
**VERIFIED DIRECT TESTIMONY OF J. PATRICK MATTHEWS
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 J. Patrick Matthews, and my business address is 1130 South Bend Avenue,
3 Suite 350, South Bend, IN 46617.

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

5 A I am the Chief Executive Officer and member of Granger Water Utility LLC (“Granger
6 Water”), the petitioner in this Cause.

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

9 A I received my undergraduate degree in accounting from Indiana University. I have been
10 involved in both the construction and development aspects of the real estate industry since
11 high school. I have developed residential properties in both Indiana and Michigan, and I
12 have held a Michigan Builder’s License since 1995. I have been developing land or
13 purchasing distressed projects for 30 years. Over the last 10 years I have also been a
14 residential multifamily development partner with Kite Realty (NYSE: KRG) in the South
15 Bend, primarily University of Notre Dame, area. I have also negotiated a long term ground

1 lease with the University of Notre Dame for a 350 unit graduate student housing
2 community and development. This is in addition to a 100 unit, 188 bed undergraduate
3 community. We also just held a ground breaking ceremony for a new 35 unit, \$15 million
4 condominium project adjacent to the University of Notre Dame. I have recently signed a
5 development agreement with the City of Mishawaka for a new 116 unit market rate rental
6 community in the heart of the city. I share this information with you, not to brag but, to let
7 you know that I am an experienced and qualified developer with a diverse background in
8 real estate and business development.

9 **4. Q WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

10 A The purpose of my testimony is to support the requested relief in this proceeding. I will
11 describe the proposed development in Granger Water's proposed service area and provide
12 other details and information regarding Granger Water's proposed water utility services.
13 Additionally, I will demonstrate that the public convenience and necessity will be served
14 by authorizing Granger Water to operate through a certificate of public convenience and
15 necessity, that the Commission should consent to the use of county property by Granger
16 Water in accordance with Ind. Code § 36-2-2-23, and that Granger Water's request for the
17 establishment of an initial schedule of rates and charges should be approved.

18 **5. Q WHAT RELIEF DOES THE PETITIONER REQUEST OF THE COMMISSION**
19 **IN THIS CAUSE?**

20 A Petitioner seeks from the Commission a determination of public convenience and necessity
21 to provide water utility service in St. Joseph County, Indiana, for consent pursuant to I.C.

1 § 36-2-2-23 of the Commission to the Board of Commissioners of St. Joseph County,
2 Indiana granting Granger Water a license, permit or franchise authorizing its use of roads,
3 highways, and other property of St. Joseph County, Indiana for water utility purposes, for
4 approval of Granger Water's initial schedule of rates and charges, and for approval of long-
5 term financing and an encumbrance of Granger Water's franchise, works or system related
6 to its loan. Additionally, Granger Water requests certain approvals related to deferred
7 accounting treatment. Petitioner's witness, Jennifer Z. Wilson of Crowe LLP, also
8 discusses and supports certain of these requests.

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10

CORPORATE AUTHORITY

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6. Q PLEASE DESCRIBE GRANGER WATER.

12

A Petitioner is a for-profit water utility which proposes to own and operate a private water
13 system in a high demand bedroom community area located in the northeast corner of St.
14 Joseph County, Indiana. The water utility system will include wells, treatment and storage
15 facilities, water main extensions, and service lines.

16

7. Q WHAT ARE YOUR DUTIES AS MANAGER OF GRANGER WATER ?

17

As Granger Water's Manager, I design and implement business strategies, plans and
18 procedures, set comprehensive goals for performance and growth, establish policies that
19 promote company culture and vision, and oversee daily operations of the company and the
20 work of executives (information technology, marketing, sales, finance, etc.).

1 **8. Q PLEASE DESCRIBE PETITIONER'S ATTACHMENT JPM-1.**

2 A Petitioner's Attachment JPM-1 is a copy of the Articles of Organization for Granger Water
3 Utility LLC.

4 **9. Q D IS GRANGER WATER IN GOOD STANDING WITH THE INDIANA**
5 **SECRETARY OF STATE?**

6 A Yes, it is.

7 **10. Q DOES GRANGER WATER HAVE A CORPORATE ORGANIZATION**
8 **CHART?**

9 A Yes. A corporate organizational chart is attached to my testimony as Attachment JPM-2.

10 **11. Q DOES GRANGER WATER HAVE THE REQUISITE AUTHORIZATION**
11 **FROM ITS MEMBERS TO PROCEED WITH ITS REQUEST FOR THE**
12 **RELIEF SOUGHT IN THIS CAUSE?**

13 A Yes. Attachment JPM-3 is a resolution adopted by unanimous consent of all members of
14 Granger Water authorizing the filing of the Petition in this proceeding and granting the
15 authority to take all actions necessary to obtain all necessary approvals to provide water
16 to the proposed service area that is the subject of this proceeding.

17

THE PROPOSED SERVICE AREA AND NEED FOR SERVICE

**12. Q PLEASE DESCRIBE THE AREA IN WHICH PETITIONER SEEKS
AUTHORITY TO PROVIDE WATER SERVICE.**

A Petitioner's proposed service area is comprised of approximately 151 acres located in St. Joseph County, Indiana, and is depicted on the map attached to my testimony as Attachment JPM-4 ("Service Area"). Essentially, the Service Area is the area of the proposed development known as The Hills at St. Joe Farm ("The Hills"). While the Service Area is the proposed initial service area for which a certificate of public convenience and necessity is requested, Granger Water plans to expand its service area over time, including potentially extending water service to presently unserved developments in the unincorporated area known as Granger, Indiana, located in St. Joseph County.

13. Q PLEASE DESCRIBE THE HILLS IN MORE DETAIL.

A The Hills is located south of Anderson Road, west of Bittersweet Road north of the Indiana Toll Road and east of Current Road in Granger, Indiana. The project will encompass approximately 76 acres and will initially include 40 units, all residential in nature. The entire anticipated project will consist of 229 homesites. The developer of The Hills has an option on an adjacent 75 acres that would allow for expansion to a total of about 500-600 homes. The St. Joseph County Council has granted tax abatement for the project, and the first phase of The Hills has received the necessary zoning and platting approvals for the project.

1 Significantly, The Hills is surrounded by established subdivisions on wells and septics.
2 Attachment JPM-4 also depicts the surrounding area and identifies the substantial number
3 of well water users. St. Joseph County has expressed that the existing well and septic
4 subdivisions are not a sustainable solution and believe that Granger Water may be a
5 longer term solution to providing water utility service to nearby developments currently
6 served by individual wells. Granger Water is not seeking that yet, however, as Granger
7 Water needs to get up and running first by serving The Hills before it can consider
8 extensions to existing neighborhoods.

9 **14. Q WHAT CONDITIONS HAVE BEEN PLACED UPON RECEIVING FINAL**
10 **PLAT APPROVAL FOR THE HILLS FROM THE ST. JOSEPH COUNTY**
11 **PLAN COMMISSION?**

12 A There are no conditions from the County for approval that are unsatisfied. All permitting
13 and approvals have been received.

14 **15. Q ARE THERE ANY MUNICIPALITIES OR WATER SYSTEMS LOCATED**
15 **WITHIN TEN (10) MILES OF THE PROPOSED SERVICE AREA?**

16 A Yes, these are as identified on Attachment JPM-5. All of the municipalities and water
17 systems listed on Attachment JPM-5 have been notified of the water supply system to be
18 developed by Granger Water pursuant to the Indiana Department of Environmental
19 Management's ("IDEM") capacity development program, and all have indicated they are
20 not interested in assisting with the facilities potable water supply or have failed to respond.
21 The acknowledgements of non-interest are included in the Water System Management Plan

1 approved by IDEM and attached to my testimony as Attachment JPM-6 (“WSMP”), which
2 I will discuss in greater detail later in my testimony. I note that the sample Astbury Water
3 Technology (“Astbury”) contract included in the WSMP was redacted in the initial WSMP
4 submission to IDEM and was not redacted for purposes of filing with the Commission.

5 **16. Q DID YOU SEEK A MAIN EXTENSION FROM ANY OF THOSE OTHER**
6 **SYSTEMS?**

7 A Yes, however, the costs of the main extension were excessive, ultimately making such an
8 extension infeasible. Creating a new water utility was actually the most cost effective
9 solution for providing water to The Hills subdivision.

10
11 **17. Q DOES ST. JOSEPH COUNTY SUPPORT THE ESTABLISHMENT OF**
12 **GRANGER WATER?**

13 A Yes. St. Joseph County supports Granger Water providing water utility service. The County
14 Council approved tax abatement for Granger Water evidencing its support. Letters of
15 support from St. Joseph County will be late-filed as Petitioner's Attachment JPM-7.
16 Moreover, the St. Joseph County Regional Water and Sewer District also supports the
17 establishment of Granger Water, and its letter of support will be late-filed as Petitioner's
18 Attachment JPM-8. All parties have recognized the significant value that Granger Water
19 brings to the area by allowing denser development, providing utility and fire protection
20 services, too. The additional sanitary sewer flow from the development will also benefit
21 the St. Joseph County Regional Water and Sewer District by providing sufficient effluent
22 and more revenues for the sanitary sewer system.

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18. Q WILL YOU PLEASE DESCRIBE FOR THE COMMISSION THE NEED FOR WATER SERVICE IN THE PROPOSED SERVICE AREA?

A Water service is necessary for public convenience in this area and will add to the value of residential properties, help maintain home values, and attract prospective residents to the area. As noted above, no other water services are interested in providing potable water to the service area. Furthermore, I believe that the water service will increase the safety of potable drinking water in the area and obviate the necessity of creating hundreds of new private wells in The Hills, not to mention additional septic systems. Additionally, the proposed water service will aid the County's economic development and will provide increased fire protection ability for the proposed service area and reduce insurance costs for the new residents.

WATER SYSTEM MANAGEMENT PLAN

19. Q PLEASE DESCRIBE GRANGER WATER'S PLANS FOR PROVIDING WATER SERVICE.

A Granger Water will provide for the construction of a distribution and transmission system for potable water service. Again, Granger Water's IDEM-approved WSMP is attached as Attachment JPM-6. Granger Water intends to provide water service to residents in its proposed service area and will serve up to 600 service connections within The Hills development at full build out. The system will not connect to a separate Private Water System (PWS) or municipal system. There is no PWS or municipal system located within a reasonable distance to make a connection feasible.

1
2 **20. Q HAS GRANGER WATER PREPARED DETAILED PLANS OUTLINING THE**
3 **SPECIFICATIONS OF THE PROPOSED SYSTEM?**

4 A Yes, the plans and specifications for the proposed system are included in the WSMP
5 (Attachment JPM-6).

6
7 **21. Q WHAT ARE THE ESTIMATED PROJECT COSTS FOR THE GRANGER**
8 **WATER SYSTEM?**

9 A The estimated project costs are outlined in Petitioner's Attachment JPM-9.

10
11 **22. Q WHAT TYPE OF PROPERTY INTERESTS WILL GRANGER WATER**
12 **OBTAIN IN THE REAL PROPERTY UPON WHICH THE PROPOSED**
13 **SYSTEM WILL BE CONSTRUCTED?**

14 A Granger Water owns the land on which the well plant will be constructed. The distribution
15 system will be in the dedicated public right of way and dedicated utility easements.

16
17 **23. Q PLEASE DESCRIBE GRANGER WATER'S IDEM-APPROVED WSMP.**

18 A 327 IAC 8-3.6-3 requires a new public water supply system submit to the commissioner a
19 WSMP that demonstrates the capacity of the proposed public water supply system. The
20 WSMP must include, at a minimum, the technical, financial, and managerial capacities of
21 the public water supply system. Four copies of the WSMP must be submitted to the
22 commissioner at least 120 days prior to the submission of an application for a
23 construction permit. The commissioner must review the WSMP and request any missing

1 or additional information necessary to make a determination regarding the plan. The
2 commissioner must deny the WSMP if it fails to demonstrate the technical, financial, or
3 managerial capacity of the proposed system, or issue a written determination that the
4 system has met the technical, financial, and managerial capacity requirements of 327 IAC
5 8-3.6.

6
7 **24. Q ARE THERE ANY ADDITIONAL STEPS NECESSARY AFTER THE WSMP IS**
8 **APPROVED?**

9 Yes. Granger Water submitted an Application for Construction Permit for Public Water
10 System. The well and well plant construction permit application was prepared by or under
11 the direct supervision of a professional engineer registered in Indiana. The construction
12 permit was approved by IDEM on March 1, 2021.

13
14 **25. Q HOW WILL WATER SERVICE BE PROVIDED TO THE HILLS?**

15 A Granger Water will be the sole provider of water service to The Hills. The system will be
16 served by two (2) 12” diameter wells equipped with vertical turbine pumps and motors.
17 These will feed into one common treatment plant for iron and manganese removal. The
18 treatment plant will also house two (2) hydropneumatic water storage tanks measuring
19 approximately 60” in diameter by 267” end to end. There will be no secondary pumping
20 into the system, pressure will be developed by the well pumps themselves, and held
21 constant by the hydropneumatic water storage tanks. All pumping, treatment, and storage
22 facilities are powered by three-phase electrical service provided by I&M, with a 60 kW
23 natural gas three-phase generator as backup. One well will be in a single structure with the

1 treatment and storage systems. As I mentioned above, the system will not connect to a
2 separate PWS or municipal system, as no PWS is located within a reasonable distance to
3 make a connection feasible.

4 The new water distribution system will include fire hydrants that have been approved by
5 County engineering and fire and meet local and state requirements.

6 Two (2) Siemens 5100W mag meters will be installed, one at each well, to meter individual
7 well production. Additionally, one common Siemens 5100W mag meter will meter influent
8 into the filtration system, and one common Siemens 5100W mag meter will be the master
9 meter to measure finished water exiting the treatment facility and hydropneumatic storage
10 tanks to the distribution system. This final meter will be used to measure finished water
11 volume for monthly reports of operations as required by 327 IAC 8-11-1(d)(1). The flow
12 meters will be included on the engineered drawings and submitted as a part of the
13 Application for Construction Permit for Public Water System. Records will be stored
14 electronically. IDEM issued the Construction Permit for Public Water System, #WS-
15 12205, on March 19, 2021, which I have attached to my testimony as Attachment JPM-10.

16 The backwash effluent will be metered by a Siemens 5100W mag meter. Each of the six
17 (6) filter vessels will require 398 gpm for approximately five minutes for proper backwash.
18 This effluent will be directed to the local sanitary sewer operated by the St. Joseph County
19 Regional Water and Sewer District. The Regional Water Sewer District has agreed to
20 accept the discharge.

21 As an aside, plans have been submitted to IDEM regarding the sewer extension design,
22 approval, and permitting. And IDEM issued the construction permit for the sewer facilities
23 on March 29, 2021.

1 The water supply source is groundwater from the unconsolidated, unconfined portion of
2 the St. Joseph Aquifer System and Tributary Valleys Sole Source Aquifer. Two
3 groundwater supply wells will be operated within the same aquifer to supply the water
4 demands for The Hills.

5

6 **26. Q ARE THERE ANY SPECIAL CONSIDERATIONS WITH THE WATER**
7 **QUALITY IN THE AREA?**

8 A No. Although nitrates are common in the area's groundwater, the testing we have
9 performed has shown that the wells pull water that does not need treatment for nitrates.
10 Granger Water's treatment plant will, however, provide filtration for naturally occurring
11 iron and manganese in the water. Accordingly, this is a significant benefit over the
12 individual wells that adjacent subdivisions use, as Granger Water will be providing some
13 of the highest quality water in the vicinity.

14

15 **27. Q WERE OTHER OPTIONS FOR SERVICE CONSIDERED PRIOR TO THE**
16 **DECISION TO ESTABLISH GRANGER WATER AND PROVIDE WATER**
17 **SERVICE TO THE HILLS?**

18 Cost studies were prepared for the system development plan with IDEM. I mentioned
19 earlier that main extensions from existing systems were not feasible. Additionally, simple
20 calculation models for individual wells were completed, which were also determined to be
21 infeasible.

22

1 **30. Q MR. MATTHEWS, DO YOU BELIEVE THAT GRANGER WATER HAS THE**
2 **FINANCIAL ABILITY TO INSTALL, OPERATE AND MAINTAIN THE**
3 **PROPOSED WATER UTILITY?**

4 A Yes. An unaudited financial statement accompanied by a letter from a certified public
5 accountant demonstrating the financial strength of Granger Water's immediate parent is
6 attached as confidential Attachment JPM-11. This demonstrates that Granger Water is
7 backed by substantial financial resources to assist Granger Water.

8
9 **31. Q PLEASE DESCRIBE THE PROPOSED INITIAL RATES AND CHARGES, AS**
10 **WELL AS NON-RECURRING CHARGES, TO BE CHARGED BY GRANGER**
11 **WATER.**

12 A Granger Water proposes to charge an initial monthly flat rate of \$75.00. Granger Water
13 proposes to use the Commission's small utility alternative regulatory procedure to increase
14 rates and charges on a periodic basis by the Commission-approved factor. There will also
15 be a \$1,750.00 system development charge and other nonrecurring charges, such as service
16 calls and bad check charges, commonly charged by water utilities. Petitioner's witness,
17 Jennifer Z. Wilson of Crowe LLP, testifies as to the rates and charges proposed by Granger
18 Water.

19
20 **32. Q PLEASE DISCUSS WHY A \$75.00 MONTHLY FEE IS REASONABLE.**

21 A Granger Water appreciates that \$75.00 might seem a little high. I think a couple factors are
22 at play here. First, customers are voluntarily agreeing to move into The Hills and pay the
23 \$75.00 monthly rate. It is not being imposed upon them after having paid only a fraction

1 of that amount. They are choosing to move to The Hills and have factored the \$75.00
2 monthly rate into their cost considerations. Moreover, Granger Water has an incentive not
3 to charge too high of a rate because that would stymie lot sales and slow customer growth.
4 Granger Water fully believes that the homeowners moving into The Hills fully grasp the
5 \$75.00 monthly rate and are willing to pay it. Second, many municipalities if they truly
6 charged the cost of service would charge significantly higher residential rates than what
7 they actually charge, which makes the proposed \$75.00 rate seem artificially high. Granger
8 Water, as a utility serving exclusively residential customers, has no other class that can
9 subsidize residential users.

10 Finally, when sewer and water rates are viewed collectively, the total bill for water and
11 sewer, is commensurate with other area providers. The monthly bill for sanitary sewer for
12 residents of The Hills is projected to be \$77 per month because of the sewer system that is
13 being contributed to the St. Joseph County Regional Water and Sewer District. The \$77
14 per month projected sewer bill is lower than the typical \$125 per month charge levied by
15 the St. Joseph County Regional Water and Sewer District in other parts of its service area.
16 Accordingly, a combined water and sewer bill of approximately \$150 per month is very
17 reasonable and will be attractive to homebuyers.

18
19 **33. Q WHY DOES GRANGER WATER PROPOSE A FLAT RATE?**

20 A Granger Water proposes to serve only residential customers, so the customer base will be
21 homogenous with each customer's usage estimated to be very similar to other customers.
22 Additionally, meters are expensive. The vast majority of Granger Water's operating costs
23 are fixed costs, so even if meters were installed and a base rate with a volumetric

1 component added and charged, we would anticipate a higher fixed fee portion of the bill
2 and a very small volumetric portion of the bill. Given the significant cost associated with
3 meters, in the early years of the utility, we decided to avoid that cost up front while
4 affording the right to install meters at a future date.

5

6 **34. Q WILL GRANGER WATER INSTALL METERS IN THE FUTURE?**

7 A The current plan is to install meters at some point in the future. I am not certain when that
8 will be. The most likely timeframe is sometime between years 6-10 of operation.

9

10 **35. Q WILL YOU, OR ARE YOU ALREADY, NOTIFYING CUSTOMERS THAT**
11 **RATES MIGHT INCREASE?**

12 A Yes. We are presently notifying potential customers of this. A sample notice that is
13 provided to prospective homeowners is attached as Petitioner's Attachment JPM-12.
14 Additionally, to ensure compliance with public notice requirements, Granger Water will
15 publish notice of the filing of this proceeding in accordance with Indiana Code § 8-1-2-
16 61(a). The proof of publication will be late-filed as Petitioner's Attachment JPM-13.

17

18 **36. Q PLEASE DISCUSS HOW THE TAX ABATEMENT GRANGER WATER**
19 **RECEIVED FROM ST. JOSEPH COUNTY IMPACTS THE FINANCIAL**
20 **ABILITY OF GRANGER WATER.**

21 A It helps significantly. In the early years of operation, Granger Water will operate at a loss,
22 so saving money from the abatement of property taxes will help considerably with the cash
23 flows. The personal property taxes are abated through the year 2026, and the real property

1 taxes are abated through the year 2027, so right when the customer counts start rising and
2 operating revenues increase, the tax liability starts to escalate. Accordingly, the tax
3 abatement roll off matches up well with the financial plan for Granger Water.

4 **LONG TERM DEBT & ENCUMBRANCE OF FRANCHISE, WORKS OR SYSTEM**

5 **37. Q PLEASE DESCRIBE GRANGER WATER'S LONG TERM DEBT RELATED**
6 **TO THE WATER UTILITY PLANT.**

7 A Granger Water obtained a loan in an amount not to exceed \$1,481,397 for purposes of
8 constructing the water treatment plant. A copy of the loan document is attached as
9 Attachment JPM-14.

10
11 **38. Q IS THE DEBT FINANCING REASONABLE?**

12 A Yes. With interest rates as low as they are, debt is absolutely a reasonable financing
13 mechanism.

14 **39. Q IS THE FINANCED PROJECT A PRUDENT AND REASONABLE USE OF**
15 **FUNDS?**

16 A Yes. The project is a water treatment plant, which is an absolute necessity to provide water
17 utility service. Additionally, I would point to Granger Water's WSMP that IDEM approved
18 after a vigorous review to demonstrate that the project is prudent and reasonable.

19

1 **40. Q WAS GRANGER WATER REQUIRED TO PROVIDE SECURITY FOR THE**
2 **LOAN?**

3 A Yes. In addition to my personal guaranty, the lender required a mortgage on the property.
4 A copy of the mortgage is attached as Attachment JPM-15. The public interest will be
5 served by this encumbrance on the property of Granger Water because it allowed for a
6 lower interest rate on the debt, which in turn lowers the need for higher rates on customers.

7
8 **41. Q PLEASE DESCRIBE GRANGER WATER'S LONG TERM DEBT RELATED**
9 **TO THE WATER DISTRIBUTION SYSTEM.**

10 A Granger Water proposes to purchase the water distribution system at cost from the
11 developer in order to avoid a tax event that would serve only to increase rates for customers.
12 Granger Water proposes a draw loan in an amount equal to the cost of the distribution
13 system installed by the developer. The loan will be paid down by equity infusions. This
14 arrangement is reasonable because Granger Water is foregoing a return on the distribution
15 system investment, interest expense is not charged to net operating income, and the loan
16 arrangement reduces taxes that would otherwise be recoverable from customers by the
17 utility. A copy of the loan agreement is attached as Attachment JPM-16. Granger Water
18 further requests authority to enter into loan agreements on the same basic terms and
19 conditions for purchase of the water distribution systems for future phases of The Hills.
20 Granger Water would be willing to make a compliance filing related to this request so that
21 the Commission and the OUCC would know when Granger Water enters into subsequent
22 water distribution system purchase agreements.

1 **FREE WATER SERVICE**

2 **42. Q WHEN DO YOU ANTICIPATE HOMEOWNERS MOVING INTO THE HILLS?**

3 A Sometime in August 2021.

4

5 **43. Q WHAT IF RATES AND CHARGES ARE NOT APPROVED BY THEN?**

6 A Granger Water proposes to serve the homeowners for free until the Commission approves
7 rates and charges for Granger Water in this proceeding. I am aware of one other instance
8 where a water utility provided water service for free until rates and charges were approved.
9 That water utility was the Newport Chemical Depot Reuse Authority, which sought
10 approval to provide water service and for initial rates and charges in Cause No. 44699.

11 **DEFERRED ACCOUNTING TREATMENT**

12 **44. Q IS GRANGER WATER REQUESTING ANY SPECIAL ACCOUNTING**
13 **TREATMENT?**

14 A Yes. Granger Water seeks approval to record operating losses in a manner that will allow
15 it to seek a return of and return on those losses in a future rate proceeding. Granger Water
16 is not requesting a guarantee of recovery. Granger Water simply wants the opportunity to
17 present the costs incurred that are not covered by operating revenues for consideration in a
18 future rate proceeding to determine if the costs were reasonably incurred and Granger
19 Water should be allowed to earn a return of and return on those costs.

