
**VERIFIED REBUTTAL TESTIMONY OF BYRON L. MILLER, P.E.
ON BEHALF OF GRANGER WATER UTILITY LLC**

Cause No. 45568

INTRODUCTION

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

2 A My name is Byron (commonly nicknamed "Burne", pronounced burn) L. Miller, and my
3 business address is 1643 Commerce Drive, South Bend, Indiana 46628.

4 **2. Q BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A I am a Senior Engineer at Danch, Harner, and Associates, Incorporated ("DHA").

6 **3. Q PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**
7 **QUALIFICATIONS.**

8 A I graduated with a Bachelor of Science in Civil Engineering from Tri-State University in
9 1984, becoming a Registered Professional Engineer in 1990. I am currently registered as a
10 professional engineer in Indiana, Michigan, and Ohio. I have over 36 years of engineering
11 experience in private consulting and as a public servant as a City Engineer for the City of
12 Elkhart. From 2000 to 2008 I was the Engineering Services manager for the City of Elkhart.
13 My responsibilities there included, but were certainly not limited to, infrastructure projects,
14 long-term planning of street and traffic improvements, federal-aid street projects, and

1 included the first railroad grade separation (i.e., an underpass) that Elkhart had undertaken
2 in 50 years.

3 My expertise lies predominantly in land development for private and public works. Storm
4 water drainage design, utility design of sewer and water main infrastructure, management
5 of projects and client relations are all elements of my practice. Development projects in my
6 portfolio have varied from a 790 acre resort development with intricate local, state, and
7 federal coordination and approvals, to local commercial and residential developments. I
8 have been engaged in residential development in the states of Indiana, Michigan, Ohio,
9 Pennsylvania, Virginia, Florida, and Oregon. Commercial developments additionally
10 include the states of Illinois, Utah, California, Kentucky, and Wyoming.

11 **4. Q DO YOU HAVE AN OWNERSHIP INTEREST IN GRANGER WATER**
12 **UTILITY LLC (“PETITIONER” OR “GRANGER WATER”) OR ANY OF ITS**
13 **AFFILIATES?**

14 A No, I do not.

15 **5. Q WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

16 A I provide rebuttal testimony to the OUCC's witnesses, primarily James Parks, pertaining
17 to engineering issues. In the course of preparing my rebuttal testimony, I have reviewed
18 the testimony filed by each of the OUCC's witnesses.

1 **6. Q WHAT IS YOU AND YOUR FIRM'S RELATIONSHIP WITH GRANGER**
2 **WATER?**

3 A DHA serves as a surveying, engineering, and planning consultant for Granger Water. I am
4 the engineer that signed off on plant design and other aspects of Granger Water's
5 permitting process.

6 **7. Q PLEASE DESCRIBE YOUR FIRM'S INDUSTRY EXPERIENCE.**

7 A DHA has extensive local experience, first as Peirce & Associates, and since 1998 as DHA.
8 Through the years, the firm has provided surveying, planning, landscape architecture, and
9 (civil) engineering resources for a myriad of client needs. Our engineering design
10 experience includes commercial and industrial developments, private and public utility
11 works, including extensions of public utilities for private developments. DHA has been
12 involved with the design of numerous residential developments within St. Joseph County
13 and works closely with the acting governing agency for the full compliance of their
14 regulations and decision-making processes. This includes the required permits and
15 approvals at the state level, be it the Indiana Department of Environmental Management
16 ("IDEM"), Indiana Department of Transportation, and/or Indiana Department of Natural
17 Resources, for example.

18 **8. Q FROM AN ENGINEERING PERSPECTIVE, WHAT IS YOUR HIGH LEVEL**
19 **ASSESSMENT OF THE OUCC'S CASE?**

1 A The OUCC misses key engineering issues, misunderstands its role, and misapplies IDEM's
2 approval of the capacity aspects of Granger Water's Water System Management Plan
3 ("WSMP").

