

FILED
April 28, 2023
INDIANA UTILITY
REGULATORY COMMISSION

Petitioner's Exhibit No. S1

**CITY OF EAST CHICAGO
(Department of Waterworks)**

INDIANA UTILITY REGULATORY COMMISSION

CAUSE NO. 45827

SETTLEMENT TESTIMONY

OF

ANDRE J. RILEY, CPA

SPONSORING ATTACHMENT AJR S1-1 THROUGH AJR S1-2

**City of East Chicago
(Department of Waterworks)**

Cause No. 45827

Settlement Testimony of Andre J. Riley

1 **BACKGROUND**

2 **Q. Please state your name, title, and business address.**

3 A. My name is Andre J. Riley, and I am a partner with the firm of Baker Tilly Municipal
4 Advisors, LLC ("BTMA") which is a wholly-owned subsidiary of Baker Tilly US, LLP.
5 My business address is 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-
6 0458.

7
8 **Q. Are you the same Andre J. Riley who prepared Direct Testimony in this Cause on
9 behalf of the Petitioner, City of East Chicago ("East Chicago")?**

10 A. Yes, I am.

11
12 **Q. What is the purpose of your settlement testimony in this proceeding?**

13 A. The purpose of my testimony is to discuss certain elements of the Joint Stipulation and
14 Settlement Agreement ("Settlement") between the Department of Waterworks of the City
15 of East Chicago, Indiana, ("Petitioner" or "East Chicago" or "Water Department"), the
16 Indiana Office of the Utility Consumer Counselor ("OUCC"), and City of East Chicago
17 Industrial Group ("Industrial Group") (together, the "Parties" and individually a "Party").
18 It is my opinion that the Settlement terms represent an equitable compromise between the
19 Parties in this proceeding. I will discuss the settlement process and key Settlement terms
20 pertaining to the shifting of required revenue between Phases 1 and 2, requirements related

1 to debt financing, and the various agreements related to asset management and
2 maintenance.

3

4 **Q. Are you sponsoring any exhibits with your settlement testimony?**

5 A. Yes, included with my Settlement Testimony is Attachment AJR S1-1, which is the
6 proposed Settlement Agreement of the Parties, and Attachment AJR S1-2, which
7 schedules provide the overall revenue requirement and for each phase, a pro forma income
8 statement, amortization schedules, and the settlement rate design model and revenue
9 proofs for each respective phase.

10

11 **SETTLEMENT PROCESS**

12 **Q. Please describe the settlement process.**

13 A. The settlement process included substantial negotiations between the Parties. The Parties
14 exchanged settlement proposals and responses, participated in in-person discussions, and
15 shared analyses. The Parties recognized the uncertainty associated with litigation and
16 understood that a well-reasoned compromise would result in an acceptable outcome that
17 avoided the uncertainty and expense of a fully litigated case. As a result, the Parties
18 successfully addressed and navigated varying opinions.

19

20 **Q. Please briefly describe the proceedings before the IURC related to the settlement
21 agreement.**

22 A. The Settlement Agreement is the product of negotiations that began a few weeks before
23 the OUCC and the Industrial Group were to file their direct testimony. On April 13, 2023,
24 the Parties notified the Commission that a settlement-in-principle had been reached and

1 supporting testimony would be filed; the evidentiary hearing is scheduled to commence
2 May 18, 2023.

3

4 **CHANGES REFLECTED IN SETTLEMENT**

5 **Q. What are the basic terms of the settlement agreement?**

6 A. The Parties have agreed that East Chicago should recover all of its requested revenue
7 requirements subject to true-up of the debt service and debt service reserve requirements
8 following financing and subject to shifting \$500,000 of revenue requirements from Phase
9 1 to Phase 2, along with certain additional terms and conditions outlined in the settlement
10 agreement. The Parties have further agreed that East Chicago should be authorized to
11 borrow the full amount of long-term debt requested in its case-in-chief, specifically \$24.72
12 million (not including the BAN), subject to any decrease reflected by the actual cost of
13 the financing issued and the additional terms and conditions below.

14

15 **Q. What revenue requirements have the Parties agreed to in the settlement agreement?**

16 A. Based on the Parties' agreement, the following revenue requirements will apply: Phase
17 1 shall include \$8,658,023; Phase 2 shall include \$11,134,349; and Phase 3 shall include
18 \$12,348,530.

19

20 **Q. What increases in rates and charges have the Parties agreed to?**

21 A. Based on the agreed revenue requirements, the Parties have agreed that East Chicago's
22 rates and charges should be increased as follows: Phase 1: Immediately upon the
23 issuance of the Commission Order, East Chicago's rates should be increased by 41.79%

1 so as to produce \$2,551,853 in additional annual operating revenue; Phase 2: Effective
2 on January 1, 2025, East Chicago's rates should be increased by 28.60% over Phase 1
3 rates so as to produce \$2,476,326 in additional annual operating revenue; Phase 3:
4 Effective on January 1, 2026, East Chicago's rates should be increased by 10.90% over
5 Phase 2 rates so as to produce \$1,214,181 in additional annual operating revenue. The
6 overall increased revenue amount is \$6,242,360, a 102.23% increase over current
7 revenues. The overall agreed net revenue requirement is \$12,348,530.

8
9 **Q. Were any adjustments made to the cost of service study or rate design?**

10 A. Beyond shifting \$500,000 in revenue requirements from Phase 1 to Phase 2, no
11 adjustments are being made to the cost of service study or rate design proposed in
12 Petitioner's initial case-in-chief testimony.

13
14 **Q. Are you providing a revised schedule of rates and charges in support of the
15 Settlement?**

16 A. Yes, we are providing a schedule showing revised rates and charges for purposes of the
17 agreed settlement rates. Please see page 11 of Attachment AJR S1-2.

18
19 **RATE COMPARISONS**

20 **Q. How do East Chicago's rates in the Settlement compare with surrounding utilities?**

21 A. East Chicago residential rates at all phases are very competitive compared to utilities
22 throughout the state. Under the Settlement Agreement, East Chicago's average monthly
23 bill for a customer with a 5/8th inch meter using 5,000 gallons per month in Phase 3 will

1 be approximately \$40.76, which is essentially consistent with the current statewide
2 average of approximately \$38.45/month.

3
4 **LONG-TERM DEBT AND REPORTING REQUIREMENTS**

5 **Q. What have the Parties agreed with respect to East Chicago's issuance of long-term**
6 **debt?**

7 A. The Parties have agreed that East Chicago should be authorized to issue the long-term
8 debt requested in the case-in-chief to finance necessary capital improvements and a lead-
9 line replacement project with funding secured through SRF, where terms are anticipated
10 to be favorable as outlined in my initial testimony.

11
12 **Q. Have the Parties agreed on any reporting requirements?**

13 A. Yes, the Parties have agreed to certain reporting on new long-term debt as well as certain
14 reporting as part of the annual report. The details of that reporting are described in the
15 Settlement at Attachment AJR S1-1.

16
17 **Q. Does East Chicago intend to use any excess funding resulting from a delay in issuing**
18 **the proposed bonds by more than three months after the Order is received in this**
19 **case to fund a portion of its capital projects?**

20 A. Yes. As the Settlement Agreement indicates, if East Chicago is delayed in issuing the
21 proposed bond more than three months after the Order is received in this case, East
22 Chicago will set aside an amount equal to the monthly revenue requirement for debt

1 service and debt service reserve on new debt embedded in rates to fund project costs. It is
2 our hope, however, that no such delay will occur.

3

4 **Q. What has East Chicago agreed to with regards to Series B debt?**

5 A. East Chicago agrees it will not wrap its Series B debt unless it is established that no
6 interest, penalty, or cost would be assessed as a condition of the wrapping.

7

8 **Q. What does the Settlement Agreement provide with respect to the true-up process?**

9 A. East Chicago agrees to prepare and file a report within thirty (30) days of closing on its
10 long-term debt issuance explaining the terms of the new loan, the balance actually
11 incurred to that date. East Chicago agrees to true-up its rates based on applicable terms
12 affecting debt service and debt service reserve requirements including interest rates, total
13 borrowing BAN repayment, and fees. East Chicago will quantify in its true-up its soft
14 costs including all legal, engineering, and other fees included in the financing. East
15 Chicago will provide any bid tabulations on applicable projects. East Chicago will notify
16 the OUCC of any grants, forgivable loans, or other subsidizations achieved and state any
17 prospective effect on rates. For purposes of this requirement, East Chicago's pre-true-up
18 pro forma debt service reserve revenue requirement will be \$195,879 which is based on
19 the reserve being fully funded in five years. The Parties have further agreed that any
20 decrease to the revenue requirement as a result of the true up process will be reflected as
21 a decrease solely to the volumetric rates.

22

1 In addition, the Parties have agreed that, with respect to the true-up, rates need not be
2 revised if all settling parties agree in a writing filed with the Commission in this Cause
3 that the change in rates indicated by the true-up report need not be implemented for lack
4 of materiality or other reasons. The tariff may be increased or decreased as appropriate
5 based on the actual costs of financing. In all circumstances, this right does not signify
6 that the Commission could not override such a decision. To that point, the Settlement
7 Agreement expressly states that regardless of the determination made by either party, the
8 Commission could order East Chicago to file revised rates based on the true-up. The
9 Settlement Agreement also establishes deadlines for objecting to the true-up and
10 responding to that objection.