20

1 **45. Q WHY IS THE REQUESTED ACCOUNTING TREATMENT REASONABLE?**

2 A Ms. Wilson testifies to this as well, but I provide supporting evidence. The proposed \$75.00
3 monthly flat fee and the anticipated number of customers over the first several years of
4 operations will not cover the costs of operating the utility in the short term. These early
5 connecting customers benefit by not having to pay the true cost of service. Moreover, future
6 customers benefit from being able to connect to a utility system without having to pay a
7 carrying charge for being a relatively late connecting customer to a new utility system.
8 Another reason the requested treatment is reasonable is that Granger Water is not
9 requesting a guarantee of recovery and return on those costs but rather is simply requesting
10 authority to defer those costs for presentation in a future rate case where Granger Water
11 can present evidence of the reasonableness of the costs incurred.

12 **AFFILIATE CONTRACTS**

13 **46. Q DOES GRANGER WATER HAVE ANY AFFILIATE CONTRACTS?**

14 A Yes. In addition to the water distribution system loan discussed earlier, Granger Water has
15 one additional affiliate contract. Forest Beach Builders is an affiliate of Granger Water that
16 Granger Water hired to construct the shell of the water treatment plant. Unaffiliated
17 contractors are performing the bulk of the work on Granger Water's system. The value of
18 the affiliate contract is \$300,000, which is minor, considering the more than \$2 million
19 being expended to place Granger Water in a position to start utility service. The affiliate
20 contract is attached as Petitioner's Attachment JPM-17.

21

1 **47. Q IS THE COMPENSATION PAID TO THE AFFILIATE REASONABLE?**

2 A Yes. Construction expense is reasonable. Moreover, Granger Water actually sought bids
3 from two unaffiliated contractors, Horizon and Capstone, for the water treatment plant shell
4 project. Neither responded, most likely because the project is small and the construction
5 business is booming, so most contractors have more work than they can handle. Finally, I
6 note that the construction costs paid to the affiliate represent a relatively small share of the
7 overall costs of the water utility.

8 **CONSENT TO USE COUNTY PROPERTY**

9 **48. Q IS PETITIONER REQUEST APPROVAL FOR THE USE OF ANY COUNTY**
10 **PROPERTY?**

11 A Yes. Pursuant to Ind. Code § 36-2-2-23, Petitioner requests the Commission for the Board
12 of Commissioners of St. Joseph County, Indiana grant Petitioner a license, permit, or
13 franchise authorizing its use of roads, highways, and other property of St. Joseph County,
14 Indiana for water utility purposes.

15 **VIABILITY OF START UP UTILITY**

16 **49. Q AS A START UP WATER UTILITY, IS THERE A CONCERN THAT IT MAY**
17 **NOT BE AS SUCCESSFUL AS YOU PLAN?**

18 A Of course that risk exists. When we met with the OUCC for our pre-filing meeting, a
19 sentiment was expressed that there was concern that start-up utilities often do not achieve
20 the success they were initially expected to hit. Again, that risk exists, but I believe there
21 are powerful factors here that mitigate that risk. First, Granger Water has hired quality

1 operators and consultants. Peerless Midwest and Astbury are top quality consultants that
2 will ensure Granger Water does not run into operational problems. Further, demand is
3 strong for homes in The Hills. There is significant pent up housing demand, and the first
4 new subdivision served by water and sewer in over 20 years in unincorporated St. Joseph
5 County, i.e., The Hills, is serving that demand. Based on the demand Granger Water has
6 seen, customers will move in and the utility will grow. Plus, the Granger area is an in
7 demand location to live in St. Joseph County with good schools and rising property values.
8 Finally, IDEM has put Granger Water through its paces to ensure it has the proper
9 technical, managerial and financial ability. Very few new water systems have been
10 developed since the water system management plans have become a requirement, and I
11 believe some of the small systems that have faced the troubles the OUCC expressed
12 concern about were established before the rigors of the water system management planning
13 process were instituted.

14 **CONCLUSION**

15 **50. Q IN YOUR OPINION, IS THE PROVISION OF WATER SERVICE IN THE**
16 **PROPOSED SERVICE AREA REQUIRED BY PUBLIC CONVENIENCE AND**
17 **NECESSITY?**

18 A Yes. In my opinion, it is. Public convenience and necessity require that Granger Water
19 provide water service in the proposed area. As previously stated, water service will have
20 the effect of increasing public safety and environment in the proposed area, and the service
21 can be provided on a reasonable and affordable basis.
22

1 **51. Q ARE THE RATES AND CHARGES, LONG TERM DEBT AND OTHER**
2 **APPROVALS SOUGHT IN THIS PROCEEDING REASONABLE IN YOUR**
3 **OPINION?**

4 A Yes, they are.

5

6 **52. Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY AT THIS TIME?**

7 A Yes, it does.

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: 06/21/2021


J. Patrick Matthews

LIST OF ATTACHMENTS
TO VERIFIED DIRECT TESTIMONY OF J. PATRICK MATTHEWS

Attachment JPM-1 – Articles of Organization

Attachment JPM-2 – Corporate Organizational Chart

Attachment JPM-3 – Board Resolution

Attachment JPM-4 – Map of Proposed Service Area

Attachment JPM-5 – Municipalities or Water Systems Within Ten Miles of Granger Water

Attachment JPM-6 – IDEM-Approved Water System Management Plan

Attachment JPM-7 – County Letters of Support (late-filed)

Attachment JPM-8 – St. Joseph Regional Water and Sewer District Letter of Support (late-filed)

Attachment JPM-9 – Estimated Project Costs

Attachment JPM-10 – IDEM Construction Permit

Attachment JPM-11 – Financial Information (confidential)

Attachment JPM-12 – Sample Notice to Potential Customers

Attachment JPM-13 – Proof of Publication (late-filed)

Attachment JPM-14 – Loan Documentation

Attachment JPM-15 – Mortgage

Attachment JPM-16 – Distribution System Loan

Attachment JPM-17 – Affiliate Contract

Page 1 of 3
APPROVED AND FILED
CONNIE LAWSON
INDIANA SECRETARY OF STATE
04/08/2019 12:34 PM

ARTICLES OF ORGANIZATION

Formed pursuant to the provisions of the Indiana Code.

ARTICLE I - NAME AND PRINCIPAL OFFICE ADDRESS

BUSINESS ID 201904081315452
BUSINESS TYPE Domestic Limited Liability Company
BUSINESS NAME GRANGER WATER UTILITY LLC
PRINCIPAL OFFICE ADDRESS PO Box 4577, South Bend, IN, 46634, USA

ARTICLE II - REGISTERED OFFICE AND ADDRESS

REGISTERED AGENT TYPE Individual
NAME John B. Ford
ADDRESS 202 S. Michigan Street, Ste. 600 KeyBank Bldg., So Bend, IN, 46601, USA
SERVICE OF PROCESS EMAIL jford@jonesobenchain.com

I acknowledge that the Service of Process email provided above is the email address at which electronic service of process may be accepted and is publicly viewable.

ARTICLE III - PERIOD OF DURATION AND EFFECTIVE DATE

PERIOD OF DURATION Perpetual
EFFECTIVE DATE 04/08/2019
EFFECTIVE TIME 12:06PM

ARTICLE IV - PRINCIPAL(S)

No Principal on record.

MANAGEMENT INFORMATION

THE LLC WILL BE MANAGED BY MANAGER(S) Yes
IS THE LLC A SINGLE MEMBER LLC? Yes

Page 2 of 3
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04/08/2019 12:34 PM

SIGNATURE

THE SIGNATOR(S) REPRESENTS THAT THE REGISTERED AGENT NAMED IN THE APPLICATION HAS CONSENTED TO THE APPOINTMENT OF REGISTERED AGENT.

THE UNDERSIGNED, DESIRING TO FORM A LIMITED LIABILITY COMPANY PURSUANT TO THE PROVISIONS OF THE INDIANA BUSINESS FLEXIBILITY ACT EXECUTES THESE ARTICLES OF ORGANIZATION.

IN WITNESS WHEREOF, THE UNDERSIGNED HEREBY VERIFIES, SUBJECT TO THE PENALTIES OF PERJURY, THAT THE STATEMENTS CONTAINED HEREIN ARE TRUE, THIS DAY **April 8, 2019**.

SIGNATURE

John B. Ford

TITLE

Legal Representative

Business ID : 201904081315452

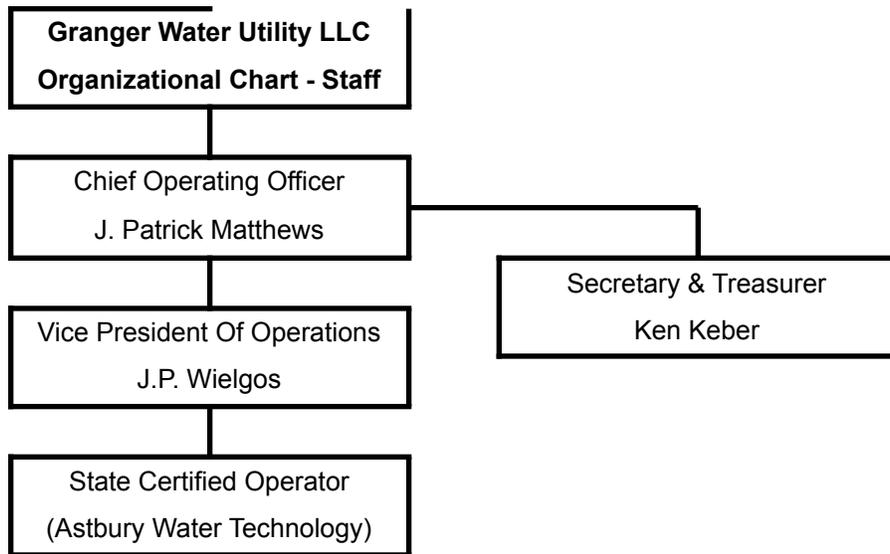
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ADDITIONAL ARTICLES OF ORGANIZATION

- A. Additional Members maybe admitted as provided in the Operating Agreement of the Company.
- B. The dissociation of a Member shall not dissolve the Company unless the remaining Members so elect pursuant to the Operating Agreement.
- C. The Company shall indemnify the Members and Managers to the greatest extent permitted by law.
- D. The Operating Agreement of the Company shall govern all matters not expressly set forth in these Articles.

Corporate Organizational Chart

Organizational structure chart (lifted from the WSMP)



ATTACHMENT JPM-3 - BOARD RESOLUTION

GRANGER WATER UTILITY LLC

Board of Directors Resolution

June 15, 2021

WRITTEN CONSENT APPROVING ACTIONS TAKEN WITH RESPECT TO RATE CASE

Upon a motion duly made, seconded, and unanimously carried, it was adopted by Granger Water Utility LLC ("Granger Water"), Granger Water hereby consents to the following actions to be taken in lieu of a special meeting of its members, duly called and held, for the purposes hereof:

WHEREAS, Granger Water is preparing to begin to provide water utility service to The Hills at St. Joe Farm subdivision in unincorporated St. Joseph County, Indiana;

WHEREAS, Granger Water requires certain approvals from the Indiana Utility Regulatory Commission ("IURC"), including approval of rates and charges, financing approval, and other related approvals, in order to carry out its provision of water utility service;

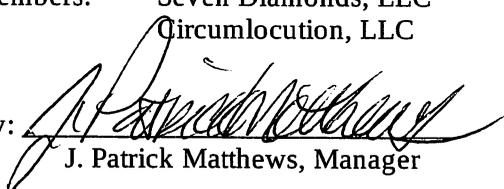
WHEREAS, the members of Granger Water desire to authorize J. Patrick Matthews, as Manager of Granger Water, to direct and seek all necessary or advisable approvals from the IURC for Granger Water's provision of water utility service in a proceeding before the IURC ("Rate Case");

NOW, THEREFORE, BE IT RESOLVED, that J. Patrick Matthews, Manager shall be and hereby is authorized to make all decisions with respect to the Rate Case, including the filing of testimony and evidence, prosecution of the Rate Case, and all other matters necessary or advisable to undertake with respect to the Rate Case; and

RESOLVED, that all actions to date of J. Patrick Matthews with respect to the Rate Case are hereby approved, ratified, and affirmed.

IN WITNESS WHEREOF, the undersigned have executed this Written Consent as of the 10th day of June, 2021.

Members: Seven Diamonds, LLC
Circumlocution, LLC

By: 

J. Patrick Matthews, Manager

Granger Water Utility LLC
Map of Proposed Service Area
(The Hills at St. Joe Farm, Major Subdivision, including optioned land)
Granger, Indiana 46530



Municipalities of Water Systems Within 10 Miles

Systems Contacted:

St. Joseph County Regional Water & Sewer District (SJCRWSD)
Mishawaka Utilities Water Department
The City of Niles Utilities Department
The City of South Bend Public Works
The City of Elkhart

The above information is also detailed in the Water System Management Plan as Exhibit 3.3.1.

Water System Management Plan

Water System ID# IN5271002

Granger Water Utility LLC

Community Water System Exclusively for
The Hills Major Subdivision

June 16, 2020



Granger Water Utility LLC

(PWS ID# IN5271002)

1122 N. Frances St.

South Bend, IN 46617

J. Patrick Matthews, Manager

Pat@7.Diamonds

T: 574.315.9668

(Rev2 - 22Jun20, fixed index)

(Rev3 - 09Sep20, Response)

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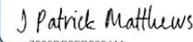
Owner's Certification

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Owner Certification

The Public Water Supply System for the **Granger Water Utility LLC** is located at 12851 Cleveland Road, Granger, IN. 46530. This is the address for 76 total acres. The physical location will be determined when the final plat is approved, and addresses are assigned. This system is classified as a non-transient public Water Supply system. As such, this **Water System Management Plan** will become effective upon approval by the Indiana Department of Environmental Management (IDEM) and Signed below by the owner's representative.

As Manager of the Granger Water Utility LLC I, Patrick Matthews, have reviewed the Water System Management Plan for the Granger Water Utility LLC. I certify that it has been prepared in accordance with best practices.

DocuSigned by:

76350B2FD989411...

J. Patrick Matthews, Chief Executive Officer
Granger Water Utility LLC
9/1/2020

Date

Stakeholder Mailing List

From the Section 5 of the IDEM Information Handbook:

In addition to the plan, the applicant should also submit a mailing list and mailing labels of parties or stakeholders that may have an interest in the establishment of the system in order for IDEM to have an opportunity to solicit comments on the Water System Management Plan for the proposed public water supply system.

Granger Water Utility LLC has identified only 5 stakeholders that would be impacted by development of the new water system:

- Mishawaka Indiana Utilities Water Department
- St. Joseph County Indiana Regional Water & Sewer District
- South Bend Indiana Department of Public Works
- Niles Michigan Water Department
- Elkhart Indiana Water Department

All stakeholders have been notified and have responded with NO interest in providing or interfering with the development of the new Private Water System.

We are unable to identify any other parties that would be impacted by the new water system development and therefore have not included a mailing list in this plan submission.

See **Exhibit 3.3.1**

Document Organization

The following document has been organized according to the Office of Water Quality Information Handbook. Each section in the handbook, the technical capacity, the financial capacity, and the managerial capacity sections have been organized according to the table summary in the handbook. Each table (sections) has been broken out into subsections according to columns (**Sections.Columns.Rows**). i.e.: item **1.2.4 Analysis of proposed source reliability**, will refer to the Technical Summary *Table 1* from page fourteen (14) of the handbook, column two (2)(Water Supply source assessment) , row four (4) (Analysis of proposed source reliability). See below for reference. This organization guarantees that we have addressed all required items from the handbook.

Handbook (Technical / Table 1) example:

Requirement	System Description	Water Supply Source Assessment	Indiana Public Drinking Water Rules	Infrastructure and Equipment Assessment	Infrastructure Replacement Plan
Provide	Physical address of the proposed water system	Site map of each water supply source	Description of methods used to comply with 327 IAC 8-1	Assess source of supply facilities	Estimated life expectancy of equipment
Provide	System type (CWS or NTNCWS) and justification of determination	Description of water supply source	Description of methods used to comply with 327 IAC 8-2-8.5	Assess pumping facilities	Schedule of equipment replacement
Provide	Characteristics of population and water use	Design basis of the system in terms of meeting consumer demand	Description of methods used to comply with 327 IAC 8-3	Assess water meters	Expected replacement date
Provide	Anticipated population growth (20 years) and resulting change in demand	Analysis of proposed source reliability	Description of methods used to comply with 327 IAC 8-3.4	Assess treatment process components	Estimated cost of replacement

1.0 Technical Capacity

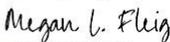
Technical Certification

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Technical Certification

The Hydrogeological Services Department of Peerless Midwest, Inc. completed the technical portion of this Water System Management Plan for the Granger Water Utility LLC.

I have reviewed the Technical Capacity Portion of the Water System Management Plan for the Granger Water Utility LLC (PWSID IN5271002). I certify that it has been prepared in accordance with good engineering practices. This plan is in compliance with the requirements laid out in IAC 327.

DocuSigned by:

5091EF41679C4CC

Megan L. Fleig, P.G.
Project Hydrogeologist
Peerless Midwest, Inc.
55860 Russell Industrial Parkway
Mishawaka, IN 46545
6/17/2020

Date



1.1 System Description

1.1.1 Physical Address Of The Proposed Water System

Location of Well Site / UTM NAD 27

Well #1	GPS	573,277	4,620,517
Well #2	GPS	573,260	4,620,545

The proposed site of the wells is currently located at 12851 Cleveland Road, Granger, IN. 46530. This is the address for 76 total acres. The physical location will be TBD until the final plat is approved, and addresses are assigned.

The proposed Hills at St. Joe Farms development is located south of Anderson Road, west of Bittersweet Road, north of the Indiana Toll Road and east of Current Road (Figure 1). Well 1 is located in the northwest quarter of the southwest quarter of the northwest quarter of Section 19, T38N, R4E, Harris Township, St. Joseph County. The wells are located on the Osceola USGS 1:24,000 quadrangle. Well 1 is located approximately 2,810 feet south of Anderson Road and 2,225 feet west of Bittersweet Road. Well 2 is located approximately 2,730 feet south of Anderson Road and 2,280 feet west of Bittersweet Road.

1.1.2 System type and justification of determination

The Granger Water Utility, LLC plans on serving 500 or more service connections within The Hills at St. Joe Farms development. Therefore, the Granger Water Utility, LLC is categorized as a Community Public Water System (PWSID IN5271002). The system anticipates serving a population of less than 3,300 individuals, therefore the system size will be categorized as “small”.

1.1.3 Characteristics of population and water use

The water supply system is classified as a community well. Two (2) wells will be located on the property at the stated address above. Well 1 and Well 2 will be located approximately 106 feet away from each other. The wells are designed to handle up to 500 single family residential units, supporting each unit year round. More water will be needed in the spring and summer to

account for sprinkler use. This is already accounted for in the well capacity. The water demand consists of typical residential uses (drinking water, shower water, washing, etc.).

1.1.4 Anticipated population growth (20 years) and resulting change in demand

The community will begin with an estimated 40 units. The proposed wells will have a 72-hour pump test of greater than 1500 GPM. The entire anticipated project will consist of 500 homesites. The demand for 500 sites is 800 GPM. The community water system is being sized from the onset, to accommodate the full build-out of 500 sites. That is the only area being considered to be served. There is no anticipation for capacity outside of the development.

Average Daily Consumer Demand = 500gpd x 500 homes = 250,000 gallons per day
Peak Daily Consumer Demand = (250,000gpd x 2.5)+(800gpm x 60minutes/day) = 673,000gpd

1.1.5 Plan for meeting increased future demands

The water system is initially designed to support 500 units. Any upgrade to support this number will only require a future pump horsepower upgrade. 2-12 inch diameter wells will have enough capacity to supply the entire anticipated development of 500 lots. See calculations for Section 1.1.4. There are no plans to provide service outside of The Hills community.

Any narrative mentioning 500 lots/units is purely speculative. The development has only enough land for 229 residential lots as depicted in the provided plat. The developer has not secured any additional land to provide for expansion. We believe it is prudent to size for additional capacity at this time.

1.1.6 Site plan

See **Exhibit 1.1.6**

1.1.7 Description of facilities

The system will be served by two (2) 12" diameter wells equipped with vertical turbine pumps and motors. These will feed into one common treatment plant for Iron and Manganese removal. A pilot study is proposed to prove the effectiveness of using OxiPlus75 as filtration media at a filtration rate of 6.29 g.p.m./sq.ft.. This NSF Certified for Drinking Water (See **Exhibit 1.1.7**) media is proposed to be housed in six (6) filters measuring approximately 54" in diameter by 60" side shell height. Prechlorination with 12.5% sodium hypochlorite will be used for oxidation of the Iron, and 12.5% sodium hypochlorite will be used for post-chlorination to meet IDEM

guidelines for system residual. 12.5% sodium hypochlorite is also NSF certified (See **Exhibit 1.1.7**). All piping will be conforming to AWWA guidelines for underground water main and above grade piping installation, pressure testing, and disinfection. The treatment plant will also house two (2) hydropneumatic water storage tanks measuring approximately 60" diameter by 267" end to end. There will be no secondary pumping into the system, pressure will be developed by the well pumps themselves, and held constant by the hydropneumatic water storage tanks. All pumping, treatment, and storage facilities are powered by three-phase electrical service provided by I&M, with a 60 kW natural gas three-phase generator as backup. One well will be in a dedicated building, while the second well will be in a single structure with the treatment and storage systems.

See **Exhibit 1.1.7 (OxiPLus75 NSF Certification)**
(12.5% Sodium Hypochlorite Certification)

1.1.8 Details of interconnecting with other PWSs

The system will not connect to a separate Private Water System (PWS) or municipal system. This private system will service only the homes within The Hills at St. Joe Farm Major Subdivision community. There is no PWS located within a reasonable distance to make a connection feasible.

1.1.9 Description of ability to meet fire protection demand

In addition to water, sewer, and storm sewer running throughout the community, the new water distribution system will include fire hydrants. The fire hydrants are approved by County engineering, fire, and meet local and state requirement specifications.

Fire protection need is projected to ensure sufficient flow in the system with two (2) concurrent fires at the same time. With a base of 400 gpm for each fire, the system is developed to maintain this and exceeds it with a well pump capability projected at over 1,200 gpm.

Fire Department review and approval is a sub-part of the staff approvals for the infrastructure prior to final approval of the subdivision.

1.1.10 Plan for metering water production

Two (2) Siemens 5100W mag meters will be installed, one at each well to meter individual well production. Additionally, one common Siemens 5100W mag meter will meter influent into the

filtration system, and one common Siemens 5100W mag meter will be the master meter to measure finished water exiting the treatment facility and hydropneumatic storage tanks to the distribution system. This final meter will be used to measure finished water volume for monthly reports of operations as required by 327 IAC 8-11-1(d)(1). The flow meters will be included on the engineered drawings submitted as part of the "Application for Construction Permit for Public Water System". Records will be stored electronically.

1.1.11 Waste generated and plan for waste treatment

The backwash effluent will be metered by a Siemens 5100W mag meter. Each of the six (6) filter vessels will require 398 gpm for approximately five minutes for proper backwash. Logs This effluent will be directed to the local sanitary sewer operated by the St. Joseph County Regional Water and Sewer District. The Regional Water Sewer District will accept the discharge.

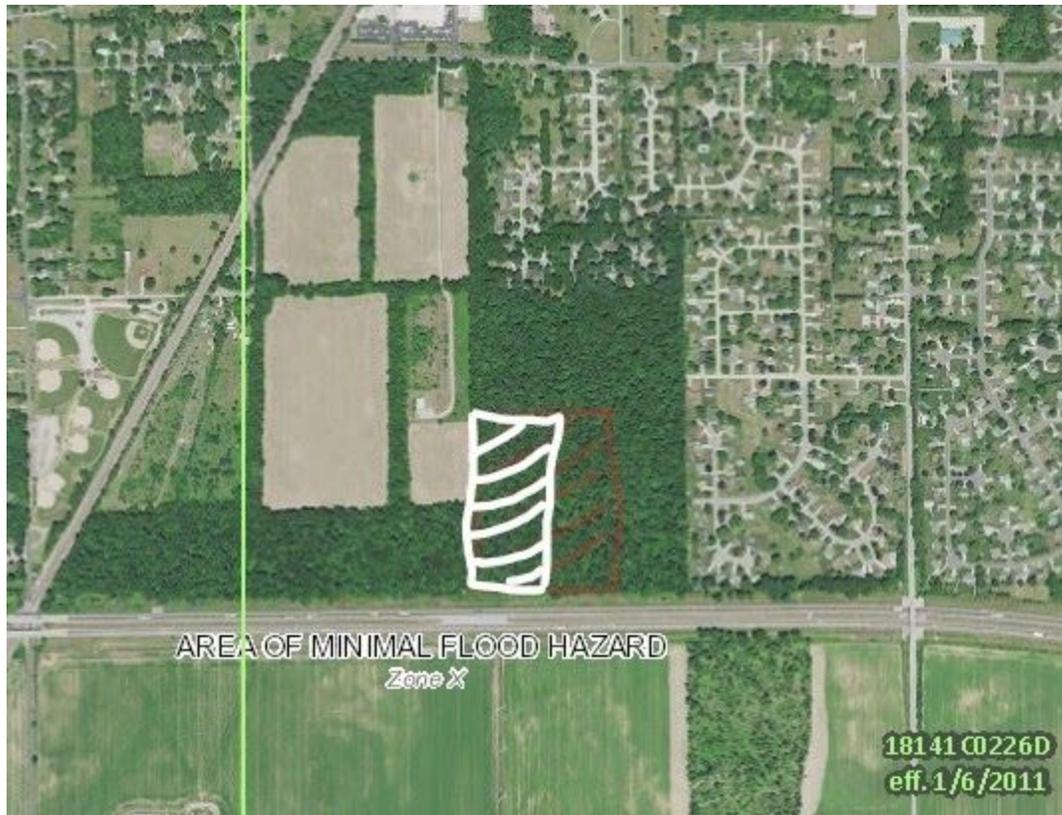
See **Exhibit 1.1.11**

1.1.12 Highest flood elevation if system is in 100-year flood plain

This property, both for the initial phase containing the well plane and second phase (neighboring parcel) are not in a 100-year flood plain. The nearest location for any modelled area with a floodplain, is over one (1) mile from the property, hydraulically, with a grade/elevational differential on the order of fifteen (15) feet.

