

**FILED**  
November 1, 2024  
**INDIANA UTILITY  
REGULATORY COMMISSION**

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF JACKSON COUNTY WATER  
AUTHORITY FOR AUTHORITY TO ISSUE  
LONG-TERM DEBT AND ADJUST ITS  
RATES AND CHARGES**

**CAUSE NO. 46156**

**PREFILED DIRECT TESTIMONY AND EXHIBITS  
OF LARRY W. McINTOSH**

Direct Testimony of Larry W. McIntosh

Petitioner's Exhibit 1

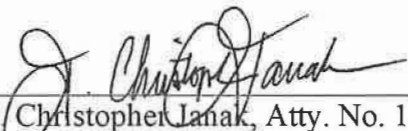
Verified Petition

Petitioner's Exhibit 2

Approval of Conversion to Water Authority

Petitioner's Exhibit 3

Respectfully submitted,

  
\_\_\_\_\_  
J. Christopher Janak, Atty. No. 18499-49  
Jacob T. Antrim, Atty. No. 36762-49  
BOSE MCKINNEY & EVANS LLP  
111 Monument Circle, Suite 2700  
Indianapolis, IN 46204  
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*Counsel for Petitioner, Jackson County  
Water Utility, Inc.*

# **Petitioner's Exhibit 1**

**PETITIONER'S EXHIBIT 1**

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF JACKSON COUNTY WATER  
AUTHORITY FOR AUTHORITY TO ISSUE  
LONG-TERM DEBT AND ADJUST ITS  
RATES AND CHARGES**

**CAUSE NO. \_\_\_\_\_**

**PREFILED DIRECT TESTIMONY OF**

**LARRY W. McINTOSH**

**ON BEHALF OF**

**JACKSON COUNTY WATER AUTHORITY**

**I.**  
**Introduction**

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

A. My name is Larry W. McIntosh and my business address is Jackson County Water Authority, 1119 West Spring Street, Brownstown, Indiana 47220.

**2. PLEASE EXPLAIN YOUR AFFILIATION WITH JACKSON COUNTY WATER AUTHORITY?**

A. I am the General Manager of Jackson County Water Authority (“Jackson County Water”) which is the Petitioner in this Cause.

**3. MR. MCINTOSH, WHAT EDUCATIONAL OR PROFESSIONAL EXPERIENCES DO YOU HAVE WHICH YOU BELIEVE ARE RELEVANT TO THE OPINIONS YOU OFFER IN THIS TESTIMONY?**

A. I hold an Associates degree in Business Administration and a Bachelors degree in Business with a major in Accounting. I have attended courses on Organizational Leadership and Supervision through the Purdue Statewide Technology Program. From 1999 to 2001, I worked for Indiana American Water Company in Seymour, Indiana, as a water plant operator. In 2001, I became the Superintendent of Stuck Fork Conservancy District where I oversaw a 7 MGD surface water treatment plant, a 3 MGD ground water treatment plant, and a large water distribution system serving approximately 7,600 customers in various parts of Jennings, Jackson, Jefferson, Scott, Washington, and Clark Counties. In 2006, I

1 was named the General Manager for Stucker Fork.

2 As Superintendent and later as General Manager, I assisted Stucker Fork in the installation,  
3 maintenance, and repair of water mains, water meters, hydrants, valves, pumping, and  
4 treatment equipment. I also operated water treatment plants, collected and analyzed  
5 samples, handled daily reporting, and supervised several dozen employees. In 2012, I  
6 joined the Indiana Office of Utility Consumer Counselor working in its water/wastewater  
7 division.

8 I joined Jackson County Water as its General Manager in 2014 and I have been here since  
9 that time. I hold wastewater and water operator certifications from the Indiana Department  
10 of Environment Management, including: (i) Grade WT5 Water Treatment Plant Operator;  
11 (ii) Grade WT3 Water Treatment Plant Operator; (iii) Grade DSL Water Distribution  
12 System Operator; and (iv) Class A-SO Wastewater Operator. I have attended numerous  
13 training classes and seminars conducted by the American Water Works Association, the  
14 Indiana Rural Water Association, the Alliance of Indiana Rural Water, and the Indiana  
15 Department of Environmental Management. Finally, I was General Manager for Jackson  
16 County Water in its last financing through the Drinking Water State Revolving Fund Loan  
17 Program (“DWSRF”). I believe all of these experiences are relevant to the opinions I offer  
18 below.