11
12 **Q. Are there any additional agreements with regards to lead-line replacement**
13 **funding?**

14 A. Yes. If any lead service line replacement grants are received after the true-up, East
15 Chicago will file a report with the Commission stating the amount of the grant or other
16 subsidization. Any corresponding reduction in debt service will be allocated to critical
17 capital needs, such as needed main replacement projects. If no critical capital need is
18 identified, the amount will be amortized over the remaining life of the rates and
19 deducted from the debt service revenue requirements resulting in a rate decrease unless
20 deemed immaterial.

21
22 **ADDITIONAL SETTLEMENT PROVISIONS**

23 **Q. Are there other terms the Parties agreed to in the settlement?**

1 A. Yes, the Parties also agreed on terms related to routine assessment and maintenance of
2 East Chicago's waterworks infrastructure, the Water Department's Asset Management
3 Plan, water main repair records, consideration of alternatives to water tank replacement,
4 compliance, and periodic maintenance.
5

6 **Q. What did East Chicago agree to with regards to routine assessment and**
7 **maintenance of East Chicago's waterworks infrastructure?**

8 A. East Chicago agreed to continue annual leak detection studies and prudently begin
9 implementing recommendations, which may include active leak detection, pressure
10 management, large meter testing, internal pipe condition assessment and associated
11 main replacements. The Parties, however, agreed that East Chicago will maintain
12 discretion to deem recommendations infeasible and/or to determine the timing of
13 implementation.
14

15 **Q. What did East Chicago agree to with regards to the Asset Management Plan?**

16 A. East Chicago agreed that it will develop and maintain an Asset Management Plan,
17 which it is already in the process of doing, pursuant to the Asset Management Program
18 Guidance for the Indiana State Revolving Fund Loan Program (2019) and more
19 specifically Part VI – “Plan for Maintaining, Repairing, and Replacing the Utility
20 System's Assets and Plan for Funding.” As part of this agreement, East Chicago will
21 provide the OUCC a copy of the plan along with any subsequent major updates. East
22 Chicago will further note in its IURC annual reports its progress in developing its Asset
23 Management Plan and describe any Asset Management Plan Updates and Asset

1 Management Plan Implementation including capital improvements made in the reported
2 year.

3

4 **Q. What did East Chicago agree to with regards to water main repair records?**

5 A. East Chicago will keep a record of its main breaks (which the Engineering Department
6 currently does) including date, location, size, and main material estimated water loss,
7 type of repair, cost of repair, and description of root cause and report such information
8 in its IURC annual reports.

9

10 **Q. What did East Chicago agree to with regards to water storage tank re-evaluation?**

11 A. East Chicago agreed to re-evaluate its decision to replace its water storage tank to
12 address surge problems. The Water Department will consider less expensive, but
13 potentially equally effective, means such as slow pump speed changes, slow
14 opening/closing control valves, surge tank, and/or surge/pressure relief valves. The
15 Parties agreed however, that East Chicago maintains discretion as to whether or not to
16 replace the water storage tank as planned and/or to implement a referenced alternative.

17

18 **Q. What did East Chicago agree to with regards to compliance?**

19 A. East Chicago agreed to abide by Ind. Code § 8-1.5-3-8.

20

21 **Q. What did East Chicago agree to with regards to periodic maintenance?**

22 A. East Chicago agreed to segregate an amount equal to its approved annual pro forma
23 periodic maintenance expense in a separate and discrete account. The use of that account
24 will be restricted to paying for periodic maintenance of East Chicago's system.

1

CONCLUSION

2

Q. What are your recommendations?

3

A. I recommend that the Settlement be accepted and approved by the Commission. The Parties involved in the settlement process worked diligently to agree on an outcome that represented the best possible result for customers and East Chicago in light of serious needs for increased revenues to maintain safe and efficient service.

4

5

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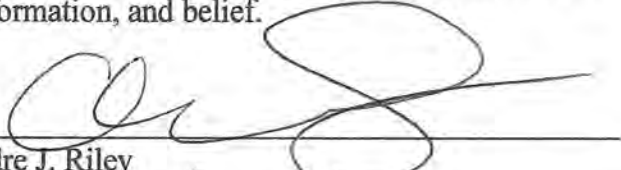
Q. Does this conclude your testimony?

9

A. Yes.

VERIFICATION

I, Andre J. Riley, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.



Andre J. Riley

Date: 4/28/23

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF EAST CHICAGO,)
INDIANA FOR AUTHORITY TO ISSUE)
BONDS, NOTES, OR OTHER OBLIGATIONS,)
FOR AUTHORITY TO INCREASE ITS RATES) CAUSE NO. 45827
AND CHARGES FOR WATER SERVICE, AND)
FOR APPROVAL OF NEW SCHEDULES OF)
WATER RATES AND CHARGES.)

JOINT STIPULATION AND SETTLEMENT AGREEMENT

On December 12, 2022, the City of East Chicago, Indiana, (“Petitioner,” “East Chicago,” or the “City”) filed with the Commission its Petition initiating this Cause and its case-in-chief. The Indiana Office of the Utility Consumer Counselor (the “OUCC”), the Intervenor Industrial Group (“Intervenors”), and Petitioner, being all of the parties to this cause (East Chicago, Intervenors, and the OUCC, collectively, the “Parties,” and individually, a “Party”), have, after arms-length settlement negotiations, reached an agreement with respect to all of the issues before the Indiana Utility Regulatory Commission (the “Commission”) in this Cause. The Parties therefore stipulate and agree for purposes of resolving all the issues in this Cause to the terms and conditions set forth in this Joint Stipulation and Settlement Agreement (this “Settlement”).

1. Borrowing

- A. Long-Term Debt. The Parties stipulate and agree that East Chicago should be authorized to borrow the full amount it requested in its case-in-chief, specifically \$24.72 million (not including the BAN), subject to any decrease reflected by the actual cost of the financing issued and the additional terms and conditions below.

- B. Debt Service Revenue Requirement and Timing of Phases. The debt service revenue requirement for the new debt based on the projected phases shall be \$1,063,636 in Phase 1, \$1,058,501 in Phase 2 and \$1,052,142 in Phase 3. Phase 1 shall commence at the time of order, Phase 2 shall commence on January 1, 2025, and Phase 3 shall commence on January 1, 2026.
- C. Series B Debt. East Chicago agrees it will not wrap its Series B debt unless it is established that no interest, penalty, or cost would be assessed as a condition of the wrapping.
- D. Timing of Borrowing. East Chicago shall issue its debt within three months of the implementation of the final order in this Cause. If not issued within three months, East Chicago shall set aside an amount equal to the monthly revenue requirement for debt service and debt service reserve on new debt embedded in rates. East Chicago shall apply that amount to project costs so that East Chicago offsets its borrowing by the total amount so set aside.
- E. True-Up Reporting. East Chicago agrees to true-up its rates based on applicable terms affecting debt service and debt service reserve requirements including interest rates, total borrowing BAN repayment, and fees. East Chicago shall quantify in its true-up its soft costs including all legal, engineering, and other fees included in the financing. East Chicago shall provide any bid tabulations on applicable projects. East Chicago shall notify the OUCC of any grants, forgivable loans, or other subsidizations achieved and state any prospective effect on rates. For purposes of this requirement, East Chicago's pre-true-up

pro forma debt service reserve revenue requirement shall be \$195,879, which is based on the reserve being fully funded in five years.

- i. Within thirty (30) days of closing on long-term debt issuance, East Chicago will file a report explaining the terms of the new loan, the balance actually borrowed, the amount of debt service reserve and an itemized account of all issuance costs, including issuance costs actually incurred to that date. The report should include a revised tariff (if necessary, as discussed below), amortization schedule and a calculation of the rate impact presented in a manner similar to that included in Petitioner's schedules.
- ii. The tariff shall be increased or decreased as appropriate based on the actual costs of financing. However, the Parties agree that with respect to the true-up, rates need not be revised if all settling parties have stated in a writing filed with the Commission in this Cause that the change in rates indicated by the true-up report need not be implemented for lack of materiality or other reasons. The Parties acknowledge the Commission may override such a decision and require East Chicago to file revised rates based on the true-up.
- iii. The OUCC shall submit any objection to Petitioner's true-up filing to the Commission within twenty-one (21) days of said filing, Petitioner shall respond to any objection to the true-up filing within twenty-one (21) days of said filing, and the OUCC shall reply in support of any objection within seven days of Petitioner's response thereto.

F. Lead Service Line Funding. If any lead service line grants are received after the true-up, a report shall be filed with the Commission stating the amount of the grant or other subsidization. Any corresponding reduction in debt service will be allocated to critical capital needs, such as needed main replacement projects. If no critical capital need is identified, the amount will be amortized over the remaining life of the rates and deducted from the debt service revenue requirements resulting in a rate decrease unless deemed immaterial.