The FEMA map has identified this location as an "Area of Minimal Flood Hazard."

(See image below snipped from the FEMA website)



("Thatch" indicates approximate area of well plant)

1.2 Water Supply Source Assessment

1.2.1 Site map of each water supply source

The 3,000 foot area surrounding the proposed GWU wells consists of woody wetlands, cultivated cropland, deciduous forest, evergreen forest, low to high intensity developed land consisting of primarily residential homes, herbaceous land, developed open space and cultivated crops. The Indiana Toll Road and the Canadian National railroad bisect the 3,000 foot radius around each proposed public supply well. The Indiana Toll Road is located 400 feet south of the proposed GWU well field. The Canadian National railroad is located 2,300 feet northwest of the proposed GWU well field. A federal and state database search was performed by Environmental Data Resources (EDR) to determine the regulated potential sites of contamination within 3,000 feet of the proposed GWU well field. The table below provides information on the identified potential contaminant sources within 3,000 feet of the proposed

GWU well field. The map below provides the locations of the regulated potential contaminant sources in relation to the proposed GWU well field

PCS MAP	EDR MAP	FACTORY	DB NAME	STREET ¹	UTM N	UTM E	POTENTIAL CONTAMINANTS/ NOTES	EDRID
1	1	Indiana Toll Road Spill	SPILLS	-	4,620,379	573,961	Spill on 4/10/94, 125 Gallons of Diesel	5103800480
2	2	Watkins Property	FNDS	51939 Cheryl Dr	4,621,101	573,751	-	1016800733
3	3	MAC Transmissions Inc	EDR HIST AUTO	51820 Sharon Ct	4,621,258	573,492	Automotive Repair Shop	1021134841
4	A4-A8	Faurecia Exhaust Systems Inc./ MAP of Easton	FINDS, RCRA-CESQG, ECHO, MANIFEST, TIER 2, AIRS, SCP, UST	13065 Anderson Rd	4,621,380	573,040	UST: 2 Permanently Out of Service 4,000 gallon diesel USTs	1001199822, U003951280, 1024426192, 5107707792, 1024421487



See Exhibit 1.2.1

1.2.2 Description of water supply source

The water supply source is groundwater from the unconsolidated, unconfined portion of the St. Joseph Aquifer System and Tributary Valleys Sole Source Aquifer. Two groundwater supply wells will be operated within the same aquifer to supply the water demands for the Hills at St. Joe Farm development.

1.2.3 Design basis of the system in terms of meeting consumer demand

Consumer demand determination is based upon general engineering design standards in Indiana. A daily usage rate of 350 gpd per house is used. Assuming an average of 3.5 people per home (500 homes), a population of the full build is 1,750, then. This population figure is then utilized to develop a peak rate calculation that is based upon the square of the population in terms of thousands of people. This calculation equation develops a peak rate of 3.63. The peak use is then calculated to be 442 gpm, for the 500 homes. This is a conservative number and yields a higher demand rate than previous calculations set out in IAC code, using 500 gpd/home with a peak factor of 2.5. The proposed system is being developed with a system pump rate exceeding 1,000 gpm and maintaining minimum (20 psi) pressure in the system.

1.2.4 Analysis of proposed source reliability

A 72 hour aquifer performance test was conducted on Well 1 in March 2020. Water levels were recorded within Well 1 and 4 on-site monitoring wells during background, pumping and recovery periods at one minute intervals using pressure transducers equipped with data loggers. Well 1 was discharged at 1,391 gpm.

The drawdown data were analyzed using the analytical modeling software AQTESOLV (HydroSOLV, 2007). The Moench (1997) method for an unconfined aquifer and the Theis (1935) recovery method for an unconfined aquifer were used for analysis of drawdown and recovery data to calculate the shallow aquifer transmissivity (T), specific yield (Sy) and storage coefficient (S). The lowest T calculated was 29,430 square feet per day and the average Sy was 0.07 and the average S was 4.3×10^{-4} .

The T, Sy and S values were input into the AQTESOLV® forward solution to predict the drawdown in Well 1 after 100 days of continuous pumping with no recharge to the aquifer. The predicted drawdown after continuously pumping 1,391 gpm for 100 days with no recharge in Well 1 is 41.26 feet. With a static water level of 5.01 feet bgl, the predicted pumping level is 46.27 feet bgl. The top of the screen is 82 feet bgs, therefore the safe pumping level is 77 feet

bgl. Based on a calculated pumping level of 46.27 feet bgl, there is 30.73 feet of available drawdown in Well 1.

The calculated interference drawdown at proposed Well 2, to be located 106' north-northwest of Well 1, is 7.29 feet. Therefore, operating both Well 1 and proposed Well 2 (constructed similar to Well 1) at 1,391 gpm results in a calculated pumping and interference drawdown of 48.55 feet. With a static water level of 5.01 feet bgl, the pumping level is calculated at 53.56 feet bgl. Well 1 and Well 2 can safely be pumped 1,391 gpm with a pump setting of 65 feet bgl.

1.2.5 Available flow and pressure at points of interconnection with another system

Not applicable. Proposed PWS will not connect with another PWS or municipal system.

1.2.6 Geological or hydrogeological characterization of the drinking water supply

Well 1 is and Well 2 will be constructed within the St. Joseph Aquifer System and Tributary Valleys Sole Source Aquifer. Well 1 is and Well 2 will be completed within the unconsolidated, unconfined, fine to medium grained sand and gravel upper portion of the aquifer. The aquifer thickness is approximately 97 feet with static water levels at less than 10 feet bgl. Well 1 had a screen installed from 82 to 102 feet bg. Well 2 will be constructed similar to Well 1. A 72 hour aquifer performance test conducted on Well 1 in March 2020, calculated transmissivity values between 29,430 ft²/day to 38,290 ft²/day. The calculated hydraulic conductivity of the upper aquifer is greater than 303 ft/day. Groundwater flow direction is from the north to the south with slight movement toward the west at a hydraulic gradient of 0.00247.

1.2.7 Summary of source water quality analysis

Water quality analysis of the shallow aquifer was also conducted after 29 hours of pumping Well 1. Samples were analyzed by Eurofins Eaton Analytical (EEA) in South Bend, Indiana for general chemistry, metals, synthetic organic carbons (SOCs), and volatile organic carbons (VOCs). The U.S. Environmental Protection Agency (EPA) has regulated allowable limits of various parameters in drinking water. Maximum contaminant levels (MCLs) are the highest concentration of a specific parameter permitted in drinking water. Different parameters have different MCLs, depending on what the EPA has considered an allowable limit for that parameter. Secondary maximum contaminant levels (SMCLs) are levels that are established to ensure the water is considered aesthetically pleasing (odor, taste, color, etc.). The sulfate concentration is 54 milligrams per liter (mg/L) which is below the MCL of 250 mg/L of sulfate. The nitrate concentration is 0.6 mg/L but is below the MCL of 10 mg/L of nitrate. The arsenic concentration is 2.4 micrograms per liter (ug/L) but is below the MCL of 10 ug/L of arsenic. The barium concentration is 68 ug/L which is below the MCL of 2000 ug/L of barium. The iron

concentration is 0.42 mg/L which is above the SMCL of 0.3 mg/L of iron. The manganese concentration is 210 ug/L which is above the SMCL of 50 ug/L of manganese. The fluoride concentration is 0.1 mg/L which is below the SMCL of 2 mg/L of fluoride. The calcium concentration is 83 mg/L, the magnesium concentration is 30 mg/L, and the sodium concentration is 24 mg/L. Neither of these analytes have MCLs or SMCLs. The pH of the water is 7.5 and the total hardness is 330 mg/L. The VOC analytes tested were not detected within the samples, including TCE. The sample results for the SOCs have not been reported at this time and will be provided later. The laboratory results are provided in **Exhibit 1.2.7**.

1.2.8 Proposed activities to protect water source

A wellhead delineation and full Wellhead Protection Plan will be developed for the Granger Water Utility, LLC. Municipal sewer will eliminate the need for individual septic systems in the area of the well field. Additionally, the well pump houses will have a fence with signage stating restricted access surrounding the wellhead area. Access will only be given to the owner and licensed well maintenance company personnel and water operator. No other staff will have access to the wellhead area. General public access is denied. The wellhead is located away from typical traffic areas around the community, lessening the likelihood of inadvertent damage to it, or unauthorized access to the area. Point of entry into the wellhead buildings is limited. Only the owner and applicable maintenance staff, along with the Water Operator will have access keys. The door will also have signage alerting authorized personnel only and staff will be aware who should be accessing the buildings and who should not.

1.3 Indiana Public Drinking Water Rules

1.3.1 Descriptions of methods used to comply with 327 IAC 8-1

This rule includes standards for the direct additives fluoride and phosphate and requirements for submitting a list to the commissioner of all direct additives that come into contact with drinking water. The rule also gives health standards for indirect additives.

Granger Water Utility will utilize 12.5% sodium hypochlorite for oxidation of iron before filtration and will utilize 12.5% sodium hypochlorite to maintain required system residual. No phosphate or fluoride will be added. The proposed 12.5% sodium hypochlorite is NSF approved for use in potable water system filtration.

1.3.2 Descriptions of methods used to comply with 327 IAC 8-2-8.5

This rule gives requirements for which systems require filtration, disinfection, or both.

Granger Water Utility will complete a GWUDI assessment of each well which includes the results of six (6) months raw water total coliform samples along with six (6) months of daily raw water temperatures readings. These will be submitted to the Drinking Water Branch of IDEM within eight (8) months of the completion of well construction.

1.3.3 Descriptions of methods used to comply with 327 IAC 8-3

This rule states the requisites for construction permits that are required once the Water System Management Plan is approved by the commissioner.

Once the WSMP is approved, the Granger Water Utility will apply for an after-the-fact construction permit for Well #1 and a regular construction permit for Well #2. The construction permit applications will be prepared by or under the direct supervision of a professional engineer registered in Indiana.

1.3.4 Descriptions of methods used to comply with 327 IAC 8-3.4

327 IAC 8-3.4-20 Rotary well drilling procedure requirements.

Well 1 was completed on March 2020 using direct rotary drilling and Well 2 will be completed using direct rotary drilling in accordance with the following:

1. Direct rotary drilling methods were used to drill Well 1 and will be used to drill Well 2. Well 1 is constructed with 20 feet of 12-inch diameter stainless-steel, wire-wound 0.100 inch slot screen from 102 feet below ground level (bgl) to 82 feet bgl and 12-inch diameter, welded, heavy-wall, steel casing set from 82 feet bgl to 2 feet above ground level (agl). Well 2 will be constructed with 20 feet of 12-inch diameter stainless-steel, wire-wound 0.100 inch slot screen from approximately 102 feet bgl to 82 feet bgl and 12-inch diameter, welded, heavy-wall, steel casing set from approximately 82 feet bgl to 2 feet agl.
2. The annulus between the borehole and screen/casing in Well 1 is filled with Northern #3 silica gravel pack from 102 feet bgl to 72 feet bgl (10 feet above the top of the screen). The annulus between the remaining casing and the borehole in Well 1 is filled with bentonite grout from 72 feet bgl to the ground surface. The annulus between the borehole and screen/casing in Well 2 will be filled with Northern #3 silica gravel pack from approximately 102 feet bgl to 72 feet bgl (10 feet above the top of the screen). The annulus between the remaining casing and the borehole in Well 2 will be filled with bentonite grout from approximately 72 feet bgl to the ground surface.

327 IAC 8-3.4-16 Casing and screen requirements.

The production well casings are and will be 12-inch diameter steel and meet the following requirements:

1. The production wells are not located within one hundred (100) feet of stored or staged petroleum products or any known sources of volatile or semi-volatile organic compounds;
2. The casing joints are welded;
3. The casing and joints meet the requirements of ANSI/ASTM F480-94 for materials and thickness;
4. Both Well 1 and Well 2 will be isolated from damage by being located in a portion of the development that is inaccessible from the main flow of traffic. Both wells will be inside brick façade buildings;
5. Both wells will be completed with vertical turbine pumps and wellheads completed approximately 24-inches above grade. The wellheads will be vented to the atmosphere with a screened opening;
6. The Federal Emergency Management Agency (FEMA) flood insurance rate map indicates that the production wells are not within the 100-year flood plain; and

The production well casings will meet the required plumbness and alignment specifications.

327 IAC 8-3.4-23. Grouting requirements.

This section governs grouting materials and the installation of the grouting materials. The casing for Well 1 was installed from 82 feet bgl to 2 feet agl and grout was installed from 72 feet bgl to just below ground surface. The bentonite grout was introduced into the annulus from the top of the gravel pack to the ground surface using pressure-grouting techniques and tremie pipe. The grouting of the annulus was conducted immediately following the installation of the steel casing. Well 2 will be grouted similar to Well 1.

327 IAC 8-3.4-15. Discharge piping.

Wells 1 and 2 will be equipped with vertical turbine pumps and motors. The discharge piping installed at the wells and the system infrastructure upstream of the interior water system plumbing all meet the material requirements of 327 IAC 8-3.2-8 and 327 IAC 8-3.2-17. The control valves, meters, and treatment system are all located above the ground floor of the Water System Control building. The discharge piping inside the building is raised above the floor height and the piping contains the following components:

1. Smooth-nose sample cocks;
2. Maintenance test tees;
3. Flow switches for safety shutdown of chlorine feed pump;
4. Flow meters to pace the chemical feed pumps and chlorine injection line points;
5. Gate valves;
6. Post-chlorination hydropneumatic tanks equipped with gate valves and pressure relief valves. These tanks are for cushioning and surge control, not conventional storage; and VFD Controllers, Pressure sensors, and a pressure gage.

1.3.5 Descriptions of methods used to comply with 327 IAC 8-4.1

Per 327 IAC 8-4.1-16, since the system will be classified by IDEM as a small size system (serving less than 3,300 people) the Granger Water Utility, LLC will complete the Phase I Wellhead Protection (WHP) Program. A Phase I plan will be submitted to IDEM within 5 years of operation

1.3.6 Descriptions of methods used to comply with 327 IAC 8-10

Cross Connection Control (327 IAC 8-10)

This rule states prohibitions and controls on cross connections.

The PWS will not be connected to any other municipal system or PWS.

Residential irrigation systems pose a threat to the system via backflow. Therefore approved backflow prevention devices shall be installed at connection points that could jeopardize the potable water system.

In accordance with the CROSS CONNECTION CONTROL AND BACKFLOW PREVENTION MANUAL from IDEM The Granger Water Utility will Exercise reasonable vigilance to ensure that the customer has taken the proper steps to protect the public water system:

- Require the customer to install an approved backflow prevention assembly with respect to the degree of hazard when it is determined that a prohibited cross connection exists. The customer will be responsible for installation at their own expense, testing immediately upon installation, subsequent testing per regulations, proper repair and maintenance of the assembly, and keeping adequate records of each test.
- Maintain a questionnaire for each customer to complete and certify as to the appliances installed that may require a backflow prevention.
- Maintain a list of their customers who require backflow devices along with the type and location of each device. This list shall be available for inspection by IDEM staff upon request.
- Obtain from the backflow tester a copy (electronic, hard copy or any form as required by GWU) of each backflow device test report and keep the three most recent reports for review and inspection by IDEM staff.
- Ensure customers' backflow assemblies are approved by the appropriate organization at the time of installation. If the assembly was not approved at the time of installation, the Granger Water Utility will notify the customer that an approved assembly needs to be installed.

The Granger Water Utility will require the customers to do the following:

- Install an approved backflow prevention assembly at each service connection at their own expense.
- Properly repair and maintain the device or devices.
- Keep adequate records of each test and subsequent maintenance and repair.
- Provide a copy of the backflow prevention test results to the Granger Water Utility annually either electronically or hard copy.

The water supply infrastructure is designed to serve the residential homes within The Hills at St. Joe Farm development. Both Wells #1 and #2 will be dedicated to the potable water supply and each well can be operated independent of the other. The distribution system will not have any interconnections to an outside system.

1.3.7 Descriptions of methods used to comply with 327 IAC 8-2.1-1

The Granger Water Utility, LLC will provide an annual Consumer Confidence Report (CCR) by mail to each service connection or make a good faith effort to inform its consumers by posting on the internet or publication in a local newspaper. The first report will be delivered no later than July 1 of the year after its first full calendar year in operation and no later than July 1 annually thereafter. The CCR will be available upon request from the public. The Granger Water Utility will maintain at least 5 years of CCRs for availability to consumers.

1.3.8 Descriptions of methods used to comply with Vulnerability (Security) Assessment

Vulnerability and/or Security Assessments will be performed according to the following steps:

- 1) Cataloging assets and capabilities (resources) in the water plant system.
- 2) Assigning quantifiable value (or at least rank order) and importance to those resources
- 3) Identifying the vulnerabilities or potential threats to each resource
- 4) Mitigating or eliminating the most serious vulnerabilities for the most valuable resources.
- 5) This assessment will be reviewed and updated every 2 years.

Additionally, Granger Water Utility, LLC will follow the procedures from *Sections 3.2.0 - 3.2.6: Emergency Situations* of this Water System Management Plan.

1.4 Infrastructure and Equipment Assessment

1.4.1 Assess source of supply facilities

Annual inspections and maintenance of the wells and well pumps will be completed. This includes changing of the electric motor oil and pump packing as well as overboard flow testing to measure each well's specific capacity and well pump's performance in relationship to the manufacturer's original design.

1.4.2 Assess pumping facilities

There is no secondary pumping in this system, and the primary pumping units will be inspected during the assessment of the source of supply facilities.

1.4.3 Assess water meters

The two source water meters will be tested annually for calibration during the source of supply facilities assessment. Rate of flow recorded by each meter in the well house will be compared to an overboard orifice. Once these are calibrated, one will be used to calibrate the meter on the influent of the filtration system.

1.4.4 Assess treatment process components

The operator of the treatment facility will record backwash frequency as well as raw and finished water quality to indicate loss of media effectiveness over time. Core samples of the filtration media will be completed every five years as well as a physical check of the health of the media.

The operator of the treatment facility will also monitor daily the chemical feed system. The system will consist of a bulk storage tank of 12.5% sodium hypochlorite for disinfection on a scale with secondary containment that feeds two peristaltic pumps. One pump is for pre-treatment addition of sodium hypochlorite, and one pump is for post-treatment addition of sodium hypochlorite. Daily measurements of total and free chlorine at both the pre-treatment sample tap and the finished water sample tap will be taken to ensure the desired pre-treatment addition of sodium hypochlorite and post-treatment residual in finished water is met. Records will be kept by a computerized maintenance management system kept with the operator. Paper copies will be kept on site. Daily usage of 12.5% sodium hypochlorite recorded.

1.4.5 Assess storage tanks

The two hydropneumatic tanks will be monitored for correct air/water balance on a daily basis, with air being added by an on-site compressor as needed. Yearly inspections of all valves and connections will be performed, with cleaning and painting to occur on an as-needed basis.

1.4.6 Assess water mains

A maintenance plan will be established to inspect and flush the distribution system throughout the community at regular intervals. Valves will be exercised at this time. Hydrants will be exercised and flushed at this time.

1.4.7 Assess cross connection control devices

Not applicable. Proposed PWS will not connect with another PWS or municipal system.

1.5 Infrastructure Replacement Plan

See **Exhibit 1.5**

1.5.1 Estimated Life expectancy of equipment

See **Exhibit 1.5**

1.5.2 Schedule of equipment replacement

See **Exhibit 1.5**

1.5.3 Expected replacement date

See **Exhibit 1.5**

1.5.4 Estimated cost of replacement

See **Exhibit 1.5**

1.5.5 Plan for cost recovery

Costs will be recovered through scheduled depreciation and/or amortization expense of the improvements and equipment based on generally accepted accounting principles (GAAP) before net income is calculated.

Additionally, Granger Water Utility LLC has included a Capital Replacement Reserve line item in the annual budget. The Reserve will be used for scheduled capital improvements as needed.

2.0 Financial Capacity

Financial Certification

DocuSign Envelope ID: 75D65C9E-212B-4AB9-BB59-B434DCDB6A80

Financial Certification

The Public Water Supply System for the **Granger Water Utility LLC** located at 12851 Cleveland Road, Granger, IN. 46530. This is the address for 76 total acres. The physical location will be TBD until the final plat is approved, and addresses are assigned. This system is classified as a non-transient public Water Supply system. As such, the Financial Capacity description will include twenty (20) year budget plans that summarizes the source revenues and the expenses associated with construction, operation, maintenance, and administration of the system. Financial projections will be provided for the following years: 1, 2, 3, 4, 5, 10, 15 & 20.

I have reviewed the Financial Capacity Portion of the Water System Management Plan for Granger Water Utility LLC. I certify that it has been prepared in accordance with good accounting practices. This plan is in compliance with 327 IAC.

DocuSigned by:

3D88E1A831364AB

Kenneth J. Keber, CPA

6/18/2020

Date

FC 1 - Pat - Statement re Filing for IURC approval as necessary

2.1 Operating Revenues

2.1.1 Plan Duration

See **Exhibit 2.0**

2.1.2 Metered Water Revenues

See **Exhibit 2.0**

2.1.3 Unmetered water revenues

See **Exhibit 2.0**

2.1.4 Fire protection revenues

See **Exhibit 2.0**

2.1.5 Sales for resale

See **Exhibit 2.0**

2.1.6 Connection and system development fees

See **Exhibit 2.0**

2.1.7 Other water Revenues

See **Exhibit 2.0**

2.2 Operation and Maintenance Expenses

2.2.1 Plan Duration

See **Exhibit 2.0**

2.2.2 Operating Expenses by category (labor, energy, chemicals, testing, etc.)

See **Exhibit 2.0**

2.2.3 The greater of depreciation or extensions and replacements

See **Exhibit 2.0**

2.2.4 Taxes other than income

See **Exhibit 2.0**

2.2.5 Operating Income before income taxes

See **Exhibit 2.0**

2.2.6 Current federal income taxes

See **Exhibit 2.0**

2.2.7 Current state income taxes

See **Exhibit 2.0**

2.2.8 Deferred income taxes

See **Exhibit 2.0**

2.2.9 Income tax credits

See Exhibit 2.0

2.2.10 Other charges and credits

See Exhibit 2.0

2.2.11 Net operating income

See Exhibit 2.0

2.2.12 Debt service and debt service reserve

See Exhibit 2.0

2.3 Administration Expenses

2.3.1 Plan Duration

See Exhibit 2.0

2.3.2 Salaries

See Exhibit 2.0

2.3.3 Benefits

See Exhibit 2.0

2.3.4 Supplies

See Exhibit 2.0

2.3.5 Insurance

See **Exhibit 2.0**

2.3.6 Legal fees

See **Exhibit 2.0**

2.3.7 Engineering fees, studies, and plans

See **Exhibit 2.0**

2.3.8 Regulatory reporting and permit fees

See **Exhibit 2.0**

2.3.9 Accounting service

See **Exhibit 2.0**

2.3.10 Security service

See **Exhibit 2.0**

2.3.11 Consumer confidence reporting

See **Exhibit 2.0**

2.4 Projected Growth

2.4.1 Plan duration

The plan represents a 20 year projection in 5 yr. Increments

See **Exhibit 2.4**

2.4.2 Description of the ability to meet expected growth

The initial build out of the water plant is designed for a capacity of 500 residential units. This build out is expected to take 20 years at an absorption rate of 25 units per year. The cost of the infrastructure to the distribution system will be included in the development cost of each phase (adding lots) of the development paid for through lot sales proceeds.

2.5 Infrastructure Replacement Plan

2.5.1 Plan duration

The Infrastructure Equipment Replacement Table is **Exhibit 1.5**. Minimum anticipated life for the equipment and infrastructure is 25 years before replacement is necessary.

See **Exhibit 1.5**

2.5.2 Funding of the plan

Infrastructure replacement will be funded through a Capital Improvement Reserve funded from ordinary operations. The specific reference is 2.2.2 (Capital Reserve Account Contribution).