4 **9. Q HOW IS YOUR REBUTTAL TESTIMONY ORGANIZED?**

5 A First, I address the WSMP process and IDEM's determination on Granger Water's WSMP.
6 Within the WSMP discussion, I specifically refute Mr. Parks' assertions that connection to
7 Mishawaka is feasible and the life cycle cost benefits analysis is faulty. Next, I address
8 water system design issues. Finally, I address a number of "catchall" issues that Mr. Parks
9 takes issue with, including Granger Water's local interactions with St. Joseph County
10 agencies, such as the St. Joseph County Area Plan Commission ("APC") and the St. Joseph
11 County Regional Water & Sewer District ("SJCRWSD").

12 **WSMP PROCESS**

13 **10. Q WHAT ROLE DOES IDEM PLAY IN APPROVING NEW WATER UTILITIES?**

14 A From a state approval perspective, IDEM plays the primary role in approving new water
15 utilities through its promulgation of 327 IAC 8-3 (the "IDEM Capacity Rule") over 20
16 years ago.

17 **11. Q CAN YOU PROVIDE AN OVERVIEW OF THE WSMP PROCESS?**

18 A Yes. The WSMP process ensures new water utilities maintain the requisite technical,
19 managerial and financial ability to provide water service in conformance with IDEM
20 regulations. For example, "financial capacity" is defined to mean "the ability of a public

1 water supply system to acquire and manage sufficient financial resources to achieve and
2 maintain compliance with this article.” (327 IAC 8-3.6-1(1)). The IDEM Capacity Rule
3 provides that the Commissioner of IDEM has 120 days to review a WSMP, which can be
4 extended another 120 days by the request of the Commissioner of IDEM for additional
5 information in an incomplete WSMP. (327 IAC 8-3.6-3(b) and (d)).

6 Upon review of the WSMP, the Commissioner of IDEM can deny the WSMP or issue a
7 written determination that the proposed new water utility meets the requirements of the
8 IDEM Capacity Rule. (327 IAC 8-3.6-7(a)).

9 **12. Q DID GRANGER WATER PREPARE AND SUBMIT A WSMP?**

10 A Yes.

11 **13. Q DID IDEM REVIEW GRANGER WATER'S WSMP?**

12 A Yes. IDEM reviewed Granger Water's WSMP and did not deny Granger Water's WSMP,
13 but rather issued a contingent determination finding that Granger Water's WSMP meets
14 the requirements of the IDEM Capacity Rule. The two contingencies involved disinfection
15 and financial capacity. The disinfection contingency has been remedied as shown in the
16 construction permit issued by IDEM (see Mr. Parks' Attachment JTP-2). As to the financial
17 capacity contingency, IDEM stated that rate approval was needed because obviously
18 without rate approval, Granger Water could not legally charge for water utility service.
19 IDEM specifically stated, however, that Granger Water's "demonstration of capacity is
20 approved[.]" I interpret this statement to mean simply that Granger Water needed to
21 petition the Indiana Utility Regulatory Commission (the "Commission") for rate approval

1 and not that the Commission would undertake a plenary review of Granger Water's
2 WSMP, as Mr. Parks attempts to encourage the Commission to do. Supporting my analysis
3 is the fact that the WSMP is an IDEM requirement and not a Commission requirement.
4 Moreover, I note that IDEM implicitly believes that the rate approval function was a check
5 the box type of process and is not a step that could prove fatal to Granger Water given that
6 IDEM issued construction permits for the water plant and the distribution system serving
7 phase 1 of The Hills at St. Joe Farm subdivision ("The Hills").

8 **14. Q PLEASE COMMENT GENERALLY ON MR. PARKS CRITICISMS OF**
9 **GRANGER WATER'S COMPLIANCE WITH THE WSMP REQUIREMENTS.**

10 A Mr. Parks is far outside of his lane. As noted above, IDEM has already issued its approval
11 of the WSMP and has already issued construction permits for the system. Mr. Parks simply
12 engages in a collateral attack on IDEM's process. I further note, again, that the WSMP
13 process is pursuant to the IDEM Capacity Rule, not a Commission rule. Accordingly, Mr.
14 Parks is barking up the wrong regulatory tree.

15 **15. Q NOTWITHSTANDING THAT, PLEASE COMMENT ON MR. PARKS'**
16 **CRITICISMS OF GRANGER WATER CONCERNING CONNECTION TO AN**
17 **EXISTING SYSTEM BEGINNING ON PAGE 13 OF HIS TESTIMONY.**
18 **PLEASE RESPOND.**

19 A As I responded earlier, IDEM has already favorably determined this issue for Granger
20 Water. The notification provision under the IDEM Capacity Rule fall under the
21 "managerial capacity" portion of the IDEM Capacity Rule at 327 IAC 8-3.6-6(3)(A)(ii)).

