

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF JACKSON COUNTY)
WATER UTILITY, INC., FOR)
AUTHORITY TO ISSUE LONG TERM) CAUSE NO. 45640 PHASE 2
DEBT AND CHANGES TO ITS RATES,)
CHARGES AND TARIFF)

PUBLIC'S EXHIBIT NO. 6

TESTIMONY OF JAMES T. PARKS

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

DECEMBER 13, 2022

Respectfully submitted,

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR



Daniel M. Le Vay, Attorney No. 22184-49
Deputy Consumer Counselor
OFFICE OF UTILITY CONSUMER COUNSELOR
115 W. Washington St. Suite 1500 South
Indianapolis, IN 46204
Email: dlevay@oucc.in.gov
infomgt@oucc.in.gov

CERTIFICATE OF SERVICE

This is to certify that a copy of the *Public's Exhibit No. 6– OUCC's Testimony of James T. Parks on behalf of the OUCC* has been served upon the following counsel of record in the captioned proceeding by electronic service on December 13, 2022.

Jeffrey M. Peabody
Lauren Aguilar
BARNES & THORNBURG LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Email: jpeabody@btlaw.com
laguilar@btlaw.com



Daniel M. Le Vay
Deputy Consumer Counselor

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
115 West Washington Street
Suite 1500 South
Indianapolis, IN 46204
infomgt@oucc.in.gov
317/232-2494 – Phone
317/232-5923 – Facsimile

TESTIMONY OF OUCC WITNESS JAMES T. PARKS
CAUSE NO. 45640 (PHASE 2)
JACKSON COUNTY WATER UTILITY, INC.

I. INTRODUCTION

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

2 A: My name is James T. Parks, P.E., and my business address is 115 W. Washington
3 Street, Suite 1500 South, Indianapolis, IN 46204.

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

5 A: I am employed by the Office of Utility Consumer Counselor ("OUCC") as a Senior
6 Utility Analyst in the Water/Wastewater Division. My qualifications and
7 experience are described in Appendix A.

8 **Q: What is the purpose of your testimony?**

9 A: Jackson County Water Utility, Inc. ("Jackson County," "Petitioner" or "Utility")
10 requests authority to increase its rates and charges by 9.20% to generate additional
11 revenue of \$354,349 and total revenues of \$4,206,946.¹ Petitioner's request
12 includes increasing its Extensions and Replacements ("E&R") revenue requirement
13 from the \$458,000 approved by the Commission in Cause No. 44986 in 2019 to
14 \$481,000, a 5% increase.² I identify and correct a data entry error in Petitioner's
15 calculation of its proposed E&R revenue requirement. I discuss the need for

¹ In its Phase 2 Case-in-Chief testimony submitted on September 7, 2022, Jackson County requested an 8.78% across-the-board rate increase to generate additional revenues of \$338,266. However, in its revised testimony for Phase 2 submitted on December 1, 2022, Petitioner revised its request and now seeks authority to increase its rates and charges by 9.20% to generate additional revenue of \$354,349 and total revenues of \$4,206,946. *See* Exhibit D in Revised Attachment ELR-1 to the Revised Case-in-Chief Testimony of Earl L. Ridlen III, December 1, 2022, p. 10 of 28.

² *See* the Revised Case-in-Chief testimony of Larry W. McIntosh, December 1, 2022, p. Revised LWM-5.

1 Petitioner to develop a Tank Maintenance Program as part of Periodic Maintenance
2 expenses to adequately clean, inspect, and maintain its ten water storage tanks,
3 including recoating its six steel storage tanks to optimize and prolong their service
4 lives. I recommend Petitioner develop a capital improvement plan as part of its
5 required Asset Management Plan. Finally, I recommend Petitioner employ several
6 best practices in its operations.

7 **Q: Please describe the review and analysis you conducted to prepare your**
8 **testimony.**

9 A: I reviewed Jackson County Water's Verified Petition and the original and revised
10 testimonies of Larry W. McIntosh, General Manager of Jackson County Water, and
11 Earl L. Ridlen III, Certified Public Accountant with LWG CPAs and Advisors.³ I
12 reviewed Petitioner's prior testimony in Cause Nos. 41203 (1998), 43289 (2007),
13 44461 (2015) and 44986 (2018) regarding its extensions and replacements. I
14 reviewed Petitioner's Preliminary Engineering Reports. I reviewed Petitioner's
15 responses to OUCC data requests and compiled the attachments listed in Appendix
16 B. Finally, I reviewed the Commission's Final Orders in Cause Nos. 43289 (2008),
17 44461 (2015) and 44986 (2019) regarding E&R revenue requirements.