2. Stipulated Rates and Revenues

- A. Test Year Operating Revenues. The Parties stipulate and agree that East Chicago's test year operating revenue at present rates shall be \$6,106,170 as depicted on page 1 in East Chicago's Attachment AJR S1-2.
- B. Revenue Requirement. The Parties stipulate and agree that East Chicago's current rates and charges are inadequate. The parties further agree to modifying Petitioner's original proposal on the phased revenue requirements to shift \$500,000 of revenue requirements from Phase 1 to Phase 2, such that the following revenue requirements will apply: Phase 1 shall include \$8,658,023; Phase 2 shall include \$11,134,349; and Phase 3 shall include \$12,348,530. Accordingly, East Chicago's rates and charges should be increased as follows:
- i. Phase 1: Immediately upon the issuance of the Commission Order, East Chicago's rates should be increased by 41.79% so as to produce \$2,551,853 in additional annual operating revenue.

- ii. Phase 2: Effective on January 1, 2025, East Chicago's rates should be increased by 28.60% over Phase 1 rates to produce \$2,476,326 in additional annual operating revenue.
- iii. Phase 3: Effective on January 1, 2026, East Chicago's rates should be increased by 10.90% over Phase 2 rates to produce \$1,214,181 in additional annual operating revenue.

The overall increased revenue amount is \$6,242,360, a 102.23% increase over current revenues. The overall agreed net revenue requirement is \$12,348,530.

- C. Pro Forma Authorized Rates. The Parties stipulate and agree that after anticipated adjustments East Chicago's pro forma operating revenues will be \$8,658,023 in Phase 1, \$11,134,349 in Phase 2, and \$12,348,530 in Phase 3, as reflected on page 1 to East Chicago's Attachment AJR S1-2. The Parties further stipulate and agree that East Chicago's revenue requirements for the rate increase is depicted on page 1 in East Chicago's Attachment AJR S1-2. The Parties stipulate and agree that the rate increases provided herein and the rates set forth in East Chicago Attachment AJR S1-2 are just and reasonable and should be approved. The Parties stipulate and agree that any decrease to the revenue requirement as a result of the true up process will be reflected as a decrease solely to the volumetric rates.
- D. Adjustments. The Parties agree and stipulate to the adjustments reflected in Petitioner's case-in-chief.
- E. Financial Schedules. The Parties stipulate for settlement purposes to the financial schedules included with East Chicago's Attachment AJR S1-2.

3. **Additional Terms.**

- A. Routine Assessment. East Chicago will continue annual leak detection studies and prudently begin implementing recommendations (e.g., from ME Simpson/AWWA annual studies and reports), which may include active leak detection, pressure management, large meter testing, internal pipe condition assessment and associated main replacements. East Chicago maintains discretion to deem recommendations infeasible and/or to determine the timing of implementation.
- B. Asset Management Plan. East Chicago will develop and maintain an Asset Management Plan pursuant to the Asset Management Program Guidance for the Indiana State Revolving Fund Loan Program (2019) and more specifically Part VI – “Plan for Maintaining, Repairing, and Replacing the Utility System’s Assets and Plan for Funding.” East Chicago will provide the OUCC a copy of the plan along with any subsequent major updates. East Chicago will further note in its IURC annual reports its progress in developing its Asset Management Plan and describe any Asset Management Plan Updates and Asset Management Plan Implementation including capital improvements made in the reported year.
- C. Main Break Records. East Chicago will keep a record of its main breaks including date, location, size, and main material (e.g., 12-inch cast iron) estimated water loss, type of repair, cost of repair, and description of root cause and report such information in its IURC annual reports.
- D. Water Storage Tank Re-evaluation. East Chicago will re-evaluate its decision to replace its water storage tank to address surge problems and will consider

less expensive, but potentially equally effective, means such as slow pump speed changes, slow opening/closing control valves, surge tank, and/or surge/pressure relief valves. East Chicago, however, maintains discretion as to whether or not to replace the water storage tank as planned and/or to implement a referenced alternative.

- E. Periodic Maintenance. East Chicago shall segregate an amount equal to its approved annual pro forma periodic maintenance expense in a separate and discrete account, use of which shall be restricted to paying for periodic maintenance of its system.
- F. Compliance. East Chicago acknowledges and agrees to abide by Ind. Code § 8-1.5-3-8.

4. **Submission of Evidence.** The Parties stipulate to the admission into evidence in this Cause of the testimony previously filed (East Chicago's Case-in-Chief and any testimony in support of this Settlement on behalf of the OUCC, on behalf of East Chicago, and on behalf of the Intervenors). Further, each Party waives cross-examination of the other's witnesses with respect to such testimony. The Parties shall not offer any further testimony or evidence in this proceeding, other than this Settlement and the above-identified testimony and exhibits. If the Commission should request additional evidence to support the Settlement, the Parties shall cooperate to provide such requested additional evidence.

5. **Proposed Final Order.** The Parties agree to cooperate on the preparation and submission to the Commission of a proposed order that reflects the terms of this Settlement and the settlement testimony submitted pursuant to Section 4 hereof.

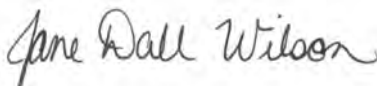
6. **Sufficiency of Evidence.** The Parties stipulate and agree that the evidentiary material identified immediately above constitutes a sufficient evidentiary basis for the issuance of a final order by the Commission adopting the terms of this Settlement, and granting the relief requested.
7. **Commission Alteration of Agreement.** The concurrence of the Parties with the terms of this Settlement is expressly predicated upon the Commission's approval of this Settlement. If the Commission alters this Settlement in any material way, unless that alteration is unanimously and explicitly consented to by the Parties, this Settlement shall be deemed withdrawn.
8. **Authorization.** The undersigned represent that they are fully authorized to execute this Settlement on behalf of their respective clients or parties, who will be bound thereby.
9. **Non-Precedential Nature of Settlement.** The Parties stipulate and agree that this Settlement shall not be cited as precedent against any Party in any subsequent proceeding or deemed an admission by any party in any other proceeding, except as necessary to enforce the terms of this Settlement or the final order to be issued in this Cause before the Commission or any court of competent jurisdiction on these particular issues and in this particular matter. This Settlement is solely the result of compromise in the settlement process and, as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Parties may take with respect to any or all of the items resolved herein in any future regulatory or other proceeding, and, failing approval by the Commission, shall not be admissible in any subsequent proceeding.

10. **Counterparts.** This Settlement may be executed in one or more counterparts (or upon separate signature pages bound together into one or more counterparts), all of which taken together shall constitute one agreement.

[SIGNATURES ON FOLLOWING PAGE]

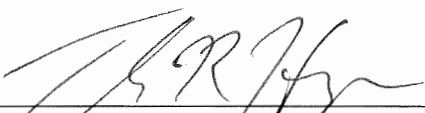
IN WITNESS WHEREOF, the parties have executed this Settlement on the dates set forth below.

CITY OF EAST CHICAGO, INDIANA
DEPARTMENT OF WATERWORKS

By: 
Counsel

Dated: 4/28/2023

OFFICE OF UTILITY CONSUMER COUNSEL

By: 
Deputy Consumer Counselor

Dated: 4/28/2023

EAST CHICAGO WATER DEPARTMENT
INDUSTRIAL GROUP

By: _____
Counsel

Dated: _____

IN WITNESS WHEREOF, the parties have executed this Settlement on the dates set forth below.

CITY OF EAST CHICAGO, INDIANA
DEPARTMENT OF WATERWORKS

By: _____
Counsel


Dated: _____

OFFICE OF UTILITY CONSUMER COUNSEL

By: _____
Deputy Consumer Counselor

Dated: _____

EAST CHICAGO WATER DEPARTMENT
INDUSTRIAL GROUP

By:  _____
Counsel

Dated: 4/28/23

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL REVENUES

	Settlement Phases			Overall
	Phase I (2023)	Phase II (2024)	Phase III (2025)	
<u>Revenue Requirements:</u>				
Operation and maintenance	\$5,040,235	\$5,977,164	\$5,977,164	\$5,977,164
Payment in lieu of taxes	450,000	1,105,000	1,788,900	1,788,900
Debt service				
Outstanding Bonds	3,500,314	3,498,677	3,501,555	3,501,555
Proposed Bonds	1,063,636	1,058,501	1,052,142	1,052,142
Debt Service Reserve	195,879	195,879	195,879	195,879
Working capital	147,940	147,940	147,940	147,940
Replacements and improvements	600,000	1,486,490	2,019,449	2,019,449
Sub-total	10,998,004	13,469,651	14,683,029	14,683,029
Less interest income	(203,050)	(203,050)	(203,050)	(203,050)
Less other revenues	(224,125)	(224,125)	(224,125)	(224,125)
Less transfers from Gaming Fund	(1,877,182)	(1,872,503)	(1,871,700)	(1,871,700)
Less penalties	(35,624)	(35,624)	(35,624)	(35,624)
Total Net Revenue Requirements	<u>\$8,658,023</u>	<u>\$11,134,349</u>	<u>\$12,348,530</u>	<u>\$12,348,530</u>
<u>Annual Revenues:</u>				
Residential	\$1,229,913	\$1,894,728	\$2,436,620	\$1,229,913
Commercial	706,159	1,090,106	1,401,876	706,159
Industrial	3,238,101	4,336,825	5,577,289	3,238,101
Housing and Public Authority	264,353	359,028	461,710	264,353
Fire Protection	635,675	886,552	1,140,106	635,675
Hydrant Rental	31,969	90,784	116,748	31,969
Total Annual Revenues	<u>\$6,106,170</u>	<u>\$8,658,023</u>	<u>\$11,134,349</u>	<u>\$6,106,170</u>
Total Additional Revenues Required	<u>\$2,551,853</u>	<u>\$2,476,326</u>	<u>\$1,214,181</u>	<u>\$6,242,360</u>
Total Revenue Requirement Increase	<u>41.79%</u>	<u>28.60%</u>	<u>10.90%</u>	<u>102.23%</u>