1 IDEM determined that Granger Water satisfied this requirement. Accordingly, Mr. Parks'
2 criticism demonstrates a disconnect with the regulatory process, and I believe Mr. Parks
3 and the OUCC are outside of their regulatory lane advancing this position. Nevertheless, I
4 will respond to the substance of Mr. Parks' testimony.

5 Mr. Parks first claims that Granger Water decided to create its own water utility early in
6 the process at page 14, line 16 of his testimony. First, this is immaterial. Even if Mr. Parks
7 is correct, IDEM would still have needed to review and approve the WSMP.

8 Next, Mr. Parks claims that Granger Water did not notify surrounding water systems. Mr.
9 Parks engages in semantics with this argument. He tries to use entity formation and
10 subdivision planning as a conduit to the notification required under the WSMP
11 requirements. This is disingenuous at best. Aside from the fact that IDEM has already
12 favorably determined this issue for Granger Water, no rule or regulation requires notice
13 before an entity is formed or planning has begun. The WSMP notice requirements apply
14 when the formal WSMP process begins. Otherwise, how could an entity even apply to
15 IDEM for WSMP approval if it needed to notify surrounding systems before it was
16 technically even a legal entity? It appears Mr. Parks doesn't understand the process, or
17 more likely that he is attempting to twist the regulatory process to meet the OUCC's desired
18 outcome. Regardless, IDEM has already approved the aspects of the WSMP that Mr. Parks
19 comments about.

20 **16. Q MR. PARKS CRITICIZED GRANGER WATER'S ACTUAL NOTICE TO**
21 **SURROUNDING WATER SUPPLY SYSTEMS. PLEASE RESPOND.**

1 A This is another example of Mr. Parks outside of his regulatory lane. Again, IDEM already
2 made a favorable determination for Granger Water on this issue. Regardless, the notice
3 requirement was fulfilled as determined by IDEM and notice is exactly that: notice. The
4 purpose of sending a notice is so that the receiving party can object and intervene in a
5 proceeding or regulatory process. While Mr. Parks appears to have preferred a customized
6 form of notice, that is not the legal requirement. The whole purpose of providing notice is
7 to give enough information that the recipient reasonably understands what the notice-
8 providing party is doing and provides an opportunity to find out more information. Here,
9 the notice sent to surrounding systems complied with typical notice requirements. The
10 surrounding water systems received notice, and each had the opportunity to object and
11 claim the ability to serve. None did.

12 Moreover, Mr. Parks is critical of Granger Water for using the phrase “assisting with
13 supplying a potable water supply” and claims Granger Water should have formally
14 requested a main extension. First, this issue is moot because IDEM found the notice
15 acceptable; accordingly, Mr. Parks questions the IDEM process. Second, nowhere in the
16 WSMP requirements does it require a potential new system to seek a main extension – the
17 IDEM Capacity Rule provides that the proposed new system, “notify other operating public
18 water supply systems, within a ten (10) miles radius, that there is a proposal to develop a
19 new public water supply system.” (327 IAC 8-3.6-6(3)(A)(ii)). Making a request for a main
20 extension is not part of the IDEM Capacity Rule.

Connection to Mishawaka

17. Q MR. PARKS COMPLAINS THAT GRANGER WATER/THE HILLS DID NOT REQUEST A MAIN EXTENSION FROM ANOTHER UTILITY AND SPECIFICALLY INDICATES A MAIN EXTENSION REQUEST SHOULD HAVE BEEN MADE OF MISHAWAKA. WHAT IS YOUR RESPONSE TO THAT COMPLAINT?

A As I stated earlier, making a formal main extension request is not a requirement. Representatives of Granger Water met with Mishawaka and determined that a main extension was not feasible. Mr. Matthews also testifies on this point.