II. EXTENSIONS AND REPLACEMENTS ("E&R")

18 **Q: Has Petitioner requested an E&R revenue requirement?**

19 A: Yes. Under Indiana Code as a not-for-profit water utility, Petitioner is not entitled
20 to include depreciation expense as a revenue requirement but instead may secure

³ The original Case-in-Chief testimonies for Phase 2 were filed on September 7, 2022. Petitioner filed revised Phase 2 testimonies on December 1, 2022.

1 *pro forma* annual extensions and replacements (“E&R”).⁴ Petitioner’s accounting
2 witness, Earl L. Ridlen, III, sponsors Attachment ELR-1, which is the Rate Report
3 prepared by LWG CPAs and Advisors (“LWG”).⁵ In Exhibit D of the Rate Report,
4 Petitioner proposes to recover \$481,000 annually through its E&R revenue
5 requirement.⁶

6 **Q: Has Petitioner provided an additional exhibit documenting the proposed E&R**
7 **revenue requirement?**

8 A: No. In its Case-in-Chief testimony, Petitioner does not support its’ E&R request
9 with a capital improvement plan or other supporting documentation. Petitioner’s
10 witness Larry McIntosh, Jackson County Water’s General Manager, identified the
11 \$481,000 as an approximate five percent increase from the \$458,000 E&R revenue
12 requirement approved in Cause 44986.⁷ This 2019 E&R amount matched the
13 \$458,000 E&R revenue requirement approved previously in Cause No. 44461 in
14 2015.^{8, 9}

⁴ IC 8-1-2-125 Not-for-profit utilities; services and facilities; reasonable and just charges

⁵ See Revised Attachment ELR-1, Rate Report in the Revised Case-in-Chief Testimony of Earl L. Ridlen, III for Exhibit D, Statement of Annual Cash Requirements prepared by LWG CPAs and Advisors, December 1, 2022, page 10 of 28. The Rate Report is based on the twelve months ended December 31, 2021.

⁶ In Exhibit D of the Rate Report, Petitioner’s witness Mr. Ridlen incorrectly indicated the requested \$481,000 was the greater of depreciation expense or E&R, instead of identifying it as E&R.

⁷ Final Order, Cause No. 44986, April 17, 2019, p. 10.

⁸ Final Order, Cause No. 44461, December 9, 2015, p. 9.

⁹ In Exhibit G to the Rate Report in Cause No. 44461 in 2015, Petitioner listed seventeen (17) capital projects at an estimated cost of \$2,290,000 which amortized over five years resulted in the annual E&R cost of \$458,000. Calculated as the \$2,290,000 E&R cost divided by five years equals \$458,000 per year.

1 **Q: Did the OUCC seek additional information regarding the proposed E&R?**

2 A: Yes. In its Data Request 3-13, the OUCC asked several questions seeking additional
3 support or clarification regarding the requested \$481,000 E&R amount.¹⁰
4 Petitioner's response to OUCC DR 3-13 is included as Attachment JTP-1.

5 **Q: Do you have a concern about Petitioner's requested \$481,000 E&R amount?**

6 A: Yes. In response to discovery, Petitioner tabulated E&R costs it reported incurring
7 over three years (2019 - 2021) which averaged \$491,970.25. Petitioner's E&R
8 request is slightly below this average amount. However, a data entry error in the
9 column labeled "2020," caused by the insertion of a period instead of a comma,
10 indicates Petitioner purchased three new pickup trucks for "93.331.30." The
11 amount should read "\$93,331.30."

12 **Q: Did you calculate a corrected average E&R cost for 2019 to 2021?**

13 A: Yes. Substituting the correct \$93,331.30 amount for the pickups, and otherwise
14 using the same methodology that Petitioner used, I calculated Petitioner's average
15 E&R amount over the three years should be \$523,081 or \$42,801 higher than the
16 requested \$481,000.¹¹

17 **Q: Do you have a recommendation for Petitioner's E&R revenue requirement?**

18 A: Yes. I recommend the Commission set Petitioner's E&R revenue requirement at the
19 OUCC's corrected amount of \$523,081.

20 **Q: Do you have any other concerns about Petitioner's E&R program?**

21 A: Yes. Petitioner's response to OUCC DR 3-13 indicates confusion about Jackson

¹⁰ See Attachment JTP-1 for Petitioner's response to DR 3-13 regarding support for its requested \$481,000 E&R revenue requirement and Petitioner's tabulation of E&R costs incurred over the 2019 to 2021 period.

¹¹ See Attachment JTP-2 for the OUCC's corrections to Petitioner's tabulation of E&R costs incurred over the 2019 to 2021 period provided by the Petitioner as DR 3-13 Attachment 1.

