

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

REQUEST OF THE CITY OF EVANSVILLE, )  
INDIANA TO ADDRESS THE ISSUES )  
ASSOCIATED WITH ITS DEBT TRUE-UP )  
REPORT AND THE POTENTIAL IMPACT OF ) CAUSE NO. 45545 S1  
CURRENT MARKET CONDITIONS ON )  
OVERALL CAPITAL PROJECT COSTS AS )  
WELL AS FOR ADDITIONAL FINANCING )  
AUTHORITY. )

PUBLIC'S EXHIBIT NO. 5

TESTIMONY OF SHAWN DELLINGER

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

May 2, 2024

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



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**CERTIFICATE OF SERVICE**

This is to certify that a copy of *Public's Exhibit No. 5 - OUCC's Testimony of Shawn Dellinger on behalf of the OUCC* has been served upon the following counsel of record in the captioned proceeding by electronic service on May 2, 2024.

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**TESTIMONY OF OUCC WITNESS SHAWN DELLINGER**  
**CAUSE NO. 45545-S1**  
**CITY OF EVANSVILLE**

**I. INTRODUCTION**

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

2 A: My name is Shawn Dellinger, and my business address is 115 West Washington Street,  
3 Suite 1500 South, Indianapolis, IN 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor (“OUCC”) as a Senior  
6 Utility Analyst with the OUCC’s Water/Wastewater division. My focus is on financial  
7 issues.

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

9 A: My educational background and experience are described in Appendix A.

10 **Q: What relief is Petitioner seeking in this subdocket?**

11 A: In its last rate case (Cause No. 45545), the City of Evansville (“Petitioner” or “Evansville”)  
12 was granted authority to borrow \$225,062,000 of which \$44,391,000 was for road  
13 relocations, \$30,000,000 was to construct a residuals management facility, \$7,508,146 was  
14 to fund Capitalized Interest and \$3,500,000 was to relocate the City’s garage. This left  
15 approximately \$14.5 million for non-construction costs and \$132,638,000 for construction  
16 of a new Water Treatment Plant.<sup>1</sup> Evansville now requests an increase to its authorized  
17 borrowing for total financing authority of \$264,550,00 to complete a water treatment plant  
18 project forgoing construction of the line relocations, residuals management facility, and

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<sup>1</sup> Petitioner’s Exhibit 1, dated January 25, 2024, direct testimony of Mr. Baldessari, page 5.

1 garage relocation.<sup>2</sup> Evansville further asks that it be permitted to increase its debt service  
2 and debt service reserve revenue requirement to pay for the increased debt service expense.  
3 Petitioner's request for revision to its financing authority also includes a request for  
4 approval of a \$7.3 million partially forgivable loan to replace lead customer service lines.  
5 Finally, Evansville requests a favorable ruling from the Commission regarding the  
6 OUCC's objection to its true-up.

7 **Q: Have you previously prepared testimony in this subdocket and related case?**

8 A: Yes. I filed testimony addressing Evansville's requested debt authority in Cause No.  
9 45545. I filed testimony in this subdocket on November 18, 2022 addressing Evansville's  
10 request for more borrowing authority and supporting the OUCC's objection to Evansville's  
11 true-up.

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

13 A: In this testimony, I discuss Petitioner's overcollection of debt service and debt service  
14 reserve in Phases 1 and 2 and make recommendations about that overcollection. I discuss  
15 the ongoing overcollection in Phase 3 and recommend how such overcollection should be  
16 treated for ratemaking purposes. I propose a process for addressing the cost uncertainty of  
17 Petitioner's planned SWIFIA (State Water Infrastructure Finance and Innovation Act)  
18 loan, and potential Guaranteed Energy Savings Contract with a Guaranteed Maximum  
19 Price (GMAX). I describe rate impact of the increased water treatment plant ("WTP")  
20 costs and the treatment of previously received bond premiums.

21 **Q: What did you do to form the opinions in this testimony?**

22 A: I reviewed Petitioner's true-up report and the subdocket filings. I reviewed Mr.

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<sup>2</sup> The total amount requested when including the lead service line project is \$271,850,000.

1 Baldessari's testimony, and I created discovery questions and reviewed Petitioner's  
2 responses to discovery. I attended pre-filing meetings with Petitioner on October 25, 2023  
3 and an attorneys conference on November 21, 2023. I attended a tech-to-tech meeting with  
4 Petitioner on March 26, 2024.

5 **Q: How is your testimony organized?**

6 A: My testimony is broken down into the following sections:

- 7 I. Introduction
- 8 II. Background of Subdocket
- 9 III. Previous and Ongoing Overcollection of Revenues
- 10 IV. Total Amount of Additional Borrowing
- 11 V. True Up for SWIFIA Loan and GMAX Project Costs
- 12 VI. Revenue Requirement for Debt Service and Debt Service Reserve
- 13 VII. Reoffering Premium
- 14 VIII. The Impact on Rates of the Additional Cost for the Water Treatment Plant
- 15 IX. Unspent Funds
- 16 X. Summary and Conclusions

## II. BACKGROUND OF SUBDOCKET

17 **Q: How did this subdocketed case begin?**

18 A: Petitioner requested the creation of a subdocket in its August 19, 2022 Response to  
19 OUCC's Objection to Petitioner's Debt True-Up Report and Request for Subdocket  
20 ("Response and Request for Subdocket"), included in Mr. Baldessari's latest testimony as  
21 Attachment DLB-2. In its Response and Request for Subdocket, Evansville disagreed with  
22 the OUCC recommendation to reduce the outstanding debt authority by \$3,099,772 to a  
23 new total of remaining debt authority of \$168,515,228.<sup>3</sup> Evansville asked the Commission

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<sup>3</sup> Briefly, a premium results when a bond is used at a higher than market rate of interest, and results in extra cash being deposited with the borrower. If the coupon rate of interest is higher than the market rate, there will, mathematically, be a premium, and if the coupon rate of interest is lower than the market rate, there will be a discount. The disagreement is whether the extra cash deposited with the borrower, in this case almost 8% of the total borrowing, is appropriately considered borrowing or is appropriate considered something else, such as good fortune.

1 to consolidate the determination on the OUCC's objection with what ultimately became a  
2 request to increase the borrowing authority it had received in the final order in Cause No.  
3 45545. In that order, the Commission granted Petitioner the authority to issue long-term  
4 debt in one or more issues to the SRF or pursuant competitive sale or private placement at  
5 or below competitive market rates and in principal amount not to exceed \$225,062,000.

### III. PREVIOUS AND ONGOING OVERCOLLECTION OF REVENUES

6 **Q: Has Evansville been overcollecting revenues previously based on the costs and**  
7 **associated revenues in Phase 1 and 2 of Cause 45545?**

8 **A:** Yes. Evansville's overcollection of revenues results from its delay in issuing the bonds the  
9 Commission authorized in its final order in Cause No. 45545. The bonds to finance the  
10 construction of the WTP in the amount of \$171,615,000 (Series B) were to be issued  
11 October 1, 2022, or slightly less than three months after the true-up report.<sup>4</sup> Rates for Phase  
12 1 and rates for Phase 2 were implemented based upon an issuance date of October 1, 2022.  
13 Evansville has yet to issue its Series B bonds, and its current estimate is for some time later  
14 in 2024, or slightly more than two years later than estimated. This delay in issuing bonds  
15 has resulted in a misalignment of costs and revenues. Because the approved rates in Cause  
16 No. 45545 were based on the assumption that a very large financing would take place in  
17 the later months of Phase 1, the rates charged to customers have reflected costs that were

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<sup>4</sup> There is an attachment DLB-1 in the present instance of the subdocket (45545-S1); however, the details on the composition of the debt service reserve have been deleted from the reports in this location.

1 not incurred.

2 **Q: How much debt service and debt service reserve has been over collected for Phases 1**  
3 **and 2**

4 A: The total overcollection in Phases 1 and 2 is \$1,135,345. According to the True-Up report  
5 (OUCC Attachment SD-5), the debt service reserve that was included in Phase 1 is  
6 \$610,747<sup>5</sup> and the portion of that amount attributable to the 2022B bonds was \$227,069.  
7 Therefore, in Phase 1, the overcollection was \$227,069. In Phase 2, the debt service reserve  
8 attributed to the 2022B bonds was \$908,276.<sup>6</sup>

9 **Q: Is there ongoing overcollection of debt service in Phase 3?**

10 A: Yes. Debt service costs and rates are also misaligned in Phase 3, although the total amount  
11 of overcollection will not be determined until after the bonds have been issued. Currently,  
12 Evansville is collecting \$178,765.67 per month (\$2,145,188 annually).

13 **Q: What is the current amount of overcollection in Phase 3 (current rates)?**

14 A: Phase 3 continues the misalignment of costs experienced in Phase 2 for \$75,689.67 per  
15 month. The total amount of the overcollection will be unknown until the bonds for the  
16 WTP project are issued. Mr. Baldessari includes an anticipated date of September 30, 2024  
17 for the issuance of these bonds.<sup>7</sup>

18 **Q: Does Petitioner acknowledge this overcollection?**

19 A: Yes. Petitioner acknowledges there is an overcollection and proposed for Phase 3 that  
20 “[a]ny net revenues generated from lower debt service and debt service reserve will be

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<sup>5</sup> Page 8 of the true-up for Cause 45545, dated July 8, 2022

<sup>6</sup> This is the same amount per month of \$75,689.67. However, in Phase 1 only three months of this expense were anticipated to be incurred (October-December) and in Phase 2 this amount was anticipated to be incurred all 12 months. Hence the differing amounts in the two phases.

<sup>7</sup> Mr. Baldessari direct testimony dated January 25, 2024, Attachment DLB 1, pp. 6-9.

1 applied into a capital improvement account for future capital projects.”<sup>8</sup> Mr. Baldessari  
2 testified that “Petitioner proposes to segregate the additional revenues above the assumed  
3 debt service and debt service reserve requirements, as calculated in Attachment DLB-1,  
4 and apply them to prepay the debt service reserve required for the 2024A Bonds and the  
5 2024B Bonds.”<sup>9</sup> He added that “The prepayment of the debt service reserve is anticipated  
6 to help reduce the calculated increased [sic] for Phase IV and Phase V through the true-up  
7 process.”

8 **Q: Does the OUCC agree with that proposal?**

9 A: Yes. The OUCC supports allocating the Phase 3 overcollection to this purpose. Evansville  
10 did not discuss or acknowledge the treatment of the overcollection in Phases 1 and 2, but I  
11 propose and recommend the \$1,135,345 of overcollection from Phases 1 and 2 also be  
12 placed in the same account as the overcollection that occurs in Phase 3.<sup>10</sup>

13 **Q: Restate the action you recommend to address overcollection of debt service and debt**  
14 **service reserve.**

15 A: As stated in its March 22, 2024 docket entry response, Petitioner should place \$170,599  
16 per month on an ongoing basis into a separate account beginning with the implementation  
17 of the tariff for Phase 3 rates. Petitioner should also place an additional \$75,689.67 per  
18 month in debt service reserve. These two items total \$246,288.67 per month. Petitioner  
19 should address overcollection in Phases 1 and 2 by placing an additional \$1,135,345 into  
20 this account and using the accumulated funds to prefund the debt service reserve for the

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<sup>8</sup> Mr. Baldessari direct testimony dated January 25, 2024, Attachment DLB-1, p.13, reference 3.

<sup>9</sup> Mr. Baldessari’s testimony dated January 25, 2024, p. 22.

<sup>10</sup> Because Evansville borrowed additional funds to delay the rate impact (Capitalized Interest) there was no rate impact in Phase 1 or 2 for delaying the debt issuance, and thus no overcollection of debt service in those phases.



1 upcoming bond issuances. This course of action will provide the most rate relief for  
2 customers in the long term, with minimal administrative burdens. If a new tariff is  
3 implemented six months after the previous tariff for Phase 3 rates, the amount in this  
4 account should be approximately \$2.6 million. This amount would be addressed in the  
5 true-up for the new bonds, at which time a revised debt service reserve would be established  
6 that reflects the reduction of the amount required based on the accumulated balance of the  
7 segregated account to be funded over 5 years, or another term if required under the SWIFIA  
8 borrowing covenants. This approach is broadly consistent with the approach Petitioner  
9 outlined in its March 22, 2024 docket entry response.

#### IV. TOTAL AMOUNT OF ADDITIONAL BORROWING

10 **Q: What total amount of additional borrowing does Petitioner request?**

11 A: Evansville is proposing the 2024A (SWIFIA) borrowing in the amount of \$103,880,000  
12 and the 2024B (SRF) borrowing in the amount of \$108,120,000.<sup>11</sup> The total of these two  
13 borrowings is \$212,000,000. The OUCC supports this amount as the debt authorization  
14 but expects the actual amount borrowed will be lower and rates adjusted accordingly.

#### V. TRUE UP FOR SWIFIA LOAN AND GMAX PROJECT COSTS

15 **Q: Should there be one or more additional true-ups for this borrowing?**

16 A: Yes. When setting a debt service revenue requirement for a municipality, it is important to  
17 match the cost of debt and the revenues embedded in rates for that purpose. Two aspects  
18 of Petitioner's planned borrowing and project make it particularly challenging to anticipate  
19 Petitioner's debt service costs – the probability that Petitioner may borrow funds through

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<sup>11</sup> These amounts may be found on the amortization tables found in Mr. Baldessari's direct testimony dated January 25, 2024, attachment DLB-1, pp.6-8.

1 a SWIFIA loan and its plans to complete its treatment plant project through a Guaranteed  
2 Maximum Price contract.

3 **Q: Why does a SWIFIA loan create uncertainty as to debt service costs?**

4 A: A SWIFIA loan is a draw loan making debt service costs vary from year to year depending  
5 on the timing of the payments to the contractor, engineer, and other consultants. It also  
6 depends on when the final amount is to be paid. For example, for a \$12 million loan, and  
7 a project completed in one year, the balance would be expected to go up by \$1 million per  
8 month. In this case, that uncertainty and variability is greater because no borrowings will  
9 be incurred on the SWIFIA loan until *after* the monies secured through the SRF loan have  
10 been exhausted, which is expected to occur in 2026. The current estimates rely on a  
11 timeline of three years beginning in September 2024.

12 **Q: Why are these uncertainties a problem?**

13 A: There is generally only one true-up for each debt issuance, which takes place at the time of  
14 the issuance of the debt. In the case of a draw loan for this project, this true-up would have  
15 to project years in advance the exact monthly payments to know when Evansville would  
16 resort to making draws on the SWIFIA loan and what the average loan balance would be  
17 per year.<sup>12</sup> Petitioner implicitly acknowledged the “ramping up” of the SWIFIA payments  
18 by adding significant principal payments to the SRF loan in bond year 2026 (adding to the  
19 cost by \$3,931,000 for the year) and 2027 (additional payments of \$841,000 for the year).<sup>13</sup>

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<sup>12</sup> When this bond is in the interest only period, the average loan balance is what will determine the required payments, since the interest will be calculated on this amount.

<sup>13</sup> The Petitioner is, in essence, artificially increasing the revenue requirement of the debt in 2026 and 2027 in order to smooth the payments. This is the exact opposite of the more common form of wrapping where the payments are being pushed out into the future, in this case these payments are being pulled in. The only reason to do so is to not have a cost of debt reduction in 2026 and 2027 and thus not have to adjust the revenue requirement.