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

CAUSE NUMBER 45827

***Pro-forma* Net Operating Income Statement**

	Test Year Ended March 31, 2020	Adjustments	<i>Pro-forma</i> Present Rates	Phase I Adjustments	<i>Pro-Forma</i> Phase I Proposed Rates
Operating Revenue					
Residential	\$1,260,990	(\$31,077)	\$1,229,913	\$664,815	\$1,894,728
Commercial	704,680	1,479	706,159	383,947	1,090,106
Industrial	3,286,220	(48,119)	3,238,101	1,098,724	4,336,825
Housing and Public Authority	264,416	(63)	264,353	94,675	359,028
Fire Protection	635,675	-	635,675	250,877	886,552
Hydrant Rental	31,969		31,969	58,815	90,784
Penalties	35,624		35,624	-	35,624
Other Service Revenues	299,363	(75,238)	224,125	-	224,125
Total Operating Revenue	6,518,937	(153,018)	6,365,919	2,551,853	8,917,772
O&M Expenses					
Salaries & Wages	847,270	100,000	947,270		947,270
Overtime	159,992	67,008	227,000		227,000
Employer Cost	1,391	794	2,185		2,185
PERF	102,571	41,843	144,414		144,414
Payroll Taxes	76,908	21,732	98,640		98,640
Workman's Comp	10,057	-	10,057		10,057
Clothing Allowance	4,025	-	4,025		4,025
Health and Life Insurance	267,301	101,699	369,000		369,000
General Liability Insurance	42,606	-	42,606		42,606
Electric	515,932	60,138	576,070		576,070
Gas	56,859	125	56,984		56,984
Chemicals	185,528	-	185,528		185,528
Materials and Supplies	324,253	(4,581)	319,672		319,672
Contractual Services - Testing	6,425	-	6,425		6,425
Contractual Services - Accounting	82,424	-	82,424		82,424
Contractual Services - Other	1,667,549	186,888	1,854,437		1,854,437
Miscellaneous	113,498	-	113,498		113,498
Total Operating Expenses	4,464,589	575,646	5,040,235	-	5,040,235
Net Operating Income	\$2,054,348	\$ (728,664)	\$1,325,684	\$2,551,853	\$3,877,537

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

CAUSE NUMBER 45827

***Pro-forma* Net Operating Income Statement**

	Pro Forma Phase I	Adjustments	<i>Pro-forma</i> Present Rates	Adjustments	<i>Pro-Forma</i> Phase II Proposed Rates
Operating Revenue					
Residential	\$1,894,728	\$ -	\$1,894,728	\$541,892	\$2,436,620
Commercial	1,090,106	-	1,090,106	311,770	1,401,876
Industrial	4,336,825	-	4,336,825	1,240,464	5,577,289
Housing and Public Authority	359,028	-	359,028	102,682	461,710
Fire Protection	886,552	-	886,552	253,554	1,140,106
Hydrant Rental	90,784	-	90,784	25,964	116,748
Penalties	35,624	-	35,624	-	35,624
Other Service Revenues	224,125	-	224,125	-	224,125
Total Operating Revenue	8,917,772	-	8,917,772	2,476,326	11,394,098
O&M Expenses					
Salaries & Wages	947,270	115,137	1,062,407	-	1,062,407
Overtime	227,000	-	227,000	-	227,000
Employer Cost	2,185	-	2,185	-	2,185
PERF	144,414	-	144,414	-	144,414
Payroll Taxes	98,640	-	98,640	-	98,640
Workman's Comp	10,057	-	10,057	-	10,057
Clothing Allowance	4,025	-	4,025	-	4,025
Health and Life Insurance	369,000	-	369,000	-	369,000
General Liability Insurance	42,606	-	42,606	-	42,606
Electric	576,070	-	576,070	-	576,070
Gas	56,984	-	56,984	-	56,984
Chemicals	185,528	-	185,528	-	185,528
Materials and Supplies	319,672	-	319,672	-	319,672
Contractual Services - Testing	6,425	-	6,425	-	6,425
Contractual Services - Accounting	82,424	-	82,424	-	82,424
Contractual Services - Other	1,854,437	821,792	2,676,229	-	2,676,229
Miscellaneous	113,498	-	113,498	-	113,498
Total Operating Expenses	5,040,235	936,929	5,977,164	-	5,977,164
Net Operating Income	\$3,877,537	\$ (936,929)	\$2,940,608	\$2,476,326	\$5,416,934

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

CAUSE NUMBER 45827

***Pro-forma* Net Operating Income Statement**

	Pro Porma Phase II	Adjustments	<i>Pro-forma</i> Present Rates	Adjustments	<i>Pro-Forma</i> Phase III Proposed Rates
Operating Revenue					
Residential	\$2,436,620	\$ -	\$2,436,620	\$265,592	\$2,702,212
Commercial	1,401,876	-	1,401,876	152,804	1,554,680
Industrial	5,577,289	-	5,577,289	608,461	6,185,750
Housing and Public Authority	461,710	-	461,710	50,326	512,036
Fire Protection	1,140,106	-	1,140,106	124,272	1,264,378
Hydrant Rental	116,748	-	116,748	12,726	129,474
Penalties	35,624	-	35,624		35,624
Other Service Revenues	224,125	-	224,125		224,125
Total Operating Receipts	<u>11,169,973</u>	<u>-</u>	<u>11,169,973</u>	<u>1,214,181</u>	<u>12,608,279</u>
O&M Expenses					
Salaries & Wages	1,062,407	-	1,062,407		1,062,407
Overtime	227,000	-	227,000		227,000
Employer Cost	2,185	-	2,185		2,185
PERF	144,414	-	144,414		144,414
Payroll Taxes	98,640	-	98,640		98,640
Workman's Comp	10,057	-	10,057		10,057
Clothing Allowance	4,025	-	4,025		4,025
Health and Life Insurance	369,000	-	369,000		369,000
General Liability Insurance	42,606	-	42,606		42,606
Electric	576,070	-	576,070		576,070
Gas	56,984	-	56,984		56,984
Chemicals	185,528	-	185,528		185,528
Materials and Supplies	319,672	-	319,672		319,672
Contractual Services - Testing	6,425	-	6,425		6,425
Contractual Services - Accounting	82,424	-	82,424		82,424
Contractual Services - Other	2,676,229	-	2,676,229		2,676,229
Miscellaneous	113,498	-	113,498		113,498
Total Operating Expenses	<u>5,977,164</u>	<u>-</u>	<u>5,977,164</u>	<u>-</u>	<u>5,977,164</u>
Net Operating Income	<u>\$5,192,809</u>	<u>\$ -</u>	<u>\$5,192,809</u>	<u>\$1,214,181</u>	<u>\$6,631,115</u>

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

**SCHEDULE OF AMORTIZATION OF \$12,030,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS OF 2023, SERIES A**

**Principal payable annually on January 1st, beginning January 1, 2025 and
semi-annually on January 1st and July 1st, beginning July 1, 2038**