1 County's spending on E&R. Petitioner reported conflicting E&R amounts for 2020
2 and the 2021 Test Year between its response to DR 3-13 (a) and DR 3-13
3 Attachment 1. In its response to DR 3-13 (a) Petitioner stated the total spent on
4 E&R projects per the audited financials in the 2021 test year was \$811,171.
5 However, DR 3-13 Attachment 1 listed the amount as \$640,895.89. Similarly, for
6 2020, Petitioner reported spending \$899,094 compared to only \$346,545.68 of
7 E&R shown in Attachment 1. Finally, while Petitioner has an Asset Management
8 Plan, Petitioner's response indicated it does not have a current 3-to-5-year capital
9 improvement plan.

III. CAPITAL IMPROVEMENT PLAN ("CIP")

10 **Q: When did Petitioner create its Asset Management Plan?**

11 A: Petitioner first reported it had an Asset Management Plan in its 2019 IURC Annual
12 Report. A Capital Asset Management Plan, as described in IC 13-18-26-4, is
13 required for water and wastewater treatment plant permits.¹² Under terms of the
14 Drinking Water State Revolving Fund ("DWSRF") program for project loans, the
15 Indiana Finance Authority requires utilities to certify they have an Asset
16 Management Program on an AMP Certification Form.¹³ The AMP Certification,
17 per Indiana Code 5-1.2-10-16, requires a utility that receives a loan or other
18 financial assistance from the State Revolving Fund Loan Program (SRF) to certify
19 it has documentation demonstrating it has the financial, managerial, technical and

¹² See Attachment JTP-3 for IC 13-18-26-4 Chapter 26. Permit and Permit Application Conditions for Water and Wastewater Treatment Plants.

¹³ See Attachment JTP-4 for the State Revolving Fund Loan Program's Asset Management Program Certification Form Inclusive of Fiscal Sustainability Plan Certification

1 legal capability to operate and maintain its water or wastewater collection and
2 treatment system. A utility must demonstrate that it has developed an asset
3 management program as defined in the Indiana Finance Authority's (Authority)
4 Asset Management Program Guidelines. The Indiana Finance Authority states that:

5 AMPs are intended to ensure the long-term sustainability of a Utility and
6 should be treated as "living documents" that are regularly referenced,
7 revised, expanded, and implemented as an integral part of the operation and
8 management of a Utility's system. They provide a structured framework of
9 the asset information to help the Utility and stakeholders determine when it
10 is most appropriate to repair, replace, or rehabilitate a particular asset as
11 well as scheduling a long-term funding strategy to ensure sufficient funds
12 will be available to implement the Utility's improvements as needed. The
13 objective of an AMP is to achieve the lowest long-term cost of operation
14 while continuously providing the desired level of service.¹⁴

15 **Q: Is a Capital Improvement Plan part of an Asset Management Plan?**

16 A: Yes. Petitioner is required to have a Plan for Maintaining, Repairing, and Replacing
17 the Utility System's Assets and Plan for Funding with a recommended fiscal
18 planning period of 20 years. In the past, utilities typically had a shorter-term Capital
19 Improvement Plan of three to five years that generally matched the period for rate
20 increases. The shorter CIP period focused on near term, more critical needs.

21 **Q: Has Petitioner acknowledged it needs to have a current Capital Improvement**
22 **Plan?**

23 A: Yes. In response to OUCC discovery, Petitioner reported it does not have a current
24 3-to-5-year capital improvement plan but will be working with its engineer to
25 develop a new five-year capital improvement plan in the next year (2023).¹⁵

¹⁴ See <https://www.in.gov/ifa/srf/files/AMP-Guidance-Packet-update-9-17-2019.pdf> for Asset Management Program Guidance for the Indiana State Revolving Fund Loan Program.

¹⁵ See Attachment JTP-1 for Petitioner's response to DR 3-13 (b).

1 **Q: What do you recommend regarding Petitioner's Asset Management Program**
2 **and updating the Capital Improvement Plan?**

3 A: I agree Petitioner should prepare a new five-year plan as part of its Asset
4 Management Program. I also recommend Petitioner submit both the new five-year
5 Capital Improvement Plan and its Capital Asset Management Plan to the
6 Commission and the OUCC within 60 days of their completion. Finally, I also
7 recommend that Petitioner submit these plans in its next rate case.