18. Q AS YOU UNDERSTAND THE LAW, COULD MISHAWAKA BE COMPELLED TO EXTEND A WATER MAIN TO THE HILLS?

A It is my understanding that unincorporated areas are open to competition for water service unless the Commission has granted an exclusive service area to a municipality under Ind. Code ch. 8-1.5-6. Because area covering The Hills is not the subject of an exclusive service territory of Mishawaka or any other water utility, my belief is that a main extension could not be compelled.

19. Q MR. PARKS INDICATES THAT MISHAWAKA HAS WATER CUSTOMERS OUTSIDE OF ITS CORPORATE LIMITS. HAS MISHAWAKA EVER DENIED SERVICE TO CUSTOMERS OUTSIDE OF ITS CORPORATE LIMITS?

A There is an area beyond its municipal boundaries where Mishawaka has extended service in the direction of The Hills for fire protection only. Other residential developments

1 within the area of this extension have requested to connect into this system but ultimately
2 did not connect. Cobblestone Square, for example, which is a development closer to
3 Mishawaka than The Hills, requested a connection and ultimately did not connect. If
4 Mishawaka was truly interested in serving The Hills, it would have extended mains to
5 closer developments already. Accordingly, Mr. Parks' testimony is based on a flawed
6 assumption that Mishawaka extending a water main to The Hills is a feasible solution.

7 **20. Q BUT WHAT ABOUT THE COST OF THE PROPOSED MAIN EXTENSION**
8 **THAT MR. PARKS ESPOUSES?**

9 A The fact that Mishawaka is unwilling and unable to serve should put an end to this
10 discussion. Notwithstanding that fact, I will also rebut Mr. Parks' faulty main extension
11 estimate. The cost estimate from the cost-benefit analysis contained in the WSMP is much
12 more appropriate than a simple cost for just the water main installation as Mr. Parks
13 implies. A more thoughtful and full estimate brings the cost to connect into the existing
14 Mishawaka system to point of being much, much more than a new private system. Even
15 taking Mr. Parks' unsubstantiated testimony about the costs of a main extension at face
16 value, delivering a water main to a remote site implicates several issues.

17 **21. Q WHAT IS THE FIRST ISSUE?**

18 A The back of the napkin manner in which Mr. Parks' estimated the extension cost. Mr. Parks
19 holds out an off-the-cuff price quote gleaned from a telephone conversation with the utility
20 using its alleged cost with no engineering support for the main in question – and that's
21 looking at the quote in the best light – as gospel. The figures Mr. Parks cites are not

1 reflective of the cost a developer would incur. Other cost considerations that add to the
2 overall cost include, title research and topographic surveying, design (i.e., "engineering")
3 of the system, permitting from local and state agencies, easements to be prepared (and
4 possible reimbursement of costs for those easements depending on the ultimate final
5 design), other utility relocations, pavement removal/replacement, future expansion
6 planning and individual service connections, legal representation services in preparing
7 necessary agreements and/or contracts between any and all interested/impacted entities be
8 they private or public. These are some of the examples of other cost considerations when
9 resolving a cost estimate into a per lineal foot cost. Not just the installation cost. These
10 would be actual costs of a developer-installed main extension in accordance with 170 IAC
11 6-1.5-31.

12 **22. Q WHAT'S THE SECOND ISSUE?**

13 A Using easements or public rights-of-way to extend service is a big issue. Since the fictional
14 main would have to be extended outside the jurisdictional boundary of Mishawaka, any
15 use of public rights-of-way would require approval of the jurisdiction of record, in this
16 case, St. Joseph County. I have seen more and more issues crop up making this process
17 more difficult and expensive than Mr. Parks' simplified main extension estimate assumes

18 **23. Q HOW ABOUT THE THIRD ISSUE?**

19 A Since St. Joseph County as a general rule does not have sanitary sewer and water mains
20 within its rights-of-way, securing a location where the fictional water main does not
21 interfere with already placed utilities (electric, gas, telecom, etc.) within the right-of-way

1 is almost assuredly leading the placement to be within the paved roads, unless private
2 easements are used outside the public right of way, thereby driving up costs. Limited rights-
3 of-way width available “behind” a paved road would be taken up by telecommunication
4 lines, fiber optic, gas main, and other utilities that are running through the rights-of-way.
5 Providing the water main a safe, unobstructed “lane” would surely include at least a lane
6 of paved road to be removed using the cut-and-cover technique for the water main
7 installation. This cost for pavement is not included in the assumed quoted Mishawaka
8 estimate.