See **Exhibit 2.0**

2.6 Account for Funding

2.6.1 Plan duration

The plan represents a 20 year projection in 5 yr. Increments

See **Exhibit 2.4**

2.6.2 Funding for repairs

The Capital Improvement Reserve Account will be used to fund repairs or infrastructure with a useful life of greater than one (1) year.

See **Exhibit 2.0**

2.6.3 Funding to meet projected growth

The initial design and investment of the plant is designed to meet the maximum anticipated capacity at full build out of all available developable land.

Additionally, the Capital Improvement Reserve Account will be used to fund repairs or infrastructure with a useful life of greater than one (1) year.

See **Exhibit 2.0**

2.7 Cost Base Rate Analysis

The Granger Water Utility LLC, a for profit investor owned utility, is aware that prior to billing customers it will need to get Indiana Utility Rate Commission (IURC) rate approval on “cost based rates.”

GWU has performed a cost base rate analysis (see **Exhibit 2.7**) using the template provided by a small utility company that had filed and been approved for a rate increase based on cost and a fair value rate of return (FUROR). (Example company: Sani Tech, Inc. IURC #43793-U).

The cost basis analysis demonstrated that the proposed GWU monthly customer rate of \$65.00 is substantially less than an allowable rate that would likely be approved by the IURC.

See **Exhibit 2.7**

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3.0 Managerial Capacity

3.1 Organization

3.1.1 Name of owner of PWS

Granger Water Utility LLC
An Indiana Limited Liability Company
1122 N. Frances Street
South Bend, IN 46617

3.1.2 Name of chief executive officer, if applicable

J. Patrick Matthews, Manager, Granger Water Utility LLC

3.1.3 Name of director, if applicable

Not Applicable

3.1.4 Name of agency head, if applicable

Not Applicable

3.1.5 Names of board of directors members, if applicable

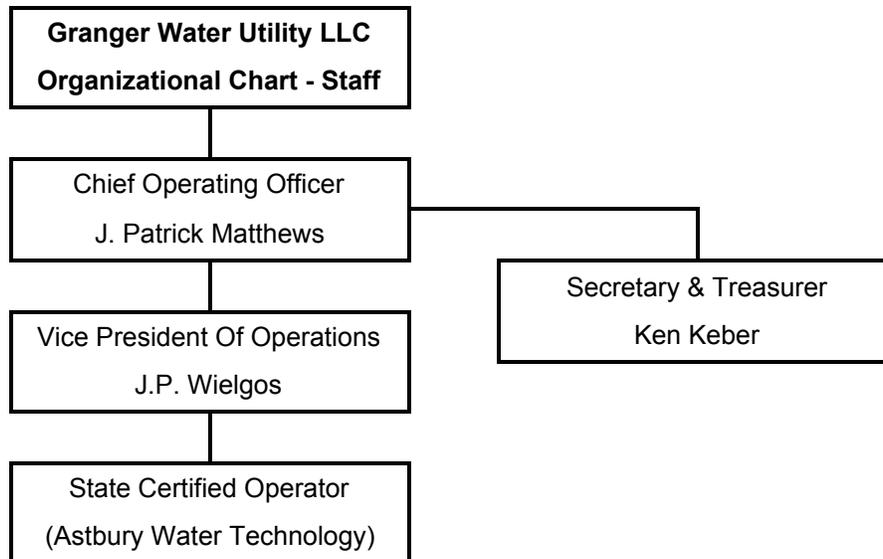
Members of the Company Board of Directors:
J. Patrick Matthews, Chairman
Ken Keber, Secretary and Treasurer

Board Activities and Responsibilities

- Availability to commit 2 hours quarterly for meetings
- Availability to commit 4 hours annually for the annual meeting
- Act in a fiduciary capacity on behalf of the company
- Each board member will be charged with decisions concerning the hiring and firing of personnel, dividend policies and payouts, compensation and vendor contracts.

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3.1.6 Organizational structure chart



Duties of The Chief Operating Officer

- Design and implement business strategies, plans and procedures.
- Set comprehensive goals for performance and growth.
- Establish policies that promote company culture and vision.
- Oversee daily operations of the company and the work of executives (IT, Marketing, Sales, Finance etc.)

Duties of The Vice President of Operations

- Oversee day-to-day company operations.
- Define and implement operations strategy, structure, and processes.
- Manage the quarterly and annual budgeting process and P&L responsibilities.
- Monitor performance to proactively identify efficiency issues and propose solutions.
- Maintain a working knowledge of all phases of operations.
- Coordinate support to operations throughout the business.
- Interview, hire, train, and mentor the operations management team.
- Provide regular performance updates to the senior leadership team.
- Vice President should expect to spend 5 hours weekly on duties

Duties of The Secretary & Treasurer

- Develop and implement daily, monthly and quarterly cash forecasting models
- Monitor the company's risks and losses
- Ensure sufficient funds are available to meet ongoing operational requirements
- Evaluate the financial aspects of the business and policies to advise the board

- Mentor and develop staff to support the daily operations of the Treasury department
- Work with Certified Public Accountants to ensure all tax returns are accurate and filed on time

Duties of The State Certified Operator (CO)

- Provide a Licensed Operator of Record for the Wastewater Treatment System and Water Treatment System in accordance with Applicable Law.
- Designate a lead operator to oversee operations and maintenance activities at the Water Treatment Facility & Distribution System. Lead operator to also direct, oversee and help train Apprentice Technician.
- Tools and Vehicles necessary to provide routine operations and maintenance tasks as specified
- Furnish no less than seven (7) weekly site visits (except as noted) totaling thirty (30) to forty (40) hours, not including performance of laboratory testing, by operations and maintenance technicians to operate and maintain the Facilities. Weekend visitation and emergency on-call duties to be shared equally between CO and Apprentice Technician. Personnel down-time (i.e. sick and vacation days) to be augmented by other personnel.
- The following routine operations and maintenance tasks will be performed at the Water Treatment Facility:
 - (a) Understand exactly what regulatory agencies, including IDEM, expect in the way of performance, tests and reports;
 - (b) Direct and supplement as necessary Apprentice Technician with daily operations and maintenance tasks, including
 - (i) monitor equipment and infrastructure to ensure proper function of all components
 - (ii) adjust chlorine gas injection system as necessary
 - (iii) backwash iron filter on a schedule and as necessary
 - (iv) adjust pumping rates and water storage tank levels as necessary to meet demand
 - (v) maintain supply of chlorine gas canisters
 - (vi) regularly test and record amperage of vital equipment;
 - (c) Direct and supplement as necessary Apprentice Technician with routine preventative maintenance of equipment on an established schedule, including
 - (i) production well pump grease application
 - (ii) exercise of valves (supplies and specialized repairs)
 - (d) Exercise emergency generator at manufacturer-recommended intervals and ensure routine preventative maintenance by Original Equipment Manufacturer (O.E.M.) representative.
 - (e) Coordinate and subcontract
 - (i) annual testing of wells, high service pumps, and chlorine booster pumps
 - (ii) annual maintenance of chlorine injection system

- (iii) annual calibration of water production meter
- (f) Direct and supplement as necessary Apprentice Technician with general housekeeping duties
- (g) Collect and analyze samples as required per IDEM Standard Monitoring Framework (SMF) governing parameters and frequency; samples to be properly preserved for analysis; and Chain of-Custody to be maintained at all times
- (h) Direct and supplement as necessary Apprentice Technician with calibration and maintenance of field testing equipment and performance of field testing 7 days a week.

See **Exhibit 3.5.4 (Astbury Sample Contract)**

3.2 Emergency Situations

3.2.1 Identification of risks

The Events listed below may cause water system emergencies.

Events that may cause emergencies:

1. E. Coli and/or Coliforms discovered in the water system routine monitoring.
2. Power Outage
3. Water line break
4. Maximum Contaminant Level (MLC) exceeded in routine monitoring of chemicals in water.
5. Flooding and/or Wellhead submerged under water
6. Freezing and/or icing to any aspect of the system such that is disrupts water usage
7. Earthquake

3.2.2 Identification of staff members responsible to respond to risks

The first response step in any emergency is to inform the person at the top of this list, who is responsible for managing the emergency and making key decisions:

- 1) J Patrick Matthews, Chief Operating Officer, (574) 315-9668
- 2) Ken Keber, Treasurer & Secretary, (574) 229-8116
- 3) JP Wielgos, Vice President Operations, (574) 329-0743
- 4) Astbury Group, Tom Astbury, State Qualified Operator (317) 328-7153

Chain of Command - Lines of Authority:

- 1) J Patrick Matthews, Chief Operating Officer, (574) 315-9668
- 2) Ken Keber, Treasurer & Secretary, (574) 229-8116
- 3) JP Wielgos, Vice President Operations, (574) 329-0743
- 4) Astbury Group, Tom Astbury, State Qualified Operator (317) 328-7153

3.2.3 Risk response actions of staff

Emergency Decision Making Hierarchy

Emergency operating activities and/or decisions are delegated to to the following staff in the following order:

- 1) J Patrick Matthews, Chief Operating Officer, (574) 315-9668
- 2) Ken Keber, Treasurer & Secretary, (574) 229-8116
- 3) JP Wielgos, Vice President Operations, (574) 329-0743
- 4) Astbury Group, Tom Astbury, State Qualified Operator (317) 328-7153

Primary Means Of Notification

The primary means of emergency communication to the users will be (in order):

- 1) Email distribution List
- 2) Cell phone text (SMS)
- 3) Facebook Community announcement
- 4) Granger Water Utility web page banner notification
- 5) Conspicuous posting in community

Response Actions for Specific Events

The following tables identify the assessment, set forth immediate response actions, define what notifications need to be made, and describe important follow-up actions.

Granger Water Utility LLC (GWU).

Power Outage

Assessment	GWU will access the source of power outage.
Immediate Actions	<ol style="list-style-type: none"> 1. Notify NIPSCO and the Water operator and inform personnel not to use the water. A loss of system pressure could likely introduce contaminants into the water system, causing more issues. 2. Notify residents of current conditions. 3. A boil order will be issued, and testing will be conducted once power is restored to ensure no contamination was introduced into the water supply during the power outage.
Notifications	Personnel and public visiting at facility
Follow-up Actions	Based on follow up testing, the Water operator will decide when the boil order can be lifted and whatever else must be done before notifying residents that the water is safe to drink again.

Distribution Line Break

Assessment	GWU and Water operator will assess the situation.
Immediate Actions	<ol style="list-style-type: none"> 1. Issue a boil order, shut down water system and/or isolate broken line(s) if possible 2. Notify residents of current conditions. 3. Contact Peerless Midwest
Notifications	Boil order, notify IDEM, Distribution/Infrastructure Contractor
Follow-up Actions	Water operator will consult with IDEM to determine follow up action

Source Pump Failure

Assessment	Water operator will assess the situation and notify GWU how to proceed
Immediate Actions	<ol style="list-style-type: none"> 1. Shut the water system down. 2. Notify residents of the current situation. 3. Notify IDEM, Peerless Midwest
Notifications	Residents of the subdivision.

Follow-up Actions	Water operator will consult with IDEM on applicable follow up.
--------------------------	--

Microbial (coliform, E. coli) contamination

Assessment	Water operator will assess the situation and notify GWU.
Immediate Actions	<ol style="list-style-type: none"> 1. Issue a boil order and post it in a publicly accessible/visible location on the premises 2. Notify residents of the current situation. 3. IDEM, St. Joseph County Health Department is notified.
Notifications	Residents of the subdivision.
Follow-up Actions	<ol style="list-style-type: none"> 1. Water operator will consult with IDEM and other applicable entities/persons after cause is determined and fix the issue(s) 2. Testing will be conducted to demonstrate corrective action was effective and water is safe for use.

Chemical Contamination

Assessment	Water operator will assess the situation.
Immediate Actions	<ol style="list-style-type: none"> 1. Shut down water system 2. Notify residents. 3. Notify IDEM, St. Joseph County Health Department 4. Issue drinking water notice via email or letters mailed to each house.
Notifications	Residents of the subdivision, IDEM, if applicable.
Follow-up Actions	Water operator will consult with IDEM on applicable follow up

Low or no chlorine residual

Assessment	Water operator will assess the situation.
Immediate Actions	<ol style="list-style-type: none"> 1. Water sampler contacted to take a water sample to determine if the water system is negatively impacted. 2. Chlorine adjusted if possible to restore residual. 3. If mechanical problem, contact installer to determine applicable repair/schedule of repair 4. Issue drinking water notice via email and door

	<p>notifications.</p> <p>5. Notify the residents via email.</p>
Notifications	Residents of subdivision, IDEM, if applicable.
Follow-up Actions	Water operator will consult with IDEM on applicable follow up.

Vandalism or terrorist attack

Assessment	GWU and the water operator will assess the situation.
Immediate Actions	<ol style="list-style-type: none"> 1. Notify residents of the current situation. 2. Determine if the water system is functional and safe to consume/use by visual inspection and/or testing. 3. Notify IDEM and Police
Notifications	IDEM, personnel and residents of the subdivision,, and police.
Follow-up Actions	Water Operators will consult with IDEM to determine what/if actions are necessary.

Reduction or loss of water in the well

Assessment	Water operator will assess the situation.
Immediate Actions	<ol style="list-style-type: none"> 1. Notify residents. 2. Shut down the water system. 3. Notify IDEM, Peerless Midwest
Notifications	IDEM, Peerless Midwest, personnel and residents of the subdivision.
Follow-up Actions	Water operator will consult with IDEM to determine applicable follow up measures.

Drought

Assessment	Water operator will assess the situation.
Immediate Actions	<ol style="list-style-type: none"> 1. Shut down the water system. 2. Notify residents. 3. Notify IDEM

Notifications	IDEM, personnel and residents of the subdivision.
Follow-up Actions	Water operator will consult with IDEM to determine applicable follow up measures.

Flood

Assessment	Water operator will assess the situation.
Immediate Actions	<ol style="list-style-type: none"> 1. Notify residents of current conditions. 2. Shut down the water system. 3. Contact Peerless Midwest. 4. Notify IDEM, St. Joseph County Health Department.
Notifications	Personnel and residents of the subdivision, IDEM, Peerless Midwest if applicable.
Follow-up Actions	Water testing will be conducted to confirm the water supply is not contaminated and/or any applicable solutions IDEM deems appropriate.

Earthquake

Assessment	GWU and the water operator will assess the damage to the water system.
Immediate Actions	<ol style="list-style-type: none"> 1. Notify residents of current conditions. 2. Shut down the water system. 3. Notify IDEM, St. Joseph County Health Department, Peerless Midwest.
Notifications	GWU, Water Operator, IDEM, personnel and public visiting.
Follow-up Actions	Water operator will consult with IDEM on appropriate follow up measures and discuss with OWNER.

Hazardous materials spill in vicinity or sources or system lines

Assessment	GWU and Water operator will assess the situation.
Immediate Actions	<ol style="list-style-type: none"> 1. Notify residents. 2. Notify the Fire Department. 3. Call the IDEM Spill line

	4. Follow all guidance given by the Fire Department/IDEM.
Notifications	IDEM, Fire Department, personnel and residents of the subdivision.
Follow-up Actions	Water operator will consult with IDEM on applicable follow up.

Electronic equipment failure

Assessment	GWU and the water operator will assess the situation.
Immediate Actions	<ol style="list-style-type: none"> 1. If the water system cannot be in operation, close the system and notify residents. 2. Shut down the water system if necessary. 3. Notify IDEM, an applicable repair organization deemed necessary to fix the issue(s).
Notifications	Personnel and residents of the subdivision.
Follow-up Actions	Water operator will consult with IDEM on applicable follow up.

3.2.4 Notification procedures

Following an emergency, the individuals and/or companies listed below will be notified via telephone and/or email, pulled from this table.

Organization or Department	Name & Position	Telephone	Email
Electric Utility Co.	American Electric Power	800-672-2231	N/A
Electrician	Todd Pierce Pierce Electric	574-262-3025	todd@pierceelectricinc.com
Gas/Propane Supplier	NIPSCO	800- 464-7726	N/A
Water Testing Labs	Astbury Water Technology	317-328-7153	tastbury@astburygroup.com
Septic System	N/A		

Telephone Co.	N/A		
Plumber	Watermans Plumbing, Inc.	574-250-6650	Gilberto De Leon
Pump Supplier	Peerless Midwest	574-254-9050	info@peerlessmidwest.com
“Call before you dig”	Miss Dig	811	n/a
Chlorine Supplier	Spear Corp	765-522-1126	info@spearcorp.com
Well Drilling Co.	Peerless Midwest	574-254-9050	info@peerlessmidwest.com
Pipe Supplier	Peerless Midwest	574-254-9050	info@peerlessmidwest.com
Local Law Enforcement	William Redman/Sheriff	574-235-9611	N/A
Fire Department	N/A	911	N/A
Emergency Medical Services	N/A	911	N/A
Water Operator (if contractor)	Astbury Consulting	317-328-7153	tastbury@AstburyWaterTechnology.com
Primacy Agency Contact	IDEM	317- 232-8603	N/A
Environmental Protection Agency (EPA hotline)	N/A	1-800-451-4791	N/A
Indiana Department Environmental Management (IDEM hotline)	N/A	1-800-451-6027	N/A
Indiana Department Environmental Management (IDEM Spill line)	N/A	888-233-7745	N/A
State Police	N/A	800-457-8283	N/A
Authorized Testing Laboratory	Your Environmental Services	574-272-8484	office@yesmichiana.com

Authorized Testing Laboratory	Astbury Water Technologies	317-328-7153	info@astburywatertechnology.com
Authorized Water Sampler	JB Water & Sampling	269-845-1445	jb@jbwater.me
Hazmat Servicer	SunPro	800-488-0910	sunpro@sunproservices.com
Newspaper - Local	South Bend Tribune	574-235-6161	sbtnews@sbtinfo.com
Radio	WVPE public radio	574-674-9873	wvpe@wvpe.org
TV Station	WNDU 16	574-284-3000	newscenter16@wndu.com

Notify Water System Customers of potential water shortage

Who is Responsible:	Granger Water Utility LLC (GWU)
Procedure:	Water Operator notified Peerless Midwest Notified Customers Database Notified via email

Alert drinking water officials, and local health agencies

Who is Responsible:	Granger Water Utility LLC (GWU)
Procedure:	IDEM is immediately notified St. Joseph County Health Department notified Operator is notified Back up water supply is notified

Contact service and repair contractors

Who is Responsible:	Granger Water Utility LLC (GWU)
Procedure:	<ol style="list-style-type: none"> 1. Water Operator will help GWU determine appropriate organization(s) for any service or repair work as deemed necessary based on the circumstance(s) 2. Consult with IDEM if necessary to determine any specific steps are needed for the service and/or repairs, or after them.

Contact neighboring water systems, if necessary

Who is Responsible:	Granger Water Utility LLC (GWU)
Procedure:	<ol style="list-style-type: none"> 1. GWU will contact the water operator. 2. Water operator will determine if other nearby water systems need to be contacted. 3. GWU will contact nearby water systems.

Procedures for issuing a health advisory

Who is Responsible:	Granger Water Utility LLC (GWU)
Procedure:	<ol style="list-style-type: none"> 1. Water operator will assess what health advisory is appropriate. 2. Water operator will then direct or issue directly, applicable health advisory to be emailed or mailed to customers. 3. An Email notification to all customers will be issued with the health advisory.

3.2.5 Means to obtain alternate water supply

Who is Responsible:	Granger Water Utility LLC (GWU)
Procedure:	<p>Contact Alternate Potable Water Supplier: Hanson's Beverage Service / 800-439-6901 Bettcher's Water Service / 574-784-8264</p> <p>Provide contact information to customers</p>

In the event of a plant outage Granger Water Utility will make it's best effort to supply 2 gallons of potable water and 3 gallons of non-potable (water for sanitary uses) water per customer. Should the outag be extended Granger Water Utility will contact IDEM for assistance in securing a longer-term solution, i.e. National Guard Assistance.

See **Exhibit 3.2.5**

3.2.6 Existence and limits of casualty insurance

See **Exhibit 3.2.6**

3.3 Consolidation or Interconnection

3.3.1 Accessibility to another PWS

See **Exhibit 3.3.1**

3.3.2 Efforts to notify other PWSs within a 10-mile radius of proposal of new PWS

See **Exhibit 3.3.1**

3.3.3 Response to notification

See **Exhibit 3.3.1**

3.3.4 Can an agreement be obtained with another PWS?

See **Exhibit 3.3.1**

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3.3.5 Cost benefit analysis

Granger Water Utility LLC					
Cost Benefit Analysis (3.3.5)					
September 1, 2020					
<u>Provider</u>		<u>Distance (Lin ft.)</u>	<u>Cost/Lin Ft</u>	<u>Extended</u>	<u>Total Cost</u>
Mishawaka Utilities					
Lineal Pipe		14,098	285.00	4,017,816.00	
Booster Stations	2		500,000.00	1,000,000.00	
					<u>5,017,816.00</u>
South Bend Water Department					
Lineal Pipe		19,800	285.00	5,643,000.00	
Booster Station	3		500,000.00	1,500,000.00	
					<u>7,143,000.00</u>
City of Elkhart Water Department					
Lineal Pipe		31,680	285.00	9,028,800.00	
Booster Station	5		500,000.00	2,500,000.00	
					<u>11,528,800.00</u>
Granger Water Utility LLC - Optimal Water Provider					
Water Plant Installation			1,500,000.00	1,500,000.00	
Land Purchase			200,000.00	200,000.00	
					<u>1,700,000.00</u>

Revised 01Sep20

Cost benefit analysis PE certification

Cost Benefit Analysis Certification

I have reviewed the Cost Benefit Analysis for The Public Water Supply System for the Granger Water Utility LLC located at 12851 Cleveland Road, Granger, IN 46530. This is the address for 76 acres. The physical location will be TBD until the final plat is approved, and addresses are assigned. This system is classified as non-transient public Water Supply system. As such, The Granger Water Utility has investigated the cost to connect potable water from three (3) of the closest municipal water supply options. The chosen option of installation of a new water plant is the most cost-effective solution.

This review of the proposed connection to other municipal water systems within the ten-mile radius has been completed by Byron Miller, PE, Danch Harner & Associates, IN (PE No. 9000529).


Byron L. Miller, PE

9-1-2020
Date



There are a total of five (5) water systems within the requisite ten mile radius:

- 1) Mishawaka Utilities
- 2) South Bend Water Department
- 3) Elkhart Water Department
- 4) Niles (Michigan) Water Department (connection point greater than 5 miles)
- 5) Edwardsburg (Michigan) Water Department (connection point greater than 5 miles)

Based on the analysis above, connections to any of the first 3 systems is cost prohibitive. The last 2 systems are located in another state and connections to either of these systems would be problematic as well as cost prohibitive. This is a simple lineal foot analysis with a direct path. The actual route and easements needed would validate that there are no feasible options for connection to an existing water system.

3.4 Authority and Responsibility

3.4.1 Proposed requirements for providing water service for existing or new connections

The following items are required for connection to the PWS:

- Jurisdictional (Building Department) permit for connection if applicable
- Application for Connection to the Granger Water Utility LLC distribution system
- Site drawing depicting house, water and sewer path & connections
- Payment of required application and connection fees
- Authorization to Connect Letter from Granger Water Utility LLC

3.4.2 Proposed requirements that define the responsibilities of the PWS to the consumer

The following items are required by the PWS to the customer:

- Provide a safe and adequate water supply to the users.
- Provide a source of potable water that is reliable and can provide a sufficient quantity of water to meet demand.
- Transparency by making available testing reports
- Transparency in billing
- The implementation of best practices to guarantee water availability and fire suppression.
- Maintain and operate the water utility in a manner that provides the highest quality water at the lowest possible cost to the consumer.
- Provide Customer reporting and service procedures

- Establish complaint and appeal procedure

3.4.3 Proposed requirements that define the responsibilities of the consumer to the PWS

The following items are required of the customer to the PWS:

- Appropriate rate approval by the IURC
- Provide completed Application for water service
- Payment of all fees
- Payment of the monthly flat fee for service
- Register service issues or leaks with the PWS
- Customer is responsible to take care of their internal distribution system
- Customer agrees to not waste water / be water wise
- Customer will not be permitted to install a private well system
- Customer to agree to water metering and access if instituted
- Customer to agree to internal water system if issue suspected

3.4.4 Summary of existing local, state, or federal requirements

The Granger Water Utility's Qualified Operator will be responsible for assuring we are in compliance with all applicable local, state and federal requirements including but not limited to the following (not all may apply). These entities may encompass jurisdictions outside the delivery of potable water (agency & oversight):

- Health Department, St. Joseph County, IN
 - Water Quality
 - Working Conditions
- Indiana State Department of Health (ISDH)
 - Water Quality
 - Working Conditions
- Building Department, St. Joseph County, IN
 - Life and Safety Building issues
- Fire Department, Harris Township, St. Joseph County, IN
 - Life and Safety issues
 - Building access
 - Chemical storage
 - Hydrant water delivery
- Indiana Department of Environmental Management (IDEM)
 - Water Quality
 - Business management and sustainability

- Environmental Protection Agency (EPA)
 - Chemical storage
 - Chemical disposal
 - Effluent disposal
- Occupational Safety and Health Administration (OSHA)
 - Safe working conditions
- Indiana Utility Regulatory Commission (IURC)
 - Consumer rates being charged
- Regional Water and Sewer District (SJCRWSD)
 - Water quality
 - Water distribution system
 - Sewer system

3.4.5 Explanation of effects of existing requirements on proposed PWS

Not applicable. This is a new PWS.