Interest payable semi-annually January 1st and July 1st

Assumed interest rate as shown

Assumes bonds dated September 1, 2023

Payment Date	Principal Balance (-----In \$1,000's-----)	Principal	Assumed Interest Rate* (%)	Interest	Total	Bond Year Total
01/01/24	\$12,030			\$128,721.00	\$128,721.00	\$128,721.00
07/01/24	12,030			193,081.50	193,081.50	
01/01/25	12,030	\$376	3.21	193,081.50	569,081.50	762,163.00
07/01/25	11,654			187,046.70	187,046.70	
01/01/26	11,654	383	3.21	187,046.70	570,046.70	757,093.40
07/01/26	11,271			180,899.55	180,899.55	
01/01/27	11,271	389	3.21	180,899.55	569,899.55	750,799.10
07/01/27	10,882			174,656.10	174,656.10	
01/01/28	10,882	395	3.21	174,656.10	569,656.10	744,312.20
07/01/28	10,487			168,316.35	168,316.35	
01/01/29	10,487	401	3.21	168,316.35	569,316.35	737,632.70
07/01/29	10,086			161,880.30	161,880.30	
01/01/30	10,086	408	3.21	161,880.30	569,880.30	731,760.60
07/01/30	9,678			155,331.90	155,331.90	
01/01/31	9,678	414	3.21	155,331.90	569,331.90	724,663.80
07/01/31	9,264			148,687.20	148,687.20	
01/01/32	9,264	421	3.21	148,687.20	569,687.20	718,374.40
07/01/32	8,843			141,930.15	141,930.15	
01/01/33	8,843	428	3.21	141,930.15	569,930.15	711,860.30
07/01/33	8,415			135,060.75	135,060.75	
01/01/34	8,415	434	3.21	135,060.75	569,060.75	704,121.50
07/01/34	7,981			128,095.05	128,095.05	
01/01/35	7,981	441	3.21	128,095.05	569,095.05	697,190.10
07/01/35	7,540			121,017.00	121,017.00	
01/01/36	7,540	449	3.21	121,017.00	570,017.00	691,034.00
07/01/36	7,091			113,810.55	113,810.55	
01/01/37	7,091	456	3.21	113,810.55	569,810.55	683,621.10
07/01/37	6,635			106,491.75	106,491.75	
01/01/38	6,635	463	3.21	106,491.75	569,491.75	675,983.50
07/01/38	6,172	470	3.21	99,060.60	569,060.60	
01/01/39	5,702	478	3.21	91,517.10	569,517.10	1,138,577.70
07/01/39	5,224	486	3.21	83,845.20	569,845.20	
01/01/40	4,738	494	3.21	76,044.90	570,044.90	1,139,890.10
07/01/40	4,244	501	3.21	68,116.20	569,116.20	
01/01/41	3,743	509	3.21	60,075.15	569,075.15	1,138,191.35
07/01/41	3,234	518	3.21	51,905.70	569,905.70	
01/01/42	2,716	526	3.21	43,591.80	569,591.80	1,139,497.50
07/01/42	2,190	534	3.21	35,149.50	569,149.50	
01/01/43	1,656	543	3.21	26,578.80	569,578.80	1,138,728.30
07/01/43	1,113	552	3.21	17,863.65	569,863.65	
01/01/44	561	561	3.21	9,004.05	570,004.05	1,139,867.70
Totals		\$12,030		\$5,024,083.35	\$17,054,083.35	\$17,054,083.35

*Interest rate assumes a combination of pooled and subsidized rates plus a cushion to account for any market fluctuations.

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

**SCHEDULE OF AMORTIZATION OF \$1,815,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS OF 2023, SERIES B**

**Principal payable annually on January 1st, beginning January 1, 2024 and
semi-annually on January 1st and July 1st, beginning July 1, 2038**

Interest payable semi-annually January 1st and July 1st

Assumed interest rate as shown

Assumes bonds dated September 1, 2023

Payment Date	Principal		Assumed Interest Rate*	Interest	Total	Bond Year Total
	Balance (-----In \$1,000's-----)	Principal (-----)	(%)			
01/01/24	\$1,815	\$1	4.52	\$27,346.00	\$28,346.00	\$28,346.00
07/01/24	1,814			40,996.40	40,996.40	
01/01/25	1,814	1	4.52	40,996.40	41,996.40	82,992.80
07/01/25	1,813			40,973.80	40,973.80	
01/01/26	1,813	1	4.52	40,973.80	41,973.80	82,947.60
07/01/26	1,812			40,951.20	40,951.20	
01/01/27	1,812	1	4.52	40,951.20	41,951.20	82,902.40
07/01/27	1,811			40,928.60	40,928.60	
01/01/28	1,811	1	4.52	40,928.60	41,928.60	82,857.20
07/01/28	1,810			40,906.00	40,906.00	
01/01/29	1,810	1	4.52	40,906.00	41,906.00	82,812.00
07/01/29	1,809			40,883.40	40,883.40	
01/01/30	1,809	1	4.52	40,883.40	41,883.40	82,766.80
07/01/30	1,808			40,860.80	40,860.80	
01/01/31	1,808	1	4.52	40,860.80	41,860.80	82,721.60
07/01/31	1,807			40,838.20	40,838.20	
01/01/32	1,807	1	4.52	40,838.20	41,838.20	82,676.40
07/01/32	1,806			40,815.60	40,815.60	
01/01/33	1,806	1	4.52	40,815.60	41,815.60	82,631.20
07/01/33	1,805			40,793.00	40,793.00	
01/01/34	1,805	1	4.52	40,793.00	41,793.00	82,586.00
07/01/34	1,804			40,770.40	40,770.40	
01/01/35	1,804	1	4.52	40,770.40	41,770.40	82,540.80
07/01/35	1,803			40,747.80	40,747.80	
01/01/36	1,803	1	4.52	40,747.80	41,747.80	82,495.60
07/01/36	1,802			40,725.20	40,725.20	
01/01/37	1,802	1	4.52	40,725.20	41,725.20	82,450.40
07/01/37	1,801			40,702.60	40,702.60	
01/01/38	1,801	1	4.52	40,702.60	41,702.60	82,405.20
07/01/38	1,800	28	4.52	40,680.00	68,680.00	
01/01/39	1,772	29	4.52	40,047.20	69,047.20	137,727.20
07/01/39	1,743	29	4.52	39,391.80	68,391.80	
01/01/40	1,714	30	4.52	38,736.40	68,736.40	137,128.20
07/01/40	1,684	31	4.52	38,058.40	69,058.40	
01/01/41	1,653	32	4.52	37,357.80	69,357.80	138,416.20
07/01/41	1,621	32	4.52	36,634.60	68,634.60	
01/01/42	1,589	33	4.52	35,911.40	68,911.40	137,546.00
07/01/42	1,556	34	4.52	35,165.60	69,165.60	
01/01/43	1,522	34	4.52	34,397.20	68,397.20	137,562.80
Subtotals		\$327		\$1,547,512.40	\$1,874,512.40	\$1,874,512.40

*Interest rate assumes all subsidized funds are applied to the Series A Bonds and is shown at a pooled rate plus a cushion to account for any market fluctuations.

(Continued on next page)

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

(Cont'd)

**SCHEDULE OF AMORTIZATION OF \$1,815,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS OF 2023, SERIES B**

**Principal payable annually on January 1st, beginning January 1, 2024 and
semi-annually on January 1st and July 1st, beginning July 1, 2038**

Interest payable semi-annually January 1st and July 1st

Assumed interest rate as shown

Assumes bonds dated September 1, 2023

Payment Date	Principal Balance (-----In \$1,000's-----)	Principal	Assumed Interest Rate* (%)	Interest (-----In Dollars-----)	Total	Bond Year Total
Subtotals carried forward		\$327		\$1,547,512.40	\$1,874,512.40	\$1,874,512.40
07/01/43	\$1,488	35	4.52	33,628.80	68,628.80	
01/01/44	1,453	36	4.52	32,837.80	68,837.80	137,466.60
07/01/44	1,417	37	4.52	32,024.20	69,024.20	
01/01/45	1,380	38	4.52	31,188.00	69,188.00	138,212.20
07/01/45	1,342	39	4.52	30,329.20	69,329.20	
01/01/46	1,303	39	4.52	29,447.80	68,447.80	137,777.00
07/01/46	1,264	40	4.52	28,566.40	68,566.40	
01/01/47	1,224	41	4.52	27,662.40	68,662.40	137,228.80
07/01/47	1,183	42	4.52	26,735.80	68,735.80	
01/01/48	1,141	43	4.52	25,786.60	68,786.60	137,522.40
07/01/48	1,098	44	4.52	24,814.80	68,814.80	
01/01/49	1,054	45	4.52	23,820.40	68,820.40	137,635.20
07/01/49	1,009	46	4.52	22,803.40	68,803.40	
01/01/50	963	47	4.52	21,763.80	68,763.80	137,567.20
07/01/50	916	48	4.52	20,701.60	68,701.60	
01/01/51	868	49	4.52	19,616.80	68,616.80	137,318.40
07/01/51	819	50	4.52	18,509.40	68,509.40	
01/01/52	769	52	4.52	17,379.40	69,379.40	137,888.80
07/01/52	717	53	4.52	16,204.20	69,204.20	
01/01/53	664	54	4.52	15,006.40	69,006.40	138,210.60
07/01/53	610	55	4.52	13,786.00	68,786.00	
01/01/54	555	56	4.52	12,543.00	68,543.00	137,329.00
07/01/54	499	58	4.52	11,277.40	69,277.40	
01/01/55	441	59	4.52	9,966.60	68,966.60	138,244.00
07/01/55	382	60	4.52	8,633.20	68,633.20	
01/01/56	322	62	4.52	7,277.20	69,277.20	137,910.40
07/01/56	260	63	4.52	5,876.00	68,876.00	
01/01/57	197	64	4.52	4,452.20	68,452.20	137,328.20
07/01/57	133	66	4.52	3,005.80	69,005.80	
01/01/58	67	67	4.52	1,514.20	68,514.20	137,520.00
Totals		<u>\$1,815</u>		<u>\$2,124,671.20</u>	<u>\$3,939,671.20</u>	<u>\$3,939,671.20</u>

*Interest rate assumes all subsidized funds are applied to the Series A Bonds and is shown at a pooled rate plus a cushion to account for any market fluctuations.