9 **24. Q AND THE NEXT ISSUE?**

10 A At each intersection, additional work would be needed. In my experience as a city engineer,
11 I find it highly unlikely that a municipality like Mishawaka would allow its infrastructure
12 to be extended that far without providing for future expansion. Accordingly, additional
13 “intersection” work must be factored into the fictional main cost estimate. This could
14 entail, due to the probable location of where such an extension through County and/or State
15 rights-of-way would take place, replacing/upgrading the intersection to current design
16 standards. This would include signals, signalization, storm drainage improvements,
17 sidewalk and accessible routes, the securing of additional rights-of-way for said
18 improvements, and compensation of property owners impacted by such work. And when
19 the roads are torn up at that point, it is likely that individual service lines would also be
20 provided, at least for the side of the road that was being removed and replaced. In St. Joseph
21 County, my experience is that County Engineering requires that individual service lines be
22 provided so that no additional road work is necessary if water service is taken. Further, St.

1 Joseph County requires pavement removal and replacement that must be a full lane width
2 wide, so any impact to pavement means at least a full lane with of replacement.

3 **25. Q WHAT IS THE NEXT ISSUE?**

4 A The next issue is the timeline to complete the main extension from Mishawaka to The Hills.
5 Mr. Parks' timeline was unrealistic. Just the design and approval for a new development
6 within an undeveloped area, took over two years to complete. Adding in possible
7 easements, private and/or public, working with another governing agency, Mishawaka, and
8 getting approval "up and down the government ladder" would entail a timeline far
9 exceeding the one assumed by Mr. Parks. For example, a simple, uncontested boundary
10 expansion of the SJCRWSD for sewer to be allowed to be connected from The Hills took
11 over a year. Having such a system involving Mishawaka, St. Joseph County, SJCRWSD,
12 INDOT, the railroad (for crossing permitting), and ITRR to meet each agencies guidelines
13 and timelines would surely still be going on if ("just") this approval process had started as
14 early as someone thinks it could be started.

15 **26. Q ANY MORE ISSUES?**

16 A Yes, one more. The last issue I address on this fictional main extension demonstrates that
17 the main extension proposed by Mr. Parks represents an exercise in futility – if the absurd
18 costs to construct is not enough: Political will. From my perspective having lived in this
19 area for a long time, it would seem to be indefensible for any elected official within
20 Mishawaka, to take a stance that an area of development far beyond the reach of any near
21 – or far – term expansion would ever make it to this development. A constituent of

1 Mishawaka would be hard-pressed to find any reasonable advantage gained from sharing
2 the municipal water system so far outside Mishawaka's boundaries. If an upgrade would
3 be needed – and upgrades are always on the minds of those running those systems – that
4 upgrade would be pushed forward on an accelerated timeline. A resident of Mishawaka
5 would be well-advised to know his or her water main system would need an upgrade sooner
6 rather than later from a location that has no other engagement with the residents of
7 Mishawaka. With that as a backdrop, the elected officials would see the light of their
8 actions and not find this development of interest for the business and citizens of it.

9 **27. Q MR. PARKS ALSO MENTIONS THE JUDAY CREEK WATER PLANT**
10 **EXPANSION MISHAWAKA IS CONSTRUCTING. WHAT IS YOUR**
11 **POSITION ON THAT PLANT AND ITS RELATION TO THE HILLS AT ST.**
12 **JOE FARMS?**

13 A The Juday Creek water plant is irrelevant to The Hills at St. Joe Farms. Mishawaka has
14 already indicated it is not willing to serve The Hills at St. Joe Farms, and Mishawaka cannot
15 be compelled to serve. The future existence of that plant is immaterial and irrelevant to the
16 subject matter of this proceeding.

Cost Benefit Analysis

28. Q MR. PARKS CRITICIZES THE "LIFE CYCLE COST ANALYSIS" PERFORMED BY GRANGER WATER AS PART OF THE WSMP PROCESS BEGINNING ON PAGE 33 OF HIS TESTIMONY. WHAT IS YOUR RESPONSE?