IV. PERIODIC MAINTENANCE EXPENSE

8 **Q: Did Petitioner list its anticipated Periodic Maintenance expenses?**

9 A: No.

10 **Q: What typical components are included as Periodic Maintenance expenses?**

11 A: Periodic maintenance includes work to keep water system components in good
12 operating condition to prolong their service lives and include such items as well
13 cleaning, well pump and motor repairs, water treatment plant repairs, booster
14 station repairs, and water storage tanks cleaning, inspection, repairs, and recoating.
15 Tank maintenance including repainting is a higher cost periodic maintenance
16 expense that is amortized over many years to reduce the impact on customers.

17 **Q: Does Petitioner have a restricted Tank Maintenance Fund?**

18 A: Yes. In a 2007 Settlement Agreement under Cause No. 43289, Petitioner agreed to
19 establish a restricted account to segregate funds collected through rates for tank
20 painting so that the funds will be available when needed for tank painting.¹⁶
21 Petitioner was permitted to access those funds for other uses in the event of an
22 emergency.

¹⁶ Final Order, Cause No. 43289, January 4, 2008, pp. 4-5.

1 **Q: Does Petitioner currently have funds in the Tank Maintenance Fund?**

2 A: Yes. It appears that as of December 31, 2021, Petitioner had \$609,966 in the fund.¹⁷

3 Per the settlement, Petitioner was to add \$65,450 annually to the Tank Maintenance
4 Fund based on Petitioner's 2007 tank painting contractor's budgetary estimate of
5 \$981,753 to paint Petitioner's eight steel water storage tanks in a 15-year cycle.

6 **Q: Are current funds sufficient to paint all of Petitioner's tanks?**

7 A: No. Petitioner painted two of its eight steel water tanks (in 2008 and 2014) after the
8 fund was established and replaced two storage tanks with glass lined tanks (that do
9 not require painting) with capital funds. Petitioner now has six tanks that require
10 periodic painting. Updating the 2007 tank painting quote to 2023, I calculate
11 Petitioner will need approximately \$1.765 million to paint these six tanks (2023
12 dollars) but only has \$609,966 available. The revenue requirement to fund tank
13 painting should be approximately \$120,000 per year based on a 15-year repainting
14 cycle.

15 **Q: Should Petitioner continue to fund its restricted Tank Maintenance Fund?**

16 A: Yes. Moreover, I recommend Petitioner develop a Tank Maintenance program in
17 2023 based on quotations from Tank Painting contractors to establish the funding
18 level it needs to include in future rates to fund cleaning, inspections, repairs, and
19 repainting. I understand Petitioner wants to limit the rate increase in this cause to
20 9.20% and will not be able to fully fund the \$120,000 annual revenue requirement
21 I calculated for tank painting. OUCC witness Ronald M. Perkins addresses the
22 funds available for annual additions to the Tank Maintenance fund. I recommend

¹⁷ 2021 IURC Annual Report, p. F-10.

1 that the Commission direct Petitioner to place \$47,500 annually in the Tank
2 Maintenance Fund.

3 **Q: Do you have any other recommendations regarding tank inspection and**
4 **maintenance?**

5 A: Yes. I recommend that Petitioner follow the operation and maintenance best
6 practices for treated water storage facilities as set forth in ANSI/AWWA's G200,
7 Distribution Systems Operation and Management (AWWA G200), more
8 specifically, Section 4.3.1.3, Inspection and Section 4.3.1.4 Maintenance of Treated
9 Water Storage Facilities. These sections address the need for water utilities to have
10 a written tank inspection program and tank maintenance program including
11 cleaning and refurbishing of facilities.¹⁸ "A good, comprehensive preventive
12 maintenance program can extend the life of an existing tank (as well as that of a
13 new tank) indefinitely."¹⁹

V. RECOMMENDATIONS

14 **Q: What do you recommend regarding Petitioner's Phase 2 rates?**

15 A: I have the following recommendations:

- 16 1) I recommend that the Commission set Petitioner's E&R revenue requirement at
17 \$523,081.
- 18 2) I recommend Petitioner be required to prepare a new five-year Capital
19 Improvement Plan as part of its Asset Management Program.
- 20 3) I recommend Petitioner be required to submit both the new five-year Capital

¹⁸ See also AWWA Manual M42, *Steel Water-Storage Tanks*, Chapters 8 and 9, for additional information on tank inspections and maintenance, pp. 89 to 108.

¹⁹ AWWA Manual M42, *Steel Water-Storage Tanks*, p. 95.

1 Improvement Plan and its Capital Asset Management Plan to the Commission
2 and the OUCC within 60 days of their completion.

3 4) I recommend Petitioner be required to submit its current five-year Capital
4 Improvement Plan and its updated Capital Asset Management Plan in its next
5 rate case.