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

**SCHEDULE OF AMORTIZATION OF \$10,875,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS OF 2023, SERIES C**

**Principal payable annually on January 1st, beginning January 1, 2024 and
semi-annually on January 1st and July 1st, beginning July 1, 2038**

Interest payable semi-annually January 1st and July 1st

Assumed interest rate as shown

Assumes bonds dated September 1, 2023

Payment Date	Principal Balance	Principal	Assumed Interest Rate	Interest	Total	Bond Year Total
	(-----In \$1,000's-----)		(%)	(-----In Dollars-----)		
01/01/24	\$10,875	\$1	2.00	\$72,500.00	\$73,500.00	\$73,500.00
07/01/24	10,874			108,740.00	108,740.00	
01/01/25	10,874	1	2.00	108,740.00	109,740.00	218,480.00
07/01/25	10,873			108,730.00	108,730.00	
01/01/26	10,873	1	2.00	108,730.00	109,730.00	218,460.00
07/01/26	10,872			108,720.00	108,720.00	
01/01/27	10,872	1	2.00	108,720.00	109,720.00	218,440.00
07/01/27	10,871			108,710.00	108,710.00	
01/01/28	10,871	1	2.00	108,710.00	109,710.00	218,420.00
07/01/28	10,870			108,700.00	108,700.00	
01/01/29	10,870	1	2.00	108,700.00	109,700.00	218,400.00
07/01/29	10,869			108,690.00	108,690.00	
01/01/30	10,869	1	2.00	108,690.00	109,690.00	218,380.00
07/01/30	10,868			108,680.00	108,680.00	
01/01/31	10,868	1	2.00	108,680.00	109,680.00	218,360.00
07/01/31	10,867			108,670.00	108,670.00	
01/01/32	10,867	1	2.00	108,670.00	109,670.00	218,340.00
07/01/32	10,866			108,660.00	108,660.00	
01/01/33	10,866	1	2.00	108,660.00	109,660.00	218,320.00
07/01/33	10,865			108,650.00	108,650.00	
01/01/34	10,865	1	2.00	108,650.00	109,650.00	218,300.00
07/01/34	10,864			108,640.00	108,640.00	
01/01/35	10,864	1	2.00	108,640.00	109,640.00	218,280.00
07/01/35	10,863			108,630.00	108,630.00	
01/01/36	10,863	1	2.00	108,630.00	109,630.00	218,260.00
07/01/36	10,862			108,620.00	108,620.00	
01/01/37	10,862	1	2.00	108,620.00	109,620.00	218,240.00
07/01/37	10,861			108,610.00	108,610.00	
01/01/38	10,861	1	2.00	108,610.00	109,610.00	218,220.00
07/01/38	10,860	222	2.00	108,600.00	330,600.00	
01/01/39	10,638	224	2.00	106,380.00	330,380.00	660,980.00
07/01/39	10,414	227	2.00	104,140.00	331,140.00	
01/01/40	10,187	229	2.00	101,870.00	330,870.00	662,010.00
07/01/40	9,958	231	2.00	99,580.00	330,580.00	
01/01/41	9,727	233	2.00	97,270.00	330,270.00	660,850.00
07/01/41	9,494	236	2.00	94,940.00	330,940.00	
01/01/42	9,258	238	2.00	92,580.00	330,580.00	661,520.00
07/01/42	9,020	241	2.00	90,200.00	331,200.00	
01/01/43	8,779	243	2.00	87,790.00	330,790.00	661,990.00
Subtotals		\$2,339		\$4,098,750.00	\$6,437,750.00	\$6,437,750.00

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EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

(Cont'd)

**SCHEDULE OF AMORTIZATION OF \$10,875,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS OF 2023, SERIES C**

Principal payable annually on January 1st, beginning January 1, 2024 and
semi-annually on January 1st and July 1st, beginning July 1, 2038

Interest payable semi-annually January 1st and July 1st

Assumed interest rate as shown

Assumes bonds dated September 1, 2023

Payment Date	Principal Balance (-----In \$1,000's-----)	Principal	Assumed Interest Rate (%)	Interest (-----In Dollars-----)	Total	Bond Year Total
Subtotals carried forward		\$2,339		\$4,098,750.00	\$6,437,750.00	\$6,437,750.00
07/01/43	\$8,536	245	2.00	85,360.00	330,360.00	
01/01/44	8,291	248	2.00	82,910.00	330,910.00	661,270.00
07/01/44	8,043	250	2.00	80,430.00	330,430.00	
01/01/45	7,793	253	2.00	77,930.00	330,930.00	661,360.00
07/01/45	7,540	255	2.00	75,400.00	330,400.00	
01/01/46	7,285	258	2.00	72,850.00	330,850.00	661,250.00
07/01/46	7,027	261	2.00	70,270.00	331,270.00	
01/01/47	6,766	263	2.00	67,660.00	330,660.00	661,930.00
07/01/47	6,503	266	2.00	65,030.00	331,030.00	
01/01/48	6,237	268	2.00	62,370.00	330,370.00	661,400.00
07/01/48	5,969	271	2.00	59,690.00	330,690.00	
01/01/49	5,698	274	2.00	56,980.00	330,980.00	661,670.00
07/01/49	5,424	277	2.00	54,240.00	331,240.00	
01/01/50	5,147	279	2.00	51,470.00	330,470.00	661,710.00
07/01/50	4,868	282	2.00	48,680.00	330,680.00	
01/01/51	4,586	285	2.00	45,860.00	330,860.00	661,540.00
07/01/51	4,301	288	2.00	43,010.00	331,010.00	
01/01/52	4,013	291	2.00	40,130.00	331,130.00	662,140.00
07/01/52	3,722	294	2.00	37,220.00	331,220.00	
01/01/53	3,428	296	2.00	34,280.00	330,280.00	661,500.00
07/01/53	3,132	299	2.00	31,320.00	330,320.00	
01/01/54	2,833	302	2.00	28,330.00	330,330.00	660,650.00
07/01/54	2,531	305	2.00	25,310.00	330,310.00	
01/01/55	2,226	309	2.00	22,260.00	331,260.00	661,570.00
07/01/55	1,917	312	2.00	19,170.00	331,170.00	
01/01/56	1,605	315	2.00	16,050.00	331,050.00	662,220.00
07/01/56	1,290	318	2.00	12,900.00	330,900.00	
01/01/57	972	321	2.00	9,720.00	330,720.00	661,620.00
07/01/57	651	324	2.00	6,510.00	330,510.00	
01/01/58	327	327	2.00	3,270.00	330,270.00	660,780.00
Totals		<u>\$10,875</u>		<u>\$5,485,360.00</u>	<u>\$16,360,360.00</u>	<u>\$16,360,360.00</u>