3.5 Qualifications

3.5.1 Minimum required qualifications for owners

The following are the minimum qualifications for owners:

- Owners will need to provide a capital investment in the company
- Owners will need to participate on the Board of Directors

3.5.2 Minimum required qualifications for directors

The following are the minimum qualifications for directors:

- Directors must be a owner member in good standing of the company
- Directors must be able to provide value to the company through their experience or expertise

3.5.3 Minimum required qualifications for managers

The following are required qualifications for managers:

- Managers must have 5 years of water management experience OR
- Managers must be an owner or member of the company

3.5.4 Minimum required qualifications for operators

The following are required qualifications for operators:

- Operator needs to be qualified and licensed by the State of Indiana
- Operator to *provide proof* of state certification or licensing
- Operator to have minimum 5 years of experience
- Operator must have a written contract if not an employee of the PWS
- Operator must have a minimum state certification of “WT3” from IDEM for the water treatment system.
- Operator must have a minimum state certification of “DSS” for the water distribution system (less than 3301 users).

Our proposed qualified operator, Astbury Water Technology, has provided a sample (redacted) contract:

See **Exhibit 3.5.4 (Astbury sample contract)**

3.5.5 Minimum required qualifications for other responsible persons

The following are required qualifications for other responsible persons:

- Persons must be available to be contacted during scheduled hours (on call hours)
- Persons must demonstrate responsible behavior outside of work
- Persons must pass a background check

3.5.6 Proposal for continuing training

The following are proposed for continued training:

- Attend continuing education as required by the State of Indiana
- Attend continuing education as the industry evolves
- Keep certifications and licensing requirements current
- Education for additional certifications related to the PWS field of business

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Exhibits

See following pages

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Exhibit 1.1.7 - NSF Certifications

OxiPlus75

NSF Product and Service Listings

These NSF Official Listings are current as of **Friday, August 21, 2020** at 12:15 a.m. Eastern Time. Please [contact NSF](#) to confirm the status of any Listing, report errors, or make suggestions.

Alert: NSF is concerned about fraudulent downloading and manipulation of website text. Always confirm this information by clicking on the below link for the most accurate information:

<http://info.nsf.org/Certified/PwsComponents/Listings.asp?Company=C0321825&Standard=061&>

NSF/ANSI/CAN 61 Drinking Water System Components - Health Effects

NOTE: Unless otherwise indicated for Materials, Certification is only for the Water Contact Material shown in the Listing. Click here for a list of [Abbreviations used in these Listings](#). Click here for the definitions of [Water Contact Temperatures denoted in these Listings](#).

Water Surplus

726 Beacon Street
Loves Park, IL 61111
United States
815-636-8833

[Visit this company's website](#)

Facility : # 1 USA

Trade Designation	Process Media		
	Size	Water Contact Temp	Water Contact Material
Oxidative Media OxiPlus75	[1]	CLD 23	MNDOX

[1] Certified for the following mesh sizes: 8 x 20, 20 x 40.

NOTE: Certified for water treatment plant applications.
This product has not been evaluated for point of use applications.

12.5% Sodium Hypochlorite

DCC: DA04078

Date: 05/20/2019

NSF/ANSI Standard 60 - Drinking Water Treatment Chemicals Authorized Registered Formulation

Reason for Revision: W0566935 - Break out DA04078 by removing formulations 3 & 4 for 34961.

Customer Name: Brenntag Mid-South, Inc.

Facility Location: Henderson, KY

Customer Number: 34960

Facility At: Henderson, KY

Facility Number: 34963

Trade Name Level Functions: Disinfection & Oxidation

Trade Name(s)	MUL(mg/L)
Sno-Glo 10% Bleach	105
SNO-GLO BLEACH	105
Sodium Hypochlorite 12.5%	84
Sodium Hypochlorite, 10%	105

Listing Notes

The residual levels of chlorine (hypochlorite ion and hypochlorous acid), chlorine dioxide, chlorate ion, chloramine and disinfection by-products should be monitored in the finished drinking water to ensure compliance to all applicable regulations.

Section/Category: DSOX, SECTION 6 - DISINFECTION AND OXIDATION

Chemical Name: Sodium Hypochlorite

Physical State: Liquid

Auditor Notes

Formulation 4 is a repackaging of a NSF Certified product.

Please note the product trade name including the concentration and the formulation number of the sample collected on the Product Sample Form.

Twice annual auditing and testing is required for Repackaging and Diluting of non-Certified supplies.

Sample Notes

Sample 1 - Please collect a sample of Sodium Hypochlorite, 12.5% manufactured per formulation 2. Liquid samples typically require two 250 mL containers for testing, and Solid samples typically require two 200g containers for testing.

Sample 2 - Tested during the first half of the year, NSF will ship a sodium hypochlorite sampling kit to the facility. Do not begin sample collection until the kit has been received. Follow all instructions in the kit. Submit to NSF:

- All kit bottles filled according to the directions in the kit
- Required Sample is formulation 3
- The shipping form with requested sampling information completed
- Safety Data Sheet (SDS)

If you have questions or need a sampling kit, contact your NSF Account Manager.

Sample 3 - Tested during the second half of the year, NSF will ship a sodium hypochlorite sampling kit to the facility. Do not begin sample collection until the kit has been received. Follow all instructions in the kit. Submit to NSF:

- All kit bottles filled according to the directions in the kit
- Required Sample is formulation 3
- The shipping form with requested sampling information completed
- Safety Data Sheet (SDS)

If you have questions or need a sampling kit, contact your NSF Account Manager.

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1

This is a copy of the Authorized Registered Formulation. If you have received this ARF in hard copy, you may confirm the most current ARF by contacting your Account Manager or going directly to the secure NSF Connect website (<http://clients.nsf.org>) for the latest, most accurate information.

Exhibit 1.1.11 - RWSD Sanitary Sewer Acceptance

DocuSign Envelope ID: A153E848-B6CF-4DD1-8D28-F246831831D5



ST. JOSEPH COUNTY REGIONAL WATER & SEWER DISTRICT

227 West Jefferson Boulevard, Seventh Floor, South Bend, Indiana 46601
P (574) 235-9534, F (574) 235-7849

August 25, 2020

Travis Goodwin
Indiana Department of Environmental Management
Drinking Water Branch – Security and Counter Terrorism Coordinator
100 N. Senate Avenue
Indianapolis, IN 46204

Subject: **GRANGER WATER UTILITY LLC WATER SYSTEM MANAGEMENT PLAN – THE HILLS MAJOR SUBDIVISION**

The St. Joseph County Regional Water and Sewer District (SJCRWSD) owns and operates a sanitary sewer system near the proposed development, The Hills Major Subdivision.

SJCRWSD is aware of the project and understands Granger Water Utility LLC will own and operate the water distribution and treatment system.

SJCRWSD and J. Patrick Matthews, the developer and utility manager, have entered into an understanding for The Hills to connect to the District sanitary sewer, subject to IDEM required sewer extension design, approval and permitting.

Feel free to contact us at 574-235-9626 if you have any questions or if you need anything further.

Sincerely,

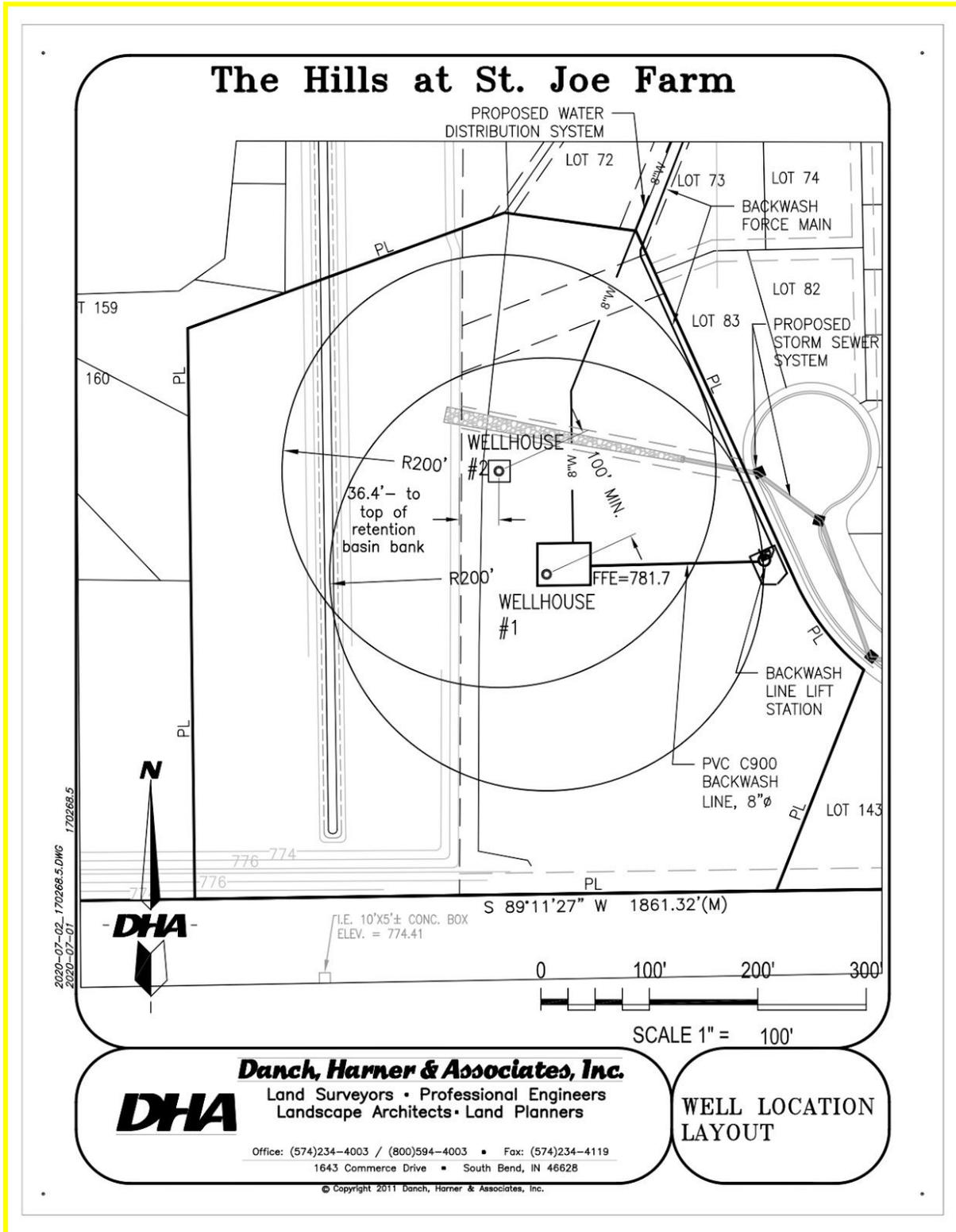
DocuSigned by:

DE41B0184F0E4E9
Barry Skalski
SJCRWSD President

MEMBERS

Barry Skalski President	Don Smessaert Vice President/Secretary	Jessica Clark Treasurer	Michael Dobson Member	Mark Espich Member	Tory Irwin Member	Roger Nawrot Member
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Exhibit 1.2.1 - Site map of each water supply source



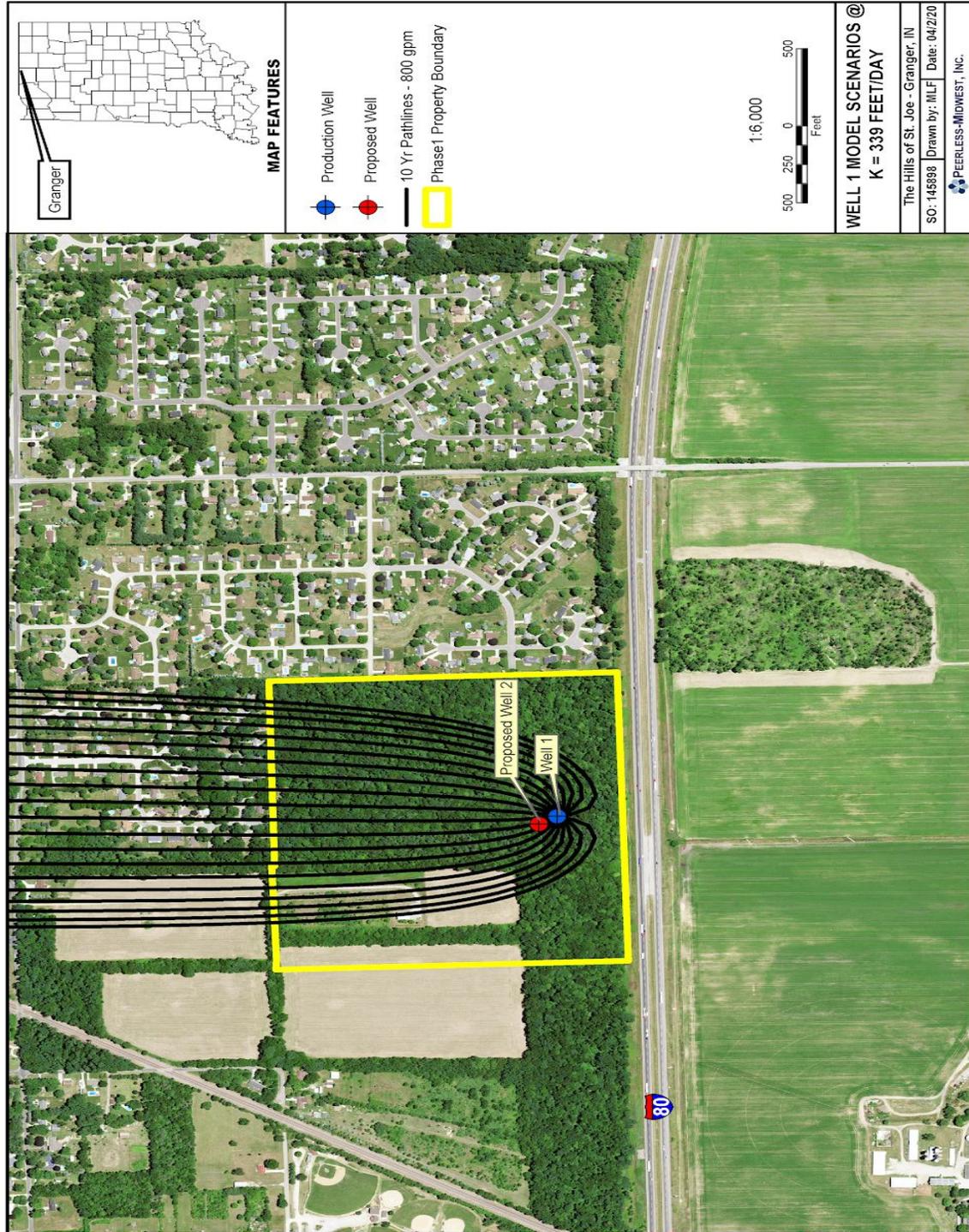


FIGURE 5

T:\proj\21-orest\Beach\Burdens\gating\Well1_model_scenario_K339_A17.rpt

Exhibit 1.2.7 - Summary of source water quality analysis

See next page

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Hills at St. Joe Farm Well 1 APT Laboratory Results (4/6/2020)

Collected	Method	Analyte	CAS Number	Result Flag	Result	Units	MRL
3/25/2020 13:30	150.1	pH	N/A	=	7.5	pH units	N/A
3/25/2020 13:30	300	Sulfate	14808-79-8	=	54	mg/L	5
3/25/2020 13:30	353.2	Nitrate	14797-55-8	=	0.6	mg/L	0.1
3/25/2020 13:30	353.2	Nitrite	14797-65-0	<	0.01	mg/L	0.01
3/25/2020 13:30	4500-F- C	Fluoride	16984-48-8	=	0.1	mg/L	0.1
3/25/2020 13:30	4500-NH3 D	Nitrogen, Ammonia	7664-41-7	<	0.1	mg/L	0.1
3/25/2020 13:30	549.2	Diquat	85-00-7	<	0.4	ug/L	0.4
3/25/2020 13:30	200.7	Calcium	7440-70-2	=	83	mg/L	0.1
3/25/2020 13:30	200.7	Iron	7439-89-6	=	0.42	mg/L	0.02
3/25/2020 13:30	200.7	Magnesium	7439-95-4	=	30	mg/L	0.1
3/25/2020 13:30	200.7	Sodium	7440-23-5	=	24	mg/L	0.1
3/25/2020 13:30	200.8	Arsenic	7440-38-2	=	2.4	ug/L	1
3/25/2020 13:30	200.8	Barium	7440-39-3	=	68	ug/L	2
3/25/2020 13:30	200.8	Chromium	7440-47-3	<	0.9	ug/L	0.9
3/25/2020 13:30	200.8	Lead	7439-92-1	<	1	ug/L	1
3/25/2020 13:30	200.8	Manganese	7439-96-5	=	210	ug/L	2
3/25/2020 13:30	2340 B	Hardness, Calcium	N/A	=	210	mg/L as CaCO3	0.25
3/25/2020 13:30	2340 B	Hardness, Total	N/A	=	330	mg/L as CaCO3	0.66
3/25/2020 13:30	335.4	Cyanide, Total	57-12-5	<	0.02	mg/L	0.02
3/25/2020 13:30	515.3	2,4-D	94-75-7	<	0.1	ug/L	0.1
3/25/2020 13:30	515.3	Dalapon	75-99-0	<	1	ug/L	1
3/25/2020 13:30	515.3	Dicamba	1918-00-9	<	0.1	ug/L	0.1
3/25/2020 13:30	515.3	Dinoseb	88-85-7	<	0.1	ug/L	0.1
3/25/2020 13:30	515.3	Pentachlorophenol	87-86-5	<	0.04	ug/L	0.04
3/25/2020 13:30	515.3	Picloram	2/1/1918	<	0.1	ug/L	0.1
3/25/2020 13:30	515.3	2,4,5-TP (Silvex)	93-72-1	<	0.1	ug/L	0.1
3/25/2020 13:30	4500-S2 D	Sulfide, Total	18496-25-8	<	0.05	mg/L	0.05
3/25/2020 13:30	548.1	Endothall	145-73-3	<	9	ug/L	9
3/25/2020 13:30	505	Aroclor 1016	12674-11-2	<	0.08	ug/L	0.08
3/25/2020 13:30	505	Aroclor 1221	11104-28-2	<	0.19	ug/L	0.19
3/25/2020 13:30	505	Aroclor 1232	11141-16-5	<	0.23	ug/L	0.23
3/25/2020 13:30	505	Aroclor 1242	53469-21-9	<	0.26	ug/L	0.26
3/25/2020 13:30	505	Aroclor 1248	12672-29-6	<	0.1	ug/L	0.1
3/25/2020 13:30	505	Aroclor 1254	11097-69-1	<	0.1	ug/L	0.1
3/25/2020 13:30	505	Aroclor 1260	11096-82-5	<	0.2	ug/L	0.2
3/25/2020 13:30	505	Chlordane	57-74-9	<	0.1	ug/L	0.1
3/25/2020 13:30	505	PCBs, Total	N/A	<	0.26	ug/L	0.26
3/25/2020 13:30	505	Toxaphene	8001-35-2	<	1	ug/L	1
3/25/2020 13:30	531.2	Aldicarb	116-06-3	<	0.5	ug/L	0.5
3/25/2020 13:30	531.2	Aldicarb sulfone	1646-88-4	<	0.7	ug/L	0.7
3/25/2020 13:30	531.2	Aldicarb sulfoxide	1646-87-3	<	0.5	ug/L	0.5
3/25/2020 13:30	531.2	Carbaryl	63-25-2	<	0.5	ug/L	0.5
3/25/2020 13:30	531.2	Carbofuran	1563-66-2	<	0.9	ug/L	0.9
3/25/2020 13:30	531.2	3-Hydroxycarbofuran	16655-82-6	<	0.5	ug/L	0.5
3/25/2020 13:30	531.2	Methomyl	16752-77-5	<	0.5	ug/L	0.5
3/25/2020 13:30	531.2	1-Naphthol	90-15-3	<	1	ug/L	1
3/25/2020 13:30	531.2	Oxamyl	23135-22-0	<	1	ug/L	1
3/25/2020 13:30	547	Glyphosate	1071-83-6	<	6	ug/L	6
3/25/2020 13:30	524.2	Benzene	71-43-2	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Bromobenzene	108-86-1	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Bromochloromethane	74-97-5	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Bromodichloromethane	75-27-4	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Bromoform	75-25-2	<	0.5	ug/L	0.5

Hills at St. Joe Farm Well 1 APT Laboratory Results (4/6/2020)

Collected	Method	Analyte	CAS Number	Result Flag	Result	Units	MRL
3/25/2020 13:30	524.2	Bromomethane	74-83-9	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	n-Butylbenzene	104-51-8	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	sec-Butylbenzene	135-98-8	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	tert-Butylbenzene	98-06-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Carbon tetrachloride	56-23-5	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Chlorobenzene	108-90-7	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Chloroethane	75-00-3	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Chloroform	67-66-3	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Chloromethane	74-87-3	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	2-Chlorotoluene	95-49-8	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	4-Chlorotoluene	106-43-4	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Dibromochloromethane	124-48-1	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,2-Dibromo-3-chloropropane (DBCP)	96-12-8	<	0.2	ug/L	0.2
3/25/2020 13:30	524.2	1,2-Dibromoethane (EDB)	106-93-4	<	0.2	ug/L	0.2
3/25/2020 13:30	524.2	Dibromomethane	74-95-3	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,2-Dichlorobenzene	95-50-1	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,3-Dichlorobenzene	541-73-1	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,4-Dichlorobenzene	106-46-7	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Total Dichlorobenzene	25321-22-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Dichlorodifluoromethane	75-71-8	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,1-Dichloroethane	75-34-3	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,2-Dichloroethane	107-06-2	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,1-Dichloroethylene	75-35-4	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	cis-1,2-Dichloroethylene	156-59-2	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	trans-1,2-Dichloroethylene	156-60-5	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Dichloromethane	75-09-2	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,2-Dichloropropane	78-87-5	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,3-Dichloropropane	142-28-9	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	2,2-Dichloropropane	594-20-7	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,1-Dichloropropylene	563-58-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,3-Dichloropropylene, cis & trans	542-75-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	cis-1,3-Dichloropropylene	10061-01-5	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	trans-1,3-Dichloropropylene	10061-02-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Ethylbenzene	100-41-4	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Hexachlorobutadiene	87-68-3	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Isopropylbenzene	98-82-8	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	4-Isopropyltoluene	99-87-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Methyl-t-butyl ether (MTBE)	1634-04-4	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Naphthalene	91-20-3	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	n-Propylbenzene	103-65-1	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Styrene	100-42-5	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,1,1,2-Tetrachloroethane	630-20-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,1,2,2-Tetrachloroethane	79-34-5	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Tetrachloroethylene	127-18-4	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Toluene	108-88-3	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Total Trihalomethanes	N/A	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,2,3-Trichlorobenzene	87-61-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,2,4-Trichlorobenzene	120-82-1	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,1,1-Trichloroethane	71-55-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,1,2-Trichloroethane	79-00-5	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Trichloroethylene	79-01-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Trichlorofluoromethane	75-69-4	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,2,3-Trichloropropane	96-18-4	<	0.5	ug/L	0.5

Hills at St. Joe Farm Well 1 APT Laboratory Results (4/6/2020)

Collected	Method	Analyte	CAS Number	Result Flag	Result	Units	MRL
3/25/2020 13:30	524.2	1,2,4-Trimethylbenzene	95-63-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,3,5-Trimethylbenzene	108-67-8	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Vinyl chloride	75-01-4	<	0.2	ug/L	0.2
3/25/2020 13:30	524.2	1,2-Xylene	95-47-6	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	1,3 + 1,4-Xylene	179601-23-1	<	0.5	ug/L	0.5
3/25/2020 13:30	524.2	Xylenes, Total	1330-20-7	<	0.5	ug/L	0.5
3/25/2020 13:30	504.1	1,2-Dibromo-3-chloropropane (DBCP)	96-12-8	<	0.01	ug/L	0.01
3/25/2020 13:30	504.1	1,2-Dibromoethane (EDB)	106-93-4	<	0.01	ug/L	0.01

