

FILED
March 26, 2018
INDIANA UTILITY
REGULATORY COMMISSION

PETITIONER'S EXHIBIT 3

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF BOONVILLE,)
INDIANA, FOR APPROVAL TO ADJUST ITS)
RATES AND CHARGES AND ISSUE BONDS)

CAUSE NO. 45069

IURC
PETITIONER'S 3
EXHIBIT NO. 3-6-19
DATE ck REPORTER

VERIFIED DIRECT TESTIMONY AND EXHIBITS

OF

SHAWN R. WRIGHT

OFFICIAL
EXHIBITS

ON BEHALF OF PETITIONER,

CITY OF BOONVILLE, INDIANA

PETITIONER, CITY OF BOONVILLE, INDIANA
IURC Cause No. _____
Verified Direct Testimony of Shawn R. Wright

I.
Introduction

1
2

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

4 A. My name is Shawn R. Wright and my address is 117 E. Locust Street, Boonville,
5 Indiana 47601.

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

7 A. I am a Project Manager III for Veolia Water America. As the Project manager, I
8 am responsible for the day to day operations of the water and wastewater utilities
9 for the City of Boonville, Indiana ("Boonville") . In general, I manage the City's
10 infrastructure for water, sewer, and public works.

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

12 A. I have held this position since March, 2004.

13 **4. Q. PLEASE DESCRIBE YOUR PROFESSIONAL EDUCATION AND**
14 **TRAINING AND CAREER POSITIONS IN THE UTILITY FIELD?**

15 A. I earned a Bachelor of Science Degree in Mathematics from the University of
16 Southern Indiana with an emphasis on applied mathematics and computer science.
17 I began working in the water industry in 1994 and have since held several
18 positions. I began as a water treatment operator and later was promoted to a
19 number of different positions, including Chief Operator, Superintendent of
20 Operations and Maintenance of Water and Wastewater Treatment, and General
21 Manager for several utilities in Indiana and Kentucky. As a Project Manager, I

1 am currently based in Boonville but Veolia will periodically send me to other
2 locations in my territory to assist with sewer and water related issues.

3 5. Q. WHAT IS YOUR TERRITORY AT THIS TIME?

4 A. My territory at this time is from the Canadian border on the north to Kentucky on
5 the south, and from Ohio on the east to Kansas on the west.

6 6. Q. WHERE DO YOU SPEND THE BULK OF YOUR TIME?

7 A. The vast majority of my time is spent in Boonville, where I am based.

8 7. Q. PLEASE DESCRIBE ANY PROFESSIONAL ORGANIZATIONS AND
9 SOCIETIES IN WHICH YOU ARE A MEMBER.

10 A. I am a member of the American Water Works Association, Indiana Rural Water
11 Association, Kentucky Rural Water Association, Water Environment Federation,
12 and several other small organizations.

13 8. Q. HAVE YOU PREVIOUSLY TESTIFIED ON BEHALF OF BOONVILLE?

14 A. Yes, I have. In Boonville's last rate case, Cause No. 43477, I submitted prefiled
15 testimony and exhibits.

16 9. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CAUSE?

17 A. The purpose of my testimony is to generally describe the status of the capital
18 improvements that were approved in Boonville's last rate case (i.e. Cause No.
19 43477), briefly describe Boonville's existing facilities, explain the need for the

1 system improvements proposed to be financed and constructed by Boonville, and
2 the general need for a rate adjustment.

3 **II.**

4 **Status of Capital Improvements Approved in Cause No. 43477**

5 9. Q. MR. WRIGHT, CAN YOU DESCRIBE THE STATUS OF THE
6 IMPROVEMENTS THAT WERE ULTIMATELY APPROVED IN CAUSE
7 NO. 43477?

8 A. Yes, I can. The system improvements proposed in Cause No. 43477 have all been
9 completed. The most significant improvement was the construction of a 2.9 mgd
10 water treatment facility which has greatly improved the amount and quality of the
11 water that Boonville can provide to its customers.

12 **III.**

13 **Boonville's Existing Facilities**

14 10. Q. HAVE BOONVILLE'S EXISTING FACILITIES MATERIALLY
15 CHANGED SINCE THE COMMISSION'S ORDER IN CAUSE NO. 43477?