Witness Responsible: Andre J. Riley

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

SCHEDULE OF PROPOSED COMBINED BOND AMORTIZATION

Payment Date	Outstanding Bonds						Proposed			Gross Total	Gross Bond Year Total	Contribution from Gaming Fund	Net Bond Year Total
	2002 Bonds	2006 Bonds	2009 Bonds (1)	2017 Bonds	2018A Bonds	2018B Bonds	2023A Bonds	2023B Bonds	2023C Bonds				
7/1/2022	\$1,885.00	\$124,653.00	\$165,298.25	\$43,245.00	\$5,982.60	\$21,323.25				\$362,387.10			
1/1/2023	131,885.00	1,149,653.00	1,710,298.25	45,245.00	21,982.60	81,323.25				3,140,387.10	\$3,502,774.20	(\$1,875,596.50)	\$1,627,177.70
7/1/2023		101,898.00	143,591.00	43,222.50	5,951.40	21,206.25				315,869.15			
1/1/2024		1,176,898.00	1,733,591.00	54,222.50	47,951.40	176,206.25	\$128,721.00	\$28,346.00	\$73,500.00	3,419,436.15	3,735,305.30	(1,877,182.00)	1,858,123.30
7/1/2024		78,033.00	121,251.50	43,098.75	5,869.50	20,904.00	193,081.50	40,996.40	108,740.00	611,974.65			
1/1/2025		2,198,033.00	1,751,251.50	58,098.75	47,869.50	175,904.00	569,081.50	41,996.40	109,740.00	3,951,974.65	4,563,949.30	(1,872,503.00)	2,691,446.30 (2)
7/1/2025		53,169.00	98,350.00	42,930.00	5,787.60	20,601.75	187,046.70	40,973.80	108,730.00	557,588.85			
1/1/2026		1,223,169.00	1,773,350.00	57,930.00	47,787.60	175,601.75	570,046.70	41,973.80	109,730.00	3,999,588.85	4,557,177.70	(1,871,700.00)	2,685,477.70
7/1/2026		27,195.00	74,816.25	42,761.25	5,705.70	20,299.50	180,899.55	40,951.20	108,720.00	501,348.45			
1/1/2027		1,252,195.00	1,799,816.25	57,761.25	47,705.70	173,299.50	569,899.55	41,951.20	109,720.00	4,052,348.45	4,553,696.90	(1,874,632.50)	2,679,064.40
7/1/2027		50,580.00	42,592.50	5,623.80	20,001.15	174,656.10	40,928.60	108,710.00	108,710.00	443,092.15			
1/1/2028		1,825,580.00	386,592.50	246,623.80	926,001.15	569,656.10	41,928.60	109,710.00	109,710.00	4,106,092.15	4,549,184.30	(1,876,160.00)	2,673,024.30
7/1/2028		25,641.25	38,722.50	5,153.85	18,234.45	168,316.35	40,906.00	108,700.00	108,700.00	405,674.40			
1/1/2029			1,850,641.25	390,722.50	247,153.85	927,234.45	569,316.35	41,906.00	109,700.00	4,136,674.40	4,542,348.80	(1,876,282.50)	2,666,066.30
7/1/2029				34,762.50	4,681.95	16,461.90	161,880.30	40,883.40	108,690.00	367,360.05			
1/1/2030				394,762.50	247,681.95	929,461.90	569,880.30	41,883.40	109,690.00	2,293,360.05	2,660,720.10	-	2,660,720.10
7/1/2030				30,712.50	4,208.10	14,681.55	155,331.90	40,860.80	108,680.00	354,474.85			
1/1/2031				398,712.50	248,208.10	930,681.55	569,331.90	41,860.80	109,680.00	2,298,474.85	2,652,949.70	-	2,652,949.70
7/1/2031				26,572.50	3,732.30	12,895.35	148,687.20	40,838.20	108,670.00	341,395.55			
1/1/2032				400,572.50	248,732.30	934,895.35	569,687.20	41,838.20	109,670.00	2,305,395.55	2,646,791.10	-	2,646,791.10
7/1/2032				22,365.00	3,254.55	11,097.45	141,930.15	40,815.60	108,660.00	328,122.75			
1/1/2033				405,365.00	249,254.55	937,097.45	569,930.15	41,815.60	109,660.00	2,313,122.75	2,641,245.50	-	2,641,245.50
7/1/2033				18,056.25	2,774.85	9,291.75	135,060.75	40,793.00	108,650.00	314,626.60			
1/1/2034				407,056.25	250,774.85	940,291.75	569,060.75	41,793.00	109,650.00	2,318,626.60	2,633,253.20	-	2,633,253.20
7/1/2034				13,680.00	2,291.25	7,476.30	128,095.05	40,770.40	108,640.00	300,953.00			
1/1/2035				410,680.00	252,291.25	941,476.30	569,095.05	41,770.40	109,640.00	2,324,953.00	2,625,906.00	-	2,625,906.00
7/1/2035				9,213.75	1,803.75	5,655.00	121,017.00	40,747.80	108,630.00	287,067.30			
1/1/2036				415,213.75	253,803.75	942,655.00	570,017.00	41,747.80	109,630.00	2,333,067.30	2,620,134.60	-	2,620,134.60
7/1/2036				4,646.25	1,312.35	3,827.85	113,810.55	40,725.20	108,620.00	272,942.20			
1/1/2037				417,646.25	258,312.35	941,827.85	569,810.55	41,725.20	109,620.00	2,338,942.20	2,611,884.40	-	2,611,884.40
7/1/2037					811.20	1,998.75	106,491.75	40,702.60	108,610.00	258,614.30			
1/1/2038					416,811.20	1,026,998.75	569,491.75	41,702.60	109,610.00	2,164,614.30	2,423,228.60	-	2,423,228.60
7/1/2038							569,060.60	68,680.00	330,600.00	968,340.60			
1/1/2039							569,517.10	69,047.20	330,380.00	968,944.30	1,937,284.90	-	1,937,284.90
7/1/2039							569,845.20	68,391.80	331,140.00	969,377.00			
1/1/2040							570,044.90	68,736.40	330,870.00	969,651.30	1,939,028.30	-	1,939,028.30
7/1/2040							569,116.20	69,058.40	330,580.00	968,754.60			
1/1/2041							569,075.15	69,357.80	330,270.00	968,702.95	1,937,457.55	-	1,937,457.55
7/1/2041							569,905.70	68,634.60	330,940.00	969,480.30			
1/1/2042							569,591.80	68,911.40	330,580.00	969,083.20	1,938,563.50	-	1,938,563.50
7/1/2042							569,149.50	69,165.60	331,200.00	969,515.10			
1/1/2043							569,578.80	68,397.20	330,790.00	968,766.00	1,938,281.10	-	1,938,281.10
7/1/2043							569,863.65	68,628.80	330,360.00	968,852.45			
1/1/2044							570,004.05	68,837.80	330,910.00	969,751.85	1,938,604.30	-	1,938,604.30
7/1/2044								69,024.20	330,430.00	399,454.20			
1/1/2045								69,188.00	330,930.00	400,118.00	799,572.20	-	799,572.20
7/1/2045								69,329.20	330,400.00	399,729.20			
1/1/2046								68,447.80	330,850.00	399,297.80	799,027.00	-	799,027.00
7/1/2046								68,566.40	331,270.00	399,836.40			
1/1/2047								68,662.40	330,660.00	399,322.40	799,158.80	-	799,158.80
7/1/2047								68,735.80	331,030.00	399,765.80			
1/1/2048								68,786.60	330,370.00	399,156.60	798,922.40	-	798,922.40
7/1/2048								68,814.80	330,690.00	399,504.80			
1/1/2049								68,820.40	330,980.00	399,800.40	799,305.20	-	799,305.20
7/1/2049								68,803.40	331,240.00	400,043.40			
1/1/2050								68,763.80	330,470.00	399,233.80	799,277.20	-	799,277.20
7/1/2050								68,701.60	330,680.00	399,381.60			
1/1/2051								68,616.80	330,860.00	399,476.80	798,858.40	-	798,858.40
7/1/2051								68,509.40	331,010.00	399,519.40			
1/1/2052								69,379.40	331,130.00	400,509.40	800,028.80	-	800,028.80
7/1/2052								69,204.20	331,220.00	400,424.20			
1/1/2053								69,006.40	330,280.00	399,286.40	799,710.60	-	799,710.60
7/1/2053								68,786.00	330,320.00	399,106.00			
1/1/2054								68,543.00	330,330.00	398,873.00	797,979.00	-	797,979.00
7/1/2054								69,277.40	330,310.00	399,587.40			
1/1/2055								68,966.60	331,260.00	400,226.60	799,814.00	-	799,814.00
7/1/2055								68,633.20	331,170.00	399,803.20			
1/1/2056								69,277.20	331,050.00	400,327.20	800,130.40	-	800,130.40
7/1/2056								68,876.00	330,900.00	399,776.00			
1/1/2057								68,452.20	330,720.00	399,172.20	798,948.20	-	798,948.20
7/1/2057								69,005.80	330,510.00	399,515.80			
1/1/2058								68,514.20	330,270.00	398,784.20	798,300.00	-	798,300.00
Totals	\$133,770.00	\$6,384,896.00	\$13,124,056.50	\$4,757,162.50	\$3,197,889.50	\$11,386,912.50	\$17,054,083.35	3,939,671.20	\$16,360,360.00	\$76,338,801.55	\$76,338,801.55	(\$13,124,056.50)	\$63,214,745.05

Average annual debt service for the five bond years ended January 1, 2027

\$2,308,257.88

(1) Maturity dates are 1/15 and 7/15 for the 2009 Bonds.

(2) Maximum annual debt service

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

SCHEDULE OF PRESENT AND PROPOSED RATES AND CHARGES

<u>Monthly Consumption Per 1,000 Gallons:</u>		Current (1)	Sattlement (2)		
			Phase I	Phase II	Phase III
First	10,000 Gallons	\$1.84	\$3.37	\$4.33	\$4.80
Next	115,000 Gallons	1.80	3.24	4.17	4.62
Next	875,000 Gallons	1.77	2.37	3.06	3.39
Over	1,000,000 Gallons	1.71	2.28	2.94	3.26

<u>Monthly Base Charge:</u>		Current (1)	Phase I	Phase II	Phase III
5/8	inch meter	\$9.46	\$11.75	\$15.11	\$16.76
3/4	inch meter	10.35	16.00	20.58	22.82
1	inch meter	19.76	24.35	31.31	34.72
1 1/2	inch meter	39.98	45.25	58.19	64.53
2	inch meter	61.29	70.30	90.41	100.26
3	inch meter	150.06	128.90	165.77	183.84
4	inch meter	227.48	212.60	273.40	303.20
6	inch meter	431.61	421.70	542.31	601.42
8	inch meter	588.12	672.70	865.09	959.38
10	inch meter	848.57	965.45	1,241.57	1,376.90
12	inch meter		1,802.00	2,317.37	2,569.96

<u>Monthly Private Fire Service:</u>		Current (1)	Phase I	Phase II	Phase III
5/8	inch fire line	\$0.22			
3/4	inch fire line	0.36			
1	inch fire line	0.74	\$0.81	\$1.04	\$1.16
1 1/2	inch fire line	2.17	2.43	3.12	3.46
2	inch fire line	4.63	5.01	6.44	7.14
3	inch fire line	13.47	14.54	18.70	20.73
4	inch fire line	28.69	30.98	39.84	44.18
6	inch fire line	83.36	89.98	115.71	128.33
8	inch fire line	177.65	191.75	246.59	273.47
10	inch fire line	319.48	344.82	443.44	491.78
12	inch fire line	516.05	556.98	716.27	794.35

<u>Monthly Public Fire Hydrants:</u>		Current (3)	Phase I	Phase II	Phase III
		\$48,452.87	\$69,047.00	\$88,794.44	\$98,473.03

(1) Per Cause No. 44826 adopted April 26, 2017 and effective May 5, 2017.

(2) Phases II and III assume an across-the-board increase to rates and charges. See page 1.

