Accounting firm.

**What will happen to SCWC after the proposed sale is completed?**

SCWC is a nonprofit corporation organized to provide water service. Once its assets have been sold, there will be no reason for it to exist. Therefore, the Board has approved that SCWC dissolve after completion of the sale and distribute the net proceeds of the sale to the members (as of July 28, 2023). The vote of members to approve the sale will also be an approval of that dissolution and distribution process.

**Who will be entitled to vote on the proposed sale and then receive distributions after closing?**

On July 28, 2023, the Board executed a Resolution in which it: (i) approved an Asset Purchase Agreement with IAWC, dated the same day, July 28, 2023; (ii) ratifying its policy that a customer would be entitled to one vote per membership; and (iii) establishing a record date of July 28, 2023, which means that only members as of close of business on July 28, 2023, will be entitled to vote on the proposed sale and receive distributions after closing has occurred. The Board's Resolution recognizes that holders of Silver Creek memberships that were acquired after the record date (i.e. July 28, 2023) will be refunded to such members after closing.



# **Attachment CAS-6**

## SILVER CREEK WATER CORPORATION

### MEMBER VOTE ON SALE OF ASSETS, DISSOLUTION AND CERTAIN PAYMENTS

Please return Page 3 in the pre-addressed, postage paid envelope by September 15<sup>th</sup>, 2023

#### Overview

The Board of Directors of Silver Creek Water Corporation (“*Silver Creek*”) recommends that the Members approve the sale of Silver Creek’s assets to Indiana American Water Company, Inc. (“*Indiana American*”) for approximately \$45 million in cash, followed by the dissolution of the corporation and distribution of the net sales proceeds to Members. **A ballot accompanies this document, which you should complete and sign as described below, to cast your vote on this sale.** A vote to approve the sale will also include approval of the dissolution of the corporation and approval under Indiana law of certain compensation payments to Board members (because such payments fall under the Indiana law section on transactions between a nonprofit corporation and its board members) and employees.

Silver Creek has negotiated an Asset Purchase Agreement with Indiana American in connection with the sale of Silver Creek’s assets to Indiana American. Completion of the sale is conditioned on several events, such as approval of the sale by the Indiana Utility Regulatory Commission, approval of the sale by Silver Creek’s Members, and nothing materially adverse occurring with respect to Silver Creek’s assets, business or financial condition in the interim period before the sale is complete. Silver Creek and Indiana American also both make typical representations and warranties to the other in connection with the sale. The Board has provided Members with a letter and answers to some Frequently Asked Questions that explain the proposed transaction in greater detail. If you did not receive these materials or have misplaced them, contact the SCWC office for a copy.

Following the approval of the transaction by the Members, it will be submitted to the Indiana Utility Regulatory Commission (the “*IURC*”) for approval. The IURC’s approval of the transaction might be subject to various conditions requiring, among other things, that some of the terms of the transaction be modified. If the Silver Creek Board determines that modification of the transaction to satisfy any such conditions would have no material effect on Silver Creek’s Members, would increase the amount payable to Silver Creek’s Members, or would otherwise be in the best interests of Silver Creek’s Members, then the Board may approve such modifications without obtaining another vote of the Members on the transaction as modified. The vote by the Members to approve the transaction will also give the Board the power to make any such modifications.

If the Members approve this sale and it is completed, then Silver Creek’s assets will be transferred to Indiana American (probably at some point in 2024 or early 2025, once IURC approval is obtained) and the net proceeds of the sale will be distributed to Members in accordance with applicable law and the plan of dissolution adopted by Silver Creek’s Board of Directors.

**Voting Procedure:**

The accompanying ballot is being sent to you because Silver Creek's records reflect that you are a Member of Silver Creek. If you are not a Silver Creek Member, please discard the ballot. Consistent with its established practice and interpretation of Silver Creek's articles of incorporation and bylaws, any customer who has more than one meter for service from Silver Creek is treated as having a separate membership for each meter. A customer will be entitled to one vote per membership.

The ballot asks for your vote on the proposed sale of Silver Creek's system to Indiana American. As indicated above, a vote to approve the sale will also include approval of the dissolution of the corporation and approval under Indiana law of the proposed compensation payments to Board members and employees.

Under Silver Creek's bylaws, at least 10% of Silver Creek's Members (that is, more than 811 Members) must vote on this measure in order for a quorum to exist.

If the number of YES votes cast in favor of the proposed transaction exceed the number of NO votes cast against the transaction (that is, if the YES votes are more than 50% of the votes cast), then the transaction will be approved.