Exhibit 1.5 - Infrastructure Replacement Plan

Estimated Life Expectancy 1.5.1	Schedule of Equipment 1.5.2	Replacement Date (Year) 1.5.3	Estimated Replacement Cost 1.5.4
40 Years	Well Pumps and Motors	2060	\$45,000 each
40 Years	Meters	2060	\$5,000 each
60 Years	Filters	2080	\$35,000 each
30 Years	Hydropneumatic Tanks	2050	\$20,000 each
25 Years	Miscellaneous Valves	2045	\$20,000 total

Exhibit 2.0 - Financial Capacity

2.1 Operating Revenues		2021	2022	2023	2024	2025
		Year 1	Year 2	Year 3	Year 4	Year 5
2.1.1	Plan Duration: Five Years	-	-	-	-	-
2.1.2	Metered Water Revenues: N/A	-	-	-	-	-
2.1.3	Unmetered Water Revenues:	18,720	37,440	56,160	74,880	93,600
2.1.4	Fire Protection Revenues:	2,022	4,044	6,067	8,089	10,111
2.1.5	Sales for Resale: N/A	-	-	-	-	-
2.1.6	Connection and System Development Fees:	57,600	57,600	57,600	57,600	57,600
2.1.7	Other Water Revenues: Sales Tax	299	598	897	1,196	1,496
Total Revenues		\$ 78,641	\$ 99,683	\$ 120,724	\$ 141,765	\$ 162,807

2.2 Operation and Maintenance Expenses		2021	2022	2023	2024	2025
		Year 1	Year 2	Year 3	Year 4	Year 5
2.2.1	Plan Duration: Five Years	-	-	-	-	-
2.2.2	Operating Expenses by Category					
	Electric	6,000	6,000	6,000	6,000	6,000
	Maintenance	936	1,872	2,808	3,744	4,680
	Billing Expense	12,000	12,000	12,000	12,000	19,200
	Qualified Operator	43,200	44,496	45,831	47,206	48,622
	Administrative Expenses (see 2.3 below)	13,400	13,802	14,179	14,567	14,967
	Capital Reserve Account Contribution	1,573	1,994	2,414	2,835	3,256
	Interest Expense	53,360	44,822	35,943	26,709	16,189
Total Operating Expenses		\$ 130,469	\$ 124,986	\$ 119,176	\$ 113,061	\$ 112,915
2.2.3	Greater of Depreciation or Extensions and Replacements	5,800	5,800	5,800	5,800	5,800
2.2.4	Taxes other than Income: Sales Tax	299	598	897	1,196	1,496
2.2.5	Operating Income before Income Taxes	(51,828)	(25,303)	1,548	28,704	49,892
2.2.6	Current Federal Income Taxes	-	-	-	-	-
2.2.7	Current State Income Taxes	-	-	-	-	-
2.2.8	Deferred Income Taxes	-	-	-	-	-
2.2.9	Income Tax Credits: Accumulated Net Operating Losses	(57,628)	(88,731)	(92,983)	(92,983)	(92,983)
2.2.10	Other Charges and Credits: Real Estate Tax Abatement	-	-	-	-	-
2.2.11	Net Operating Income	5,800	63,428	94,531	121,686	142,875
2.2.12	Debt Service and Debt Service Reserve	266,800	266,800	266,800	289,704	310,892

2.3 Administrative Expenses		2021	2022	2023	2024	2025
		Year 1	Year 2	Year 3	Year 4	Year 5
2.3.1	Plan Duration: Five Years	-	-	-	-	-
2.3.2	Salaries	-	-	-	-	-
2.3.3	Benefits	-	-	-	-	-
2.3.4	Supplies	-	-	-	-	-
2.3.5	Insurance	6,000	6,180	6,365	6,556	6,753
2.3.6	Legal Fees	5,000	5,150	5,305	5,464	5,628
2.3.7	Engineering Fees, Studies, and Plans	-	-	-	-	-
2.3.8	Regulatory Reporting and Permit Fees	1,200	1,236	1,236	1,236	1,236
2.3.9	Accounting Service	-	-	-	-	-
2.3.10	Security Service	600	618	637	656	675
2.3.11	Consumer Confidence Reporting	600	618	637	656	675
Total Administrative Expenses		\$ 13,400	\$ 13,802	\$ 14,179	\$ 14,567	\$ 14,967

Revised 01Sep20

Exhibit 2.4 - Projected Growth

2.4 **Projected Growth**

2.4.1 Plan Duration: Twenty Years (5 Year Increments)

Operating P&L, 5 Year Increments	Years 1 - 5	Years 6 - 10	Years 11 - 15	Years 16 - 20
Revenue	\$ 603,620	\$ 1,129,652	\$ 1,655,685	\$ 2,181,718
Operating Expenses	\$ 423,583	\$ 550,791	\$ 673,112	\$ 774,155
Gross Profit	\$ 180,037	\$ 578,861	\$ 982,573	\$ 1,407,563
D&A	\$ 95,996	\$ 101,878	\$ 29,000	\$ 29,000
EBIT	\$ 84,041	\$ 476,984	\$ 953,573	\$ 1,378,563
Interest	\$ 177,024	\$ 4,401	\$ -	\$ -
Taxes	-	151,840	381,429	551,425
Net Income (Loss)	\$ (92,983)	\$ 320,743	\$ 572,144	\$ 827,138
CapEx	\$ -	\$ -	\$ -	\$ -
FCF	\$ (92,983)	\$ 320,743	\$ 572,144	\$ 827,138
Capital Reserve Account Balance	\$ 12,072	\$ 34,665	\$ 67,779	\$ 111,414

Revised 01Sep20

Exhibit 2.7 - Cost Based Rate Analysis

Lots Sold:	24	48	72	96	120
ORIGINAL COST RATE BASE					
	2021	2022	2023	2024	2025
	Year 1	Year 2	Year 3	Year 4	Year 5
Utility Plant in Service	1,666,980	1,666,980	1,666,980	1,666,980	1,666,980
Less: Accumulated Depreciation	(5,800)	(11,600)	(17,400)	(23,200)	(29,000)
Net Utility Plant in Service	1,661,180	1,655,380	1,649,580	1,643,780	1,637,980
Add: Materials & Supplies Inventory	12,000	12,000	12,000	12,000	12,000
Less: Contributions in Aid of Construction	-	-	-	-	-
Total Adjustments	12,000	12,000	12,000	12,000	12,000
Original Cost Rate Base	\$ 1,673,180	\$ 1,667,380	\$ 1,661,580	\$ 1,655,780	\$ 1,649,980
RATE OF RETURN ON ORIGINAL COST					
Net Operating Income	\$ (71,028)	\$ (44,905)	\$ (18,431)	\$ 8,337	\$ 29,125
Divided by: Original Cost Rate Base	1,673,180	1,667,380	1,661,580	1,655,780	1,649,980
Rate of Return on Original Cost	(4.2%)	(2.7%)	(1.1%)	0.5%	1.8%
Proposed per Lot Monthly Utility Rate:	\$ 65.00				
Fair Value Rate Base	\$ 1,673,180	\$ 1,667,380	\$ 1,661,580	\$ 1,655,780	\$ 1,649,980
Times: Fair Value Rate of Return	10.00%	10.00%	10.00%	10.00%	10.00%
Allowable Utility Net Operating Income	\$ 167,318	\$ 166,738	\$ 166,158	\$ 165,578	\$ 164,998
Unmetered Water Revenues	257,066	249,083	240,749	232,121	229,473
Connection and System Development Fees	57,600	57,600	57,600	57,600	57,600
Other Revenue	2,321	4,643	6,964	9,285	11,607
Total Revenue	316,987	311,326	305,313	299,007	298,680
Operating Expenses	77,109	80,164	83,232	86,352	96,725
Administrative Expenses	13,400	13,802	14,179	14,567	14,967
Interest Expense	53,360	44,822	35,943	26,709	16,189
Income Tax Expense	-	-	-	-	-
Depreciation Expense	5,800	5,800	5,800	5,800	5,800
Amortization Expense	-	-	-	-	-
Total Expenses	149,669	144,588	139,155	133,429	133,682
NET INCOME	167,318	166,738	166,158	165,578	164,998
Allowed vs Projected Revenue:					
Unmetered Water Revenue Allowed	257,066	249,083	240,749	232,121	229,473
Unmetered Water Revenue Projected	\$ 78,641	\$ 99,683	\$ 120,724	\$ 141,765	\$ 162,807
Per Customer Monthly Revenue Allowed	893	432	279	201	159
Per Customer Monthly Revenue Projected	273	173	140	123	113

Revised 01Sep20

Exhibit 3.2.5 - Back up water supplier contact

DocuSign Envelope ID: FAB6D1C3-DFFE-432E-867C-6ECC86116C54

Granger Water Utility LLC
1122 N. Frances St.
South Bend, IN 46617

August 28, 2020

Bettcher's Water Service
Attn: Tonya Stanley
310 Wilson Dr,
Lakeville, IN 46536
574.784.8264
General@USTruckTrailer.com

RE: The Hills Major Subdivision - Emergency Water Service
Letter of Intent to Supply Bulk Water (non-potable)

Dear Ms. Stanley,

The Granger Water Utility LLC is developing a drinking water supply system for The Hills Major Subdivision located West of Bittersweet Rd. and South of Anderson Rd. in Granger, Indiana.

As a requirement of the Water System Management Plan, IDEM has asked that we secure a source for an emergency water supply in the event of a service outage at our water plant.

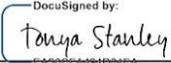
By signing below, can you please verify that Bettcher's Water Service is able to provide water in bulk quantities needed for a short-term or long-term outage for our community.

If you have any questions or comments concerning this letter please feel free to contact me.

Sincerely,
/s/ J. Patrick Matthews
J. Patrick Matthews, Manager
Granger Water Utility LLC
Ph: 574.315.9668

Acceptance to Letter of Intent (LOI):

Bettcher's Water Service is able to provide emergency bulk quantities of water to Granger Water Utility in the event of a service outage.

Signed: 
Bettcher's Water Service

9/3/2020

Seven Diamonds LLC Mail - re: Fwd: Granger Water Utility



Patrick Matthews <pat@7.diamonds>

re: Fwd: Granger Water Utility

information aimwater <info@aimwater.com>
Reply-To: info@aimwater.com
To: Patrick Matthews <pat@7.diamonds>

Wed, Sep 2, 2020 at 3:01 PM

yes, we would be able to supply your with emergency water of 50 5 gallon jugs per day in a water crisis. I am currently out of the office until tuesday, so when I get in, I will send a formal letter. Terry, Aim Water Treatment.

From: "Patrick Matthews" <pat@7.diamonds>
Sent: Wednesday, September 2, 2020 2:50 PM
To: info@aimwater.com
Subject: Fwd: Granger Water Utility

Terry,
Sorry for the confusion. see below.
Thanks
Pat

----- Forwarded message -----
From: **Patrick Matthews** <pat@7.diamonds>
Date: Fri, Aug 28, 2020 at 2:20 PM
Subject: Granger Water Utility
To: <info@amwater.com>

Terry,

Thanks for your call today. Can you please send an emergency potable water source letter to the following company:

Granger Water Utility LLC
1122 N Frances St
South Bend, IN 46617

Thank you in advance for your help.

Thanks
Pat Matthews
574.315.9668 cell

<https://mail.google.com/mail/u/1?ik=189989cab0&view=pt&search=all&permmsgid=msg-f%3A1676749878896863246&simpl=msg-f%3A16767498788...> 1/1

Exhibit 3.2.6 - Existence and limits of casualty insurance



Kemner Iott Benz

We Know Insurance. You Know Us. Let's Talk.

June 15, 2020

Granger Water Utility, LLC
J. Patrick Matthews, Manager
1122 Frances St.
South Bend, In 46617

RE: Water Utility Insurance
12851 Cleveland Rd
Granger, In 46530

Dear Mr. Matthews,

Clinton Deiley, Vice President Utility Services, for Grundy Insurance for Utilities, N.A.W.C Program, 400 Horsham Road, Horsham, PA 19044, has confirmed that Grundy Insurance, a division of Philadelphia Insurance Companies, will provide property insurance coverage, including the water plant and equipment in the amount of \$2,500,000.00.

Additional coverage for General Liability, Wrongful Acts and Professional Liability will be provided in the amount of \$2,000,000 aggregate limit and \$1,000,000 per occurrence limit once the water is operational.

The Kemner Iott Benz agency will provide general liability immediately and during construction and builders risk property coverage once construction commences. The annual premium will be less than four thousand dollars (\$4,000.00).

Sincerely,

Daniel J. Herman

Exhibit 3.3.1 - Accessibility to another PWS

**Granger Water Utility LLC
1122 N. Frances St.
South Bend, IN 46617**

May 29, 2020

St. Joseph County Regional Water & Sewer District (SJCRWSD)
Attn: Barry Skalski, President
227 W Jefferson Blvd.
Seventh Floor
South Bend, IN 46601

RE: The Hills Major Subdivision - Potable Water Service

Dear Mr. Skalski,

The Granger Water Utility LLC has contracted Peerless Midwest to develop a drinking water supply system for The Hills Major Subdivision located West of Bittersweet Rd. and South of Anderson Rd. in Granger, Indiana.

As part of the requirements of the New Public Water Supply, 327 IAC 8-3.6-6 we are required to notify all existing public water supplies within a ten-mile radius from the proposed well field. These wells will only serve The Hills Major Subdivision Community.

If the SJCRWSD is interested in assisting with supplying a potable water supply to the community please sign the bottom portion of the letter and circle "YES" (indicating that the SJCRWSD is interested in assisting with the facilities potable water supply). If the SJCRWSD is not interested please indicate "NO" below. Please return this signed letter to us via email.

If you have any questions or comments concerning this letter please feel free to contact me at (574) 315-9668.

Sincerely,
/s/ J. Patrick Matthews
J. Patrick Matthews, Manager
Granger Water Utility LLC

Response to this notice:

The SJCRWSD is interested in supplying water to The Hills Major Subdivision, Granger, IN.

Signed: _____

YES

NO

Granger Water Utility LLC
1122 N. Frances St.
South Bend, IN 46617

May 29, 2020

Mishawaka Utilities Water Department (MUWD)
Attn: Dave Majewski, Manager
410 E Jefferson Blvd.
Mishawaka, IN 46545

RE: The Hills Major Subdivision - Potable Water Service

Dear Mr. Majewski,

The Granger Water Utility LLC has contracted Peerless Midwest to develop a drinking water supply system for The Hills Major Subdivision located West of Bittersweet Rd. and South of Anderson Rd. in Granger, Indiana.

As part of the requirements of the New Public Water Supply, 327 IAC 8-3.6-6 we are required to notify all existing public water supplies within a ten-mile radius from the proposed well field. These wells will only serve The Hills Major Subdivision Community.

If the MUWD is interested in assisting with supplying a potable water supply to the community please sign the bottom portion of the letter and circle "YES" (indicating that the MUWD is interested in assisting with the facilities potable water supply). If the MUWD is not interested please indicate "NO" below. Please return this signed letter to us via email.

If you have any questions or comments concerning this letter please feel free to contact me at (574) 315-9668.

Sincerely,
/s/ J. Patrick Matthews
J. Patrick Matthews, Manager
Granger Water Utility LLC

Response to this notice:

The MUWD is interested in supplying water to The Hills Major Subdivision, Granger, IN.

Signed: 

YES NO

**Granger Water Utility LLC
1122 N. Frances St.
South Bend, IN 46617**

August 13, 2020

The City of Niles Utilities Department
Attn: Jeff Dunlap
33 N. 2nd Street
Niles, MI 49120

RE: The Hills Major Subdivision - Potable Water Service

Dear Mr. Dunlap,

The Granger Water Utility LLC has contracted Peerless Midwest to develop a drinking water supply system for The Hills Major Subdivision located West of Bittersweet Rd. and South of Anderson Rd. in Granger, Indiana.

As part of the requirements of the New Public Water Supply, 327 IAC 8-3.6-6 we are required to notify all existing public water supplies within a ten-mile radius from the proposed well field. These wells will only serve The Hills Major Subdivision Community.

If the City is interested in assisting with supplying a potable water supply to the community please sign the bottom portion of the letter and circle "YES" (indicating that the City is interested in assisting with the facilities potable water supply). If the City is not interested please indicate "NO" below. Please return this signed letter to us via email.

If you have any questions or comments concerning this letter please feel free to contact me at (574) 315-9668.

Sincerely,
/s/ J. Patrick Matthews
J. Patrick Matthews, Manager
Granger Water Utility LLC

Response to this notice:

The City is interested in supplying water to The Hills Major Subdivision, Granger, IN.

Signed: *Derek Dush*
ASSISTANT UTILITIES MANAGER

YES / NO

**Granger Water Utility LLC
1122 N. Frances St.
South Bend, IN 46617**

August 13, 2020

City of South Bend Public Works
Engineering Division
Attn: Rick Kedik
4227 W. Jefferson, County City Building 1316
South Bend, IN 46601-1830

RE: The Hills Major Subdivision - Potable Water Service

Dear Mr. Kedik,

The Granger Water Utility LLC has contracted Peerless Midwest to develop a drinking water supply system for The Hills Major Subdivision located West of Bittersweet Rd. and South of Anderson Rd. in Granger, Indiana.

As part of the requirements of the New Public Water Supply, 327 IAC 8-3.6-6 we are required to notify all existing public water supplies within a ten-mile radius from the proposed well field. These wells will only serve The Hills Major Subdivision community.

If the City is interested in assisting with supplying a potable water supply to the community please sign the bottom portion of the letter and circle "YES" (indicating that the SJCRWSD is interested in assisting with the facilities potable water supply). If the City is not interested please indicate "NO" below. Please return this signed letter to us via email.

If you have any questions or comments concerning this letter please feel free to contact me at (574) 315-9668.

Sincerely,
/s/ J. Patrick Matthews
J. Patrick Matthews, Manager
Granger Water Utility LLC

Response to this notice:
The City is interested in supplying water to The Hills Major Subdivision, Granger, IN.

Signed: _____

YES / NO

**Granger Water Utility LLC
1122 N. Frances St.
South Bend, IN 46617**

August 13, 2020

City of Elkhart
Mike Machlan
Engineering Service Manager & City Engineer
1201 S Nappanee St.
Elkhart, IN 46516
Email: mike.machlan@coei.org

RE: The Hills Major Subdivision - Potable Water Service

Dear Mr. Machlan,

The Granger Water Utility LLC has contracted Peerless Midwest to develop a drinking water supply system for The Hills Major Subdivision located West of Bittersweet Rd. and South of Anderson Rd. in Granger, Indiana.

As part of the requirements of the New Public Water Supply, 327 IAC 8-3.6-6 we are required to notify all existing public water supplies within a ten-mile radius from the proposed well field. These wells will only serve The Hills Major Subdivision Community.

If The City of Elkhart is interested in assisting with supplying a potable water supply to the community please sign the bottom portion of the letter and circle "YES" (indicating that the City is interested in assisting with the facilities potable water supply). If the City is not interested please indicate "NO" below. Please return this signed letter to us via email.

If you have any questions or comments concerning this letter please feel free to contact me at (574) 315-9668.

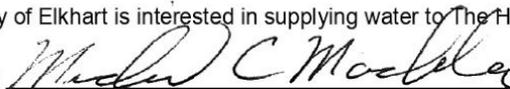
Sincerely,
/s/ J. Patrick Matthews
J. Patrick Matthews, Manager
Granger Water Utility LLC



Response to this notice:

The City of Elkhart is interested in supplying water to The Hills Major Subdivision, Granger, IN.

Signed:



YES / NO

**Exhibit 3.5.4 - Astbury Water Technology
(Sample Contract- Redacted)**

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AGREEMENT

for

PROFESSIONAL OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES

AGREEMENT

THIS WATER TREATMENT SYSTEM OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES AGREEMENT (hereinafter referred to as "Agreement") is effective as of [REDACTED], by and between ASTBURY WATER TECHNOLOGY, INC., an Indiana corporation with its principal place of business at 5940 West Raymond Street, Indianapolis, Indiana 46241 (hereinafter referred to as "Astbury") and [REDACTED] a municipal corporation organized under the laws of the state of Indiana with its principal place of business at [REDACTED] (hereinafter referred to as "[REDACTED]").

WITNESSETH

WHEREAS, Astbury is a firm specializing in the professional operations, maintenance and management of public works systems, and is willing to provide those services to [REDACTED] under the terms and conditions listed below; and

WHEREAS, [REDACTED] owns a public water treatment system (the "Facilities") serving residential, commercial and industrial customers (the "End Users") in [REDACTED] County, Indiana, and desires to contract for professional public works system operations, maintenance and management services.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the covenants and agreements contained herein, the parties hereto hereby agree as follows, to wit:

SECTION 1. DEFINITIONS

"*Adjustment Date*" shall mean [REDACTED] of each Agreement Year, including renewal options.

"*Agreement*" is defined in the Preamble to this Agreement.

"*Agreement Year*" is defined as any consecutive twelve (12) month period during the term of the Agreement (including the renewal options) that begins on the Commencement Date and subsequently ends on each anniversary of that date.

"*Applicable Law*" is defined as those laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, state, local government, agency or executive or administrative body of any of the foregoing, in each case that pertain to the (i) parties' respective responsibilities under this Agreement; (ii) operations, maintenance or management of the Facilities; (iii) health and welfare of individuals working at or visiting the Facilities; (iv) the collection, delivery, treatment and disposal of [REDACTED]'s wastewater, Process Residue and/or related wastes; (v) the treatment and distribution of raw and potable water to [REDACTED]'s End Users; and (vi) the maintenance of applicable roadways and stormwater infrastructure in [REDACTED]. This definition specifically includes the terms, conditions, requirements or schedules of any administrative or judicial settlement or enforcement related, in any way, to the Facilities; to the collection, delivery, pretreatment, or treatment of [REDACTED]'s wastewater; to the handling, transportation, treatment and disposal of Process Residue; to the treatment and distribution of raw and potable water to [REDACTED]'s End Users; to the

maintenance of applicable roadways and stormwater infrastructure in [REDACTED]; and to each of [REDACTED]'s environmental permits issued for the Facilities.

“*Base Compensation*” is defined in **Section 10** of this Agreement.

“*Business Hours*” are defined as Monday – Friday, 8:00 AM – 5:00 PM, excluding Federal Holidays.

“*Commencement Date*” shall mean [REDACTED].

“*End User*” is defined to [REDACTED]'s residential, commercial and industrial customers receiving either sewage collection and treatment service, potable water, or public fire protection.

“*ERP Software*” refers to a Computerized Maintenance Management Software (CMMS) used by Astbury to track preventative maintenance and repairs on infrastructure and equipment that comprises Facilities.

“*Distribution System*” refers to the system of infrastructure and equipment that distributes, pressurizes and meters potable water to End Users, including water mains, one (1) booster pump station, valves, hydrants, backflow preventors, water meters, and fire protection standpipe.

“*Environmental Compliance Guarantee*” is defined in **Section 9**.

“*Facilities*” is defined as the Wastewater Treatment System, the Water Treatment System, the Street Department, and all appurtenant facilities. This term is used interchangeably with “*public works system*”.

“*Force Majeure*” is defined as any act, event, or condition to the extent that it adversely impacts the cost of performance of, or adversely affects the ability of, either party to perform any obligation under this Agreement (except for payment obligations) if such act, event or condition, in light of any circumstances that should have been know or reasonably believed to have existed at the time, is beyond the reasonable control and is not a result of the willful or negligent act, error, omission or failure to exercise reasonable diligence on the part of the party relying thereon; provided, however, that the contesting party in good faith or failure in good faith to contest such action or inaction shall not be construed as a willful or negligent act, error, omission or lack of reasonable diligence of either party.