A Again, Mr. Parks is outside of his regulatory lane. IDEM has already determined this point in favor of Granger Water. Moreover, Mr. Parks interchanges "life cycle cost analysis" the requirement for a "cost benefit analysis" under the IDEM Capacity Rule. Regardless, IDEM did not find fault with the cost benefit analysis. As with the notice provisions, the cost benefit analysis is a component of the managerial capacity under the IDEM Capacity Rule. (see 327 IAC 8-3.6-6(3)(B)). Notwithstanding IDEM's WSMP approval on this point, I will explain the faults in Mr. Parks' "life cycle cost analysis".

First, Mr. Parks attempts to undertake a "life cycle cost analysis" (Parks Testimony, page 33, line 10-12), which, again, is not the proper analysis standard under 327 IAC 8-3.6-6(3)(B).

Second, Mr. Parks underpins his analysis on his own faulty main extension estimate based on nothing more than a telephone call. As I testified earlier, Mr. Parks' analysis did not include anything other than an anecdotal estimate for a water main only. The true costs, which I identified previously, entail much more detailed costs necessary to perform the main extension. I'd further note that Mishawaka has never, to my knowledge, extended service for residential or commercial developments beyond its borders by the distance required for an extension to The Hills.

1 Finally, Mr. Parks attempts to claim that because Mr. Matthews prepared the cost benefit
2 analysis that it is somehow faulty. The true cost of installation is far beyond a simple line
3 item for the water main alone. Thus, the cost per lineal foot has been appropriately
4 increased. Bottom line is I signed off on it, meaning that I reviewed it and it was done
5 under my ultimate supervision. If there were errors in the cost benefit analysis, I would
6 have directed Mr. Matthews to correct those errors, thus demonstrating my supervision of
7 the cost benefit analysis.

8 **SYSTEM DESIGN**

9 **29. Q MR. PARKS MENTIONS THE TEN STATES STANDARDS IN HIS**
10 **TESTIMONY. CAN YOU PLEASE EXPLAIN WHAT THE TEN STATES**
11 **STANDARDS ARE?**

12 A The Ten States Standards essentially the Great Lakes states having agreed upon criteria
13 for design, testing, maintenance, and repair of the sewer and water infrastructure. With
14 the ten states standards, we can establish minimum levels of criteria for each and every
15 development, expansion, or upgrade to systems.

16 **30. Q DOES THE SYSTEM INSTALLED BY GRANGER WATER CONFORM TO**
17 **THE TEN STATES STANDARDS?**

18 A Yes. I have no reason to believe it does not. The system was designed using development
19 standards for local and state jurisdictions and all relevant construction permits were
20 received. The distribution system was installed using the standards and specifications used
21 for the City of South Bend. Per the County Engineer, the system was to use these

1 parameters (City of South Bend) for the development, since the County has no standard for
2 this infrastructure. The City of Mishawaka standards and specifications were not even
3 considered given the unlikelihood of the system ever being served by Mishawaka.
4 Moreover, and as I've alluded to earlier, IDEM has already reviewed and permitted the
5 plans and specifications for the system.

6 **31. Q WHAT ABOUT OTHER DESIGN MATTERS?**

7 A First and foremost, IDEM has already permitted the system. I do not believe the
8 Commission should stray into system design issues. Regardless, Mr. Williams of Peerless
9 Midwest testifies on further system design issues.

10 **CATCHALL MATTERS**

11 **32. Q MR. PARKS IDENTIFIES THE WATER SYSTEM AS BEING NAMED "THE**
12 **HILLS AT ST. JOE FARM" IN THE RECORDS OF THE IDEM AT PAGE 6,**
13 **LINE 17 OF HIS TESTIMONY. WHY IS THAT?**

14 A I am not certain why IDEM referred to the system in this manner because no request was
15 made to change the name of the water system from Granger Water Utility LLC. This
16 appears to be a clerical error. Granger Water will take action to remedy this. Regardless,
17 what the system is named in IDEM's records is not relevant to the relief sought in this
18 proceeding.