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

Phase I

CALCUCLATION OF PRO FORMA REVENUES
AT PROPOSED RATES AND CHARGES

Monthly Consumption Per 1,000 Gallons:	Pro Forma Rate	Residential		Commercial		Public Authority		Industrial		Totals	
		Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues
First 10,000	\$3.37	285,195	\$961,107	85,952	\$289,658	12,506	\$42,145	10,262	\$34,583	393,915	\$1,327,493
Next 115,000	3.24	49,068	158,980	106,887	346,314	31,223	101,163	53,402	173,022	240,580	779,479
Next 875,000	2.37	2,248	5,328	51,252	121,467	39,315	93,177	176,441	418,165	269,256	638,137
Over 1,000,000	2.28	-	-	22,986	52,408	288	657	1,506,634	3,435,126	1,529,908	3,488,191
<u>Monthly Base Charge:</u>											
5/8 inch meter	\$11.75	63,309	\$743,881	7,783	\$91,450	1,621	\$19,047	217	\$2,550	72,930	\$856,928
3/4 inch meter	16.00	1,307	20,912	2,936	46,976	166	2,656	260	4,160	4,669	74,704
1 inch meter	24.35	153	3,726	1,308	31,850	136	3,312	181	4,407	1,778	43,295
1.5 inch meter	45.25	16	724	709	32,082	140	6,335	144	6,516	1,009	45,657
2 inch meter	70.30	1	70	578	40,633	415	29,175	338	23,761	1,332	93,639
3 inch meter	128.90	-	-	24	3,094	132	17,015	58	7,476	214	27,585
4 inch meter	212.60	-	-	61	12,969	159	33,803	168	35,717	388	82,489
6 inch meter	421.70	-	-	12	5,060	25	10,543	221	93,196	258	108,799
8 inch meter	672.70	-	-	24	16,145	-	-	66	44,398	90	60,543
10 inch meter	965.45	-	-	-	-	-	-	36	34,756	36	34,756
12 inch meter	1,802.00	-	-	-	-	-	-	12	21,624	12	21,624
<u>Monthly Private Fire Service:</u>											
1 inch fire line	\$0.81									-	\$ -
1.5 inch fire line	2.43									-	-
2 inch fire line	5.01									84	421
3 inch fire line	14.54									-	-
4 inch fire line	30.98									336	10,409
6 inch fire line	89.98									276	24,834
8 inch fire line	191.75									60	11,505
10 inch fire line	344.82									12	4,138
12 inch fire line	556.98									12	6,684
<u>Monthly Public Fire Hydrants:</u>	\$69,047.00									12	828,564
<u>Hydrants:</u>											
3 inch fire line	\$174.48									108	18,844
Rate per day	\$16.00									3,419	54,704
First 10,000	\$3.37									625	2,106
Next 115,000	3.24									1,912	6,195
Next 875,000	2.37									3,233	7,662
Over 1,000,000	2.28									562	1,281
Total											<u>\$8,660,666</u>
Less Pro Forma Revenue Requirements											<u>\$8,658,023</u>
Variance											<u>\$2,643</u>
Percent Variance											<u>0.03%</u>

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

Phase II

CALCUCLATION OF PRO FORMA REVENUES
AT PROPOSED RATES AND CHARGES

Monthly Consumption Per 1,000 Gallons:	Pro Forma Rate	Residential		Commercial		Public Authority		Industrial		Totals	
		Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues
First 10,000	\$4.33	285,195	\$1,234,894	85,952	\$372,172	12,506	\$54,151	10,262	\$44,434	393,915	\$1,705,651
Next 115,000	4.17	49,068	204,614	106,887	445,719	31,223	130,200	53,402	222,686	240,580	1,003,219
Next 875,000	3.06	2,248	6,879	51,252	156,831	39,315	120,304	176,441	539,909	269,256	823,923
Over 1,000,000	2.94	-	-	22,986	67,579	288	847	1,506,634	4,429,504	1,529,908	4,497,930
<u>Monthly Base Charge:</u>											
5/8 inch meter	\$15.11	63,309	\$956,599	7,783	\$117,601	1,621	\$24,493	217	\$3,279	72,930	\$1,101,972
3/4 inch meter	20.58	1,307	26,898	2,936	60,423	166	3,416	260	5,351	4,669	96,088
1 inch meter	31.31	153	4,790	1,308	40,953	136	4,258	181	5,667	1,778	55,668
1.5 inch meter	58.19	16	931	709	41,257	140	8,147	144	8,379	1,009	58,714
2 inch meter	90.41	1	90	578	52,257	415	37,520	338	30,559	1,332	120,426
3 inch meter	165.77	-	-	24	3,978	132	21,882	58	9,615	214	35,475
4 inch meter	273.40	-	-	61	16,677	159	43,471	168	45,931	388	106,079
6 inch meter	542.31	-	-	12	6,508	25	13,558	221	119,851	258	139,917
8 inch meter	865.09	-	-	24	20,762	-	-	66	57,096	90	77,858
10 inch meter	1,241.57	-	-	-	-	-	-	36	44,697	36	44,697
12 inch meter	2,317.37	-	-	-	-	-	-	12	27,808	12	27,808
<u>Monthly Private Fire Service:</u>											
1 inch fire line	\$1.04									-	\$ -
1.5 inch fire line	3.12									-	-
2 inch fire line	6.44									84	541
3 inch fire line	18.70									-	-
4 inch fire line	39.84									336	13,386
6 inch fire line	115.71									276	31,936
8 inch fire line	246.59									60	14,795
10 inch fire line	443.44									12	5,321
12 inch fire line	716.27									12	8,595
<u>Monthly Public Fire Hydrants:</u>	\$88,794.44									12	1,065,533
<u>Hydrants:</u>											
3 inch fire line	\$224.40									108	24,235
Rate per day	\$16.00									3,419	54,704
First 10,000	\$4.33									625	2,706
Next 115,000	4.17									1,912	7,973
Next 875,000	3.06									3,233	9,893
Over 1,000,000	2.94									562	1,652
Total											<u>\$11,136,695</u>
Less Pro Forma Revenue Requirements											<u>\$11,134,349</u>
Variance											<u>\$2,346</u>
Percent Variance											<u>0.02%</u>

EAST CHICAGO (INDIANA) DEPARTMENT OF WATERWORKS

Phase III

CALCUCLATION OF PRO FORMA REVENUES
AT PROPOSED RATES AND CHARGES

Monthly Consumption Per 1,000 Gallons:	Pro Forma Rate	Residential		Commercial		Public Authority		Industrial		Totals	
		Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues	Billing Determinates	Pro Forma Revenues
First 10,000	\$4.80	285,195	\$1,368,936	85,952	\$412,570	12,506	\$60,029	10,262	\$49,258	393,915	\$1,890,793
Next 115,000	4.62	49,068	226,694	106,887	493,818	31,223	144,250	53,402	246,717	240,580	1,111,479
Next 875,000	3.39	2,248	7,621	51,252	173,744	39,315	133,278	176,441	598,135	269,256	912,778
Over 1,000,000	3.26	-	-	22,986	74,934	288	939	1,506,634	4,911,627	1,529,908	4,987,500
<u>Monthly Base Charge:</u>											
5/8 inch meter	\$16.76	63,309	\$1,061,059	7,783	\$130,443	1,621	\$27,168	217	\$3,637	72,930	\$1,222,307
3/4 inch meter	22.82	1,307	29,826	2,936	67,000	166	3,788	260	5,933	4,669	106,547
1 inch meter	34.72	153	5,312	1,308	45,414	136	4,722	181	6,284	1,778	61,732
1.5 inch meter	64.53	16	1,032	709	45,752	140	9,034	144	9,292	1,009	65,110
2 inch meter	100.26	1	100	578	57,950	415	41,608	338	33,888	1,332	133,546
3 inch meter	183.84	-	-	24	4,412	132	24,267	58	10,663	214	39,342
4 inch meter	303.20	-	-	61	18,495	159	48,209	168	50,938	388	117,642
6 inch meter	601.42	-	-	12	7,217	25	15,036	221	132,914	258	155,167
8 inch meter	959.38	-	-	24	23,025	-	-	66	63,319	90	86,344
10 inch meter	1,376.90	-	-	-	-	-	-	36	49,568	36	49,568
12 inch meter	2,569.96	-	-	-	-	-	-	12	30,840	12	30,840
<u>Monthly Private Fire Service:</u>											
1 inch fire line	1.16									-	\$ -
1.5 inch fire line	3.46									-	-
2 inch fire line	7.14									84	600
3 inch fire line	20.73									-	-
4 inch fire line	44.18									336	14,844
6 inch fire line	128.33									276	35,419
8 inch fire line	273.47									60	16,408
10 inch fire line	491.78									12	5,901
12 inch fire line	794.35									12	9,532
<u>Monthly Public Fire Hydrants:</u>	\$98,473.03									12	1,181,676
<u>Hydrants:</u>											
3 inch fire line	\$248.76									108	26,866
Rate per day	\$16.00									3,419	54,704
First 10,000	\$4.80									625	3,000
Next 115,000	4.62									1,912	8,833
Next 875,000	3.39									3,233	10,960
Over 1,000,000	3.26									562	1,832
Total											\$12,341,270
Less Pro Forma Revenue Requirements											\$12,348,530
Variance											(\$7,260)
Percent Variance											-0.06%