(a) Inclusions: subject to the foregoing, such acts, events or conditions may include, but shall not be limited to, the following:

- i. an act of God, landslide, earthquake, fire, explosion, flood, hurricane, tornado, pandemic, sabotage or similar occurrence, acts of a public enemy, terrorism, extortion, war, blockade, insurrection, riot or civil disturbance;
- ii. the failure of any appropriate governmental agency or private utility to provide and maintain utilities;
- iii. any failure of title to the Facilities or any placement or enforcement of any lien, charge or encumbrance on the Facilities or on any improvements thereon that is not consented to in writing by, or arising out of any action or agreement entered into by, either party to the Agreement;
- iv. the inability of Astbury and its subcontractors to gain and maintain access to all areas of the Facilities and/or adjoining the Facilities where Astbury is required to provide services or perform any work hereunder;
- v. the preemption, confiscation, diversion, destruction, or other interference by, on behalf, or with authority of a governmental body in connection with a declared or asserted public emergency related to the Facilities or the performance of the Services to be performed by Astbury hereunder;

- vi. strikes, work stoppages, or labor disputes affecting Astbury and any subcontractor (excluding material suppliers) of Astbury;
 - vii. with respect to Astbury, the presence at the Facilities of (i) subsurface structures, materials or conditions having historical, geological, archeological, religious or similar significance; (ii) any habitat of an endangered or protected species; or (iii) functioning subsurface structures used by utilities on, underneath, near or adjacent to the Facilities;
 - viii. with respect to Astbury, (i) the presence anywhere in, on or under the Facilities on the Commencement Date of underground storage tanks; (ii) the presence of hazardous materials or regulated substances in environmental media anywhere in, on or under the Facilities as of the Commencement Date; (iii) the off-site migration of pollutants and/or off-site contamination, including any migration of pollutants that is not caused by the negligence of Astbury; or (iv) contamination of the Facilities from groundwater, soil or airborne hazardous materials or regulated substances migrating from sources outside the Facilities to the extent not caused by Astbury's negligence or intentional acts;
 - ix. with respect to Astbury, damage to the Facilities caused by third parties not related to or under the control of Astbury including, but not limited to, other contractors and subcontractors for [REDACTED];
 - x. the failure of any subcontractor or supplier to furnish services, materials, chemicals, or equipment on the dates agreed to, but only if such failure is the result of an event that would constitute Force Majeure if it affected Astbury directly, and Astbury is not able after exercising all reasonable efforts to timely obtain substitutes; and
 - xi. the breach of this Agreement by one of the parties to the extent that it adversely impacts the non-breaching party's cost of performance under this Agreement or adversely affects the ability of the non-breaching party to perform any obligations under this Agreement.
- (b) Exclusions: None of the following acts, events or conditions shall constitute an event of Force Majeure:
- i. general economic conditions, interest or inflation rate fluctuations, commodity prices or changes in process, or currency or exchange rate fluctuations;
 - ii. changes in the financial condition of [REDACTED], Astbury, or any of their affiliates or subcontractors;
 - iii. union work rules which increase Astbury's operating cost for the Facilities;
 - iv. any impact of prevailing wage laws on Astbury's costs, provided however that such requirements or demands may constitute a Change of Law entitling Astbury to additional compensation;
 - v. the consequence of Astbury's error, including any errors of Astbury affiliates or subcontractors; and
 - vi. litigation against [REDACTED] and/or Astbury.

"*IDEM*" refers to the Indiana Department of Environmental Management.

"*Price Index*" shall mean the Consumer Price Index for all Urban Consumers (CPI-U) for the US City Average for all Services, 1982-84-100, Seasonally Adjusted as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics.

<https://beta.bls.gov/dataViewer/view/timeseries/CUSR0000SAS>

In the event that this Price Index is changed, or if a substantial change is made in the terms or number of items contained in the Price Index, then the Price Index shall be adjusted to the figure that would have been arrived at had the manner of computing the Price Index in effect as of the Commencement Date not been altered. In the event such Price Index (or a successor or substitute index) is not available, a reliable governmental or other non-partisan publication evaluating the information therefore used in determining the Price Index shall be used. No adjustments or re-computations, retroactive or otherwise, shall be made due to any revision that may later be made in the first published figure of the Price Index for any year.

“*Services*” is defined in **Section 2**.

“*Water Treatment Facility*” refers to the infrastructure and equipment that pumps, purifies, disinfects, stores and pressurizes raw and potable water for use by End Users, including two (2) source wells and submersible pumps, iron filter, chlorine gas injection system, water meter, and elevated storage tank.

“*Water Treatment System*” refers collectively to the Water Treatment Facility, the Distribution System, and all appurtenant facilities.

SECTION 2. ASTBURY SHALL CONDUCT THE FOLLOWING SCOPE OF SERVICE:

1. Provide a Licensed Operator of Record for the Wastewater Treatment System and Water Treatment System in accordance with Applicable Law.
2. Designate a lead operator to oversee operations and maintenance activities at the (i) Wastewater Treatment Facility, (ii) Collection System, (iii) Water Treatment Facility, (iv) Distribution System, and (v) Street Department. Lead operator to also direct, oversee and help train Apprentice Technician.
3. Tools and Vehicles necessary to provide routine operations and maintenance tasks as specified in this **Section 2**.
4. Furnish no less than seven (7) weekly site visits (except as noted) totaling thirty (30) to forty (40) hours, not including performance of laboratory testing, by operations and maintenance technicians to operate and maintain the Facilities. Weekend visitation and emergency on-call duties to be shared equally between Astbury and Apprentice Technician. Personnel down-time [i.e. sick and vacation days] to be augmented by other Astbury personnel.
5. **The following routine operations and maintenance tasks will be performed at the Water Treatment Facility:**
 - (a) Understand exactly what regulatory agencies, including IDEM, expect in the way of performance, tests and reports;
 - (b) Direct and supplement as necessary Apprentice Technician with daily operations and maintenance tasks, including (i) monitor equipment and infrastructure to ensure proper function of all components; (ii) adjust chlorine gas injection system as necessary; (iii) backwash iron filter on a schedule and as necessary; (iv) adjust pumping rates and water storage tank levels as necessary to meet demand; (v) maintain supply of chlorine gas canisters; and (vi) regularly test and record amperage of vital equipment;
 - (c) Direct and supplement as necessary Apprentice Technician with routine preventative maintenance of equipment on an established schedule, including (i) production well pump grease application, and (ii) exercise of valves [supplies and specialized repairs provided separately from Base Compensation per **Section 11**];

- (d) Exercise emergency generator at manufacturer-recommended intervals and ensure routine preventative maintenance by Original Equipment Manufacturer (O.E.M.) representative [all generator preventative maintenance and repairs provided separately from Base Compensation per **Section 11**];
- (e) Coordinate and subcontract (i) annual testing of wells, high service pumps, and chlorine booster pumps; (ii) annual maintenance of chlorine injection system; and (iii) annual calibration of water production meter [subcontracted services provided separately from Base Compensation per **Section 11**];
- (f) Direct and supplement as necessary Apprentice Technician with general housekeeping duties [refuse disposal and ground maintenance to be Cromwell's financial responsibility per **Section 3**];
- (g) Collect and analyze samples as required per IDEM Standard Monitoring Framework (SMF) governing parameters and frequency; samples to be properly preserved for analysis; and Chain-of-Custody to be maintained at all times [Water Treatment System laboratory analysis invoiced separately from Base Compensation as specified in **Section 11**];
- (h) Direct and supplement as necessary Apprentice Technician with calibration and maintenance of field testing equipment [reagents invoiced separately from Base Compensation per **Section 11**], and performance of field testing for the following parameters at the locations and frequencies noted:

Parameter	Frequency	Type
Iron (Raw, Finished)	7x/Week	Grab
Maganese (Raw, Finished)	7x/Week	Grab
Chlorine Residual (Plant Tap, Free/Total)	7x/Week	Grab

- (i) Address customer complaints as necessary; and
 - (j) Direct and supplement as necessary Apprentice Technician with recording of daily water meter readings, field test results, filter hours and backwash volumes, chlorine usage, water levels, and pump run times; summary of daily observations and adjustments performed; completion of monthly regulatory reports and incident/non-compliance reports as required by IDEM; and submission of copies of monthly regulatory reports to [REDACTED] upon completion.
6. **The following routine operations and maintenance tasks will be performed at the Distribution System:**
- (a) Direct and supplement as necessary Apprentice Technician with daily operations and maintenance tasks, including (i) monitor equipment and infrastructure to ensure proper function of all components; (ii) conduct water meter reading and changeouts; (iii) perform End User water service connections/disconnections; (iv) perform minor water meter repairs and maintenance; and (v) administer boil water advisories and sampling;
 - (b) Direct and supplement as necessary Apprentice Technician with routine preventative maintenance of equipment on an established schedule, including (i) hydrant and water main flushing, (ii) hydrant painting and routine maintenance, and (iii) exercise of valves [supplies and specialized repairs provided separately from Base Compensation per **Section 11**];
 - (c) Coordinate and subcontract (i) major water meter and hydrant repairs and replacements, (ii) repair of water main breaks, (iii) hydrant flow testing, and (iv) backflow preventor certification [services provided separately from Base Compensation per **Section 11**];

- (d) Exercise emergency generator at manufacturer-recommended intervals and ensure routine preventative maintenance by Original Equipment Manufacturer (O.E.M.) representative [all generator preventative maintenance and repairs provided separately from Base Compensation per **Section 11**];
- (e) Coordinate and subcontract (i) annual testing of wells, high service pumps, and chlorine booster pumps; (ii) annual maintenance of chlorine injection system; and (iii) annual calibration of water production meter [subcontracted services provided separately from Base Compensation per **Section 11**];
- (f) Direct and supplement as necessary Apprentice Technician with general housekeeping duties [refuse disposal and ground maintenance to be Cromwell's financial responsibility per **Section 3**];
- (g) Collect and analyze samples as required per IDEM Standard Monitoring Framework (SMF) governing parameters and frequency; samples to be properly preserved for analysis; and Chain-of-Custody to be maintained at all times [Water Treatment System laboratory analysis invoiced separately from Base Compensation as specified in **Section 11**];
- (h) Direct and supplement as necessary Apprentice Technician with calibration and maintenance of field testing equipment [reagents invoiced separately from Base Compensation per **Section 11**], and performance of field testing for the following parameters at the locations and frequencies noted:

Parameter	Frequency	Type
Iron (Raw, Finished)	7x/Week	Grab
Maganese (Raw, Finished)	7x/Week	Grab
Chlorine Residual (Plant Tap, Free/Total)	7x/Week	Grab

- (i) Address customer complaints as necessary; and
 - (j) Direct and supplement as necessary Apprentice Technician with recording of daily water meter readings, field test results, filter hours and backwash volumes, chlorine usage, water levels, and pump run times; summary of daily observations and adjustments performed; completion of monthly regulatory reports and incident/non-compliance reports as required by IDEM; and submission of copies of monthly regulatory reports to [REDACTED] upon completion.
6. **The following routine operations and maintenance tasks will be performed at the Distribution System:**
- (a) Direct and supplement as necessary Apprentice Technician with daily operations and maintenance tasks, including (i) monitor equipment and infrastructure to ensure proper function of all components; (ii) conduct water meter reading and changeouts; (iii) perform End User water service connections/disconnections; (iv) perform minor water meter repairs and maintenance; and (v) administer boil water advisories and sampling;
 - (b) Direct and supplement as necessary Apprentice Technician with routine preventative maintenance of equipment on an established schedule, including (i) hydrant and water main flushing, (ii) hydrant painting and routine maintenance, and (iii) exercise of valves [supplies and specialized repairs provided separately from Base Compensation per **Section 11**];
 - (c) Coordinate and subcontract (i) major water meter and hydrant repairs and replacements, (ii) repair of water main breaks, (iii) hydrant flow testing, and (iv) backflow preventor certification [services provided separately from Base Compensation per **Section 11**];

- (d) Collect and analyze samples as required per IDEM Standard Monitoring Framework (SMF) governing parameters and frequency; samples to be properly preserved for analysis; and Chain-of-Custody to be maintained at all times [Water Treatment System laboratory analysis invoiced separately from Base Compensation per **Section 11**];
- (e) Oversee and supplement as necessary Apprentice Technician in calibration and maintenance of field testing equipment [reagents invoiced separately from Base Compensation per **Section 11**], and performance of field testing for the following parameters, locations and frequencies:

Parameter	Frequency	Type
Chlorine Residual (Distribution System, Free/Total)	7x/Week	Grab

- (f) Record daily field test results and pump run times; summarize daily observations and adjustments performed; and complete incident/non-compliance reports as required by IDEM.
7. **The following managerial duties will be performed across the Wastewater Treatment System, the Water Treatment System, and the Street Department:**
- (a) Develop and implement a preventative maintenance program, including the following functions
 - (i) track and schedule maintenance items for infrastructure and equipment;
 - (ii) track and schedule required sampling and regulatory reporting items;
 - (iii) management of spare parts, equipment and supply inventory (commonly-used items to be maintained at all times);
 - (iv) administer equipment warranties;
 - (b) Maintain repair and maintenance activities in ERP Software, including (i) preventative maintenance tasks, (ii) sampling and reporting items, (iii) pump, blower, rotor, clarifier and filter hour meter readings, (iv) service calls, and (v) repairs and replacements;
 - (c) Manage Astbury support personnel, Apprentice Technician, and subcontractors/vendors, including (i) scheduling of 24/7 emergency on-call responsibilities; (ii) scheduling of weekend system visitation; (iii) cross-training of Astbury support staff and Apprentice Technician to provide redundancy, especially for supplemental visitation; (iv) management of subcontractors providing repair, maintenance, upgrade and construction services; and (v) management of vendors providing supplies and materials;
 - (d) Astbury to equally share emergency on-call duties with Apprentice Technician; all Astbury personnel involved with the Wastewater Treatment System and the Water Treatment System to be on telemetry call list and Company-wide 24-hour on-call phone number [service call response outside Business Hours or requiring additional personnel or specialized equipment provided separately from Base Compensation per **Section 11**];
 - (e) Communication responsibilities, including (i) complete written updates to ██████████ as necessary, such as recommendations for non-routine Facility maintenance, repairs, replacements, upgrades, and regulatory compliance; (ii) attend ██████████'s monthly board meetings; (iii) keep lines of communication open with regulatory authorities, including IDEM; and (iv) engage in short and long-term planning, including for budgetary matters, to meet future service and regulatory needs; and
 - (f) Consult with regulatory authorities, including IDEM, as necessary concerning any inspections, violations or related actions; provide technical assistance as necessary.

SECTION 3. ██████████'S RESPONSIBILITIES:

1. [REDACTED] shall be financially responsible for the following items, some of which to be coordinated or performed by [REDACTED] personnel; performed by Astbury in conjunction with [REDACTED] personnel; performed solely by Astbury; or coordinated and subcontracted by Astbury [service items performed or subcontracted by Astbury to be invoiced separately from Base Compensation per **Section 11**]:
 - (a) Employment of full-time Apprentice Technician;
 - (b) Wastewater Treatment System, Water Treatment System, and Street Department utilities;
 - (c) Ground maintenance of the Facilities;
 - (d) Process Residue and refuse disposal;
 - (e) Parts, supplies and equipment;
 - (f) Consumables and treatment chemicals;
 - (g) Back-up generator preventative maintenance and repairs;
 - (h) Permits and permitting expenses;
 - (i) Consulting related to IDEM Agreed Order;
 - (j) Backflow/Cross Connection Ordinance development and administration;
 - (k) Emergency Response Plan development;
 - (l) Indiana Finance Authority Water Loss Audits;
 - (m) Non-routine or specialized repairs, maintenance, replacements and upgrades to the Facilities;
 - (n) Annual flow meter calibrations;
 - (o) Service calls outside Business Hours;
 - (p) Weekly on-site labor exceeding forty (40) hours due to an event of Force Majeure;
 - (q) Water Treatment System laboratory analysis per IDEM Standard Monitoring Framework (SMF).

SECTION 4. PAYMENT PLANS FOR MAJOR REPAIRS

Astbury has the financial capability to assist with monthly payment plans for repair, replacement or upgrade projects that would otherwise strain [REDACTED]'s financial resources. We are willing to provide this assistance on a case-by-case basis.

SECTION 5. INDIANA 811 UTILITY LOCATES

Indiana 811 "Call Before You Dig" utility locates for the Collection System and the Distribution System will be performed by Astbury in conjunction with the Apprentice Technician as part of Base Compensation. Emergency locates outside Business Hours performed by Astbury are in addition to Base Compensation per **Section 11**.

SECTION 6. ENVIRONMENTAL COMPLIANCE

1. Except as provided herein below, Astbury hereby guarantees (the "Environmental Compliance Guarantee") that the operation of the Wastewater Treatment System and Water Treatment System will comply with all the provisions of Applicable Law, including the Discharge Permit. The Environmental Compliance Guarantee is subject to the following Conditions:
 - (a) An event of Force Majeure or shutdown;
 - (b) The failure of any component of the Facilities beyond the reasonable control and not the result of a willful or negligent act, error, omission or failure to exercise reasonable diligence on the part of Astbury;
 - (c) ██████'s failure or refusal to approve or fund reasonably necessary capital improvements, maintenance or repair expenditures;
 - (d) ██████'s failure or refusal to approve operational/process changes reasonably necessary in order to allow Astbury to continue to comply with Applicable Law.
2. **Fines and Penalties:** In the event that wastewater discharge violations occur and such violations constitute a breach of Astbury's Environmental Compliance Guarantee, Astbury shall be responsible for fines, penalties, or damages or the admission of Astbury's fault for violations that may be imposed by Applicable Law. Prior to the settlement of payment of any such fines, penalties or damages, Astbury reserves the right to contest governmental or private actions, suits or proceedings for violations through administrative procedures or otherwise, provided said challenge does not interrupt the operation of the Facilities.

SECTION 7. TERM AND BASE COMPENSATION

1. This Agreement shall remain in full force and effect for two (2) years, or twenty four (24) months, from the Commencement Date ("Initial Term") unless terminated for cause as provided for in **Section 12**.
2. Beginning ninety (90) days prior to expiration of the Initial Term (and subsequent renewal terms), both parties have the option to renew this Agreement for three (3) successive two (2) year periods ("Renewal Options"). Renewal Options must be exercised in writing by both parties during this timeframe; if either party elects not to exercise a Renewal Option during this timeframe, at least ninety (90) days prior written notice must be given. If, for example, written notice was given on the expiration date of the Initial Term that ██████ was not exercising its Renewal Option, the terms of the then current term would continue ninety (90) days past the expiration date.
3. Beginning on the Commencement Date, Cromwell shall pay Astbury an annual fee (the "Base Compensation") in the amount of ██████ dollars (\$█████) in consideration for Astbury providing the Services hereunder. The Base Compensation shall be payable in equal monthly installments of ██████ dollars (\$█████). Astbury will issue invoices around the tenth (10th) of each month for which service is being provided; said invoices payable within thirty (30) days. The break-down in Base Compensation is as follows:

Service Item:	Base Compensation (Monthly Installments):
████████████████████	██████████
Water Treatment System	\$██████████
████████████████████	██████████
Total:	\$██████████

4. Base Compensation is subject to an increase in accordance with changes in the Price Index throughout each Agreement Year. This increase applies at the conclusion of each Agreement Year, including Renewal Options, in the following manner:

$$AFF = AF0 \times [C/C0]$$

AFF = Adjusted Annual Fee

AF0 = Base Compensation

C0 = Price Index (as defined in the Definitions Section hereunder) as of the Commencement Date

C = Price Index (CPI-U) as of the Adjustment Date

For purposes of calculating the AFF on January 1, 2021, the Commencement Date for the Wastewater Treatment System Base Compensation shall be April 1, 2019. [REDACTED] shall pay Astbury at the then current rate of compensation until such time as Astbury notifies [REDACTED] that the Base Compensation has been adjusted. In conjunction with such notification, Astbury will invoice [REDACTED] for any additional compensation owed retroactive to the Adjustment Date and [REDACTED] shall pay such invoice within thirty (30) days. Notwithstanding the foregoing, no adjustment in Base Compensation shall be greater than four percent (4%) or less than zero percent (0.0%).

SECTION 8. UNIT RATES FOR SERVICES OUTSIDE BASE COMPENSATION

1. The following fee schedule applies for items not included in Base Compensation:

Item:	Notes:	Fee Structure:
Service Calls Outside Business Hours	Service Call response outside Business Hours (8:00 AM - 5:00 PM, Monday - Friday, excluding Federal Holidays) to be \$ [REDACTED] per hour of labor subject to two (2) hour minimum; includes vehicle mileage	\$ [REDACTED] /Hour Subject to Two (2) Hour Minimum; Includes Mileage
Service Calls During Business Hours	Service Call response during Business Hours by one (1) employee included in Base Compensation; service call response requiring additional Astbury personnel to be \$ [REDACTED] per hour of labor subject to two (2) hour minimum; includes vehicle mileage	Included in Base Compensation Except as Noted
Force Majeure Weekly Labor Overage	If an event of Force Majeure requires Astbury to provide more than forty (40) hours per week of on-site labor, an hourly labor rate of \$ [REDACTED] is applicable to any overage	\$ [REDACTED] /Hour
Labor for Specialized Services and Consulting	<ul style="list-style-type: none"> • Backflow/Cross Connection Ordinance development, administration, enforcement; • Emergency Response Plan development, maintenance; and • IFA Water Loss Audit. 	\$ [REDACTED] /Hour
Board Meeting Attendance	N/A	Included in Base Compensation
Indiana 811 Utility Locates	N/A	Included in Base Compensation
Special Projects	Applies to non-routine repairs, maintenance, and special projects	Subject to Quotation and Approval

Item:	Notes:	Fee Structure:
Subcontractors, Supplies and Equipment	Service from subcontractors, supplies, consumables and equipment	Subject to [REDACTED]-Percent Surcharge
Flow Meter Calibration	Required annually for Wastewater Treatment Facility Influent and Effluent Flow Meters	\$ [REDACTED] /Unit
Discharge Permit Renewal	Required once/five years for Wastewater Treatment Facility, includes paperwork completion and IDEM permit renewal fee	\$ [REDACTED]

- Water Treatment System laboratory analysis, which is to be performed exclusively by Astbury, is to be invoiced separately from Base Compensation at unit pricing as specified in the table below. Potability samples analyzed outside laboratory Business Hours (9:00 AM – 5:00 PM, Monday – Friday, excluding Federal Holidays) are \$ [REDACTED] per sample with a \$ [REDACTED] minimum.

Parameter:	Frequency:	Unit Price:
Total Coliform (Potability)	SMF	[REDACTED]
Lead and Copper	“	[REDACTED]
TTHMs	“	[REDACTED]
HAA5s	“	[REDACTED]
Nitrate	“	[REDACTED]
Inorganic Compounds	“	[REDACTED]
Arsenic	“	[REDACTED]
Cyanide	“	[REDACTED]
Volatile Organic Compounds	“	[REDACTED]
Synthetic Organic Compounds	“	[REDACTED]

SECTION 9. TERMINATION

- The failure of either party to comply with any of the material terms of this Agreement, including Astbury’s failure to comply with the environmental compliance conditions in **Section 9** of this Agreement, shall constitute a default. Upon default by one party, the other party shall send written Notice of Termination. Such notice shall clearly specify the nature of the default and provide the defaulting party ninety (90) days to cure the default. If the default is capable of being cured within ninety (90) days but is not cured within ninety (90) days, the Agreement shall terminate at midnight on the ninetieth (90th) day following receipt of the Notice. In the case of default that cannot be cured within ninety (90) days, this Agreement shall not terminate so long as the defaulting party has given written notice of the extension to the other party and the defaulting party has commenced and is diligently pursuing a cure. Evidence of such cure and its diligent pursuit shall be provided from the party determined to be in default to the satisfaction of the other party.
- In the event of termination of this Agreement, [REDACTED] shall pay Astbury for the Services provided and invoiced by Astbury up to the effective date of termination. Payment shall be made within thirty (30) days of the date of termination.

SECTION 13. NOTICES

All notices required or permitted under provisions of this agreement shall be in writing and shall become effective only when delivered by certified or registered mail, return receipt requested.

If to: ASTBURY WATER TECHNOLOGY, INC.
 Attn: Thomas B. Astbury
 5940 West Raymond Street
 Indianapolis, Indiana 46241

or

If to:



provided that such addresses may be changed by notice so given.

SECTION 14. FORCE MAJEURE

A party's performance of any obligation under this Agreement shall be excused if, and to the extent that, that party is unable to perform because of any event of Force Majeure. In any such event, the party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the event or cause that excused performance hereunder.

SECTION 15. GOVERNING LAW

This agreement in all respects shall be governed by and construed in accordance with the laws of the state of Indiana including all matters of construction, validity and performance. Any provision of this agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this agreement. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any provision of this agreement to prohibit it or unenforceable in any respect.

SECTION 16. MISCELLANEOUS

1. This document includes all agreements and understanding of the parties relating to the subject matter hereof and all prior and contemporaneous representations, agreements and understandings are hereby superseded and rendered void.
2. No provision of this agreement may be changed, waived, discharged or terminated other than by written instrument signed by the party against which the enforcement is sought.
3. The provisions of this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. The captions in this agreement are for convenience of reference only and shall not define or limit any provision of this agreement.

SECTION 17. INSURANCE AND INDEMNIFICATION

1. During the term of this agreement, Astbury shall maintain insurance with the minimum limits and coverages as shown below:
 - (a) General liability coverage, including for bodily injury and property damage in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
 - (b) Automobile liability coverage in the amount of \$1,000,000 per occurrence and in the aggregate.
 - (c) Umbrella liability coverage in the amount of \$11,000,000 per occurrence and in the aggregate.
 - (d) Workers' Compensation in the amount required by statute.

-
2. Astbury agrees to indemnify and hold harmless [REDACTED], its directors and officers from any and all liability, claims, actions, suits, causes of action, or other proceedings arising out of or directly resulting from the performance of this Agreement, including claims relating to Astbury's employees, subcontractors, affiliates, or by reason of any claim or dispute of any person or entity for damages from any cause directly or indirectly relating to any action or omission of Astbury, its representatives, employees, subcontractors or suppliers.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed on the day and year first above written.

ASTBURY WATER TECHNOLOGY, INC.