6 5) I recommend Petitioner be required to develop a Tank Maintenance program in
7 2023 based on quotations from Tank Painting contractors to establish the
8 funding level to include in future rates to fund cleaning, inspections, repairs,
9 and repainting.

10 6) I recommend that the Commission direct Petitioner to place \$47,500 annually
11 in the Tank Maintenance Fund.

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

13 **A: Yes.**

Appendix A

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

2 A: In 1980 I graduated from Purdue University, where I received a Bachelor of Science
3 degree in Civil Engineering, specializing in Environmental Engineering. I then
4 worked two years with Peace Corps / Honduras as a municipal engineer on self-
5 help rural water supply and sanitation projects funded by the U.S. Agency for
6 International Development (U.S. AID). In 1984 I earned a Master of Science degree
7 in Civil Engineering (Environmental) from Purdue University. I have been a
8 Registered Professional Engineer in Indiana since 1986. In 1984, I accepted an
9 engineering position with Purdue University, and was assigned to work as a process
10 engineer with the Indianapolis Department of Public Works ("DPW") at the City's
11 Advanced Wastewater Treatment Plants. I left Purdue and subsequently worked for
12 engineering consulting firms, first as a Project Engineer for Process Engineering
13 Group of Indianapolis and then as a Project Manager for the consulting firm HNTB
14 in Indianapolis. In 1999, I returned to DPW as a Project Engineer working on
15 planning projects, permitting, compliance monitoring, wastewater treatment plant
16 upgrades, and combined sewer overflow control projects.

17 **Q: What are the duties and responsibilities of your current position?**

18 A: My duties include evaluating the condition, operation, maintenance, expansion, and
19 replacement of water and wastewater facilities at utilities subject to Indiana Utility
20 Regulatory Commission ("Commission") jurisdiction.

21 **Q: Have you previously testified before the Commission?**

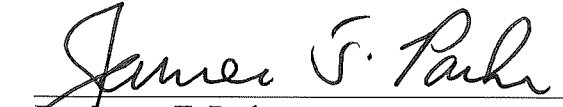
22 A: Yes.

Appendix B - List of Attachments

Attachment JTP-1	Petitioner's response to DR 3-13 regarding support for its requested \$481,000 E&R revenue requirement and Petitioner's tabulation of E&R costs incurred over the 2019 to 2021 period.
Attachment JTP-2	OUCC's corrections to Petitioner's tabulation of E&R costs incurred over the 2019 to 2021 period provided by the Petitioner as DR 3-13 Attachment 1.
Attachment JTP-3	IC 13-18-26-4 Chapter 26. Permit and Permit Application Conditions for Water and Wastewater Treatment Plants.
Attachment JTP-4	State Revolving Fund Loan Program's Asset Management Program Certification Form Inclusive of Fiscal Sustainability Plan Certification

AFFIRMATION

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


By: James T. Parks
Cause No. 45640 Phase 2
Office of Utility Consumer Counselor (OUCC)

Date: 12 / 12 / 2022

09/22/2022

OUC DR 3-13: The Statement of Annual Cash Requirements in the Accountants Report (Attachment ELR-1) indicates \$481,000 for extensions and replacements (E&R).

- a. Does the \$300,000 annual amount for E&R projects represent the amount spent during the test year ending December 31, 2021.
- b. Does Jackson County Water have a 3-to-5-year capital improvement plan for the funds identified for E&R projects? If so, please provide a copy of that plan.
- c. Please list the E&R projects completed for each of the years 2019, 2020, and 2021.
- d. For each project identified in the preceding request, state the year the project was commenced, the year it was completed, the cost to complete the project, and the amount included in plant-in-service.

Response:

- a. Per the OUCC's Tuesday, September 20, 2022, 11:37 am email OUC DR 3-13a. should read as follows: "Does the proposed \$481,000 annual amount for E&R projects represent the amount spent during the test year ending December 31, 2021." With that clarification, the 481,000 does not represent the expenditures for E&R projects in the test year. The total spent on those projects per the audited financials in the test year was actually \$811,171. In the previous year it was \$899,094. That number is based on the utility estimating a conservative amount in rates to fund necessary improvements. The current funded improvements were increased slightly to account for the increases seen from the current market conditions. However, the requested amount is still well below the allowed depreciation amount as it would be too impactful to the consumers. Depreciation for the test year equaled \$860,219.
- b. JCWU does not have a current 3 to 5 year capital improvement plan. JCWU has shown in answer to 3-13-c. the Board of Directors and the management uses the E&R funds on projects yearly to improve and maintain the assets in proper working order. JCWU Board of Directors chose to ask for E&R of \$481,000 for the revenue requirement instead of the \$962,817 in depreciation and amortization. JCWU Board of Directors are very aware of the current state of the economy. The Board has tried to keep this rate adjustment to a minimum as to not adversely affect our customers while still maintaining and improving the system of JCWU.