**September 15, 2023, is the deadline for you to postmark and mail your completed and signed ballot to Silver Creek.** However, the Silver Creek Board of Directors may extend this deadline in its sole discretion.

The Silver Creek Board of Directors has retained an independent, certified public accounting firm, Sherman, Barber & Mullikin, to compile and thereafter count the votes. Your ballot may be returned by first class mail or by certified or registered mail to:

Sherman, Barber & Mullikin, CPAs  
c/o Silver Creek Water Corporation  
P.O. Box 269  
Madison, IN 47250

For your convenience, we are enclosing a pre-addressed, postage paid envelope that you can use to submit your ballot. Please ensure that it is mailed and postmarked by **September 15, 2023**, the scheduled deadline for ballots to be sent to Silver Creek.

After September 15, 2023, Silver Creek will count the votes and will notify the Members of the results.

**SILVER CREEK WATER CORPORATION  
WRITTEN BALLOT**

Please mail and postmark this ballot by September 15, 2023, by first class mail or by certified or registered mail to:

**Sherman, Barber & Mullikin, CPAs  
c/o Silver Creek Water Corporation  
P.O. Box 269  
Madison, IN 47250**

**Description:** Silver Creek Water Corporation ("*Silver Creek*") will sell all of its assets to Indiana American Water Company, Inc. ("*Indiana American*"). Indiana American will then own, operate, and maintain Silver Creek's water system. After this sale is complete, (1) it is anticipated that Silver Creek will have no significant remaining assets other than cash, and Silver Creek's Members will receive water service from Indiana American; (2) each Silver Creek Member will receive a portion of the sales proceeds and remaining cash on hand (currently estimated at \$4,500 to \$4,800 per membership); (3) approximately 5.6% of the total sales proceeds will be paid by Silver Creek to employees and members of the Board as compensation for their work in negotiating and completing the sale; and (4) Silver Creek will be dissolved as a nonprofit corporation and its remaining assets (including the net sales proceeds) will be distributed to Members (on a per membership basis) as of July 28, 2023 (the date of the purchase agreement between Silver Creek and Indiana American), in accordance with applicable law.

Silver Creek's Board of Directors has approved this transaction and recommends that Members vote YES on this transaction.

If the Indiana Utility Regulatory Commission approves this transaction subject to any conditions requiring that the terms of the transaction be modified, the Silver Creek Board of Directors is authorized by this approval to make such modifications without another Member vote if the Board determines that the modifications to satisfy any such conditions would have no material effect on Silver Creek's Members, would increase the amount payable to Silver Creek's Members or would otherwise be in the best interests of Silver Creek's Members.

**Vote:** Should Silver Creek Water Corporation sell substantially all of its assets to Indiana American Water Company, Inc.; pay a portion of the sale proceeds to members of the Board and employees; distribute funds to the Members (on a per membership basis); be dissolved as a nonprofit corporation under Indiana law; all as described in this Notice and Ballot and related materials provided to the Members?

YES

NO

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Address \_\_\_\_\_

# **Attachment CAS-7**



To the Board of Directors of  
Silver Creek Water Corporation  
Sellersburg, Indiana

The services of the public accounting firm of Sherman Barber & Mullikin (SBM) were retained by the Board of Directors of Silver Creek Water Corporation (SCWC) to perform certain procedures related to a member vote. The procedures and results of those procedures are summarized below:

**Collect and secure the ballots** - returned ballots were collected, counted, and deposited into locked receptacles according to the procedures below:

- SCWC provided ballots to members with a postage paid return envelope addressed to SBM's PO Box.
- SBM collected, counted, and deposited all received envelopes into locked receptacles at the SBM office located at 210 West Third Street, Madison, Indiana. The procedures began on August 21, 2023, the initial day envelopes were received, and continued through October 3, 2023.
  - Envelope counts were documented and verified by two SBM staff members on all but one day. The lone envelope received on September 12, 2023 was documented and verified by one SBM staff member.
  - SBM did not open envelopes during this portion of the procedures.

**Ballot counting** – envelopes containing returned ballots were opened and votes were recorded according to the procedures below:

- Envelopes containing returned ballots were opened and votes recorded on September 26 and October 3, 2023, at the SBM office located at 210 West Third Street, Madison, Indiana.
- SCWC's attorney, Chris Janak was present during the entirety of the procedures. Mr. Janak reviewed the results of each ballot.
- SCWC's lead CPA, Ben Foley, was present during the entirety of the procedures.
- Six additional SBM employees also participated in the procedures.
- Ballots received were verified according to a membership list provided by SCWC.