19 **4. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE INDIANA UTILITY**  
20 **REGULATORY COMMISSION (“COMMISSION”)?**

1 A. Yes, I have testified numerous times, including in Jackson County Water’s last case before  
2 the Commission in Cause No. 45640.

3 **5. WHAT IS THE PURPOSE OF THIS PROCEEDING?**

4 A. Within the last couple of years, Jackson County Water discovered that it had perfluoroalkyl  
5 or polyfluoroalkyl substances (“PFAS”) in its water supply. Unfortunately, the levels of  
6 PFAS in Jackson County Water’s water supply are close to, if not, the highest levels in the  
7 State of Indiana. By way of example, Jackson County Water has tested for PFAS at levels  
8 exceeding sixty (60) parts per trillion. The Environmental Protection Agency (“EPA”) and  
9 the Indiana Department of Environmental Management (“IDEM”) require treatment for  
10 any PFAS levels in excess of four (4) parts per trillion. Since this discovery, Jackson  
11 County Water has worked with its professional engineer, Lori Young at Curry &  
12 Associates (now known as Fleis & VandenBrink), to develop a plan to address and remedy  
13 this noncompliance. After much study, we have determined to move forward with a new  
14 project which will require a financing through the DWSRF. The purpose of this proceeding  
15 is to obtain approval for the permanent financing through the DWSRF and authority of the  
16 corresponding rates and charges that will be necessary to meet the proforma operation and  
17 maintenance expenses of the utility, including the anticipated principal and interest  
18 payments on the DWSRF loan.

19 **II.**  
20 **Verified Petition**

21  
22 **6. ARE YOU FAMILIAR WITH THE PETITION THAT INITIATED THIS**

1           **PROCEEDING?**

2    A.    Yes, I am. In fact, I was the individual who verified the Petition. For ease of review, I am  
3           including a copy of the Petition as Petitioner's Exhibit 2 to my testimony.

4    **7.    DO YOU BELIEVE THE PETITION ACCURATELY REFLECTS JACKSON**  
5           **COUNTY WATER'S INTENTIONS?**

6    A.    Yes, I do. In the Petition, Jackson County Water requests authority to issue long-term debt  
7           in an amount not to exceed \$7 million. At present, the engineering estimates for the  
8           proposed project is slightly less than \$7 million. In addition, Jackson County Water  
9           requires an adjustment in its rates and charges to meet the anticipated financial needs of  
10          the utility. I believe the Petition accurately reflects Jackson County Water's desire to incur  
11          long-term debt and adjust its rates and charges accordingly.

12   **8.    MR. MCINTOSH, ARE YOU FAMILIAR WITH THE FACILITIES THAT**  
13          **JACKSON COUNTY WATER ORIGINALLY CONSIDERED AND NOW IS**  
14          **PROPOSING TO INSTALL AND FUND WITH THE DWSRF LOAN?**

15   A.    Yes, I am. As I mentioned above, Jackson County Water has tested for and discovered  
16          PFAS in its system. Initially, Jackson County Water looked at completing a new granular  
17          activated carbon ("GAC") water treatment plant with facilities that could treat and remove  
18          the PFAS from Jackson County Water's potable water supply. The initial estimates for  
19          this project were almost \$30 million. Not only was the estimated cost rather high, there is  
20          also, as Ms. Young explained in her testimony, a fair amount of uncertainty regarding the

1 regulatory treatment of the proposed GAC treatment facilities. The potential rate increase  
2 associated with such a large borrowing (and the regulatory uncertainty associated with the  
3 proposed treatment facilities) precipitated a desire on the part of the Board to consider a  
4 less expensive alternative. In an effort to address the issue (without causing rate shock for  
5 its customers), Jackson County Water studied and is now proposing to install new wells  
6 that will hopefully have sufficient capacity and quantity to provide a safe, potable water  
7 supply that is without PFAS. The estimated cost of the new wells and transmission  
8 facilities would be approximately \$6.5 million.