1 This is a form of wrapping to ensure a level payment between the two new debt issuances  
2 for Phase 5 and the year after Phase 5 with interest-only payments beginning on this loan  
3 in bond year 2028 and continuing through bond year 2037.<sup>14</sup>

4 **Q: What happens if payments do not take place as estimated?**

5 A: If the payments do not take place as estimated years in advance, the debt service costs will  
6 not align with the amounts embedded in the revenue requirement. Consequently, a  
7 mechanism should be created to ensure costs are comparable to the debt service revenue  
8 requirements embedded in rates.

9 **Q: What mechanism can accomplish this?**

10 A: The Commission might require additional true-ups to more accurately reflect the ongoing  
11 actual costs of the loans. Ideally, there would be a true-up annually for the SWIFIA loan  
12 to reflect the actual cost incurred in the previous year. Although annual true-ups would be  
13 a good solution from the perspective of aligning costs with revenues, there would be an  
14 administrative burden in this case that could be minimized by preparing true-ups at less  
15 frequent intervals. Therefore, the OUCC proposes requiring a single true-up when Phase 5  
16 rates are implemented (expected in March 2026). This would be administratively efficient  
17 since a filing will already be required at this time to reflect the Phase 5 rates. This would  
18 allow a revision of the estimates of how quickly the SWIFIA loan will be drawn upon and  
19 what the cost (and resultant revenue requirement) would be in the next 12 months. A final  
20 true-up would take place at the time of the final payment. According to Petitioner's current  
21 estimate, this would be approximately October 2027. At this time, any over or under

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<sup>14</sup> This is not, technically, interest only in these years. But the principal payments are only \$1,000 per year, so for all practical purposes this is an interest only payment.

1 collection could be addressed based on the Phase 4 and 5 rates, and rates going forward  
2 could be set appropriately. This would provide a good balance between ensuring ratepayer  
3 protections and aligning costs with revenues and administrative efficiency. Any revenue  
4 adjustments and tariff revisions would only result from debt service or resultant debt  
5 service reserve cost adjustments based upon the SWIFIA loan. All other debt service  
6 numbers would be known at the time of the initial true-up when the authorized debt is  
7 issued. These true-ups should take place with enough time to address any concerns that  
8 potentially could be raised before the implementation of the new rates, or within 30 days  
9 of the final payment.

10 **Q: Does the OUCC continue to support procuring a SWIFIA loan?**

11 A: Yes. Notwithstanding the challenges it presents in matching rates to costs, I view the  
12 SWIFIA loan as it appears at this time as a ratepayer benefit. The savings that result are  
13 worth the administrative effort needed for customers to benefit from those savings. The  
14 additional principal payments on the SRF loan in 2026 and 2027 roughly equal the amount  
15 of savings resulting from aligning the timing of the borrowing with the need for funds.<sup>15</sup>

16 **Q: Why does a GMAX contract create uncertainty?**

17 A: A GMAX Price is not the expected price. Therefore, the total requested borrowing  
18 authority needs to be higher than the expected or estimated construction cost. If this  
19 overage or delta between the actual cost incurred and the potential maximum price is 5%,  
20 that is potentially a \$13 million "savings" that should ultimately result in less monies  
21 drawn, smaller debt service costs, and lower customer rates. The only other GMAX price

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<sup>15</sup> There is also an estimated interest rate savings of approximately 10 basis points, which on a \$100 million balance is approximately \$100,000 a year, over the approximately 35-year life of the loan, this estimated savings is not insignificant.

1 I am aware of (for which Kokosing was the contractor) had an actual percentage of this  
2 overage closer to 25%,<sup>16</sup> which in this case would be approximately \$65 million, meaning  
3 the actual ultimate construction cost would be \$65 million less (in this hypothetical  
4 example) than the maximum price which would drive the borrowing authority. This  
5 overage is unknown at this time, and it will not be established until the project has been  
6 completed, which Petitioner expects in late 2027.

7 **Q: What does the OUCC propose for addressing this potential unrestricted cash for**  
8 **Evansville?**

9 A: If Petitioner does not secure a SWIFIA loan and apply the true-up mechanism I described  
10 above, a mechanism for aligning the costs with the revenue should be in place to address  
11 excess monies remaining at the end of the project.<sup>17</sup> I recommend such funds be placed in  
12 a restricted account. Once the amount of this overage is known, Petitioner may submit a  
13 filing proposing application of such funds to other purposes.

## **VI. DEBT SERVICE AND DEBT SERVICE RESERVE REVENUE REQUIREMENTS**

14 **Q: What is Petitioner's requested Debt Service Revenue Requirement?**

15 A: For Phase 4 (approx. April 2025), Petitioner has a debt service revenue requirement on the  
16 proposed debt of \$7,064,853 plus \$2,587,618 for debt service reserve. Phase 5 (approx.  
17 April 2026) has a debt service revenue requirement for the proposed debt of \$13,140,919  
18 plus \$2,587,618 for debt service reserve.

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<sup>16</sup> The Kokosing GMAX price was \$12.232 million, actual costs of \$3.3 million was unspent, for a total amount of delta between final cost and GMAX price of 27%. This discussion may be found in Cause No. 45632, pp. 4-5 of my direct testimony in that cause, filed on February 9, 2022.

<sup>17</sup> Mr. Baldessari states the SWIFIA financing may not be utilized, and this decision will be made at a later time. Mr. Baldessari direct, page 23, lines 8-12. I would note that this decision should not consider only interest rates, but also the savings resulting from this type of loan being a draw loan and this delaying payments in the early years.

1 **Q: What revenue requirement does the OUCC propose?**

2 A: For purposes of this case, the OUCC accepts the proposed revenue requirement for Phase  
3 4 and Phase 5. The actual amounts charged will be determined by the true-up.

4 **Q: Should any adjustments to the revenue requirement be made if the debt is not issued**  
5 **by the time Phase 4 rates are implemented?**

6 A: Yes. If Evansville falls further behind on its schedule and has still not issued all the  
7 proposed bonds by the time of the implementation of Phase 4 rates, the anticipated cost for  
8 these new issuances should be removed in their entirety from the implemented rates and  
9 not be incorporated into rates until the debt is actually issued or about to be issued.<sup>18</sup>

## VII. REOFFERING PREMIUM

10 **Q: Does the OUCC maintain its position that a reoffering premium should be considered**  
11 **as debt and “count against” the debt authorization?**

12 A: Yes. We believe this is still the correct position, and strongly believe that issuing debt  
13 above market interest rates, and thus, securing additional cash is appropriately considered  
14 debt, and should count against the debt authority. We have made our position clear  
15 previously in this subdocket, and the testimony offered previously is still valid. I will say  
16 that the position of the Petitioner's seems to have evolved, from initially stating that the  
17 premium was an accidental byproduct of a system over which they had no control to now  
18 stating it was necessary to fund the additional interest capitalized interest expense, and the  
19 requested authorization must increase if the requested treatment of the premium is

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<sup>18</sup> This would be a delay of approximately six additional months from what Petitioner currently anticipates. Anticipated dates would be approximately April 1, 2025 for Phase 4 rate implementation and approximately September 30, 2024 for debt issuance.

1 disallowed.<sup>19</sup> At this point, the determination of whether this is appropriately considered  
2 debt is moot because we are focusing on the additional debt that is required rather than  
3 determining that additional borrowing authority that is required. Accordingly, the OUCC  
4 requests the Commission decline to address the issue in this case.

#### **VIII. IMPACT ON RATES OF INCREASED PROJECT COSTS**

5 **Q: What does Evansville state is the rate impact of the increased WTP project costs?**

6 A: Petitioner indicated that the rate impact was \$1.22 per month for the average residential  
7 rate in Phase 5, which is approximately a 2% increase.<sup>20</sup> Mr. Baldessari asserted that “In  
8 fact, only a small portion of the increase in rates and charges are as a result of the increased  
9 project cost.” And “a minor portion of the estimated increases are driven by the increases  
10 in project costs.”

11 **Q: Do you agree that the rate impact of the projected cost increases for the WTP project**  
12 **are approximately 2%?**

13 A: No. The 2% or \$1.22 per month increase does not accurately describe the effect higher  
14 water treatment plant construction costs would have on rates. That characterization  
15 assumes a baseline level of borrowing that has not been and will not be necessary. More  
16 to the point, it ignores the fact that projects that were used to justify the prior borrowing

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<sup>19</sup> Mr. Baldessari Rebuttal testimony, Cause 45545, Petitioner's Exhibit No 1-R, Petitioner's Response to OUCC's Objection to Petitioner's Debt True-Up Report and Request for Subdocket, dated August 19, 2022, p 4, line 15-18 states “Evansville had no premium requirements, targets or goals. Any premium was incidental to the investors and their coupon requirements for them to be willing to place orders to purchase these bonds.” In his latest testimony, Mr. Baldessari states on page 26, line 9-13 “As noted above, the Petitioner intends to use the premium received to offset the capitalized interest on the WTP Project open market financing, specifically the increased capitalized interest on the open market bonds. To the extent the premium is disallowed, the Petitioner would need to increase the authorization sought in this sub-docket by the same amount.”

<sup>20</sup> Mr. Baldessari testimony, dated January 25, 2024, p.18, lines 6-7. The 2% figure is determined by taking \$1.22 (the stated portion of the increase caused by the cost increases) divided by \$59.02 (the average residential bill in Phase 5, which is 2.07%).

1 approval are no longer being contemplated to be completed with funds from the authorized  
2 borrowing. Not completing these projects should otherwise have resulted in a decrease in  
3 borrowing, leading to lower debt service expenses and lower rates. Instead, Petitioner will  
4 be paying more for fewer improvements – improvements that may still be necessary  
5 requiring additional borrowing in the future.

6 **Q: What is the increase of the projected cost of the WTP?**

7 A: The project's estimated construction cost increase is approximately \$126 million. Page 5  
8 of Mr. Baldessari's testimony includes a chart that shows the cost for the WTP in the order  
9 was \$132,638,000, and the current proposal is \$258,000,000. In round terms, this cost has  
10 doubled, adding approximately \$2,000 for every customer of the utility.<sup>21</sup>

11 **Q: What is the increase in costs associated with an increase of \$126,000,000 of**  
12 **borrowings?**

13 A: Assuming use of the more expensive 2024B loan, interest is 5.1%. This annual cost of  
14 \$6,425,000 would be added in Phase 5.<sup>22</sup> There would also be a debt service reserve  
15 increase of at least 20% of that amount, or an additional \$1.25 million.<sup>23</sup> The interest rates  
16 are now higher because interest rates have advanced significantly both since the time of  
17 the initial cost estimates and since the time of the original anticipated closing date.  
18 Applying the originally anticipated interest rate of 2.85%<sup>24</sup>, \$3,591,000 per year is due

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<sup>21</sup> The City of Evansville Utility Website states there are 63,000 customers for sewer and water. <https://ewsu.com/>

<sup>22</sup> Due to the extreme wrapping that the City of Evansville engages in, the actual cost of this debt is significantly more burdensome in the 2040s, discussing the impact only a few years out minimizes the true cost. This issue was addressed in my testimony in the original "trunk" Cause No. 45545.

<sup>23</sup> Again, I am rounding the numbers for illustrative purposes. The actual debt service reserve would have to be calculated by running the full amortization tables and seeing how much the additional principal payments in later years would increase the costs. Therefore, the \$1.25 million is a floor.

<sup>24</sup> Direct testimony of Mr. Baldessari, p.17, lines 10-11.



1 only to the increased project cost with an additional \$718,000 for the debt service reserve.  
2 This additional \$4.3 million is the interest-only debt cost stripping out interest rate  
3 adjustments for the cost increases, and is the amount appropriately considered as the  
4 required revenue increase appropriately attributed to this additional \$126,000,000 of  
5 borrowing. \$4.3 million is approximately 6.6% of the \$64,705,000 of total revenue  
6 projected for Phase 5, not 2%, or more than triple the amount indicated by Evansville.

7 **Q: Why is there a discrepancy between the amount attributable to the increased costs**  
8 **while using the same starting numbers between Mr. Baldessari and yourself?**

9 A: For purposes of his comparison, Mr. Baldessari assumes that costs that are no longer  
10 incurred should be included within the rates that would have been charged. These include  
11 Road Relocations, Capitalized Interest, Garage Relocation, and the Residuals Facility.

Description	Amount
Road Relocations	\$ 44,391,000
Residual Facility	\$ 30,000,000
Capitalized Interest	\$ 7,508,156
City Garage Relocation	\$ 3,500,000
Total	\$ 85,399,156

12 **Q: What are the actual amounts Petitioner will spend on these items?**

13 A: \$0.00.

14 **Q: Were any of these items explicitly removed from the financing authority if they were**  
15 **not required?**

16 A: Yes. The residuals facility is no longer required, due to legislation. Regarding this project  
17 it was stated multiple times that the funds would not be borrowed and the expense not

1 incurred if the facility was not needed, and the facility is not needed.<sup>25</sup> In the final order  
2 for Cause No. 45545, the Commission found “Petitioner is granted a Certificate of  
3 Authority to issue additional long-term debt in one or more issues to the SRF or pursuant  
4 to competitive sale or private placement at or below competitive market rates and in  
5 principle amount not to exceed \$225,062,000 million as approved herein. This Order shall  
6 be the sole evidence of Petitioner’s certificate. If Petitioner is not required to construct the  
7 residuals management facility, such financing authority shall be reduced by  
8 \$30,000,000.”<sup>26</sup>

#### **IX. UNSPENT FUNDS**

9 **Q: Does Evansville have unspent funds from previous bond issuances?**

10 A: Yes. As of September 30, 2020, unspent funds totaled \$102.3 million. During cross-  
11 examination in the rate case (Cause No. 45545), Petitioner’s witness Michael Labitzke  
12 indicated the balance of unspent funds was \$80 million as of September 30, 2021. He  
13 added that all projects would be completed by the second quarter of 2023. Presently, this  
14 account still holds \$40 million in unspent funds, and the City cannot provide an anticipated  
15 date when all funds will be depleted.<sup>27</sup> Approximately \$30 million of this balance is for

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<sup>25</sup> Mr. Baldessari’s previous rebuttal testimony in this subdocket, dated December 5, 2022, provides the following: “As we have testified a number of times, if the authorized financing authority ends up being more than what is needed to build the water treatment plant, we will not borrow the additional amount. Period.” (p.6-7), or “Evansville committed in that cause that it will not borrow funds for the project if the facility is not required.” (p.12) or “Petitioner made it clear in the main docket in this Cause that it will not issue the bonds for the residuals management facility if the project is not required.” (p. 12) or “I will reiterate this point again in this proceeding - it is not Petitioner’s intention to issue debt for the residual management facility if it is determined that the facility is not needed.” (again, p.12), or “Once again, Evansville has no intention of borrowing money for the residual management facility if the project is not required.” (p.13).

<sup>26</sup> Cause No. 45545, final order, page 35, dated March 2, 2022.

<sup>27</sup> Discovery request response 11-13, which may be found in its entirety in OUCC Attachment SD-4.

1 lead service line replacements, and it is not clear whether this \$30 million includes the \$7.3  
2 million already borrowed specifically for lead service line projects.