1 **33. Q WHAT ABOUT MR. PARKS COMPLAINTS THAT PETITIONER DID NOT**
2 **COMPLY WITH THE ST. JOSEPH COUNTY SUBDIVISION CONTROL**
3 **ORDINANCE STARTING ON PAGE 19, LINE 20 OF HIS TESTIMONY?**

4 A Mr. Parks again questions another regulatory body's decision. The St. Joseph County Area
5 Plan Commission ("APC") has already approved the subdivision. Moreover, the APC is
6 precluded from exercising jurisdiction over utilities, so its analysis focuses on whether
7 utility service will be provided, not what utilities provide the service. The engineering
8 feasibility study was prepared and the ordinance satisfied, otherwise plat approval would
9 not have been received.

10 **34. Q PLEASE DESCRIBE THE ARC OF EVENTS THAT LED TO THE WATER**
11 **SYSTEM BEING RETAINED BY GRANGER WATER RATHER THAN**
12 **CONTRIBUTED TO THE SJCRWSD.**

13 A The SJCRWSD has only undertaken sewer projects to date involving areas beyond the
14 reach of any nearby municipality for the expansion/extension of the municipal system. The
15 SJCRWSD is a relatively new entity (compared to the century-plus most municipalities
16 have been around) and provides a valuable resource for those areas where a more
17 thoughtful development includes traditional municipal systems such as sanitary sewer
18 collection and treatment, and water main systems. The SJCRWSD was engaged from the
19 beginning with the development to seek the best possible way to serve The Hills. Open
20 public meetings took place where the SJCRWSD pondered the value of the system, the
21 ability of the SJCRWSD as a simplified pass-through on the billing aspects, and the greater
22 good that could be done with the options available to the area in question. The SJCRWSD

1 relinquished any immediate opportunity to take on its first water main distribution system.
2 Instead after numerous discussions, the developer was given the go-ahead to pursue a
3 private water plant and water utility for the defined area. The SJCRWSD maintains a
4 nearby sanitary sewer collection system that was utilized for sewer purposes and The Hills
5 connected into that sanitary sewer.

6 **35. Q MR. PARKS MAKES SEVERAL RECOMMENDATIONS IN HIS TESTIMONY**
7 **BEGINNING ON PAGE 49. HOW DO YOU RESPOND?**

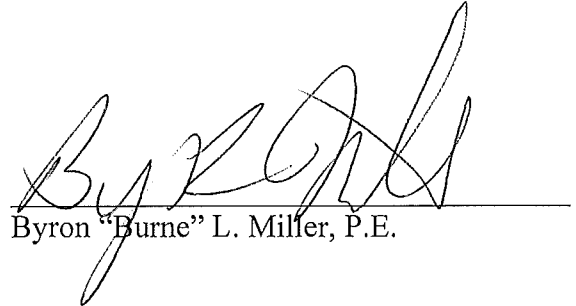
8 A Mr. Parks' recommendations are based on his flawed and unreliable analysis and should
9 be ignored. I address each specific recommendation below:

- 10 • 114 Customer Limit (page 49, line 9): The Commission should not be exercising
11 this authority. IDEM is the agency with expertise in system design, and IDEM has
12 permitted this system. If IDEM issues permits for more than 114 customers, that
13 will be the determining factor for whether Granger Water's system is appropriately
14 designed.
- 15 • Life Cycle Cost "Recognition" (page 49, line 13): Even assuming Mr. Parks' used
16 the correct standard, which I do not believe he did, I have no issue with Granger
17 Water's cost benefit analysis, as I signed off on it. The flawed attempt to disqualify
18 it has been shown to be irrelevant.
- 19 • Life Cycle Cost Directive (page 49, line 22): Even assuming Mr. Parks' used the
20 correct standard, which I do not believe he did, I have no issue with Granger
21 Water's cost benefit analysis, as I signed off on it. The flawed attempt to disqualify
22 it has been shown to be irrelevant.
- 23 • Continued Operation of Granger Water (page 50, line 6): This is a rate case, not a
24 case requesting authority to begin operations. Moreover, the system has been
25 permitted by IDEM.
- 26 • Connection to Mishawaka (page 50, line 20): For the reasons set forth in my
27 testimony about connection to Mishawaka, this recommendation is moot.
- 28 • Funding of Main Extension (page 51, line 4): For the reasons set forth in my
29 testimony about connection to Mishawaka, this recommendation is moot.
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VERIFICATION

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

Dated: 10/26/2021


Byron "Burne" L. Miller, P.E.