JCWU will be working with our engineer to develop a new five-year capital improvement plan in the next year. The plan will include replacement of hydrants and valves identified through inspections as being inoperable, replacement of water mains in areas with frequent main failures, the

JCWU response to DR 3-13 (continued) 09/22/2022

replacement of aging service lines and meter pits, looping of water mains, lower water mains exposed in creeks and ditches, replacement of booster stations, replacement of vehicles and equipment, adding equipment (vac machine and boring machine).

- c. See spread sheet, OUCC DR 3-13 Attachment 1.
- d. Each of the projects list on the E&R completed list were started and completed the same year. The cost is included on the E&R completed list. The amounts are included in plant-in-service and can be found in the asset accounts.

Jackson County Water Utility
Cause No. 45640
OUCC DR 3-13 Attachment 1

Jackson County Water E&R Projects for 2019, 2020 and 2021

	2019	2020	2021
Replace bottom sections of Catalytic reactors #3 and #	\$23,104.50		
Windows and front door replacement in office		\$10,504.95	
New copier	\$6,742.67		
Replace bad security cameras and door access systems	\$14,655.25		
UMS Billing Software upgrade	\$16,174.00		
Upgrade cell phones	\$2,605.51		
Brush cutter for Bobcat skid loader	\$5,422.00		
Replacement of server		\$15,215.30	
Replace security camera system			\$13,708.54
Traded for new Bobcat E50 Excavator			\$18,846.45
New Pipe locator			\$4,250.00
New Bobcat E85 Excavator			\$85,250.00
Valve box locator			\$1,122.00
New Pipe locator			\$4,400.00
5 New hanging heaters in plant		\$18,718.57	
Concrete saw		\$2,335.30	
Valve exercising equipment	\$9,050.00		
Bobcat breaker (for breaking concrete)	\$8,575.00		
Office remodel, new roof on office/plant			\$233,162.00
New International dump truck	\$102,866.03		
Three new pickup trucks		93.331.30	
Truck safety lighting			\$3,626.24
Total water main install	\$93,714.31		
Total water main install		\$172,812.10	
Total water main install			\$110,290.31
Hydrant replacement/install	\$19,200.00		
Hydrant replacement/install		\$16,129.00	
Hydrant replacement/install			\$12,429.57
Service line bores in addition to tap fee	\$85,185.52		
Service line bores in addition to tap fee		\$94,233.25	
Service line bores in addition to tap fee			\$64,781.92
Residential meters to finish meter change out	\$85,680.00		
Change out meters on reactors in plant	\$9,156.98		
Large meter change out	\$4,633.42		
Large meter change out		\$11,081.21	
Large meter change out			\$3,049.44
Sample stations	\$1,704.00		

Three test wells to determine new well site				\$22,500.00
Well #8 bowles and column pipe repair				\$20,316.25
Well #4 motor replacement		\$5,516.00		
High service #3 motor replacement				\$7,850.00
Install disconnect switches in High Service Room				\$6,260.00
Replace transfer switch on generator				\$17,261.00
Office desks after remodel of office				\$11,792.17
	\$488,469.19	\$346,545.68	\$640,895.89	
Average of 2019, 2020 and 2021 E & R projects	\$491,970.25			

OUCC Correction to JCWU Response to DR 3-13 Attachment 1, 2019 - 2021 E&R Tabulation

Jackson County Water E&R Projects for 2019, 2020 and 2021

	2019	2020	2021
Replace bottom sections of Catalytic reactors #3 and #4	\$23,104.50		
Windows and front door replacement in office		\$10,504.95	
New copier	\$6,742.67		
Replace bad security cameras and door access systems	\$14,655.25		
UMS Billing Software upgrade	\$16,174.00		
Upgrade cell phones	\$2,605.51		
Brush cutter for Bobcat skid loader	\$5,422.00		
Replacement of server		\$15,215.30	
Replace security camera system			\$13,708.54
Traded for new Bobcat E50 Excavator			\$18,846.45
New Pipe locator			\$4,250.00
New Bobcat E85 Excavator			\$85,250.00
Valve box locator			\$1,122.00
New Pipe locator			\$4,400.00
5 New hanging heaters in plant		\$18,718.57	
Concrete saw		\$2,335.30	
Valve exercising equipment	\$9,050.00		
Bobcat breaker (for breaking concrete)	\$8,575.00		
Office remodel, new roof on office/plant			\$233,162.00
New International dump truck	\$102,866.03		
Three new pickup trucks		\$93,331.30	
Truck safety lighting			\$3,626.24
Total water main install	\$93,714.31		
Total water main install		\$172,812.10	
Total water main install			\$110,290.31
Hydrant replacement/install	\$19,200.00		
Hydrant replacement/install		\$16,129.00	
Hydrant replacement/install			\$12,429.57
Service line bores in addition to tap fee	\$85,185.52		
Service line bores in addition to tap fee		\$94,233.25	
Service line bores in addition to tap fee			\$64,781.92