16 A. No, they have not. As we described in some detail in Cause No. 43477, the main
17 components of the Boonville system include five (5) raw water wells, one water
18 treatment plant (which is new since the last case), three (3) 500,000 gallon above
19 ground water storage tanks, a 720,000 gallon ground tank (i.e. clear well), and
20 about fifty (50) miles of water distribution facilities serving approximately 3,700
21 customers. The bulk of Boonville's waterworks system is located in Boon
22 Township in Warrick County, Indiana.

1 11. Q. IS BOONVILLE'S EXISTING SYSTEM IN NEED OF ADDITIONAL
2 IMPROVEMENTS?

3 A. Yes. With all aging water infrastructure, improvements must be periodically
4 completed in order to maintain the system in good working condition and reduce
5 the risk of water outages. In this case, all the proposed projects will either
6 improve water quantity and/or quality, potentially save Boonville and its
7 customers money over the long term, or reduce unaccounted for water.

8 IV.
9 Proposed Water System Improvements

10 12. Q. CAN YOU BRIEFLY DESCRIBE THE PROJECTS PROPOSED TO BE
11 FINANCED IN THIS CASE AND THE NEED FOR EACH?

12 A. Yes, I can. Boonville is proposing to borrow funds from the United States
13 Department of Agriculture -- Rural Development ("Rural Development") in
14 order to complete certain water system improvements. Each of the
15 improvements and the need for the same are outlined below.

16 A. New Water Metering System

17 Boonville is proposing to install a new network metering system that includes
18 new meters, software, and telemetry. The existing meters are 10 to 20 years old
19 and in need of replacement. In the last rate case, the Commission requested that
20 Boonville continue to work on its unaccounted for water (i.e. water loss). Since
21 that time, Boonville has diligently worked to reduce its lost water to a more
22 acceptable level. Considering that aging water meters typically "under-read" the
23

1 amount of water (passing through the meter), the installation of new meters
2 should reduce the amount of lost water and increase revenues. The new metering
3 system will also be beneficial in that it will replace the existing manual read
4 meters with radio read meters which should provide savings to the utility over the
5 long term, as well as safety for the workers who will not have to manually read
6 meters along busy thoroughfares.

7 **B. New Well**

8
9 Boonville currently has five (5) groundwater wells, but one of the wells (i.e. Well
10 No. 7) has been taken out of service due to a potential breach in the well casing.
11 With this well out of service, Boonville only has four (4) usable wells at this time.
12 When removing one of the remaining usable wells from service as required for a
13 capacity rating of the well field, Boonville only has a rated capacity of 2.1 million
14 gallons per day ("mgd") which is 800,000 gallons per day less than the capacity
15 of the water facility. In addition, the 50-year old piping inside the well field
16 further reduces the pumping capacity to roughly 1.7 mgd. The addition of a new
17 well and piping will allow Boonville to maximize the capacity of its well field and
18 synchronize its well field capacity with the capacity at its new water treatment
19 plant.

20 **C. Tank Rehabilitation**

21 As previously mentioned, Boonville has three (3) above ground water storage
22 tanks. One tank, the Folsomville Tank, requires some structural work and needs
23 to be painted. The tank was originally installed and painted in the 1990's and has

1 not been painted since. Considering that the paint is now 20 years old, it is
2 important for Boonville to perform this necessary tank maintenance.

3 **D. Water Main Replacement**

4 Boonville currently uses a 16-inch water transmission main installed in 1922 to
5 supply a large number of customers in its service territory. In addition to its age,
6 the transmission main is difficult to access in that it is located in a 10 foot wide
7 alley at a depth of approximately 15 to 20 feet deep. The access is further
8 complicated by the fact that the main is partially located under the Superior Ag
9 Co-op building and cannot be accessed without destroying at least part of the
10 building. Due to its location (and age), the 16-inch water transmission main
11 creates a significant water reliability issue. If Boonville were to experience a leak
12 or break on the portion of the main in the alley or under the building, Boonville's
13 customers (that are served by this main) could be without water service for a
14 significant period of time. For these reasons, Boonville proposes to replace and
15 relocate the transmission line.

16 **E. Booster Station**

17 Boonville proposes to install a new water booster station that will replace an
18 existing booster station that was installed in the 1990's. The existing booster
19 station is undersized and does not provide sufficient pumping capacity for fire
20 protection in the northern section of Boonville's distribution system.