3 **Q: Does this have any impact on the current request for funding?**

4 A: No. Although it does continue a troubling pattern of borrowing money and not spending  
5 it promptly. The Open Market Bond was issued in June of 2022. Capitalized Interest was  
6 incurred to minimize the short-term rate impact of this borrowing, with the tradeoff being  
7 higher rates for customers every year through 2048. Evansville did not spend funds from  
8 this account despite my understanding that it did not have any apprehension about cost  
9 overruns on the WTP for some time after this date. (The case asking for higher rates was  
10 filed on September 23, 2022 and the Bonds were issued June 9, 2022. The first time the  
11 OUCC was made aware of potential cost overruns was a reference in the response to the  
12 OUCC's objection for the true-up on August 19, 2022.<sup>28</sup>)

## X. SUMMARY AND CONCLUSIONS

13 **Q: Please summarize your recommendations.**

14 A: I recommend:

- 15 1. The Commission authorize Evansville to issue debt up to \$212,000,000 for future  
16 debt issuances related to the Water Treatment Plant project, with all true-up  
17 language at the time of issuance to be the same as determined in Cause No. 45545.
- 18 2. To address its ongoing overcollection of debt service, beginning with the  
19 implementation of the tariff for Phase 3, Petitioner place \$170,599 per month on an

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<sup>28</sup> See page 2 of the Petitioner's Response to the OUCC's Objection to Petitioner's Debt True-Up Report and Request for Subdocket dated August 19, 2022, "As such, Petitioner respectfully requests the Commission establish a subdocket in this proceeding to address this issue and any other issues presented by the inflationary and supply chain issues currently being experienced in the market." Page 6 of Mr. Baldessari's rebuttal testimony in this same document states "The Petitioner is still in the process of finalizing design on the new water treatment plant, but now anticipates that the costs of the water treatment plant will outpace the original estimates filed in this cause."

- 1           ongoing basis into a separate account until the debt is issued.
- 2           3. To address its ongoing overcollection of the debt service reserve, beginning with
- 3           the implementation of the tariff for Phase 3, Petitioner place \$75,689.67 per month
- 4           in a separate account on an ongoing basis until the debt is issued.
- 5           4. To address its overcollection of the debt service reserve in Phases 1 and 2, the
- 6           Petitioner place \$1,135,345 into the same separate account.
- 7           5. All funds in the account set up for the overcollection of revenues be used to prepay
- 8           the debt service reserve when the proposed bonds are closed.
- 9           6. The Commission require Petitioner to true-up rates to reflect debt service costs as
- 10          discussed above at the time Phase 5 rates are implemented (approximately March
- 11          2026).
- 12          7. The Commission require Petitioner to true-up rates to reflect debt service costs at
- 13          the time of the final payment for the WTP.
- 14          8. The Commission approve Petitioner's proposed debt service and debt service
- 15          reserve revenue requirements for Phase 4 and 5, subject to true-up.

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

17   A:    Yes.

**Appendix A**

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

2 A: I graduated from Indiana University with a degree in Biology, a minor in Economics and  
3 a certificate from the Liberal Arts and Management Program (LAMP) which is an honors  
4 certificate program through the Kelley School of Business and the College of Arts and  
5 Sciences. I received my MBA from Indiana University with a concentration in finance. I  
6 am a member of Phi Beta Kappa honor society for my undergraduate studies and Beta  
7 Gamma Sigma honor society for my master's program. I have a certificate from Stanford  
8 University for the Energy Innovation and Emerging Technologies Program. I am a  
9 certified rate of a return analyst (CRRA designation) from the Society of Utility Regulatory  
10 Financial Analysts. Although not specifically related to my educational background, I am  
11 a member of Mensa.

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

13 A: Upon graduating college, I moved to New York and worked at Grant's Interest Rate  
14 Observer, which is a financial newsletter and Lebenthal and Co., which was a municipal  
15 bond brokerage. I moved back to Indianapolis and worked at RCI Sales in Indianapolis,  
16 which was a manufacturer's representative/distributor in commercial and institutional  
17 construction. I became an owner and left when I sold the company. I then worked at  
18 Amazon as a financial analyst in its fulfillment division.

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

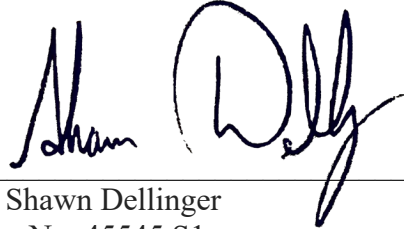
20 A: I started at the OUCC in the Water/Wastewater Division in December 2019 as a Utility  
21 Analyst II and was promoted to a Senior Utility Analyst in May 2022. My focus is financial  
22 issues, such as ROEs, Capital Structures, Debt Issuances, Cost of Debt, etc.

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

2 A: Yes, I have testified before the Commission regarding various aspects of finance in  
3 multiple cases.

**AFFIRMATION**

I affirm the representations I made in the foregoing testimony are true to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Shawn Dellinger". The signature is written in a cursive style with a large, prominent "D".

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By: Shawn Dellinger  
Cause No. 45545 S1  
Office of Utility Consumer Counselor (OUCC)

Date: May 2, 2024

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

**CITY OF EVANSVILLE**

**CAUSE NO. 45545 S1**

**OUCS Data Request Set No. 11**

**Date: February 23, 2024**

**PETITIONER’S RESPONSES AND OBJECTIONS TO THE ELEVENTH SET  
OF DATA REQUESTS FROM INDIANA OFFICE OF  
UTILITY CONSUMER COUNSELOR**

The City of Evansville (“Petitioner”) hereby provides the following responses to the eleventh set of Data Requests from Indiana Office of Utility Consumer Counselor, subject to the following objections:

**I. General Objections.**

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

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

3. Petitioner objects to the Request to the extent they seek responses and information from individuals and entities who are not parties to this proceeding and to the extent they request the production of information and documents not presently in Petitioner’s possession, custody or control. Petitioner further objects to the Requests to the extent they are (i) vague and ambiguous as to the individuals and entities to whom the Requests refer, or (ii) overbroad and not reasonably calculated to lead to the discovery of relevant or admissible evidence.

4. Petitioner objects to the Requests to the extent the Requests seek information outside the scope of this proceeding, and as such, the Requests seek information not reasonably calculated to lead to the discovery of relevant or admissible evidence.

5. Petitioner objects to the Requests to the extent they seek an analysis, calculation, or compilation which has not already been performed and which Petitioner objects to performing.



6. Petitioner objects to the Requests to the extent they are vague and ambiguous and provide no basis from which Petitioner can determine what information is sought.

7. Petitioner objects to the extent the Requests purport to require production of (a) multiple copies of the same document; (b) additional copies of the same document merely because alterations, notes, comments, or other material appear thereon when such other material is not material or relevant; and (c) copies of the same information in multiple formats on the grounds that it is irrelevant, overbroad, unreasonably burdensome and not required by the Commission rules and inconsistent with practice in Commission proceedings.

8. Petitioner assumes no obligation to supplement these responses except to the extent required by Ind. Tr. R. 26(E) (1) and (2) and Petitioner objects to the extent the instructions and/or Requests purport to impose any greater obligation. Petitioner denies that Ind. Tr. R. 26(E)(3) applies to the Requests.

9. Petitioner objects to the Requests to the extent they seek information that is subject to the attorney-client, work product, settlement negotiation or other applicable privileges. Petitioner further objects to the Requests to the extent they purport to require the creation of a privilege log on the grounds that given the extremely expedited and informal nature of discovery in this proceeding, contemporaneous privilege logs are inappropriate. Petitioner objects to the Requests on the grounds they are unreasonably burdensome, overbroad, inconsistent with discovery practices in Commission proceedings and inconsistent with the informal discovery process applicable to this proceeding.

10. Petitioner objects to the Requests to the extent they seek information that is confidential, proprietary, competitively sensitive and/or trade secret.

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

12. Petitioner objects to the Requests to the extent the discovery sought is unreasonably cumulative or duplicative, or is obtainable from some other source that is more convenient, less burdensome, or less expensive.

13. Petitioner objects to the Requests to the extent the burden or expense of the proposed discovery outweighs its likely benefit, taking into account the needs of the case, the amount in controversy, the parties' resources, the importance of the issues at stake in the litigation, and the importance of the proposed discovery in resolving the issues.

14. Petitioner objects to the Requests to the extent they solicit copies of voluminous documents.

15. Petitioner objects to the Request on the grounds that it is overbroad, unreasonably burdensome and seeks information that is largely irrelevant to the subject matter of this proceeding.

16. Petitioner objects to the Requests to the extent they request identification of witnesses who will be prepared to testify concerning the matters contained in each response on the grounds that Petitioner is under no obligation to call witnesses to respond to questions about information provided in discovery.

Without waiving these objections, Petitioner responds to the Requests in the manner set forth below.

## **II. Data Request Responses**

**OUCG DR 11-1**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please refer to the chart on page 9, line 7 of Mr. Baldessari's testimony dated January 25, 2024.

- a. Please confirm the rates shown on the chart refers annual inflation rates, and not monthly inflation rates.
- b. The arrow on the chart indicated that Evansville's case-in-chief testimony in Cause No. 45545 was filed on approximately the end of February/Beginning of March 2021 (the arrow appears to point to the midpoint of data between the two months). Please confirm Evansville's case-in-chief in Cause No. 45545 was filed on May 10, 2021. (See Petitioner's Exhibit 2, Direct Testimony of Douglas L. Baldessari, CPA, dated May 10, 2021.) Please explain this apparent discrepancy.
- c. Please state the annual inflation rate at the date of filing on May 10, 2021.

**Information Provided:**

- a. The chart refers to year over year inflation rates reported monthly.
- b. Correct, the case in chief was filed on May 10, 2021. Although, much of the information and data used in the project costs estimates and rate case were based on information prior to the ramp up in inflation when the inflation rates were at the lower levels.
- c. Annual inflation is reported as of month end. The annual inflations as of April 30, 2021 were 4.16% and 4.99% as of May 31, 2021.

**OUCS DR 11-2**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please refer to the Jan. 25, 2024 testimony of Mr. Baldessari, page 9, lines 11 through page 10, line 6:

Due to the unprecedented levels of inflation, and even higher increases in costs for utility infrastructure projects seen throughout the state and nation-wide, the new estimates included in the updated project costs set forth on Attachment DLB-1 for the WTP Project include an 8.5% inflationary factor through the fall of 2023 when construction was anticipated to begin on the WTP Project.

- a. Where is the 8.5% inflationary factor included in DLB-1?
- b. To what cost estimate was the 8.5% inflationary factor applied?
- c. Is the 8.5% inflationary factor a one-time adjustment or an annual adjustment?
- d. Did construction begin on the WTP Project in the fall of 2023? Please explain.
- e. What month do you consider to be the fall of 2023?
- f. Is there an inflationary factor applied to cost estimates after the fall of 2023?
- g. Are any future inflationary factors reflected in Attachment DLB-1? If so, where?

**Information Provided:**

- a. The quoted statement and the 8.5% inflationary factor are in reference to the AECOM costs provided on the new Water Treatment Plan design and are not relevant to the updated project costs and financings being included and requested in this sub-docket. On page 3 of DLB-1, the costs included under the heading "Sub-Docket 1" are inclusive of the 8.5% inflationary factor used by AECOM. The quoted statement and the project costs were included in testimony to provide background and support for the increase in costs for the new Water Treatment Plant over the original estimated costs included in the original filing in Cause No. 45545. The statement is not reflective of the costs for the hybrid approach which have been developed by Petitioner's consulting engineers and are shown on page 3 of DLB-1 under the header "Sub-Docket 2".
- b. See a. above.
- c. See a. above.
- d. No, construction did not begin on the plant in fall of 2023.

- e. Based on information provided by AECOM, the escalation factor was through September of 2023.
- f. Regarding AECOM's costs, no, since AECOM was working under the assumption the financing and construction would occur in fall of 2023, therefore no additional increases were added beyond this point for their estimates. Regarding the Hybrid Solution to the WTP, an inflationary factor of 0.3% per month over an 8-month period (January 2024 – August 2024) is being used in the cost estimates. These costs are reflected in DLB-1 under the column heading "Sub-Docket 2".
- g. DLB-1 includes the AECOM inflationary factors in column "Sub-Docket 1". DLB-1 includes the inflationary factors in column "Sub-Docket 2" for the updated Hybrid Solution for the WTP.

**OUCG DR 11-3**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please refer to the Jan. 25, 2024 testimony of Mr. Baldessari, page 10, lines 1-6:

As of December 1, 2023, the Federal Reserve and Federal government are still trying to combat inflation levels by increasing interest rates and aiming to reduce the supply of money in circulation. While interest rates and inflation have trended slightly down over the last several months, there is still no guarantee that these actions will reduce inflation levels prior to the construction of the WTP Project and therefore current levels of inflation have been assumed in the new cost estimates.

Please answer the following questions:

- a. Is it Petitioner's position that the Federal Reserve increasing interest rates as of December 2023? What projections for increased interest rates are incorporated into Petitioner's assumptions?
- b. Please clarify what is meant by interest rates and inflation have trended slightly down over the last several months. To which months and to which interest rates does Mr. Baldessari refer? Please explain.
- c. Mr. Baldessari said there is no guarantee that these actions (presumably reducing the money supply and increasing interest rates) will reduce inflation levels prior to construction of the WTP project, and therefore current levels of inflation have been assumed in the new cost estimates.
  - i. In this context, what does "reduce inflation levels" mean? What threshold would be considered a "reduced inflation level"?
  - ii. What is the "current level of inflation". How was this determined?
- d. Please provide any studies or analysis relied on to make the statements in the quoted testimony.

**Information Provided:**

- a. No, it is not the Petitioner's position that the Federal Reserve is looking to increase or decrease interest rates. The interest rates incorporated into DLB-1 are reflective of a conservative estimate based on the current interest rate environment when the bonds are anticipated to be issued.

- b. Regarding interest rates, the benchmark used was the 30-year treasury since the interest rates on the SWIFIA financing are equal to the U.S. Treasury rate of a similar maturity. Reference the following link - [WIFIA Benefits | US EPA](#) Beginning at its high at closing on October 20, 2023 (5.11%) there was a steady decline through the end of 2023 (4.019% on 12/19/23).  
Regarding year over year inflation, September 30, 2023, year over year inflationary was 3.70% and the most recent reported year over year inflation data for January 31, 2024 was 3.09%. The inflationary rate discussion was in regards to the estimated project costs for the water treatment plant.

The information provided in the quoted statement regarding current inflation and interest rates was general economic information provided for context and was not directly relied upon by the consulting engineers in the development of the updated costs.

- c. Currently, as of January 31, 2024, the year over year inflationary level is 3.09%. Without a basis to adjust current year over year inflation levels, it was assumed this year over year amount would continue throughout 2024.
- d. Mr. Baldessari relied on his own industry knowledge and experience, available industry data and information regarding the current 30-year treasury and information posted monthly regarding historical inflationary levels.

**OUCG DR 11-4**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please refer to Mr. Baldessari's testimony, page 10, lines 8-20:

**Q. Mr. Baldessari, how have, or how will, supply chain issues impact the proposed project costs?**

A. Various industries, including construction and manufacturing, have been experiencing supply chain issues during 2021, 2022 and 2023 as a result of the shutdowns resulting from COVID-19. In addition, once restrictions were lifted, consumer demand for goods and services increased much quicker than anticipated, leading to shortages. Other drivers affecting the supply chain issues include labor shortages, commodity pricing, increased freight costs as a result of the increase in fuel costs, shipping delays, and depleted inventory levels. Each of these supply chain disruptions can cause surges in prices and require additional time and money to complete a project. Due to the on-going supply chain issues, with no certainty on when the issues may subside, the cost estimates for the WTP Project have been increased assuming these supply chain issues will need to be accounted for in order to complete the WTP Project.