9 **9. WHAT IS THE STATUS OF THE CAPITAL IMPROVEMENT PROJECTS AT**  
10 **THIS POINT?**

11 A. Jackson County Water has obtained an option for the necessary land on which the water  
12 wells would be located. Jackson County Water anticipates installing test wells within the  
13 next sixty (60) days to confirm that the water supply on the property contains sufficient  
14 quality and quantity to meet Jackson County Water's needs. Assuming that the tests are  
15 positive, Jackson County Water will proceed with planning for the project and closing on  
16 a loan with the SRF Program for the project (including the necessary land acquisition) by  
17 next August or September, 2025.

18 **10. HAS JACKSON COUNTY WATER RECENTLY CONVERTED TO A WATER**  
19 **AUTHORITY?**

20 A. Yes, it has. On June 6, 2024, the Board adopted a resolution to convert from a non-profit



1 water corporation to a water authority. This resolution was filed with and approved by the  
2 Indiana Secretary of State on August 16, 2024. A copy of the resolution approved by the  
3 Secretary of State is attached hereto as Petitioner's Exhibit 3.

4 **11. CAN YOU DESCRIBE THE CURRENT BOARD AND ITS ROLE WITH**  
5 **JACKSON COUNTY WATER?**

6 A. The Board of Directors for Jackson County Water was established by the original Articles  
7 of Incorporation. Even though it has recently converted to a water authority, the Board is  
8 still responsible for managing the affairs of Jackson County Water. In this instance, the  
9 Board reviewed Jackson County Water's current financial situation, considered the  
10 additional improvements that were being recommended and the alternatives thereto, and  
11 ultimately made a decision in favor of seeking approval to borrow the funds necessary to  
12 construct new wells and transmission facilities and adjust its rates and charges accordingly.  
13 This is the same approach that the Board used when it considered the capital improvements  
14 and the resulting revenue requirements in prior cases submitted to the Commission. The  
15 current Board consists of nine (9) individuals elected by the members of Jackson County  
16 Water. The members of the Board are also customers paying the water rates that have been  
17 established and that will be established in this Cause. Each of the Board members is elected  
18 for a three (3) year term. The terms themselves are staggered. The current Board members  
19 have been elected and in a number of instances reelected over numerous elections to their  
20 positions.

1 12. MR. MCINTOSH, DO YOU BELIEVE THE REQUESTED RELIEF IS  
2 NECESSARY AND REASONABLE?

3 A. Yes, I do. The proposed improvements will allow Jackson County Water to address a  
4 public health concern and are necessary to meet the mandates from the EPA and IDEM for  
5 appropriate PFAS levels. At the same time, Jackson County Water is proposing to borrow  
6 money from the DWSRF which has already offered grants and will hopefully offer loans  
7 below what Jackson County Water could obtain from any other source. Based on my  
8 decades of experience in the water industry, I believe Jackson County Water's request to  
9 incur long term debt from the DWSRF and adjust its rates and charges is reasonable and  
10 should be approved by the Commission.

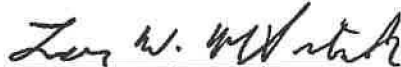
11 III.  
12 Conclusion

13 13. DOES THIS CONCLUDE YOUR PREFILED DIRECT TESTIMONY IN THIS  
14 CAUSE?