OUCC Correction to JCWU Response to DR 3-13 Attachment 1, 2019 - 2021 E&R Tabulation

Jackson County Water E&R Projects for 2019, 2020 and 2021

	2019	2020	2021
Residential meters to finish meter change out	\$85,680.00		
Change out meters on reactors in plant	\$9,156.98		
Large meter change out	\$4,633.42		
Large meter change out		\$11,081.21	
Large meter change out			\$3,049.44
Sample stations	\$1,704.00		
Three test wells to determine new well site			\$22,500.00
Well #8 bowls and column pipe repair			\$20,316.25
Well #4 motor replacement		\$5,516.00	
High service #3 motor replacement			\$7,850.00
Install disconnect switches in High Service Room			\$6,260.00
Replace transfer switch on generator			\$17,261.00
Office desks after remodel of office			\$11,792.17
	\$488,469.19	\$439,876.98	\$640,895.89
Average of 2019, 2020 and 2021 E & R projects	\$523,080.69		

OUCC Notes:

1. OUCC corrected costs are in **red**.
2. OUCC corrected 2020 cost for three pickups is in the yellow highlighted cell in **red** - **\$93,331**.

IC 13-18-26 Chapter 26. Permit and Permit Application Conditions for Water and Wastewater Treatment Plants

13-18-26-1	Certificate of completion required
13-18-26-2	Certification that documents have been prepared
13-18-26-3	Life cycle cost-benefit analysis
13-18-26-4	Capital asset management plan
13-18-26-5	Cybersecurity plan
13-18-26-6	Completion, periodic revision, and public disclosure of analysis and plans
13-18-26-7	Denial of permit application for failure to include notarized certification

IC 13-18-26-1 Certificate of completion required

Sec. 1. (a) Except as provided in subsection (c), a permit required under IC 13-18-16 for the operation of a public water system may not be issued unless the application contains the certification of completion required under section 2 of this chapter.

(b) Except as provided in subsection (c), the department may not issue a permit required under environmental management laws for the discharge from a wastewater treatment plant, as defined in IC 13-11-2-258(b), unless the application contains the certification of completion required under section 2 of this chapter.

(c) The requirement of a certification of completion under section 2 of this chapter does not apply to the following:

- (1) A noncommunity public water system that has fewer than fifteen (15) service connections used by year-round residents.
- (2) A noncommunity public water system that regularly serves fewer than twenty-five (25) year-round residents.
- (3) A permit for the modification or expansion of a drinking water treatment plant that does not increase system design capacity.
- (4) A permit for a wastewater treatment plant with an average design flow of not more than one hundred thousand (100,000) gallons per day.
- (5) A permit for the modification or expansion of a wastewater treatment plant that does not increase average design flow.
- (6) The renewal of an NPDES permit for the discharge from a wastewater treatment plant that does not include a modification or expansion as described in subdivision (5).

As added by P.L.126-2018, SEC.6. Amended by P.L.15-2019, SEC.12.

IC 13-18-26-2 Certification that documents have been prepared

Sec. 2. A permit described in section 1(a) or 1(b) of this chapter may not be issued unless the applicant submits, along with the permit application, a certification that all of the following documents have been prepared and are complete under the requirements of this chapter:

- (1) A life cycle cost-benefit analysis, as described in section 3 of this chapter.
- (2) A capital asset management plan, as described in section 4 of this chapter.
- (3) A cybersecurity plan, as described in section 5 of this chapter.

As added by P.L.126-2018, SEC.6. Amended by P.L.15-2019, SEC.13.

IC 13-18-26-3 Life cycle cost-benefit analysis

Sec. 3. A life cycle cost-benefit analysis must include a comparison of the alternatives of:

- (1) meeting the water supply or wastewater service needs of the community or area served or proposed to be served through the operation of the water and wastewater treatment plant, as:
 - (A) owned and operated; or
 - (B) proposed to be owned and operated;according to the terms of the permit application; and
- (2) meeting the water supply or wastewater service needs of the community or area

served or proposed to be served through one (1) or more other potential means.
As added by P.L.126-2018, SEC.6.