Please answer the following questions:

1. Did any construction of the WTP project take place in 2021, 2022 or 2023? Please explain.
2. Are the current construction cost estimates based upon estimates established prior to the Covid-19 pandemic? Please explain.
3. What month and year were the current costs for the WTP Project prepared?
4. Is it Petitioner's contention that supply chain issues are distinct from inflationary factors? Please explain.
5. Mr. Baldessari said "the cost estimates for the WTP Project have been increased assuming these supply chain issues will need to be accounted for in order to complete the WTP Project." What increases were included for supply chain issues? Please quantify each increase.
6. Where is this supply chain issue price adjustment addressed or described in the quoted testimony?



**Information Provided:**

1. No.
2. No.
3. December 2023 is when the current costs for the Hybrid Solution for the WTP were prepared.
4. While inflation can be impacted by supply chain issues, there are several variables that can impact inflation. Supply chain issues can be driven by labor shortages, increasing freight costs, higher demand for a good or service, lack of production, etc.
5. The Hybrid Solution does not specifically call out supply chain issues as a separate cost line item but Petitioner's consulting engineers, through their professional experience, take factors such as supply chain into account when estimating overall project costs.
6. See answer to subpart 5 above.

**OUCG DR 11-5**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Mr. Baldessari's January 25, 2024 testimony, page 11, lines 1-3 states that over the time period of 2021, 2022 and 2023 various Indiana Communities have experienced construction bids coming in much higher than anticipated, in some places as high as 30 or 40%. What is the percentage increase in costs since 2020 Petitioner is anticipating for the WTP? Please explain.

**Information Provided:**

The point Mr. Baldessari was making in his testimony was to indicate that based on Baker Tilly's professional experience working with numerous counties throughout Indiana, these communities have experienced construction bids coming in much higher than anticipated in recent years. As stated, in Baker Tilly's experience, in some cases these communities have experienced increases as high as 30 to 40%. The project proposed in the main docket in Cause No. 45545 was a new 50 MGD WTP based on AECOM's design. As explained in witness Andrea Bretl's testimony filed on January 25, 2024, Petitioner is now proposing the Hybrid Option which is a different project than what Petitioner originally proposed in Cause No. 45545. As such, Petitioner has not quantified the percentage increase in costs since 2020, because the project being proposed now is entirely different than the project Petitioner proposed originally, and therefore such quantification would not provide a meaningful comparison.

**OUCG DR 11-6**

**DATA REQUEST**  
**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Mr. Baldessari's January 25, 2024 testimony, page 11, lines 3-4 stated that "longer than anticipated lead times for steel and other construction components have driven up the project costs." Please explain how that longer than anticipated lead times is not already reflected in inflation? If this is an additional pricing factor, please explain.

**Information Provided:**

Longer lead times on steel and other construction components can lead to additional contractor overhead due to project timeline extension driving up costs.

**OUCS DR 11-7**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please refer to Mr. Baldessari's January 25, 2024 testimony, page 11, lines 15-23:

Petitioner worked with AECOM, the consulting engineer, to design the new water treatment plant. The plan was to design the WTP Project to a 90% design level and then bid out the project to a construction engineering firm and receive a Guaranteed Maximum Price ("GMAX") for the WTP Project. Through the bid process, Kokosing was selected as the construction firm to work with AECOM and develop a final GMAX price for the WTP Project. Through additional design, and due to market conditions as described above, it was determined that the original estimates and authorization for the WTP Project were not sufficient, and additional funding was needed to complete the WTP Project.

Please answer the following questions.

- a. Was this the original plan (to design to a 90% design level and then bid out the project), or was this a revision to the original plan as shown in AECOM's contract with Evansville? If this is a revision, please state when this revision was made.
- b. Please describe the "additional design" that led to the determination that the original estimate was not sufficient. Was this after the 90% design or before? Was Kokosing already selected as the construction firm at the time of this additional design?
- c. Please describe the bid process in which Kokosing was selected?

**Information Provided:**

- a. Petitioner is unclear as to what is meant by the question's reference to a "revision" to the original plan. As described in Mr. Baldessari's testimony cited in the question, Petitioner's plan throughout the design process was for AECOM to design the project to a 90% design level and to receive a final GMAX price from Kokosing based off of that design. If necessary, Petitioner intended to bid the project based off of AECOM's 90% design if it determined Kokosing's GMAX price was not in-line with the market price for constructing the project.

- b. Please see pp. 9-11 and Attachment DLB-2 of Douglas L. Baldessari's sub-docket testimony filed on September 23, 2022 which sets forth the additional design items.
- c. Please see the Rebuttal Testimony of Michael Labitzke, P.E. in Cause No. 45545 at pp. 6-7 for an explanation regarding how a Guaranteed Savings Contract contractor is qualified and selected.

**OUCG DR 11-8**

**DATA REQUEST**  
**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please refer to Mr. Baldessari testimony dated January 25, 2024, Attachment DLB-1, page 2. Please provide a detailed explanation for \$1,831,393 cost in “Allowance for legal, bond counsel, financial advisory, bond issuance costs and rounding”.

**Information Provided:**

See OUCG DR 11-8 Attachment.

**Attachment:**

OUCG DR 11-8 Attachment

**OUCG DR 11-9**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please refer to Mr. Baldessari testimony dated January 25, 2024, Attachment DLB-1, page 2. Please provide a detailed explanation for \$183,350 cost in “Allowance for legal, bond counsel, financial advisory, bond issuance costs and rounding”.

**Information Provided:**

SRF Counsel (Dentons) - \$10,714  
Bond Counsel (Barnes and Thornburg) - \$35,000  
Local Counsel (Ziemer Stayman Weitzel & Shoulders) - \$12,000  
Financial Advisor (Baker Tilly) - \$55,734  
Surety (Build America Mutual) - \$10,000

The \$59,902 not accounted for above will be applied to address additional lead service replacement projects.

**OUCG DR 11-10**

**DATA REQUEST**  
**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please refer to Mr. Baldessari's January 25, 2024 testimony, page 13, line 15-17. Please confirm that Evansville has already issued the \$7,300,000 in bonds that it is requesting authorization for.

**Information Provided:**

On December 22, 2023, Petitioner closed on \$3,300,000 of Taxable Waterworks District Revenue Bonds, Series 2023 and \$4,000,000 of Taxable Waterworks District Bond Anticipation Notes, Series 2023 (SRF Forgivable BAN) with the Indiana Finance Authority's State Revolving Fund Loan Program.



**OUCG DR 11-11**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Mr. Baldessari testimony, dated January 25, 2024, page 24, line 14-15 stated that “In addition, financing the proposed projects earlier in 2024 could also allow Petitioner to avoid potential increases in interest rates that often occur near year end.” Please provide any studies or support for Mr. Baldessari’s assertion that interest rates often increase near year end.

**Information Provided:**

The statement in Mr. Baldessari’s testimony is based on his and Baker Tilly’s pricing director’s professional experience selling municipal bonds. In addition, factors that can increase interest rates were also considered, such as information regarding the number of issuances completed monthly by year and the state of the economy at the time of the anticipated issuance of the proposed debt for the water treatment plant. Historical data listing the volume of municipal bonds sold by month dating back to 1986 shows that the volume of municipal bonds issued near year end often increases. An increase in the number of issuances provides investors (bond purchasers) more options. The more options there are for investors, the smaller the number of investors potentially reviewing and buying a particular bond issuance. To attract buyers, bond issuers often must be willing to accept higher interest rates. Another factor, specifically for 2024, which could impact year-end interest rates is the presidential election. Investors prefer to avoid uncertainty in the market when buying and selling bonds. The potential for a change in administration at the federal level can certainly increase uncertainty in the bond market and reduce the number of investors willing to buy bonds. Similar to the discussion on the volume of sales above, in order to attract buyers, higher interest rates could be required from issuers. As part of the filing in DLB-1, interest rates have been estimated at conservative levels, with the understanding that the rates and charges being proposed will be trued-up to the actual interest rate levels at the time of issuance.

**OUCG DR 11-12**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please refer to the bond issued as an open market issuance in 2022 (2022A Bonds), the true-up and subsequent OUCG objection included in this subdocket. Please describe in detail the cash flows of this issuance including specifically the amount initially deposited, the account or accounts in which those proceeds were deposited, and any subsequent withdrawals or deposits.

**Information Provided:**

At closing on the 2022A Bonds, \$56,080,951.8 was deposited by Petitioner into account(s) 80-0483-02-6, 80-0483-03-4, and 80-0483-01-8. \$7,721,668.68 of the original deposit was restricted for payment of interest on the 2022A bonds through July 1, 2025, and is not available to be used for construction. Since the initial deposit, \$3,205,574.89 has been spent from account 80-0483-02-6 for construction related expenses and \$2,733,714.03 has been spent from account 80-0483-01-8 for payment of interest on the bonds. In total \$2,536,417.08 has been received in account 80-0483-02-6, \$238.99 for account 80-0483-01-8, and \$212,689.40 for account 80-0483-03-4 for interest, unrealized gain/loss, and amortization and accretion.

**OUCG DR 11-13**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

In Cause No. 45545, Evansville stated that the balance of the restricted construction funds was \$102.3 million as of September 30, 2020. Mr. Labitzke indicated during cross-examination that as of September 30, 2021 there was a balance of \$80 million but that all projects are estimated to be completed by the second quarter of 2023.

- a. Were all the projects completed by the second quarter of 2023?
- b. Please state the current balance of the restricted construction fund as of the most recent date available.
- c. Please state the anticipated date when this fund is scheduled to be depleted.
- d. If additional funds from the recent open market bond issuance are currently placed in this fund, please indicate and answer the question disregarding funds involved with the recent open market issuance.
- e. If there are balances in the restricted account, please explain why such funds could not be used to offset funding for the WTP Project?

**Information Provided:**

- a. No. As stated above, Mr. Labitzke was the Director of the Program Management Office during the previous rate case and he was the one leading the development and schedule of these projects. Mr. Labitzke left the utility in the fall of 2021, and Mr. Shawn Wright did not take over the PMO until the spring of 2022. Mr. Wright spent a lot of time catching up on what projects were in development, construction and/or planning with most of his effort going to the new Water Treatment Plant. As Mr. Wright worked on the planning side of the water projects, he noticed that the utility was seeing significant cost increases verses what the original scope and budget were in the development phase. Therefore, Mr. Wright chose to slow down some of the design and schedule of these projects in an effort to allow some of the COVID pricing issues to stabilize and to determine where the water plant was going to land as a final cost.
- b. At the end of January 2024, the restricted fund had a balance of approximately \$80 million, which includes approximately \$40 million in funds related to the open market bond issuance.
- c. At this time, the City cannot provide an anticipated date of when all funds will be depleted. The City is actively working on several water distribution projects that

were approved in the previous rate case. Of the remaining funds, approximately \$30 million are for projects associated with potential lead service line replacements.

- d. See response to subpart b.
- e. In Petitioner's previous response to OUCC Data Request 2, Petitioner originally responded stating that the money in the restricted construction account will not be used for the Water Treatment Plant project. Since that original response provided on October 22, 2022, Petitioner has received additional information regarding the costs of the water treatment plant. As discussed in the subdocket testimony of Shawn Wright, the City is now planning to use a portion of the funds in the restricted account from the 2022A bond issue to offset the required funding for the WTP Project. The determination was made by Petitioner in order to limit the impact on water user rates. The remaining funds in the restricted account need to be used to continue with water infrastructure improvements in the distribution system.

**OUCG DR 11-14**

**DATA REQUEST**  
**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please reference the SWIIFIA loan, Bond Series 2024A, which amortization table is shown on page 6 or Mr. Baldessari’s attachment DLB-1 (dated January 25, 2024). Please state the estimated principal balance to whatever level of granularity was used to determine the interest expense in the time frame from January 1, 2026 through July 1, 2028.

**Information Provided:**

The calculated interest expense due on the Waterworks Revenue Bonds, Series 2024A is based on a ratable draw down of the WIFIA principal balance. The table below shows the assumed amount drawn each month, which are used to calculate the interest due on the respected payments dates:

<b>Month of Draw</b>	<b>Cumulative Amount Drawn</b>
April 2026	\$3,768,891
May 2026	9,657,780
June 2026	15,546,669
July 2026	21,435,558
August 2026	27,324,447
September 2026	33,213,336
October 2026	39,102,225
November 2026	44,991,114
December 2026	50,880,003
January 2027	56,768,892
February 2027	62,657,781
March 2027	68,546,670
April 2027	74,435,559
May 2027	80,324,448
June 2027	86,213,337
July 2027	92,102,226
August 2027	97,991,115
September 2027	103,880,000
October 2027	103,880,000
November 2027	103,880,000
December 2027	103,880,000

**OUCG DR 11-15**

**DATA REQUEST**

**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

Please reference the SWIIFIA loan, Bond Series 2024A, which amortization table is shown on page 6 or Mr. Baldessari's attachment DLB-1 (dated January 25, 2024). If these Bonds are not issued until December 31, 2024 instead of the September 30, 2024 estimate given, would all anticipated payments be delayed by three months on this amortization table? Please explain.

**Information Provided:**

If the issuance of the bonds is delayed by three months, the initial interest payments estimated to be due on 7/1/2026, 1/1/2027 and 7/1/2027 could differ from the amortization schedule shown on page 6 of DLB-1. Interest on the SWIFIA loan is based on principal is drawn. If financing were to be delayed by three months, it could impact the assumed principal draw schedule for the SWFIA bonds.

**OUCG DR 11-16**

**DATA REQUEST**  
**City of Evansville**

**Cause No. 45545 S1**

**Information Requested:**

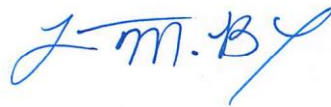
Please reference Mr. Baldessari testimony dated January 25, 2024, page 21, lines 6-9. Please provide details (amount, borrower and interest rate) on the September 2024 bond issuance discussed by Mr. Baldessari.