**Irregular ballots** – ballots received were deemed irregular if they required further verification or were unable to be recorded as described below:

- "Yes" or "No" votes were recorded (and included in the 3,691 total) for 140 ballots requiring further verification and/or review by SCWC. Examples of these ballots include those where the authority of an individual signing on behalf of a business or organization, name changes presumed to be due to marriage, divorce, or death, and service address require verification.

To the Board of Directors of  
Silver Creek Water Corporation  
Sellersburg, Indiana

**Irregular ballots** (continued)

- “Yes” or “No” votes were not recorded (and not included in the total) for 65 ballots. Examples of these ballots include duplicate ballots, vote not marked “Yes” or “No” on the ballot, and address and/or name issues that did not match the membership file and were not presumed to be due to marriage, divorce, or death.
- Any full or partial inclusion or exclusion of the irregular ballots as either “Yes” or “No” would still result in an overall percentage of “Yes” votes greater than 50%.

**Results** – the procedures described above produced the following results:

- A total of 3,691 “Yes” or “No” votes were recorded as a result of our procedures.
  - 2,719 “Yes” votes were recorded (73.67% of the total 3,691)
  - 972 “No” votes were recorded (26.33% of the total 3,691)

*Sherman, Barber & Mullikin*

SHERMAN, BARBER & MULLIKIN  
Madison, Indiana 47250

October 30, 2023

# **Attachment CAS-8**



# SILVER CREEK WATER CORPORATION

## MEMBER VOTE RESULTS & NEXT STEPS ON SALE OF ASSETS, DISSOLUTION, AND CERTAIN PAYMENTS

To Our Valued Members:

Please see below for voting results, next steps, and contact information for the potential acquisition of Silver Creek Water Corporation (“SCWC”) by Indiana America Water Company, Inc. (“IAWC”).

### Voting Results

The SCWC Board of Directors is pleased to announce the **SCWC Members have voted to approve** the sale of Silver Creek’s system to IAWC.

Under Silver Creek’s bylaws, at least 10% of SCWC’s Members (that is, more than 811 Members) needed to vote on this measure for a quorum to exist. A total of **3,693 ballots were counted**, with **2,721 (73.7%) members voting “Yes”** in favor of the acquisition, and **972 (26.3%) members voting “No”**.

### Next Steps

With the approval of the transaction by Members, the transaction will now be submitted to the Indiana Utility Regulatory Commission (the “IURC”) for approval. The IURC’s approval of the transaction might be subject to various conditions requiring, among other things, that some of the terms of the transaction be modified. If the Silver Creek Board determines that modification of the transaction to satisfy any such conditions would have no material effect on Silver Creek’s Members, would increase the amount payable to Silver Creek’s Members, or would otherwise be in the best interests of Silver Creek’s Members, then the Board may approve such modifications without obtaining another vote of the Members on the transaction as modified.

We anticipate filing the case **on or around February 1<sup>st</sup>, 2024**. Once filed, the IURC will have exclusive jurisdiction on how and when the transaction moves forward (estimated timing below).

SCWC will continue to operate as normal until final resolution and timing is decided by IURC.

### Estimated Timing

- 2/1/24 – Filing acquisition case with IURC
- 9/1/24 – Order from IURC
- 10/1/24 – Closing on acquisition

### Contact Information

For any questions or concerns regarding the IURC process, please refer to the following options:

- Website - <https://www.in.gov/iurc/>
- Address - PNC Center, 101 W. Washington Street, Suite 1500E, Indianapolis, IN 46204
- Front Desk - (317) 232-2701

Now that SCWC Membership has approved the proposed acquisition, **SCWC’s Employees & Board of Directors will NOT be able to advise on any questions or comments** concerning the IURC hearing. **Please utilize the contact options above** to minimize interruption of the normal business operations of SCWC.

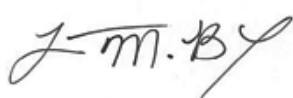
We are grateful to be able to serve you over the years, and we are confident that IAWC will serve us all well for many years to come.

Respectfully,  
Silver Creek Water Corporation Board of Directors

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing "Verified Direct Testimony and Exhibits of Christopher Adam Snyder was served upon the following by electronic mail this 12th day of March, 2024:

**Indiana Office of Utility Consumer Counselor**  
[infomgt@oucc.in.gov](mailto:infomgt@oucc.in.gov)

A handwritten signature in black ink, appearing to read "J.M. Box", enclosed within a thin black rectangular border.

---

Lauren Box

Barnes & Thornburg LLP  
Indianapolis, IN 46204  
317-231-7289

4662097.3