15 A. Yes, it does.

**VERIFICATION**

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

  
Larry W. McIntosh

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing "Prefiled Testimony of Larry W. McIntosh" was served upon the following by electronic mail this 1<sup>st</sup> day of November, 2024:

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

  
\_\_\_\_\_  
J. Christopher Janak

Bose McKinney & Evans LLP  
111 Monument Circle, Suite 2700  
Indianapolis, IN 46204  
(317) 684-5000

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# **Petitioner's Exhibit 2**

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF JACKSON COUNTY WATER  
AUTHORITY FOR AUTHORITY TO ISSUE  
LONG-TERM DEBT AND ADJUST ITS  
RATES AND CHARGES

CAUSE NO. \_\_\_\_\_

VERIFIED PETITION

TO THE INDIANA UTILITY REGULATORY COMMISSION:

Jackson County Water Authority (“Petitioner” or “Jackson County Water”), by counsel, respectfully requests authority to issue long-term debt and adjust its rates and charges. In support of its Verified Petition, Jackson County Water states:

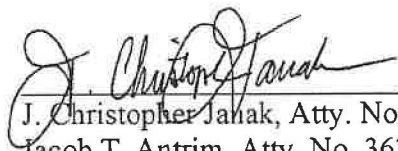
1. Jackson County Water is a water authority constituted under Ind. Code § 13-18-16-16, organized and existing under and through the laws of the State of Indiana. Jackson County Water’s office is located at 1119 Spring Street, Brownstown, IN 47220.
2. Under Ind. Code § 13-18-16-16(h), Jackson County Water’s rates and charges are subject to the jurisdiction of the Indiana Utility Regulatory Commission (“Commission”) as set forth in Ind. Code § 8-1.5-3-8.
3. Under Ind. Code § 8-1-2-78 through 8-1-2-80, the Commission has jurisdiction over Jackson County Water’s issuance of bonds, notes, or other evidences of indebtedness.
4. Jackson County Water believes the following statutes may also be applicable to this case: Ind. Code §§ 8-1-2-42, 8-1-2-61, 8-1-2-83, and other applicable statutes located in Ind. Code ch. 8-1-2.
5. Jackson County Water owns, operates, and maintains wells, treatment facilities, transmission facilities, distribution facilities, land, land rights, equipment, materials, supplies, working capital, and other property which are used and useful for the rendering of water service to its customers. Jackson County Water provides water to primarily residential, commercial, and agricultural customers in Jackson, Jennings, Bartholomew, Brown, and Lawrence Counties, Indiana.

6. Jackson County Water has recently discovered that it has perfluoroalkyl or polyfluoroalkyl substances (“PFAS”) in its water supply. Pursuant to mandates from the Indiana Department of Environmental Management and Environmental Protection Agency, Jackson County Water must make improvements to its waterworks system, most importantly, the construction of new water wells. Jackson County Water proposes to obtain the necessary funds for these improvements from the issuance of new debt through the Drinking Water State Revolving Fund Loan Program (“DWSRF”).
7. In order to have sufficient funds to close on the DWSRF loan, make the requisite debt service payments on the prospective DWSRF debt, and pay its other lawful expenses to own and operate the utility, Jackson County Water must adjust its rates and charges. Without such an adjustment, Jackson County Water’s current rates and charges will be unjust, unreasonable, insufficient, and confiscatory of Jackson County Water’s property.
8. Jackson County Water’s current base rates and charges for water utility service were approved in the Commission’s April 5, 2023 Order in Cause No. 45640. As required by Ind. Code § 8-1-2-42, more than 15 months have passed since the filing date of Petitioner’s last request for a general increase in its basic rates and charges.
9. Jackson County Water proposes a historic test year comprising the 12-month period ending December 31, 2023, with adjustments for changes that are fixed, known, and measurable and in effect within 12 months after the test year.
10. Jackson County Water will propose in this case new water rates and charges which will be sufficient to pay its expenses as set forth in Ind. Code § 8-1.5-3-8, resulting in an estimated \$1,017,465 increase in its revenue requirement, which is approximately a 23.71% across-the-board increase.
11. Jackson County Water proposes in this Cause to incur long-term debt in an amount not to exceed \$7 million through the DWSRF. The proceeds from the debt will be used to pay for new water production facilities and other improvements to its waterworks system.
12. Included with this *Verified Petition*, Jackson County Water is submitting its case-in-chief, which includes the pre-filed testimony and exhibits of Lori A. Young, P.E., Earl J. Ridlen, C.P.A., and Larry W. McIntosh, including supporting attachments, schedules, and workpapers.
13. The attorneys representing Jackson County Water in this proceeding who are authorized to accept service of papers on behalf of Jackson County Water are:

J. Christopher Janak, Atty. No. 18499-49  
Jacob T. Antrim, Atty. No. 36762-49  
Bose McKinney & Evans LLP  
111 Monument Circle, Suite 2700  
Indianapolis, IN 46204  
(317) 684-5249 Direct Dial  
(317) 223-0249 Fax  
[JJanak@boselaw.com](mailto:JJanak@boselaw.com)

WHEREFORE, the Petitioner, Jackson County Water Authority, respectfully requests that the Commission: (a) promptly establish a procedural schedule in this Cause; (b) conduct such hearings as the Commission believes necessary and appropriate; (c) authorize Jackson County Water to incur long-term debt as supported by the evidence; (d) authorize Jackson County Water to increase its rates and charges for water utility service; (e) approve Jackson County Water's new schedule of rates and charges; and (f) for all other appropriate relief.

Respectfully Submitted,



J. Christopher Janak, Atty. No. 18499-49  
Jacob T. Antrim, Atty. No. 36762-49  
Bose McKinney & Evans LLP  
111 Monument Circle, Suite 2700  
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[JJanak@boselaw.com](mailto:JJanak@boselaw.com)

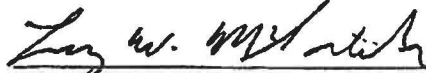
*Counsel for Jackson County Water Authority*



**VERIFICATION**

I have read the foregoing Petition and the allegations contained therein are true and correct to the best of my knowledge and belief.

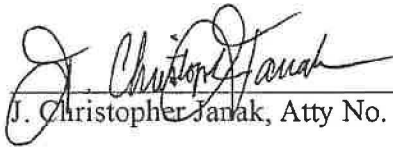
JACKSON COUNTY WATER AUTHORITY

  
\_\_\_\_\_  
Larry W. McIntosh, General Manager

**CERTIFICATE OF SERVICE**

I certify that on November 1, 2024, the foregoing was filed electronically with the Indiana Utility Regulatory Commission using the Commission's electronic filing system and was served electronically on the parties below:

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

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

4816071.2

# **Petitioner's Exhibit 3**

State of Indiana  
Office of the Secretary of State

Certificate of Dissolution  
of  
**JACKSON COUNTY WATER UTILITY INC**

I, DIEGO MORALES, Secretary of State, hereby certify that Articles of Dissolution of the above Domestic Nonprofit Corporation have been presented to me at my office, accompanied by the fees prescribed by law and that the documentation presented conforms to law as prescribed by the provisions of the Indiana Code.

NOW, THEREFORE, with this document I certify that said transaction will become effective Friday, August 16, 2024.



In Witness Whereof, I have caused to be affixed my signature and the seal of the State of Indiana, at the City of Indianapolis, August 19, 2024

*Diego Morales*

DIEGO MORALES  
SECRETARY OF STATE

197009-361 / 10457668

To ensure the certificate's validity, go to <https://bsd.sos.in.gov/PublicBusinessSearch>

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
JACKSON COUNTY WATER UTILITY, INC. DETERMINING TO  
RECONSTITUTE AS THE JACKSON COUNTY WATER AUTHORITY**

WHEREAS, the Board of Directors ("Board") of the Jackson County Water Utility, Inc., an Indiana nonprofit water corporation existing pursuant to the Indiana Nonprofit Corporation Act Indiana Code § 23-17 et seq. ("Corporation"), owning and operating a water utility in the State of Indiana ("State"), has determined to reconstitute the Corporation as a water authority pursuant to Indiana Code § 13-18-16-16; and

WHEREAS, the Indiana General Assembly has enacted Indiana Code § 13-18-16-16, which specifically authorizes the Board of Directors of a nonprofit water utility to reconstitute the nonprofit water utility as a water authority by adopting of a resolution to be filed with the Secretary of State; and