**Information Provided:**

Reference Mr. Baldessari's testimony dated January 25, 2024, page 21, lines 10 – 17 and page 22, lines 1 -14. The amounts, borrower and assumed rates are discussed in detail for both the Waterworks Revenue Bonds, Series 2024A and Waterworks Revenue Bonds, Series 2024B. For reference, below is a summary:

Borrower	Amount	Assumed Interest Rate
Petitioner	\$103,880,000	5.00%
Petitioner	\$108,120,000	5.10%

As to objections only,



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Attorneys for Petitioner  
City of Evansville



EVANSVILLE (INDIANA) WATERWORKS DISTRICT

**ESTIMATED ALLOWANCE FOR COSTS OF ISSUANCE**  
Proposed Waterworks District Revenue Bonds (Multiple Series)

Cause No. 45545 S1  
City of Evansville  
OUCC DR 11-8 Attachment

Par Amount	\$52,550,000	\$7,300,000	103,880,000	108,120,000
Pro-rata allocation for rate case	19.33%	2.69%	38.21%	39.77%
Pro-rata allocation of future bonds for rate case			49.00%	51.00%

Service	Vendor	Total	2022A	2023	2024A	2024B
<b>Legal</b>						
Bond counsel (BANs/Bonds) *	Barnes & Thornburg	170,000	\$60,000	\$35,000	\$37,500	\$37,500
IURC counsel	Barnes & Thornburg	300,000	45,592	-	124,660	129,748
Local counsel *	Zeimer, Stayman, Wetzel & Shoulders, LLP	79,500	30,000	12,000	18,750	18,750
SRF counsel	Dentons	110,714	-	10,714	50,000	50,000
Underwriters Counsel	Taft	10,000	10,000.00	-	-	-
Sub-total		670,214	145,592	57,714	230,910	235,998
<b>Financial</b>						
IURC rate case	Baker Tilly	375,000	77,840		145,608	151,552
Accounting financial advisory; disclosure document and related *	Baker Tilly	352,500	137,500	65,000	73,500	76,500
Sub-total		727,500	215,340	65,000	219,108	228,052
<b>Other</b>						
IURC bond issue fee (par amount divided by 100 times \$0.25)	State	679,625	131,375	18,250	259,700	270,300
IURC rate case fee	State	45,165	10,045		17,209	17,911
IURC rate case fee	State				17,209	17,911
WIFIA fees	WIFIA	300,000	-		300,000	-
Rating fee	S&P	30,000	30,000		-	-
BAM				10,000		
Trustee and RP&A services:						
Acceptance Fee	ONB	700	175	175	175	175
Annual Fee	ONB	1,000	250	250	250	250
Construction Fund	ONB	4,000	1,000	1,000	1,000	1,000
Official Statement Printing	Pacesetter Press	500	500	-	-	-
Parity Report *	Baker Tilly	19,488	4,750	8,236	3,185	3,317
Parity ® Electronic Bid Submission	Parity	750	750	-	-	-
CUSIP and service bureau fees	DTC	600	200	200	98	102
Legal advertising and misc.		750	250	250	123	127
General project contingencies and rounding		150,706	61,541	22,275	26,033	40,857
Sub-total		1,233,284	240,836	60,636	624,981	351,950
Underwriter's Discount (\$3.75/bond)						
Total Estimated Costs of Issuance		\$2,630,998	\$601,768	\$183,350	\$1,075,000	\$816,000
W/out IURC Fee		\$1,951,373	\$470,393	\$165,100	\$815,300	\$545,700

\* Assumes three bond issues.

\$1,831,392

**FILED**  
July 8, 2022  
INDIANA UTILITY  
REGULATORY COMMISSION



July 1, 2022

Board of Directors  
Evansville Water and Sewer Utility  
One N.W. Martin Luther King Jr., #104  
P.O. Box 19  
Evansville, IN 47741-0001

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RE: Evansville (Indiana) Waterworks District

In connection with the true-up report as required in Cause No. 45545, we have, at your request, prepared this special purpose report for submission to the Indiana Utility Regulatory Commission.

This report including the following schedules has been prepared for the purpose of providing the true-up information resulting from the sale of the Waterworks District Revenue Bonds, Series 2022A and to eliminate Indiana Utility Receipts tax as passed in House Enrolled Act 1002-2022 to the Indiana Utility Regulatory Commission and should not be used for any other purpose.

Page(s)

2	Schedule of Estimated Project Costs and Funding
3	Schedule of Amortization of \$52,550,000 Principal Amount of Outstanding Waterworks District Revenue Bonds, Series 2022A
4	Schedule of Combined Bond Amortization
5 – 6	Schedule of Amortization of \$171,615,000 Principal Amount of Proposed Waterworks District Revenue Bonds, Series 2022B
7	Schedule of Combined Bond Amortization
8	Pro Forma Annual Revenue Requirements and Annual Revenues – Phase I
9	Pro Forma Annual Revenue Requirements and Annual Revenues – Phase II
10	Pro Forma Annual Revenue Requirements and Annual Revenues – Phase III
11	Pro Forma Annual Revenue Requirements and Annual Revenues – Phase IV
12	Pro Forma Annual Revenue Requirements and Annual Revenues – Phase V
13 – 15	Schedule of Present and Revised Rates and Charges

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected, and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon, nor do we have a responsibility to prepare subsequent reports.

*Baker Tilly Municipal Advisors, LLC*

**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**

**SCHEDULE OF ESTIMATED PROJECT COSTS AND FUNDING**  
**(Per Consulting Engineer and Utility Management)**

<u>ESTIMATED PROJECT COSTS</u>	Per IURC Order (3/2/2022)	True-Up				Total (6/9/2022)
		Bond Sale Adjustment	Debt Service True-Up (6/9/2022)	Open Market Bonds	SRF Bonds	
Estimated Construction Costs and Engineering:						
Water treatment Plant - SRF	\$132,638,000	-	132,638,000	\$ -	\$132,638,000	\$132,638,000
Water Treatment Plant (TSS/Mercury) - SRF	30,000,000	-	30,000,000	-	30,000,000	30,000,000
Water Treatment Plant - Relocation of City Garage	3,500,000	-	3,500,000	3,500,000	-	3,500,000
Road Relocations - OM	39,806,000	-	39,806,000	39,806,000	-	39,806,000
CES/RPR - Road Relocation Projects/Program Management Planning - OM	4,585,000	-	4,585,000	4,585,000	-	4,585,000
<b>Total Estimated Construction Costs and Enginee</b>	<b>210,529,000</b>	<b>0</b>	<b>210,529,000</b>	<b>47,891,000</b>	<b>162,638,000</b>	<b>210,529,000</b>
Estimated Non-Construction Costs:						
Underwriter's discount	534,470	(337,407)	197,063	197,063	-	197,063
Capitalized interest - OM	4,318,199	3,403,470	7,721,669	7,721,669	-	7,721,669
Capitalized interest - SRF	7,508,156	-	7,508,156	-	7,508,156	7,508,156
Bond Insurance	-	135,272	135,272	135,272	-	135,272
Allowance for legal, bond counsel, financial advisory, bond issuances costs, general project contingencies and rounding	2,172,175	(101,563)	2,070,612	601,768	1,468,844	2,070,612
<b>Total Estimated Non-Construction Costs</b>	<b>14,533,000</b>	<b>3,099,772</b>	<b>17,632,772</b>	<b>8,655,772</b>	<b>8,977,000</b>	<b>17,632,772</b>
<b>Total Estimated Project Costs</b>	<b>\$225,062,000</b>	<b>\$3,099,772</b>	<b>\$228,161,772</b>	<b>\$56,546,772</b>	<b>\$171,615,000</b>	<b>\$228,161,772</b>
<u>ESTIMATED PROJECT FUNDING</u>						
Waterworks District Revenue Bonds, Series 2022A	\$53,447,000	(\$897,000)	\$52,550,000	\$52,550,000	\$ -	\$52,550,000
Waterworks District Revenue Bonds, Series 2022B	171,615,000	-	171,615,000	-	171,615,000	171,615,000
Reoffering Premium	-	3,996,772	3,996,772	3,996,772	-	3,996,772
<b>Total Estimated Project Funding</b>	<b>\$225,062,000</b>	<b>\$3,099,772</b>	<b>\$228,161,772</b>	<b>\$56,546,772</b>	<b>\$171,615,000</b>	<b>\$228,161,772</b>

(Subject to the attached letter dated July 1, 2022)

EVANSVILLE (INDIANA) WATERWORKS DISTRICT

**SCHEDULE OF AMORTIZATION OF \$52,550,000 PRINCIPAL AMOUNT OF  
OUTSTANDING WATERWORKS DISTRICT REVENUE BONDS, SERIES 2022A**

Principal payable annually January 1st and  
semi-annually on January 1st and July 1st, beginning on July 1, 2038.  
Interest payable semi-annually January 1st and July 1st.  
Bonds dated June 9, 2022.  
Interest rates as indicated.

Payment Date	Principal Balance (----- In \$1,000's-----)	Principal	Interest Rates (%)	Interest (-----In Dollars-----)	Capitalized Interest	Total	Bond Year Total
1/1/2023	\$52,550			\$1,445,576.53	(\$1,445,576.53)	\$ -	\$ -
7/1/2023	52,550			1,288,137.50	(1,288,137.50)	-	-
1/1/2024	52,550			1,288,137.50	(1,288,137.50)	-	-
7/1/2024	52,550			1,288,137.50	(1,288,137.50)	-	-
1/1/2025	52,550			1,288,137.50	(1,288,137.50)	-	-
7/1/2025	52,550			1,288,137.50	(1,123,542.15)	164,595.35	-
1/1/2026	52,550			1,288,137.50		1,288,137.50	1,452,732.85
7/1/2026	52,550			1,288,137.50		1,288,137.50	
1/1/2027	52,550			1,288,137.50		1,288,137.50	2,576,275.00
7/1/2027	52,550			1,288,137.50		1,288,137.50	
1/1/2028	52,550			1,288,137.50		1,288,137.50	2,576,275.00
7/1/2028	52,550			1,288,137.50		1,288,137.50	
1/1/2029	52,550			1,288,137.50		1,288,137.50	2,576,275.00
7/1/2029	52,550			1,288,137.50		1,288,137.50	
1/1/2030	52,550			1,288,137.50		1,288,137.50	2,576,275.00
7/1/2030	52,550			1,288,137.50		1,288,137.50	
1/1/2031	52,550			1,288,137.50		1,288,137.50	2,576,275.00
7/1/2031	52,550			1,288,137.50		1,288,137.50	
1/1/2032	52,550			1,288,137.50		1,288,137.50	2,576,275.00
7/1/2032	52,550			1,288,137.50		1,288,137.50	
1/1/2033	52,550			1,288,137.50		1,288,137.50	2,576,275.00
7/1/2033	52,550			1,288,137.50		1,288,137.50	
1/1/2034	52,550			1,288,137.50		1,288,137.50	2,576,275.00
7/1/2034	52,550			1,288,137.50		1,288,137.50	
1/1/2035	52,550			1,288,137.50		1,288,137.50	2,576,275.00
7/1/2035	52,550			1,288,137.50		1,288,137.50	
1/1/2036	52,550	\$4,000	5.00	1,288,137.50		5,288,137.50	6,576,275.00
7/1/2036	48,550			1,188,137.50		1,188,137.50	
1/1/2037	48,550	4,075	5.00	1,188,137.50		5,263,137.50	6,451,275.00
7/1/2037	44,475			1,086,262.50		1,086,262.50	
1/1/2038	44,475	4,250	5.00	1,086,262.50		5,336,262.50	6,422,525.00
7/1/2038	40,225	1,295	5.00	980,012.50		2,275,012.50	
1/1/2039	38,930	1,525	5.00	947,637.50		2,472,637.50	4,747,650.00
7/1/2039	37,405	1,370	5.00	909,512.50		2,279,512.50	
1/1/2040	36,035	1,595	5.00	875,262.50		2,470,262.50	4,749,775.00
7/1/2040	34,440	1,540	5.00	835,387.50		2,375,387.50	
1/1/2041	32,900	1,580	5.00	796,887.50		2,376,887.50	4,752,275.00
7/1/2041	31,320	1,620	5.00	757,387.50		2,377,387.50	
1/1/2042	29,700	1,660	5.00	716,887.50		2,376,887.50	4,754,275.00
7/1/2042	28,040	1,700	5.00	675,387.50		2,375,387.50	
1/1/2043	26,340	1,745	5.00	632,887.50		2,377,887.50	4,753,275.00
7/1/2043	24,595	1,785	5.00	589,262.50		2,374,262.50	
1/1/2044	22,810	1,830	5.00	544,637.50		2,374,637.50	4,748,900.00
7/1/2044	20,980	1,875	5.00	498,887.50		2,373,887.50	
1/1/2045	19,105	1,920	5.00	452,012.50		2,372,012.50	4,745,900.00
7/1/2045	17,185	1,970	5.00	404,012.50		2,374,012.50	
1/1/2046	15,215	2,020	5.00	354,762.50		2,374,762.50	4,748,775.00
7/1/2046	13,195	2,070	5.00	304,262.50		2,374,262.50	
1/1/2047	11,125	2,120	5.00	252,512.50		2,372,512.50	4,746,775.00
7/1/2047	9,005	2,175	5.00	199,512.50		2,374,512.50	
1/1/2048	6,830	2,230	4.25	145,137.50		2,375,137.50	4,749,650.00
7/1/2048	4,600	2,275	4.25	97,750.00		2,372,750.00	
1/1/2049	2,325	2,325	4.25	49,406.25		2,374,406.25	4,747,156.25
Totals		<u>\$52,550</u>		<u>\$51,505,357.78</u>	<u>(\$7,721,668.68)</u>	<u>\$96,333,689.10</u>	<u>\$96,333,689.10</u>

(Subject to the attached letter dated July 1, 2022)