IC 13-18-26-4 Capital asset management plan

Sec. 4. A capital asset management plan must include all of the following:

- (1) A plan to annually review infrastructure needs of the water or wastewater treatment plant.
- (2) A detailed engineering analysis of asset conditions and useful life, to be used to develop an infrastructure inspection, repair, and maintenance plan.
- (3) An analysis of customer rates necessary to support the capital asset management plan, including emergency repairs.
- (4) A certification that the water or wastewater treatment plant has:
 - (A) a certified operator;
 - (B) a corporate officer or system manager; and
 - (C) access to an engineer, either on staff or by contract.

As added by P.L.126-2018, SEC.6.

IC 13-18-26-5 Cybersecurity plan

Sec. 5. A cybersecurity plan must provide for the protection of the water or wastewater treatment plant from unauthorized use, alteration, or destruction of electronic data.

As added by P.L.126-2018, SEC.6.

IC 13-18-26-6 Completion, periodic revision, and public disclosure of analysis and plans

Sec. 6. (a) The analyses and plans described in sections 3, 4, and 5 of this chapter must be:

- (1) complete under the requirements of this chapter at the time an application for a permit described in section 1(a) or 1(b) of this chapter is submitted;
- (2) reviewed and revised at least once every five (5) years, for as long as the permit holder operates the water treatment plant or wastewater treatment plant; and
- (3) except for customer specific data, including information excluded from public access under IC 5-14-3-4(a), or for a cybersecurity plan required under section 5 of this chapter, made publicly available.

(b) A certification that the analyses and plans described in sections 3, 4, and 5 of this chapter are complete under the requirements of this chapter must be submitted to the department:

- (1) under section 2 of this chapter at the time an application for a permit described in section 1(a) or 1(b) of this chapter is submitted; and
- (2) at least once every five (5) years after an application for a permit described in section 1(a) or 1(b) of this chapter is submitted, when the analysis and plans are reviewed and revised.

(c) A certification submitted to the department under this chapter must be notarized.

As added by P.L.126-2018, SEC.6. Amended by P.L.15-2019, SEC.14.

IC 13-18-26-7 Denial of permit application for failure to include notarized certification

Sec. 7. Failure to include a notarized certification with an application for a permit described in section 1(a) or 1(b) of this chapter constitutes grounds for denial of the permit application.

As added by P.L.126-2018, SEC.6. Amended by P.L.15-2019, SEC.15.

**State Revolving Fund Loan Program
Asset Management Program Certification Form
Inclusive of
Fiscal Sustainability Plan Certification**

(To be submitted either at the time of loan closing or no later than the final disbursement of a Participant's loan proceeds)

Participant Name			
Street Address		P. O. Box Number	
City	State	Zip Code	

Indiana Code 5-1.2-10-16 requires a Participant that receives a loan or other financial assistance from the State Revolving Fund Loan Program (SRF) to certify that the Participant has documentation demonstrating it has the financial, managerial, technical and legal capability to operate and maintain its water or wastewater collection and treatment system. A Participant must demonstrate that it has developed an asset management program as defined in the Indiana Finance Authority's (Authority) Asset Management Program Guidelines.

Section 603(d)(1)(E) of the Federal Water Pollution Control Act (FWPCA) requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a Fiscal Sustainability Plan (FSP). The requirement pertains to those portions of the treatment works paid for with Clean Water SRF Loan Funds.

The Asset Management Program (AMP) shall be inclusive of the requirements of the FSP for Wastewater and Drinking Water projects and shall include at a minimum the following: (1) A system map (2) An inventory and assessment of system assets (3) development of an infrastructure inspection, repair, and maintenance plan, including a plan for funding such activities (4) an evaluation and implementation of water and energy conservation efforts (5) An analysis of the customer rates necessary to support the AMP (6) Audit performed at least every two years (7) Demonstration of the technical, managerial, legal and financial capability to operate and maintain the system, per the guidelines established by the Authority.

I hereby certify that I am an authorized representative for the above listed Participant and pursuant to IC 5-1.2-10-16 and Section 603(d)(1)(E), the Participant has developed and is implementing an AMP (inclusive of the requirements of an FSP) that meets the requirements established by the Authority. Upon the request of the Environmental Protection Agency (EPA) or the Indiana SRF, the Participant agrees to make the AMP (which includes the FSP requirements) available for inspection and/or review.

Participant's estimated capital asset needs in the next 5 years: \$ _____

Signature of Authorized Representative	Date
Printed Name	Phone Number/Email Address