WHEREAS, a water authority established pursuant to Indiana Code § 13-18-16-16 shall: (i) be considered a political subdivision of the State; (ii) be subject only to the laws applicable to nonprofit water utilities and local water corporations; (iii) remain obligated under any existing contracts or agreements and remain obligated and assume the indebtedness of the nonprofit water utility; (iv) retain all its powers, privileges, rights, and exemptions as a nonprofit water utility under its existing bylaws and articles and all laws applicable to nonprofit water utilities including powers of eminent domain; and (v) have its rate and charges set pursuant to Indiana Code § 8-1.5-3-8; and

WHEREAS, the Board has determined that reconstituting the Corporation as a water authority pursuant to Indiana Code § 13-18-16-16 will be of public benefit to the general welfare of the Corporation and the Corporation's ratepayers without impairing the rights, powers, privileges, and exemptions of the Corporation; and

WHEREAS, in order for the Board to reconstitute the Corporation as a water authority pursuant to Indiana Code § 13-18-16-16, the Board must adopt a resolution that: (i) provides for the name of the water authority; (ii) allows the structure of the Board of Directors of the water authority to remain the same as that applicable to the Corporation; and (iii) allows the rules governing the water authority to remain the same as the rules governing the Corporation; and

NOW THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. The Corporation is hereby reconstituted as the Jackson County Water Authority ("Authority") pursuant to Indiana Code § 13-18-16-16. The Authority shall remain as its principal place of business the same principal place of business as the Corporation.

Section 2. The Authority shall be governed by the Board of Directors. The structure of the Board of Directors of the Corporation is hereby adopted as the structure for the Board of Directors of the Authority. The initial Board of Directors for the Authority shall consist of the current Board of Directors of the Corporation who shall serve to the end of their existing terms at which time they may stand for reelection as is the common practice.

Section 3. The Authority adopts and maintains all rules, by-laws, and other procedures which govern the Corporation and shall be governed by those rules, by-laws, and procedures in the same manner as the Corporation, except as provided in Section 6.

Section 4. The Authority shall retain all powers, privileges, rights, and exemptions of the Corporation under its by-laws and all laws applicable to nonprofit water utilities and local water corporations, including the power of eminent domain presently granted under Indiana Code § 32-24-4-1.

Section 5. The Authority shall remain obligated and assume the indebtedness of the Corporation and shall assume and remain obligated under any existing contracts or agreements of the Corporation.

Section 6. The rates and charges of the Authority shall be established in accordance with Indiana Code § 8-1.5-3-8.

Section 7. The proper officers of the Authority are authorized and directed in the name and on behalf of the Authority to sign, acknowledge, record, publish, and do any and all things which are by law required, to execute, complete, and carry into effect this resolution.

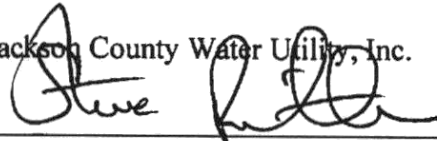
Section 8. The proper officers of the Authority are directed to file a copy of this resolution with the Secretary of State and request evidence to be returned in writing of the dissolution of the corporate status of the Corporation pursuant to Indiana Code § 13-18-16-16.

Section 9. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 10. This resolution shall be in full force and effect upon passage.

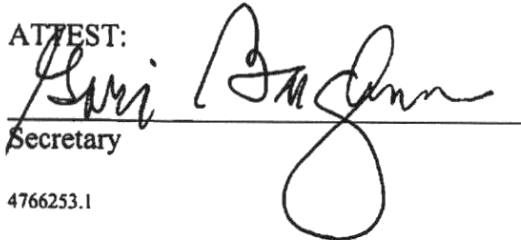
ADOPTED AND APPROVED this 6<sup>TH</sup> day of June, 2024.

Jackson County Water Utility, Inc.



\_\_\_\_\_  
President, Board of Directors

ATTEST:

  
\_\_\_\_\_  
Secretary

4766253.1

IN SEC OF STATE RCVD  
AUG 16 '24 AM 10:34