EVANSVILLE (INDIANA) WATERWORKS DISTRICT

SCHEDULE OF COMBINED BOND AMORTIZATION

Payment Date	Outstanding							Total	Bond Year Total
	Series 2016A Bonds	Series 2016B Bonds	Series 2018A-2 Bonds	Series 2019 Bonds	Series 2020 Bonds	Series 2021 Bonds	Series 2022A Bonds (1)		
07/01/22	\$665,100.00	\$437,146.88	\$1,162,402.31	\$545,546.88	\$375,703.30	\$116,499.25		\$3,302,398.62	
01/01/23	2,285,100.00	1,677,146.88	4,145,550.31	2,095,546.88	620,703.30	3,401,499.25		14,225,546.62	\$17,527,945.24
07/01/23	632,700.00	418,546.88	1,113,926.16	530,046.88	373,633.05	110,750.50		3,179,603.47	
01/01/24	2,322,700.00	1,678,546.88	4,194,026.16	2,125,046.88	623,633.05	3,405,750.50		14,349,703.47	17,529,306.94
07/01/24	598,900.00	399,646.88	1,063,874.53	514,096.88	371,378.05	103,336.75		3,051,233.09	
01/01/25	2,303,900.00	1,694,646.88	4,244,078.53	2,159,096.88	626,378.05	3,448,336.75		14,476,437.09	17,527,670.18
07/01/25	564,800.00	380,221.88	1,012,196.22	489,421.88	369,014.20	91,963.75	\$164,595.35	3,072,213.28	
01/01/26	2,159,800.00	4,465,221.88	4,295,756.22	2,179,421.88	624,014.20	896,963.75	1,288,137.50	15,909,315.43	18,981,528.71
07/01/26	532,900.00	318,946.88	958,838.37	464,071.88	366,462.93	87,938.75	1,288,137.50	4,017,296.31	
01/01/27	2,192,900.00	4,523,946.88	4,349,114.37	2,209,071.88	631,462.93	892,938.75	1,288,137.50	16,087,572.31	20,104,868.62
07/01/27	499,700.00	253,243.75	903,746.38	437,896.88	363,679.10	79,888.75	1,288,137.50	3,826,292.36	
01/01/28	2,149,700.00	4,588,243.75	4,404,206.38	2,232,896.88	633,679.10	984,888.75	1,288,137.50	16,281,752.36	20,108,044.72
07/01/28	466,700.00	182,800.00	846,863.91	410,971.88	360,725.30	73,101.25	1,288,137.50	3,629,299.84	
01/01/29	2,116,700.00	4,662,800.00	4,461,088.91	2,260,971.88	635,725.30	1,053,101.25	1,288,137.50	16,478,524.84	20,107,824.68
07/01/29	433,700.00	93,200.00	788,132.75	383,221.88	357,579.30	66,731.25	1,288,137.50	3,410,702.68	
01/01/30	2,103,700.00	4,753,200.00	4,519,819.75	2,288,221.88	637,579.30	1,106,731.25	1,288,137.50	16,697,389.68	20,108,092.36 (2)
07/01/30	400,300.00		727,492.84	354,646.88	354,306.10	59,971.25	1,288,137.50	3,184,854.57	
01/01/31	1,755,300.00		4,580,459.84	2,314,646.88	5,629,306.10	1,164,971.25	1,288,137.50	16,732,821.57	19,917,676.14
07/01/31	373,200.00		664,882.12	325,246.88	292,113.85	52,236.25	1,288,137.50	2,995,816.60	
01/01/32	1,623,200.00		4,643,070.12	2,350,246.88	5,727,113.85	1,287,236.25	1,288,137.50	16,919,004.60	19,914,821.20
07/01/32	348,200.00		600,236.57	294,871.88	225,317.70	42,973.75	1,288,137.50	2,799,737.40	
01/01/33	1,598,200.00		4,707,715.57	2,384,871.88	5,840,317.70	1,297,973.75	1,288,137.50	17,117,216.40	19,916,953.80
07/01/33	323,200.00		533,490.04	263,521.88	154,905.60	33,247.50	1,288,137.50	2,596,502.52	
01/01/34	1,583,200.00		4,774,463.04	2,428,521.88	5,959,905.60	1,288,247.50	1,288,137.50	17,322,475.52	19,918,978.04
07/01/34	298,000.00		464,574.22	231,046.88	79,208.40	22,893.75	1,288,137.50	2,383,860.75	
01/01/35	1,593,000.00		4,843,378.22	2,471,046.88	6,039,208.40	1,297,893.75	1,288,137.50	17,532,664.75	19,916,525.50
07/01/35	272,100.00		393,418.66	197,446.88		12,375.00	1,288,137.50	2,163,478.04	
01/01/36	3,642,100.00		4,914,533.66	2,522,446.88		1,387,375.00	5,288,137.50	17,754,593.04	19,918,071.08
07/01/36	204,700.00		319,950.54	162,571.88			1,188,137.50	1,875,359.92	
01/01/37	5,219,700.00		4,988,002.54	2,572,571.88			5,263,137.50	18,043,411.92	19,918,771.84
07/01/37	104,400.00		244,094.70	124,915.63			1,086,262.50	1,559,672.83	
01/01/38	5,324,400.00		5,063,857.70	2,634,915.63			5,336,262.50	18,359,435.83	19,919,108.66
07/01/38			2,753,999.55	1,390,696.88			2,275,012.50	6,419,708.93	
01/01/39			2,553,999.87	1,395,306.25			2,472,637.50	6,421,943.62	12,841,652.55
07/01/39			2,753,999.74	1,399,525.00			2,279,512.50	6,433,037.24	
01/01/40			2,553,999.87	1,407,506.25			2,470,262.50	6,431,768.62	12,864,805.86
07/01/40							2,375,387.50	2,375,387.50	
01/01/41							2,376,887.50	2,376,887.50	4,752,275.00
07/01/41							2,377,387.50	2,377,387.50	
01/01/42							2,376,887.50	2,376,887.50	4,754,275.00
07/01/42							2,375,387.50	2,375,387.50	
01/01/43							2,377,887.50	2,377,887.50	4,753,275.00
07/01/43							2,374,262.50	2,374,262.50	
01/01/44							2,374,637.50	2,374,637.50	4,748,900.00
07/01/44							2,373,887.50	2,373,887.50	
01/01/45							2,372,012.50	2,372,012.50	4,745,900.00
07/01/45							2,374,012.50	2,374,012.50	
01/01/46							2,374,762.50	2,374,762.50	4,748,775.00
07/01/46							2,374,262.50	2,374,262.50	
01/01/47							2,372,512.50	2,372,512.50	4,746,775.00
07/01/47							2,374,512.50	2,374,512.50	
01/01/48							2,375,137.50	2,375,137.50	4,749,650.00
07/01/48							2,372,750.00	2,372,750.00	
01/01/49							2,374,406.25	2,374,406.25	4,747,156.25
Totals	\$46,692,200.00	\$30,527,506.30	\$95,543,240.67	\$48,552,122.04	\$38,273,053.76	\$23,867,815.50	\$96,333,689.10	\$379,789,627.37	\$379,789,627.37

(1) Shown net of capitalized interest  
(2) Maximum annual debt service

(Subject to the attached letter dated July 1, 2022)

EVANSVILLE (INDIANA) WATERWORKS DISTRICT

**SCHEDULE OF AMORTIZATION OF \$171,615,000 PRINCIPAL AMOUNT OF PROPOSED WATERWORKS DISTRICT REVENUE BONDS, SERIES 2022B**

Principal payable on January 1st, beginning January 1, 2026 and semi-annually on January 1st and July 1st, beginning on July 1, 2038.  
Interest payable on January 1st and July 1st, beginning January 1, 2023.  
Assumes interest rates as indicated.  
Assumes Bonds dated October 1, 2022.

Payment Date	Principal Balance (----- In \$1,000's-----)	Principal	Assumed Interest Rate* (%)	Interest	Capitalized Interest	Total	Bond Year Total
1/1/2023	\$171,615			\$1,072,593.75	(\$1,072,593.75)	\$ -	\$ -
7/1/2023	171,615			2,145,187.50	(2,145,187.50)	-	
1/1/2024	171,615			2,145,187.50	(2,145,187.50)	-	
7/1/2024	171,615			2,145,187.50	(2,145,187.50)	-	
1/1/2025	171,615			2,145,187.50		2,145,187.50	2,145,187.50
7/1/2025	171,615			2,145,187.50		2,145,187.50	
1/1/2026	171,615	\$1	2.500	2,145,187.50		2,146,187.50	4,291,375.00
7/1/2026	171,614			2,145,175.00		2,145,175.00	
1/1/2027	171,614	1	2.500	2,145,175.00		2,146,175.00	4,291,350.00
7/1/2027	171,613			2,145,162.50		2,145,162.50	
1/1/2028	171,613	1	2.500	2,145,162.50		2,146,162.50	4,291,325.00
7/1/2028	171,612			2,145,150.00		2,145,150.00	
1/1/2029	171,612	1	2.500	2,145,150.00		2,146,150.00	4,291,300.00
7/1/2029	171,611			2,145,137.50		2,145,137.50	
1/1/2030	171,611	1	2.500	2,145,137.50		2,146,137.50	4,291,275.00
7/1/2030	171,610			2,145,125.00		2,145,125.00	
1/1/2031	171,610	1	2.500	2,145,125.00		2,146,125.00	4,291,250.00
7/1/2031	171,609			2,145,112.50		2,145,112.50	
1/1/2032	171,609	1	2.500	2,145,112.50		2,146,112.50	4,291,225.00
7/1/2032	171,608			2,145,100.00		2,145,100.00	
1/1/2033	171,608	1	2.500	2,145,100.00		2,146,100.00	4,291,200.00
7/1/2033	171,607			2,145,087.50		2,145,087.50	
1/1/2034	171,607	1	2.500	2,145,087.50		2,146,087.50	4,291,175.00
7/1/2034	171,606			2,145,075.00		2,145,075.00	
1/1/2035	171,606	4	2.500	2,145,075.00		2,149,075.00	4,294,150.00
7/1/2035	171,602			2,145,025.00		2,145,025.00	
1/1/2036	171,602	402	2.500	2,145,025.00		2,547,025.00	4,692,050.00
7/1/2036	171,200			2,140,000.00		2,140,000.00	
1/1/2037	171,200	415	2.500	2,140,000.00		2,555,000.00	4,695,000.00
7/1/2037	170,785			2,134,812.50		2,134,812.50	
1/1/2038	170,785	426	2.500	2,134,812.50		2,560,812.50	4,695,625.00
7/1/2038	170,359	2,722	2.500	2,129,487.50		4,851,487.50	
1/1/2039	167,637	2,758	2.500	2,095,462.50		4,853,462.50	9,704,950.00
7/1/2039	164,879	2,790	2.500	2,060,987.50		4,850,987.50	
1/1/2040	162,089	2,825	2.500	2,026,112.50		4,851,112.50	9,702,100.00
7/1/2040	159,264	6,807	2.500	1,990,800.00		8,797,800.00	
1/1/2041	152,457	6,893	2.500	1,905,712.50		8,798,712.50	17,596,512.50
7/1/2041	145,564	6,972	2.500	1,819,550.00		8,791,550.00	
1/1/2042	138,592	7,059	2.500	1,732,400.00		8,791,400.00	17,582,950.00
7/1/2042	131,533	7,153	2.500	1,644,162.50		8,797,162.50	
1/1/2043	124,380	7,238	2.500	1,554,750.00		8,792,750.00	17,589,912.50
7/1/2043	117,142	7,327	2.500	1,464,275.00		8,791,275.00	
1/1/2044	109,815	7,422	2.500	1,372,687.50		8,794,687.50	17,585,962.50
7/1/2044	102,393	7,512	2.500	1,279,912.50		8,791,912.50	
1/1/2045	94,881	7,603	2.500	1,186,012.50		8,789,012.50	17,580,925.00
Sub-totals		\$84,337		\$89,657,956.25	(\$7,508,156.25)	\$166,486,800.00	\$166,486,800.00

Note: Based on the amortization used in the Order in Cause No. 45545. The proposed rates and charges will be subsequently tried-up once the sale of the Series 2022B Bonds occurs.

(Continued on next page)

(Subject to the attached letter dated July 1, 2022)

**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**

(Cont'd)

**SCHEDULE OF AMORTIZATION OF \$171,615,000 PRINCIPAL AMOUNT OF PROPOSED WATERWORKS DISTRICT REVENUE BONDS, SERIES 2022B**

Principal payable on January 1st, beginning January 1, 2026 and semi-annually on January 1st and July 1st, beginning on July 1, 2038.  
Interest payable on January 1st and July 1st, beginning January 1, 2023.  
Assumes Bonds dated October 1, 2022.

<u>Payment Date</u>	<u>Principal Balance</u> (----- In \$1,000's-----)	<u>Principal</u>	<u>Assumed Interest Rate*</u> (%)	<u>Interest</u>	<u>Capitalized Interest</u> (-----In Dollars-----)	<u>Total</u>	<u>Bond Year Total</u>
Subtotals carried forward:		\$84,337		\$89,657,956.25	(\$7,508,156.25)	\$166,486,800.00	\$166,486,800.00
7/1/2045	\$87,278	7,705	2.500	1,090,975.00		8,795,975.00	
1/1/2046	79,573	7,790	2.500	994,662.50		8,784,662.50	17,580,637.50
7/1/2046	71,783	7,894	2.500	897,287.50		8,791,287.50	
1/1/2047	63,889	7,996	2.500	798,612.50		8,794,612.50	17,585,900.00
7/1/2047	55,893	8,093	2.500	698,662.50		8,791,662.50	
1/1/2048	47,800	8,193	2.500	597,500.00		8,790,500.00	17,582,162.50
7/1/2048	39,607	8,297	2.500	495,087.50		8,792,087.50	
1/1/2049	31,310	8,401	2.500	391,375.00		8,792,375.00	17,584,462.50
7/1/2049	22,909	11,384	2.500	286,362.50		11,670,362.50	
1/1/2050	11,525	11,525	2.500	144,062.50		11,669,062.50	23,339,425.00
Totals		<u>\$171,615</u>		<u>\$96,052,543.75</u>	<u>(\$7,508,156.25)</u>	<u>\$260,159,387.50</u>	<u>\$260,159,387.50</u>

Note: Based on the amortization used in the Order in Cause No. 45545. The proposed rates and charges will be subsequently trued-up once the sale of the Series 2022B Bonds occurs.

(Subject to the attached letter dated July 1, 2022)