21 **F. Wellfield Solar Facilities**

22 Boonville proposes to install solar generating panels (i.e. a grid) inside its current

1 well field with the intent of creating at least some, if not all, of the power
2 necessary to operate Boonville's water wells. The purpose for installing the
3 wellfield solar facilities is two fold. First, Boonville believes that the installation
4 of the solar field will lower the power costs needed for operation of the wells over
5 the long-term. Second, Boonville believes it is appropriate and reasonable to
6 reduce its carbon footprint by making an investment in this clean, renewable
7 energy source.

8 **G. WTP Solar Facilities**

9 The facilities and need for this project are the same as described for the well field
10 in paragraph F above.

11 **H. State Road 261 Water Main Extension**

12 Boonville proposes to install an eight (8) inch water main along this corridor to
13 serve new and existing customers, including an area Boonville recently annexed.
14 Under Indiana law, Boonville is required to serve the annexed area within three
15 (3) years. This project would allow Boonville to meet its statutory obligation in a
16 timely manner. In addition, the water line will be used to serve a new proposed
17 development south of the annexed area consistent with an understanding between
18 Boonville, Warrick County, and the Warrick County Redevelopment
19 Commission. Ultimately, the State Road 261 water main extension will be
20 extended to interconnect with the State Road 61 water main extension and provide
21 additional looping of Boonville's water system. As mentioned below, the looping
22 of Boonville's water system will provide improved fire protection, water quality,

1 and quantity for customers in this area.

2 **I. State Road 61 Water Main Extension**

3 Boonville is proposing to install an eight (8) inch water main along the State Road
4 61 corridor to serve new and existing customers. Boonville anticipates that this
5 area will be an area of growth for Boonville and its utility. From an operational
6 perspective, this project would also allow Boonville to loop its water system
7 which will, in turn, enable Boonville to provide its customers in this area with
8 better fire protection and improved water quality and quantity.

9 13. Q. MR. WRIGHT, DO YOU BELIEVE THE IMPROVEMENTS ARE
10 NECESSARY FOR THE UTILITY TO CONTINUE TO PROVIDE SAFE
11 AND ADEQUATE SERVICE TO ITS CUSTOMERS?

12 A. Yes, I do.

13 **V.**
14 **Rate Adjustment**

15 14. Q. MR. WRIGHT, ARE YOU GENERALLY FAMILIAR WITH THE
16 FINANCES OF BOONVILLE'S WATER UTILITY?

17 A. Yes, I am. I reviewed Mr. Seever's report on the status of the finances of the
18 water utility. As noted by Mr. Seever in his prefiled testimony, Boonville's cash
19 balances have declined since the last rate case to the point.

20 15. Q. DO YOU BELIEVE THAT BOONVILLE NEEDS AN ADJUSTMENT TO
21 ITS RATES AND CHARGES?

22 A. Yes, I do. In order for Boonville to maintain its existing infrastructure and to

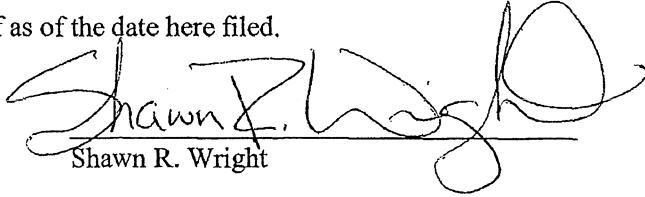
1 ensure safe, adequate, and reliable service to its customers, Boonville needs an
2 adjustment to its rates and charges. In addition, Boonville will need an
3 adjustment to its rates to cover the anticipated principal and interest payments on
4 its long-term debt from Rural Development.

5 16. **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

6 A. Yes, it does.

VERIFICATION

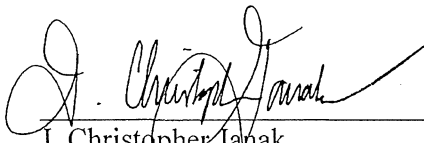
I affirm under the penalties of perjury that the foregoing testimony is true to the best of my knowledge, information, and belief as of the date here filed.


Shawn R. Wright

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing "Verified Direct Testimony and Exhibits of Shawn R. Wright" was served upon the following by electronic mail this 26th day of March, 2018:

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