EVANSVILLE (INDIANA) WATERWORKS DISTRICT

SCHEDULE OF PROPOSED COMBINED BOND AMORTIZATION

Payment Date	Outstanding							Proposed Series 2022B Bonds (1)	Total	Bond Year Total
	Series 2016A Bonds	Series 2016B Bonds	Series 2018A-2 Bonds	Series 2019 Bonds	Series 2020 Bonds	Series 2021 Bonds	Series 2022A Bonds (1)			
07/01/22	\$665,100.00	\$437,146.88	\$1,162,402.31	\$545,546.88	\$375,703.30	\$116,499.25			\$3,302,398.62	
01/01/23	2,285,100.00	1,677,146.88	4,145,550.31	2,095,546.88	620,703.30	3,401,499.25			14,225,546.62	\$17,527,945.24
07/01/23	632,700.00	418,546.88	1,113,926.16	530,046.88	373,633.05	110,750.50			3,179,603.47	
01/01/24	2,322,700.00	1,678,546.88	4,194,026.16	2,125,046.88	623,633.05	3,405,750.50			14,349,703.47	17,529,306.94
07/01/24	598,900.00	399,646.88	1,063,874.53	514,096.88	371,378.05	103,336.75			3,051,233.09	
01/01/25	2,303,900.00	1,694,646.88	4,244,078.53	2,159,096.88	626,378.05	3,448,336.75		\$2,145,187.50	16,621,624.59	19,672,857.68
07/01/25	564,800.00	380,221.88	1,012,196.22	489,421.88	369,014.20	91,963.75	\$164,595.35	2,145,187.50	5,217,400.78	
01/01/26	2,159,800.00	4,465,221.88	4,295,756.22	2,179,421.88	624,014.20	896,963.75	1,288,137.50	2,146,187.50	18,055,502.93	23,272,903.71
07/01/26	532,900.00	318,946.88	958,838.37	464,071.88	366,462.93	87,938.75	1,288,137.50	2,145,175.00	6,162,471.31	
01/01/27	2,192,900.00	4,523,946.88	4,349,114.37	2,209,071.88	631,462.93	892,938.75	1,288,137.50	2,146,175.00	18,233,747.31	24,396,218.62
07/01/27	499,700.00	253,243.75	903,746.38	437,896.88	363,679.10	79,888.75	1,288,137.50	2,145,162.50	5,971,454.86	
01/01/28	2,149,700.00	4,588,243.75	4,404,206.38	2,232,896.88	633,679.10	984,888.75	1,288,137.50	2,146,162.50	18,427,914.86	24,399,369.72
07/01/28	466,700.00	182,800.00	846,863.91	410,971.88	360,725.30	73,101.25	1,288,137.50	2,145,150.00	5,774,449.84	
01/01/29	2,116,700.00	4,662,800.00	4,461,088.91	2,260,971.88	635,725.30	1,053,101.25	1,288,137.50	2,146,150.00	18,624,674.84	24,399,124.68
07/01/29	433,700.00	93,200.00	788,132.75	383,221.88	357,579.30	66,731.25	1,288,137.50	2,145,137.50	5,555,840.18	
01/01/30	2,103,700.00	4,753,200.00	4,519,819.75	2,288,221.88	637,579.30	1,106,731.25	1,288,137.50	2,146,137.50	18,843,527.18	24,399,367.36
07/01/30	400,300.00		727,492.84	354,646.88	354,306.10	59,971.25	1,288,137.50	2,145,125.00	5,329,979.57	
01/01/31	1,755,300.00		4,580,459.84	2,314,646.88	5,629,306.10	1,164,971.25	1,288,137.50	2,146,125.00	18,878,946.57	24,208,926.14
07/01/31	373,200.00		664,882.12	325,246.88	292,113.85	52,236.25	1,288,137.50	2,145,112.50	5,140,929.10	
01/01/32	1,623,200.00		4,643,070.12	2,350,246.88	5,727,113.85	1,287,236.25	1,288,137.50	2,146,112.50	19,065,117.10	24,206,046.20
07/01/32	348,200.00		600,236.57	294,871.88	225,317.70	42,973.75	1,288,137.50	2,145,100.00	4,944,837.40	
01/01/33	1,598,200.00		4,707,715.57	2,384,871.88	5,840,317.70	1,297,973.75	1,288,137.50	2,146,100.00	19,263,316.40	24,208,153.80
07/01/33	323,200.00		533,490.04	263,521.88	154,905.60	33,247.50	1,288,137.50	2,145,087.50	4,741,590.02	
01/01/34	1,583,200.00		4,774,463.04	2,428,521.88	5,959,905.60	1,288,247.50	1,288,137.50	2,146,087.50	19,468,563.02	24,210,153.04
07/01/34	298,000.00		464,574.22	231,046.88	79,208.40	22,893.75	1,288,137.50	2,145,075.00	4,528,935.75	
01/01/35	1,593,000.00		4,843,378.22	2,471,046.88	6,039,208.40	1,297,893.75	1,288,137.50	2,149,075.00	19,681,739.75	24,210,675.50
07/01/35	272,100.00		393,418.66	197,446.88		12,375.00	1,288,137.50	2,145,025.00	4,308,503.04	
01/01/36	3,642,100.00		4,914,533.66	2,522,446.88		1,387,375.00	5,288,137.50	2,547,025.00	20,301,618.04	24,610,121.08
07/01/36	204,700.00		319,950.54	162,571.88			1,188,137.50	2,140,000.00	4,015,359.92	
01/01/37	5,219,700.00		4,988,002.54	2,572,571.88			5,263,137.50	2,555,000.00	20,598,411.92	24,613,771.84
07/01/37	104,400.00		244,094.70	124,915.63			1,086,262.50	2,134,812.50	3,694,485.33	
01/01/38	5,324,400.00		5,063,857.70	2,634,915.63			5,336,262.50	2,560,812.50	20,920,248.33	24,614,733.66 (2)
07/01/38			2,753,999.55	1,390,696.88			2,275,012.50	4,851,487.50	11,271,196.43	
01/01/39			2,553,999.87	1,395,306.25			2,472,637.50	4,853,462.50	11,275,406.12	22,546,602.55
07/01/39			2,753,999.74	1,399,525.00			2,279,512.50	4,850,987.50	11,284,024.74	
01/01/40			2,553,999.87	1,407,506.25			2,470,262.50	4,851,112.50	11,282,881.12	22,566,905.86
07/01/40							2,375,387.50	8,797,800.00	11,173,187.50	
01/01/41							2,376,887.50	8,798,712.50	11,175,600.00	22,348,787.50
07/01/41							2,377,387.50	8,791,550.00	11,168,937.50	
01/01/42							2,376,887.50	8,791,400.00	11,168,287.50	22,337,225.00
07/01/42							2,375,387.50	8,797,162.50	11,172,550.00	
01/01/43							2,377,887.50	8,792,750.00	11,170,637.50	22,343,187.50
07/01/43							2,374,262.50	8,791,275.00	11,165,537.50	
01/01/44							2,374,637.50	8,794,687.50	11,169,325.00	22,334,862.50
07/01/44							2,373,887.50	8,791,912.50	11,165,800.00	
01/01/45							2,372,012.50	8,789,012.50	11,161,025.00	22,326,825.00
07/01/45							2,374,012.50	8,795,975.00	11,169,987.50	
01/01/46							2,374,762.50	8,784,662.50	11,159,425.00	22,329,412.50
07/01/46							2,374,262.50	8,791,287.50	11,165,550.00	
01/01/47							2,372,512.50	8,794,612.50	11,167,125.00	22,332,675.00
07/01/47							2,374,512.50	8,791,662.50	11,166,175.00	
01/01/48							2,375,137.50	8,790,500.00	11,165,637.50	22,331,812.50
07/01/48							2,372,750.00	8,792,087.50	11,164,837.50	
01/01/49							2,374,406.25	8,792,375.00	11,166,781.25	22,331,618.75
07/01/49								11,670,362.50	11,670,362.50	
01/01/50								11,669,062.50	11,669,062.50	23,339,425.00
Totals	\$46,692,200.00	\$30,527,506.30	\$95,543,240.67	\$48,552,122.04	\$38,273,053.76	\$23,867,815.50	\$96,333,689.10	\$260,159,387.50	\$639,949,014.87	\$639,949,014.87

(1) Shown net of capitalized interest  
(2) Maximum annual debt service

(Subject to the attached letter dated July 1, 2022)



**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**

**Phase I**

**PRO FORMA ANNUAL REVENUE REQUIREMENTS  
AND ANNUAL REVENUES**

	Per IURC Order (3/2/2022)	Utility Receipts Tax Elimination	Ref.	URT Elimination Adjustment (7/1/2022)	Bond Sale Adjustment	Ref.	Debt Service True-Up (6/9/2022)
<b>Annual Revenue Requirements:</b>							
Operation and maintenance expense	\$30,153,643			\$30,153,643			\$30,153,643
Less: Utility Receipts Tax	-	(\$502,157)	(1)	(502,157)			(502,157)
Total Operating Expenses	30,153,643	(502,157)		29,651,486			29,651,486
Payment in lieu of taxes	3,590,000			3,590,000			3,590,000
Debt service							
Outstanding	17,527,945			17,527,945			17,527,945
Proposed	-			-			-
Debt Service Reserve	358,647			358,647	\$252,100	(2)	610,747
Allowance for capital improvements	9,300,000			9,300,000			9,300,000
Total Revenue Requirements	60,930,235	(502,157)		60,428,078	252,100		60,680,178
Less interest income	(22,218)			(22,218)			(22,218)
Less sewer portion of general expenses	(13,480,710)			(13,480,710)			(13,480,710)
Less other operating income	(212,504)			(212,504)			(212,504)
Less other nonoperating income	(482,627)			(482,627)			(482,627)
Net Revenue Requirements	<u>\$46,732,176</u>	<u>(\$502,157)</u>		<u>\$46,230,019</u>	<u>\$252,100</u>		<u>\$46,482,119</u>
<b>Annual Revenues:</b>							
Total Annual Operating Revenues	<u>\$44,522,227</u>	<u>\$ -</u>		<u>\$44,522,227</u>	<u>\$ -</u>		<u>\$44,522,227</u>
Additional Revenues Required	\$2,209,949	(\$502,157)		\$1,707,792	\$252,100		\$1,959,892
Additional Indiana utility receipts tax	24,466	(24,466)	(1)	-			-
Additional bad debt expense	6,881	(1,622)		5,259	776		6,035
Total Additional Revenues Required	<u>\$2,241,296</u>	<u>(\$528,245)</u>		<u>\$1,713,051</u>	<u>\$252,876</u>		<u>\$1,965,927</u>
Percentage Increase Requested	<u>5.03%</u>			<u>3.85%</u>			<u>4.42%</u>
Average Monthly Residential Bill (Previously \$39.94 assuming 5,000 gallons per month)	<u>\$41.94</u>			<u>\$41.48</u>			<u>\$41.69</u>

(1) Elimination of Indiana Utility Receipts Tax ("URT") as passed in House Enrolled Act 1002-2022.

(2) See pages 3 through 7, increase in the combined maximum annual debt service resulting in a higher debt service reserve requirement.

2022A Bonds: 6 monthly transfers of \$42,937.92	\$257,628
2022B Bonds: 3 monthly transfers of \$75,689.67	<u>227,069</u>
Required DSR Transfers	484,697
Less: DSR transfer per the Order	<u>(358,647)</u>
Annual requirement	126,050
Adjust: Phase I rates in place half year	<u>2</u>
Phase I DSR Adjustment	<u>\$252,100</u>

(Subject to the attached letter dated July 1, 2022)

**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**

**Phase II**

**PRO FORMA ANNUAL REVENUE REQUIREMENTS  
AND ANNUAL REVENUES**

	Per IURC Order (3/2/2022)	Utility Receipts Tax Elimination	Ref.	URT Elimination Adjustment (7/1/2022)	Bond Sale Adjustment	Ref.	Debt Service True-Up (6/9/2022)
<b>Annual Revenue Requirements:</b>							
Operation and maintenance expense	\$30,825,388	(\$26,088)	(1)	\$30,799,300	\$776	(1)	\$30,800,076
Less: Utility Receipts Tax	-	(502,157)	(2)	(502,157)			(502,157)
<b>Total Operating Expenses</b>	<b>30,825,388</b>	<b>(528,245)</b>		<b>30,297,143</b>	<b>776</b>		<b>30,297,919</b>
Payment in lieu of taxes	4,105,000			4,105,000			4,105,000
Debt service							
Outstanding	17,529,307			17,529,307			17,529,307
Proposed	-			-			-
Debt Service Reserve	1,146,710			1,146,710	276,821	(3)	1,423,531
Allowance for capital improvements	9,650,000			9,650,000			9,650,000
<b>Total Revenue Requirements</b>	<b>63,256,405</b>	<b>(528,245)</b>		<b>62,728,160</b>	<b>277,597</b>		<b>63,005,757</b>
Less interest income	(22,217)			(22,217)			(22,217)
Less sewer portion of general expenses	(13,969,664)			(13,969,664)			(13,969,664)
Less other operating income	(212,504)			(212,504)			(212,504)
Less other nonoperating income	(491,144)			(491,144)			(491,144)
<b>Net Revenue Requirements</b>	<b>\$48,560,876</b>	<b>(\$528,245)</b>		<b>\$48,032,631</b>	<b>\$277,597</b>		<b>\$48,310,228</b>
<b>Annual Revenues:</b>							
<b>Total Annual Operating Revenues</b>	<b>\$46,009,864</b>	<b>(\$528,244)</b>		<b>\$45,481,620</b>	<b>\$252,876</b>		<b>\$45,734,496</b>
Additional Revenues Required	\$2,551,012			\$2,551,011	\$24,721		\$2,575,732
Additional Indiana utility receipts tax	28,242	(\$28,242)	(2)	-			-
Additional bad debt expense	7,943	(87)		7,856	76		7,932
<b>Total Additional Revenues Required</b>	<b>\$2,587,197</b>	<b>(\$28,329)</b>		<b>\$2,558,867</b>	<b>\$24,797</b>		<b>\$2,583,664</b>
Percentage Increase Requested	5.62%			5.63%			5.65%
Average Monthly Residential Bill (Revised Phase I \$41.69 assuming 5,000 gallons per month)	\$44.32			\$43.80			\$44.07

(1) Operation and maintenance expenses reduced for the prior phase incremental URT and bad debt per the Order in Cause No. 45545 and increased by thecalculated prior phase incremental bad debt.

(2) Elimination of Indiana Utility Receipts Tax ("URT") as passed in House Enrolled Act 1002-2022.

(3) See pages 3 through 7, increase in the combined maximum annual debt service resulting in a higher debt service reserve requirement.

2022A Bonds: 12 monthly transfers of \$42,937.92	\$515,255
2022B Bonds: 12 monthly transfers of \$75,689.67	908,276
Required DSR Transfers	1,423,531
Less: DSR transfer per the Order	(1,146,710)
<b>Phase II DSR Adjustment</b>	<b>\$276,821</b>

(Subject to the attached letter dated July 1, 2022)

**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**

**Phase III**

**PRO FORMA ANNUAL REVENUE REQUIREMENTS  
AND ANNUAL REVENUES**

	Per IURC Order (3/2/2022)	Utility Receipts Tax Elimination	Ref.	URT Elimination Adjustment (7/1/2022)	Bond Sale Adjustment	Ref.	Debt Service True-Up (6/9/2022)
<b>Annual Revenue Requirements:</b>							
Operation and maintenance expense	\$30,861,573	(\$54,417)	(1)	\$30,807,156	\$852	(1)	\$30,808,008
Less: Utility Receipts Tax	-	(502,157)	(2)	(502,157)			(502,157)
<b>Total Operating Expenses</b>	<b>30,861,573</b>	<b>(556,574)</b>		<b>30,304,999</b>	<b>852</b>		<b>30,305,851</b>
Payment in lieu of taxes	4,445,000			4,445,000			4,445,000
Debt service							
Outstanding	17,527,670			17,527,670			17,527,670
Proposed	2,145,188			2,145,188			2,145,188
Debt Service Reserve	1,146,710			1,146,710	276,821	(3)	1,423,531
Allowance for capital improvements	10,050,000			10,050,000			10,050,000
<b>Total Revenue Requirements</b>	<b>66,176,141</b>	<b>(556,574)</b>		<b>65,619,567</b>	<b>277,673</b>		<b>65,897,240</b>
Less interest income	(22,217)			(22,217)			(22,217)
Less sewer portion of general expenses	(13,969,664)			(13,969,664)			(13,969,664)
Less other operating income	(212,504)			(212,504)			(212,504)
Less other nonoperating income	(491,144)			(491,144)			(491,144)
<b>Net Revenue Requirements</b>	<b>\$51,480,612</b>	<b>(\$556,574)</b>		<b>\$50,924,038</b>	<b>\$277,673</b>		<b>\$51,201,711</b>
<b>Annual Revenues:</b>							
<b>Total Annual Operating Revenues</b>	<b>\$48,597,060</b>	<b>(\$556,573)</b>		<b>\$48,040,487</b>	<b>\$277,673</b>		<b>\$48,318,160</b>
Additional Revenues Required	\$2,883,552			\$2,883,551	\$ -		\$2,883,551
Additional Indiana utility receipts tax	31,923	(\$31,923)	(2)	-			-
Additional bad debt expense	8,978	(98)		8,880			8,880
<b>Total Additional Revenues Required</b>	<b>\$2,924,453</b>	<b>(\$32,021)</b>		<b>\$2,892,431</b>	<b>\$ -</b>		<b>\$2,892,431</b>
Percentage Increase Requested	6.02%			6.02%			5.99%
Average Monthly Residential Bill (Revised Phase II \$44.07 assuming 5,000 gallons per month)	\$46.97			\$46.44			\$46.71

(1) Operation and maintenance expenses reduced for the prior phase incremental URT and bad debt per the Order in Cause No. 45545 and increased by the calculated prior phase incremental bad debt.

(2) Elimination of Indiana Utility Receipts Tax ("URT") as passed in House Enrolled Act 1002-2022.

(3) See pages 3 through 7, increase in the combined maximum annual debt service resulting in a higher debt service reserve requirement.

2022A Bonds: 12 monthly transfers of \$42,937.92	\$515,255
2022B Bonds: 12 monthly transfers of \$75,689.67	908,276
Required DSR Transfers	1,423,531
Less: DSR transfer per the Order	(1,146,710)
Phase III DSR Adjustment	<u>\$276,821</u>

(Subject to the attached letter dated July 1, 2022)

**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**

**Phase IV**

**PRO FORMA ANNUAL REVENUE REQUIREMENTS  
AND ANNUAL REVENUES**

	Per IURC Order (3/2/2022)	Utility Receipts Tax Elimination	Ref.	URT Elimination Adjustment (7/1/2022)	Bond Sale Adjustment	Ref.	Debt Service True-Up (6/9/2022)
<b>Annual Revenue Requirements:</b>							
Operation and maintenance expense	\$30,902,474	(\$86,438)	(1)	\$30,816,036	\$852	(1)	\$30,816,888
Less: Utility Receipts Tax	-	(502,157)	(2)	(502,157)			(502,157)
<b>Total Operating Expenses</b>	<b>30,902,474</b>	<b>(588,595)</b>		<b>30,313,879</b>	<b>852</b>		<b>30,314,731</b>
Payment in lieu of taxes	4,785,000			4,785,000			4,785,000
Debt service							
Outstanding	17,528,796			17,528,796			17,528,796
Proposed	5,011,075			5,011,075	733,033	(3)	5,744,108
Debt Service Reserve	1,146,710			1,146,710	276,821	(4)	1,423,531
Allowance for capital improvements	9,550,000			9,550,000			9,550,000
<b>Total Revenue Requirements</b>	<b>68,924,055</b>	<b>(588,595)</b>		<b>68,335,460</b>	<b>1,010,706</b>		<b>69,346,166</b>
Less interest income	(22,217)			(22,217)			(22,217)
Less sewer portion of general expenses	(13,969,664)			(13,969,664)			(13,969,664)
Less other operating income	(212,504)			(212,504)			(212,504)
Less other nonoperating income	(491,144)			(491,144)			(491,144)
<b>Net Revenue Requirements</b>	<b>\$54,228,526</b>	<b>(\$588,595)</b>		<b>\$53,639,931</b>	<b>\$1,010,706</b>		<b>\$54,650,637</b>
<b>Annual Revenues:</b>							
<b>Total Annual Operating Revenues</b>	<b>\$51,521,513</b>	<b>(\$588,595)</b>		<b>\$50,932,918</b>	<b>\$277,673</b>		<b>\$51,210,591</b>
Additional Revenues Required	\$2,707,013			\$2,707,013	\$733,033		\$3,440,046
Additional Indiana utility receipts tax	29,969	(\$29,969)	(2)	-			-
Additional bad debt expense	8,428	(92)		8,336	2,257		10,593
<b>Total Additional Revenues Required</b>	<b>\$2,745,410</b>	<b>(\$30,061)</b>		<b>\$2,715,349</b>	<b>\$735,290</b>		<b>\$3,450,639</b>
Percentage Increase Requested	5.33%			5.33%			6.74%
Average Monthly Residential Bill (Revised Phase III \$46.71 assuming 5,000 gallons per month)	\$49.48			\$48.89			\$49.87

- (1) Operation and maintenance expenses reduced for the prior phase incremental URT and bad debt per the Order in Cause No. 45545 and increased by thecalculated prior phase incremental bad debt.
- (2) Elimination of Indiana Utility Receipts Tax ("URT") as passed in House Enrolled Act 1002-2022.
- (3) See pages 3 through 7, increase in debt service on the 2022A and 2022B Bonds for the July 1, 2025 payment and January 1, 2026 payment.
- (4) See pages 3 through 7, increase in the combined maximum annual debt service resulting in a higher debt service reserve requirement.

2022A Bonds: 12 monthly transfers of \$42,937.92	\$515,255
2022B Bonds: 12 monthly transfers of \$75,689.67	908,276
	<u>1,423,531</u>
Required DSR Transfers	1,423,531
Less: DSR transfer per the Order	<u>(1,146,710)</u>
Phase IV DSR Adjustment	<u>\$276,821</u>

(Subject to the attached letter dated July 1, 2022)

**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**

**Phase V**

**PRO FORMA ANNUAL REVENUE REQUIREMENTS  
AND ANNUAL REVENUES**

	Per IURC Order (3/2/2022)	Utility Receipts Tax Elimination	Ref.	URT Elimination Adjustment (7/1/2022)	Bond Sale Adjustment	Ref.	Debt Service True-Up (6/9/2022)
<b>Annual Revenue Requirements:</b>							
Operation and maintenance expense	\$30,940,871	(\$116,499)	(1)	\$30,824,372	\$3,109	(1)	\$30,827,481
Less: Utility Receipts Tax	-	(502,157)	(2)	(502,157)			(502,157)
<b>Total Operating Expenses</b>	<b>30,940,871</b>	<b>(618,656)</b>		<b>30,322,215</b>	<b>3,109</b>		<b>30,325,324</b>
Payment in lieu of taxes	5,330,000			5,330,000			5,330,000
Debt service							
Outstanding	17,531,770			17,531,770			17,531,770
Proposed	5,730,725			5,730,725	1,136,900	(3)	6,867,625
Debt Service Reserve	1,146,710			1,146,710	276,821	(4)	1,423,531
Allowance for capital improvements	10,477,900			10,477,900			10,477,900
<b>Total Revenue Requirements</b>	<b>71,157,976</b>	<b>(618,656)</b>		<b>70,539,320</b>	<b>1,416,830</b>		<b>71,956,150</b>
Less interest income	(22,217)			(22,217)			(22,217)
Less sewer portion of general expenses	(13,969,664)			(13,969,664)			(13,969,664)
Less other operating income	(212,504)			(212,504)			(212,504)
Less other nonoperating income	(491,144)			(491,144)			(491,144)
<b>Net Revenue Requirements</b>	<b>\$56,462,447</b>	<b>(\$618,656)</b>		<b>\$55,843,791</b>	<b>\$1,416,830</b>		<b>\$57,260,621</b>
<b>Annual Revenues:</b>							
<b>Total Annual Operating Revenues</b>	<b>\$54,266,923</b>	<b>(\$618,656)</b>		<b>\$53,648,267</b>	<b>\$1,012,963</b>		<b>\$54,661,230</b>
Additional Revenues Required	\$2,195,524			\$2,195,524	\$403,867		\$2,599,391
Additional Indiana utility receipts tax	24,306	(\$24,306)	(2)	-			-
Additional bad debt expense	6,835	(74)	(74)	6,761	1,244		8,005
<b>Total Additional Revenues Required</b>	<b>\$2,226,665</b>	<b>(\$24,380)</b>		<b>\$2,202,285</b>	<b>\$405,111</b>		<b>\$2,607,396</b>
Percentage Increase Requested	4.10%			4.11%			4.77%
Average Monthly Residential Bill (Revised Phase IV \$49.87 assuming 5,000 gallons per month)	\$51.48			\$50.89			\$52.25

- (1) Operation and maintenance expenses reduced for the prior phase incremental URT and bad debt per the Order in Cause No. 45545 and increased by the calculated prior phase incremental bad debt.
- (2) Elimination of Indiana Utility Receipts Tax ("URT") as passed in House Enrolled Act 1002-2022.
- (3) See pages 3 through 7, increase in debt service on the 2022A and 2022B Bonds for the July 1, 2026 payment and January 1, 2027 payment.
- (4) See pages 3 through 7, increase in the combined maximum annual debt service resulting in a higher debt service reserve requirement.

2022A Bonds: 12 monthly transfers of \$42,937.92	\$515,255
2022B Bonds: 12 monthly transfers of \$75,689.67	908,276
Required DSR Transfers	1,423,531
Less: DSR transfer per the Order	(1,146,710)
Phase V DSR Adjustment	<u>\$276,821</u>

(Subject to the attached letter dated July 1, 2022)

EVANSVILLE (INDIANA) WATERWORKS DISTRICT

**SCHEDULE OF PRESENT AND REVISED RATES AND CHARGES**

(A) <u>Monthly Service Charge</u>	Meter Size:	Prior (1)	Present Phase I (2)	Future				
				Revised Phase I (3)	Revised Phase II (4)	Revised Phase III (5)	Revised Phase IV (6)	Revised Phase V (7)
	5/8 - 3/4 inch meter	\$8.94	\$9.39	\$9.34	\$9.87	\$10.46	\$11.17	\$11.70
	1 inch meter	10.64	11.18	11.11	11.74	12.44	13.28	13.91
	1 1/4 inch meter	11.74	12.33	12.26	12.95	13.73	14.66	15.36
	1 1/2 inch meter	12.55	13.18	13.10	13.84	14.67	15.66	16.41
	2 inch meter	17.17	18.03	17.93	18.94	20.07	21.42	22.44
	3 inch meter	52.15	54.77	54.46	57.54	60.99	65.10	68.21
	4 inch meter	65.07	68.34	67.95	71.79	76.09	81.22	85.09
	6 inch meter	95.25	100.04	99.46	105.08	111.37	118.88	124.55
	8 inch meter	129.72	136.24	135.45	143.10	151.67	161.89	169.61
	10 inch meter	168.46	176.93	175.91	185.85	196.98	210.26	220.29
(B) <u>Volume Charge</u> (In addition to monthly service charge)								
<u>Consumption per Month</u>								
	First 20,000 gallons	\$6.20	\$6.51	\$6.47	\$6.84	\$7.25	\$7.74	\$8.11
	Next 280,000 gallons	4.84	5.08	5.05	5.34	5.66	6.04	6.33
	Next 700,000 gallons	4.37	4.59	4.56	4.82	5.11	5.45	5.71
	Next 2,000,000 gallons	3.85	4.04	4.02	4.25	4.50	4.80	5.03
	Over 3,000,000 gallons	2.91	3.06	3.04	3.21	3.40	3.63	3.80
(C) <u>Fire Protection Service</u>								
<u>Monthly Surcharge for fire protection</u>								
	5/8 inch meter	\$5.18	\$5.44	\$5.41	\$5.72	\$6.06	\$6.47	\$6.78
	1 inch meter	12.95	13.60	13.52	14.28	15.14	16.16	16.93
	1 1/2 inch meter	25.92	27.22	27.07	28.60	30.31	32.35	33.89
	2 inch meter	41.47	43.56	43.30	45.75	48.49	51.76	54.23
	3 inch meter	77.76	81.67	81.20	85.79	90.93	97.06	101.69
	4 inch meter	129.58	136.10	135.31	142.96	151.52	161.73	169.44
	6 inch meter	259.19	272.23	270.65	285.94	303.07	323.50	338.93

- (1) Prior rates and charges approved by IURC pursuant to Cause No. 45073 on December 9, 2018 and became effective on January 1, 2021.
- (2) Present rates and charges pursuant to IURC Cause No. 45545 represent a 5.03% across-the-board rate increase in prior rates and charges effective July 1, 2022.
- (3) Revised Phase I rates and charges represent a 4.42% across-the-board rate increase in prior rates and charges effective following the results of this True-Up Report.
- (4) Revised Phase II rates and charges represent a 5.65% across-the-board rate increase in Phase I rates and charges effective April 1, 2023.
- (5) Revised Phase III rates and charges represent a 5.99% across-the-board rate increase in Phase II rates and charges effective April 1, 2024.
- (6) Revised Phase IV rates and charges represent a 6.74% across-the-board rate increase in Phase III rates and charges effective April 1, 2025.
- (7) Revised Phase V rates and charges represent a 4.77% across-the-board rate increase in Phase IV rates and charges effective April 1, 2026.

(Continued on next page)

(Subject to the attached letter dated July 1, 2022)

**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**

(Cont'd)

**SCHEDULE OF PRESENT AND REVISED RATES AND CHARGES**

		Future						
		Present	Revised	Revised	Revised	Revised	Revised	Revised
		Phase I	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase V
(C) <u>Fire Protection Service (Cont'd)</u>	Prior	(2)	(3)	(4)	(5)	(6)	(7)	(7)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Private Connections, each per annum:</u>								
1	inch meter	\$7.62	\$8.00	\$7.96	\$8.41	\$8.91	\$9.51	\$9.96
2	inch meter	42.31	44.44	44.18	46.68	49.48	52.81	55.33
3	inch meter	116.99	122.87	122.16	129.06	136.79	146.01	152.97
4	inch meter	239.69	251.75	250.28	264.42	280.26	299.15	313.42
6	inch meter	660.05	693.25	689.22	728.16	771.78	823.80	863.10
8	inch meter	1,355.31	1,423.48	1,415.21	1,495.17	1,584.73	1,691.54	1,772.23
10	inch meter	2,367.21	2,486.28	2,471.84	2,611.50	2,767.93	2,954.49	3,095.42
12	inch meter	3,734.41	3,922.25	3,899.47	4,119.79	4,366.57	4,660.88	4,883.20
(D) <u>Customer Meter Deposit</u>								
	Residential	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
	Commercial/Industrial	65.00	65.00	65.00	65.00	65.00	65.00	65.00
(E) <u>Split Service Fee</u>		\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
(F) <u>Developer Installed Service Charge</u>								
	3/4 inch meter	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
	1 inch meter	230.00	230.00	230.00	230.00	230.00	230.00	230.00

- (1) Prior rates and charges approved by IURC pursuant to Cause No. 45073 on December 9, 2018 and became effective on January 1, 2021.
- (2) Present rates and charges pursuant to IURC Cause No. 45545 represent a 5.03% across-the-board rate increase in prior rates and charges effective July 1, 2022.
- (3) Revised Phase I rates and charges represent a 4.42% across-the-board rate increase in prior rates and charges effective following the results of this True-Up Report.
- (4) Revised Phase II rates and charges represent a 5.65% across-the-board rate increase in Phase I rates and charges effective April 1, 2023.
- (5) Revised Phase III rates and charges represent a 5.99% across-the-board rate increase in Phase II rates and charges effective April 1, 2024.
- (6) Revised Phase IV rates and charges represent a 6.74% across-the-board rate increase in Phase III rates and charges effective April 1, 2025.
- (7) Revised Phase V rates and charges represent a 4.77% across-the-board rate increase in Phase IV rates and charges effective April 1, 2026.

(Continued on next page)

(Subject to the attached letter dated July 1, 2022)

**EVANSVILLE (INDIANA) WATERWORKS DISTRICT**

**(Cont'd)**

**SCHEDULE OF PRESENT AND REVISED RATES AND CHARGES**

	Prior	Present Phase I	Revised Phase I	Revised Phase II	Future Revised Phase III	Revised Phase IV	Revised Phase V
<b>(G) <u>Temporary Fire Hydrant Meter Fee</u></b>							
1 inch	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
2 inch and larger	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>(H) <u>Bad Check Charge</u></b>	\$23.00	\$23.00	\$23.00	\$23.00	\$23.00	\$23.00	\$23.00
<b>(I) <u>Reconnection Charge</u></b>	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00
<b>(J) <u>Collection of Deferred Payment Charge</u></b>			10% of 1st \$3.00: 3% of remainder of bill.				
<b>(K) <u>Meter Test Fee (Customer Request)</u></b>	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
<b>(L) <u>Meter Re-Read Fee (Customer Request)</u></b>	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00	\$34.00
<b>(M) <u>Damaged Meter Fee (Customer Negligence)</u></b>							
3/4 inch meter	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00
Larger than 3/4 inch	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost
<b>(N) <u>Damaged SmartPoint Fee (Customer Negligence)</u></b>	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
<b>(O) <u>Service Fee (Customer Request)</u></b>	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
<b>(P) <u>Temporary Meter Deposit</u></b>							
5/8 inch meter	\$145.00	\$145.00	\$145.00	\$145.00	\$145.00	\$145.00	\$145.00
3/4 inch meter	160.00	160.00	160.00	160.00	160.00	160.00	160.00
1 inch meter	180.00	180.00	180.00	180.00	180.00	180.00	180.00

(Subject to the attached letter dated July 1, 2022)