[REDACTED]

Thomas B. Astbury
Director, Business Development

[REDACTED]

Date

Date

Attested to:

[REDACTED]

GRANGER WATER UTILITY LLC

IURC Cause No. 45568

Attachments JPM-7 & JPM-8 to be late-filed

Estimated Project Costs

**The Granger Water Utility LLC
 Consturction Budget (Plant Only)
 May 18, 2021**

Land (Lot 230 Hills)	169,000
Total Land	169,000

Soft (indirect) Costs

Architectural	35,316
Civil Engineering (Danch)	50,000
Environmental	4,684
Geotechnical	5,000
Permits	2,000
Legal Fees	50,000
IURC Application	65,000
Accounting Fees	5,000
Recording Fees	5,000
Title Insurance	5,000
Contingency	11,350
Total Soft (indirect) Costs	238,350

Construction Costs

Peerless Midwest	1,074,000
Site Work (RB)	50,000
Shell (Buildings)	300,000
Total Const Costs	1,424,000

Financing Costs

Financing Fee (bps)	12,500
Appraisal	6,000
Progress Inspections	18,000
Construction Interest Carry	122,317
Total Financing Costs	158,817

Grand Totals	1,990,167
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INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

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(800) 451-6027 • (317) 232-8603 • www.idem.IN.gov

Eric J. Holcomb
Governor

Bruno Pigott
Commissioner

PERMIT FOR PUBLIC WATER SUPPLY CONSTRUCTION

J. Patrick Matthews, Manager
The Hills at St. Joe Farm
52127 Fall Creek Drive
Granger, IN 46530

WS-12205

March 19, 2021

Permit Number

Date Issued

Matt Prater
Drinking Water Branch Chief
Office of Water

You are hereby notified that the Office of Water Quality has approved the general design of plans and specifications of water works improvements to The Hills at St. Joe Farm public water system (PWSID 5271002). This Permit allows for well, treatment, chemical addition, and storage facility construction for The Hills at St. Joe Farm public water system located in St. Joseph County, Indiana. This Permit is issued under provisions of Indiana Code (IC) 13-15, IC 13-18-16, 327 Indiana Administrative Code (IAC) 8-3, and 327 IAC 8-4-1.

Pursuant to IC 13-15-5-3 and IC 4-21.5-3-4(d), this Permit is effective on the date issued.

The project consists of the installation of two 12-inch steel, approximately 100 feet deep, gravel pack wells with vertical turbine pumps rated at 600 gallons per minute and 265 feet of total dynamic head, six vertical pressure filters, two hydropneumatic tanks with a total storage capacity of 6,000 gallons, and a sodium hypochlorite chemical addition unit, together with all the necessary appurtenances.

This Permit is issued with the following conditions:

1. That the permittee notify, in writing, Liz Melvin, Capacity Development, Operator Certification and Permits Chief, a minimum of ten (10) days, excluding Saturdays, Sundays, and State of Indiana holidays, before exercising a permit issued in accordance with 327 IAC 8-3. The notification may be via email (dwpermits@idem.in.gov) and must include the construction permit number assigned, the location of the construction, a description of the construction, anticipated duration of the construction, and the phone number of the permittee or permittee's representative who will be present during the construction;

2. That after the commissioner has granted a construction permit, no changes in the application, plans, or specifications be made other than changes involving the replacement of equipment of similar design and capacity, none of which will change adversely the plant operation, its hydraulic design or waste products, or the distribution system design, operation, or capacity without first submitting in writing to the commissioner a detailed statement of such proposed changes and receiving an amended construction permit from the commissioner. Construction permits shall become void if the construction is not started within one (1) year from the date of issuance of the permit unless the duration of the permit has been extended by the commissioner after receiving a written request from the permittee, prior to the expiration of the permit, requesting such extension with no other changes to the permit, application, plans, or specifications as approved by the commissioner;
3. That the possession of any permit authorized by 327 IAC 8-3 not be construed to authorize the holder of the permit to violate any law of the State of Indiana or rule;
4. That the facility be designed, constructed, installed, and operated in such a manner that it will not violate any of the sanitary or health regulations or requirements existing at the time of application for the permit;
5. That the facility conform to the design criteria in the 2012 Edition of the "Recommended Standards for Water Works" established by the Great Lakes - Upper Mississippi River Board of State Public Health and Environmental Managers (10 State Standards), the American Water Works Association (AWWA) standards, or is based on such criteria which the applicant shows will produce drinking water of satisfactory quality and normal operating pressure at the peak operating flowrate in accordance with 327 IAC 8-3;
6. That when fire protection is to be provided, system design must be such that fire flows and facilities are in accordance with the requirements of the state Insurance Services Office. That a public water system, be capable of supplying the required fire flow, for firefighting purposes, as determined by local ordinance, and shall be provided to all premises. The water supply shall be provided as follows: fire hydrants and mains capable of supplying the required fire flow. According to the Water System Management Plan, the fire flow provided will be at least 1200 gallons per minute;
7. That all direct additives to the public water system shall be certified for conformance to ANSI/NSF Standard 60 and all indirect additives, including lubricants, coatings and equipment which conveys potable water, be certified for conformance to ANSI/NSF Standard 61;
8. That any pipe, plumbing fitting or fixture containing more than a weighted average of 0.25% lead, and solders or flux containing more than 0.2% lead are not to be used in the installation or repair of any piping on this project which conveys a potable water supply. Additional information may be obtained at the

U.S. Environmental Protection Agency's website at
<http://water.epa.gov/drink/info/lead/upload/epa815s13001.pdf>;

9. That all requirements of the enclosed Well Site Survey dated May 22, 2020 are met;
10. That the wells be constructed in accordance with AWWA Standard A100-15;
11. That all line-shaft vertical turbine pumps meet the requirements of AWWA Standard E103-15;
12. That the permanent well casing shall terminate at the higher level of at least eighteen (18) inches above finished grade or at least thirty-six (36) inches above the regulatory flood elevation;
13. That the system be equipped with a sampling tap for raw water from the well. Sampling taps shall be of smooth nosed type without interior or exterior threads, shall not be of the mixing type, and shall not have a screen, aerator, or other such appurtenance. The tap is to be located before all treatment and storage;
14. That the disinfection of the wells follow procedures outlined by AWWA Standard C654-13;
15. That two (2) consecutively satisfactory bacteriological total coliform samples taken at least twenty-four (24) hours apart, one (1) satisfactory nitrate sample, and one (1) fluoride sample be taken from each well before the wells are put into production. The laboratory results must have the assigned permit number, WS-12205 and PWSID # 5271002 on it and be submitted to Drinking Water Branch's Permit Section at dwpermits@idem.in.gov;
16. That SCADA network access and PLC data integrity of water process controls be secured;
17. That automatic controls be designed to allow override by manual controls;
18. That all piping in plants and pumping stations be color coded in accordance with Section 2.14 of the 2012 edition of the "Recommended Standards for Water Works" established by the Great Lakes – Upper Mississippi River board of State Public Health and Environmental Managers;
19. That all pipes, tanks, and equipment which can convey or store potable water be disinfected in accordance with procedures outlined by AWWA Standard C653-13. The plans and/or specifications must outline the procedure and include the disinfection dosage, contact time, and method of testing the results of the procedure;
20. That all ductile iron and PVC pipe and accessories be inspected, unloaded, handled, stored, installed, pressure and leak tested, and disinfected in accordance with the provisions of AWWA Standards C151/A21.51-17 and

C600-17, and C900-16, as applicable. If an AWWA Standard is not available for the particular installation, the manufacturer's recommended installation procedure must be followed;

21. That water mains be covered with earthen cover in accordance with 327 IAC 8-3.2-17(d);
22. That the preparation of filters for service follow the requirements of AWWA Standard B100-09;
23. That the physical characteristics, chemical composition, and installation of the filter media meet the requirements of NSF International (NSF-ANSI) Standard 61 – Drinking Water Components, as applicable. If an AWWA Standard is not available for the particular installation, the manufacturer's recommended installation procedure must be followed;
24. That each pressure filter be fitted in accordance with Section 4.3.2 of the 2012 edition of the "Recommended Standards for Water Works" established by the Great Lakes – Upper Mississippi River Board of State Public Health and Environmental Managers;
25. That physical characteristics, chemical composition, impurity limits, sampling, testing, storage, and application of the granular manganese dioxide filter media meet the standards of the American Water Works Association and/or National Sanitation Foundation (NSF). If an AWWA Standard is not available for the particular installation, the manufacturer's recommended installation procedure must be followed;
26. That each vertical pressure filter have a surface area of 15.9 square feet per filter at a filter design loading rate not to exceed six and twenty nine hundredths (6.29) gallons per minute per square foot;
27. That at the water treatment plant, six vertical pressure filters, approximately five feet high and four and half feet diameter each, have a maximum hydraulic loading rate of six and twenty nine hundredths (6.29) gallons per minute per square foot according to a 2020 Water Surplus filter media pilot study;
28. That where more than two filters are provided, the pressure filters shall be capable of meeting the plant design capacity at the approved filtration rate of six and twenty nine hundredths (6.29) gallons per minute per square foot with one filter removed from service;
29. That the pressure vessels conform to applicable ASME code requirements;
30. That the backwash design of manifold-type collection systems ensure even distribution of wash water and even rate of filtration over the entire area of the filter;

31. That the backwash water delivery system be capable of fifteen (15) gallons per minute per square foot of filter surface area. However, when air scour is provided, the backwash water rate must be variable and must not exceed eight (8) gallons per minute per square foot unless operating experience shows that a higher rate is necessary to remove scoured particles from filter media surfaces;
32. That after installation of the pressure filters, the treatment plant must be operated by a licensed WT3 operator in accordance with 327 IAC 8-12-2(b)(3);
33. That the plans for wastewater and residuals disposal meet the requirements of the commissioner;
34. That backflow and back siphonage prevention be provided in accordance with 327 IAC 8-10;
35. That, if applicable, the Office of Indiana State Chemist's regulations found under 355 IAC 5 must be followed with respect to storage and secondary containment of chemical additives considered pesticides;
36. That all chemical addition units and feed equipment conform to requirements of Part 5 - Chemical Application, in the 2012 Edition of the "Recommended Standards for Water Works" established by the Great Lakes – Upper Mississippi River Board of State Public Health and Environmental Managers;
37. That the safety, first aid, accidental release, handling, storage, and disposal measures and any other special precautions outlined in the manufacturer's Material Safety Data Sheets for any chemical addition be followed;
38. That the physical characteristics, chemical composition, impurity limits, sampling, testing, marking, storage, and application of the sodium hypochlorite (12.5%) conform to AWWA Standard B300-16;
39. That there be scales, loss-of-weight recorders or liquid level indicators, as appropriate for the sodium hypochlorite solution feed, and that they be capable of providing reasonable precision in relation to average daily dose;
40. That liquid chemical storage tanks shall have an overflow and a receiving basin capable of receiving accidental spills or overflows without uncontrolled discharge. A common basin may be provided for each group of compatible chemicals, which provides sufficient containment volume to prevent accidental discharge in the event of failure of the largest tank;
41. That the sodium hypochlorite feed equipment supply the necessary amounts of chemical at an accurate rate, and that a standby unit or pump be provided to replace the primary pump when out of service;

42. That the requirements of Indiana Code IC 13-18-26 be met. That the certifications be completed and returned to dwbpermits@idem.in.gov prior to beginning construction. Any future construction permit applications meeting the applicability requirement of IC 13-18-26 must have the completed certifications included with the construction permit application to be considered a complete permit application. Example and rule requirements are enclosed for your convenience and information; and
43. That an operation and maintenance manual including a parts list and parts order form, operator training and safety procedures, and an operational troubleshooting section be obtained by the public water system as part of any proprietary unit installed.

Plans and specifications entitled Hills at St Joe Farms (formerly Granger Water Utility LLC) certified by Byron L. Miller, P.E., were submitted by Danch, Harner & Associates on November 23, 2020 and additional information submitted February 8, 2021.

This Permit shall become void if construction is not started by April 2022. Any fundamental change in plans or specifications which may affect drinking water quality, operations, or public health must be submitted for review and approval by this agency. This Permit may be modified, suspended, or revoked for cause including, but not limited to the following:

1. Violation of any term or condition of this Permit; or,
2. Obtaining this Permit by misrepresentation or failure to fully disclose all relevant facts.

Nothing herein shall be construed as guaranteeing that the proposed public water supply facility shall meet standards, limitations or requirements of this or any other agency of state or federal government, as this agency has no direct control over the actual construction and operation of the proposed project.

If you wish to challenge this permit, you must file a Petition for Administrative Review with the Office of Environmental Adjudication (OEA) and serve a copy of the petition upon IDEM. The requirements for filing a Petition for Administrative Review are found in IC 4-21.5-3-7, IC 13-15-6-1 and 315 IAC 1-3-2. A summary of the requirements of these laws is provided below.

A Petition for Administrative Review must be filed with the Office of Environmental Adjudication (OEA) within fifteen (15) days of the issuance of this notice (eighteen (18) days if you received this notice by U.S. Mail), and a copy must be served upon IDEM. Addresses are:

The Hills at St. Joe Farm
PWSID 5271002
WS12205
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Director
Office of Environmental Adjudication
Indiana Government Center North
Room N103
100 North Senate Avenue
Indianapolis, Indiana 46204

Commissioner
Indiana Department of Environmental Management
Indiana Government Center North
Room 1301
100 North Senate Avenue
Indianapolis, Indiana 46204

The petition must contain the following information:

1. The name, address, and telephone number of each petitioner.
2. A description of each petitioner's interest in the permit.
3. A statement of facts demonstrating that each petitioner is:
 - a. a person to whom the order is directed;
 - b. aggrieved or adversely affected by the permit; or
 - c. entitled to administrative review under any law.
4. The reasons for the request for administrative review.
5. The particular legal issues proposed for review.
6. The alleged environmental concerns or technical deficiencies of the permit.
7. The permit terms and conditions that the petitioner believes would be appropriate and would comply with the law.
8. The identity of any persons represented by the petitioner.
9. The identity of the person against whom administrative review is sought.
10. A copy of the permit that is the basis of the petition.
11. A statement identifying petitioner's attorney or other representative, if any.

Failure to meet the requirements of the law with respect to a Petition for Administrative Review may result in a waiver of your right to seek administrative review of the permit. Examples are:

1. Failure to file a Petition by the applicable deadline;
2. Failure to serve a copy of the Petition upon IDEM when it is filed; or
3. Failure to include the information required by law.

If you seek to have a permit stayed during the administrative review, you may need to file a Petition for a Stay of Effectiveness. The specific requirements for such a Petition can be found in 315 IAC 1-3-2 and 315 IAC 1-3-2.1.

Pursuant to IC 4-21.5-3-17, OEA will provide all parties with notice of any pre-hearing conferences, preliminary hearings, hearings, stays, or orders disposing of the review of this action. If you are entitled to notice under IC 4-21.5-3-5(b) and would like to obtain notices of any pre-hearing conferences, preliminary hearings, hearings, stays, or orders disposing of the review of this action without intervening in the proceeding you must submit a written request to OEA at the address above.

If you have questions regarding your Petition for Administrative Review by the Office of Environmental Adjudication, please refer to the FAQs on OEA's website at <http://www.in.gov/oea>.

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In order to assist the permit staff in tracking appeals, we request that you submit a copy of your petition to Liz Melvin, Capacity Development, Operator Certification and Permits Section Chief, OWQ Drinking Water Branch – Mail Code 66-34, 100 N. Senate Ave, Indianapolis, Indiana 46204-2251.

If you do not object to this Permit, you do not need to take any further action. If you have any questions regarding this matter, please contact Lance Mabry, Permit Review Engineer, Office of Water Quality, at (317) 234-7423.

cc: St. Joseph County Health Department (electronic copy)
Byron L. Miller, P.E. (electronic copy)
Lance Mabry, IDEM (electronic copy)
Lucio Ternieden, IDEM (electronic copy)
Paula Reinhold, IDEM (electronic copy)
Liz Melvin, IDEM (electronic copy)
Sam Blazey, IDEM (electronic copy)
Travis Goodwin, IDEM (electronic copy)

enclosures



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Eric J. Holcomb
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Commissioner

Applicability and Implementation of IC 13-18-26: Permit Applications for Community Public Water System (PWS) Treatment Plants.

Certification Requirements for PWS Permitting:

Amendments to Indiana Code 13-18-26, which went into effect on July 1, 2019, require certain Community PWS permit applicants to certify that they have prepared and completed a life cycle cost-benefit analysis, a capital asset management plan, and a cybersecurity plan. The certification must be submitted to IDEM along with the PWS permit application under IC 13-18-16.

The requirements of IC 13-18-26 are applicable to the following PWS permitting actions:

1. A permit for a new PWS treatment plant, defined by IC 13-11-2-264, for a community water system.
2. A permit for the modification or expansion of a community PWS treatment plant that increases the system design capacity of the plant.

A system does not increase system design capacity if it is applying for a permit or submitting a notice of intent for:

1. The installation of new water mains.
2. The replacement of an existing drinking water well.
3. Chemical treatment that does not increase system design capacity.
4. Any other treatment improvements, process changes or modifications that do not increase system design capacity.

The requirements of IC 13-18-26 do not apply to noncommunity PWSs, including transient and nontransient noncommunity PWS.

Due to the time and resources necessary to complete the plans and analyses, if an applicant cannot meet the certification requirements at the time of application submittal, IDEM will work with the applicant on a transitional basis up to October 1, 2020. After October 1, 2020 IDEM will not issue a permit to an applicant that is subject to IC 13-18-26 if the required certification is not included with the application packet, as required by IC 13-18-26-1(b).

Certification Example:

Attached to this applicability memo is an example certification that meets the requirements of IC 13-18-26. A permit applicant may use this form, or develop their own form that meets the statutory requirements. Please note that the certification must be notarized.

Five-Year Review:

The permittee must review the life cycle cost-benefit analysis, capital asset management plan, and cybersecurity plan at least once every five years. If any of the plans or analyses are revised during the five-year review, the permittee must submit a new certification to IDEM.

Guidance on Developing Analyses and Plans:

IC 13-18-26 describes what must be included in the life cycle cost-benefit analysis, capital asset management plan, and cybersecurity plan. Similar analyses and plans are required by the Indiana Finance Authority's State Revolving Fund (SRF) Loan Program under a different statute. IDEM is providing the following links to SRF guidance documents with information permit applicants may find helpful in meeting the requirements of IC 13-18-26. Please refer to IC 13-18-26, a copy of which is attached to this memo, for the specific requirements applicable to the certification submitted to IDEM.

Asset Management Plan:

Checklist: <https://www.in.gov/ifa/srf/files/AMP-Checklist-for-Borrowers-July-2018.pdf>

Guidance: <https://www.in.gov/ifa/srf/files/AMP-Guidance-Packet-update-9-17-2019.pdf>

Cost Benefit Analysis (see Chapter 4): <https://www.in.gov/ifa/srf/files/DWSRF-PER-Guidance-July-2018.pdf>

Cyber Security Checklist (see Appendix C): <https://www.in.gov/ifa/srf/files/AMP-Guidance-Packet-update-9-17-2019.pdf>

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.



Thomas K. Witherow & Company, P.C.
Certified Public Accountant

June 15, 2021

RE: Seven Diamonds, LLC

We are a firm of Certified Public Accountants, licensed to provide accounting services in the state of Indiana.

For the past eleven years, we have been providing accounting and tax services to Seven Diamonds, LLC. As a part of our services, we have prepared state and federal income tax returns and related schedules. We have not reviewed or audited the financial information used in the preparation of the returns, nor have we been engaged to prepare financial statements for the Company.

Based on the foregoing, I certify that Seven Diamonds, LLC has filed all income tax returns required to be filed within the past eleven calendar years and further that Seven Diamonds, LLC has paid all taxes per said returns. In addition, based on information we were provided to prepare the December 31, 2020 tax returns, we are not aware of any delinquent outstanding bank debt of Seven Diamonds, LLC as of that date.

I understand that the Indiana Utility Regulatory Commission (IURC) is relying on this certification.

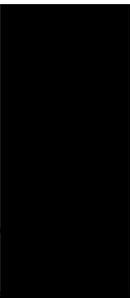
Cordially,

A handwritten signature in black ink, appearing to read "Thomas K. Witherow".

**Thomas K Witherow,
Certified Public Accountant**

Confidential
Attachment JPM-11 - Financial Information

Seven Diamonds LLC (Member)
Balance Sheet - Consolidated
March 31, 2021

Assets		Liabilities	
Cash		Payables	
Marketable Securities			
Notes Receivable			
Other Current Assets			
Investments - Properties			
Investments - Companies			
Fixes Assets (Net)			
Total Assets		Equity	
		Member Equity	
		Total Liab. & Equity	

Notice to Customers & Prospective Customers

The water utility system that will provide service to your home or prospective home is owned by a private company, Granger Water Utility LLC (“Granger Water”). Granger Water is presently regulated by the Indiana Utility Regulatory Commission (“IURC”). Granger Water initially proposes to charge a \$75 monthly fee per residence for water utility service. This monthly rate for water utility service will yield less than the amount necessary to completely recover the cost of providing water utility service and to provide a return on Granger Water’s investment in the property used to provide water utility service. Given the anticipated growth in customers, Granger Water is willing to forego immediate recovery of its costs and investment. In the future, Granger Water may seek an increase in its rates that would allow recovery of the costs of providing service and provide a reasonable return on Granger Water’s investment in the property used to provide water utility service.

GRANGER WATER UTILITY LLC

IURC Cause No. 45568

Attachment JPM-13 to be late-filed

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,481,397.00	03-19-2021	03-31-2024	141		5096796	BBG	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: Granger Water Utility LLC
52127 Fall Creek Drive
Granger, IN 46530

Lender: Teachers Credit Union
Attn: Commercial Lending Department
110 S. Main Street
P.O. Box 1395
South Bend, IN 46624-1395

Principal Amount: \$1,481,397.00

Date of Note: March 19, 2021

PURPOSE. BUSINESS: Construction Loan.

PROMISE TO PAY. Granger Water Utility LLC ("Borrower") promises to pay to Teachers Credit Union ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Four Hundred Eighty-one Thousand Three Hundred Ninety-seven & 00/100 Dollars (\$1,481,397.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on March 31, 2024. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning April 30, 2021, with all subsequent interest payments to be due on the last day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any unpaid collection costs; then to any late charges; then to any accrued unpaid interest; and then to principal. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the one month US Treasury note rate as reported by the Federal Reserve Board on a weekly average basis, as reported on the previous week ending, preceding the change date. (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each month, the 1st day of the month following the change in the index rate. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 0.040% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 2.500 percentage points over the Index (the "Margin"), adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.250%. If Lender determines, in its sole discretion, that the Index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this Note, Lender may amend this Note by designating a substantially similar substitute index. Lender may also amend and adjust the Margin to accompany the substitute index. The change to the Margin may be a positive or negative value, or zero. In making these amendments, Lender may take into consideration any then-prevailing market convention for selecting a substitute index and margin for the specific Index that is unavailable or unreliable. Such an amendment to the terms of this Note will become effective and bind Borrower 10 business days after Lender gives written notice to Borrower without any action or consent of the Borrower. NOTICE: Under no circumstances will the interest rate on this Note be less than 4.250% per annum or more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Note.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Teachers Credit Union, Attn: Commercial Lending Department, 110 S. Main Street, P.O. Box 1395 South Bend, IN 46624-1395.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged \$250.00.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 12.000%. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall

**PROMISSORY NOTE
(Continued)**

Loan No: 141

Page 2

not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount. Under all circumstances, the Indebtedness will be repaid without relief from any Indiana or other valuation and appraisal laws.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation all attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Indiana without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Indiana.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of St. Joseph County, State of Indiana.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

STATUTORY LIEN. Borrower agrees that all loan advances under this Note are secured by all shares and deposits in all joint and individual accounts Borrower has with Lender now and in the future. Borrower authorizes Lender, to the extent permitted by applicable law, to apply the balance in these accounts to pay any amounts due under this Note when Borrower is in default under this Note. Shares and deposits in an Individual Retirement Account and any other account that would lose special tax treatment under state or federal law if given as security are not subject to the security interest Borrower has given in Borrower's shares and deposits.

COLLATERAL. Borrower acknowledges this Note is secured by Lien on all business assets
First lien real estate mortgage on +/- 7 acres land, Granger, IN.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **The draw period expires the last day of the month preceding the maturity date.** . See **Construction Loan Draw Addendum attached to Promissory Note.** Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PROMISSORY NOTE
(Continued)**

Loan No: 141

Page 3

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

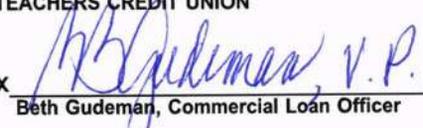
BORROWER:

GRANGER WATER UTILITY LLC

By: 
John Patrick Matthews, Manager of Granger Water
Utility LLC

LENDER:

TEACHERS CREDIT UNION

X 
Beth Gudeman, Commercial Loan Officer

RECORDATION REQUESTED BY:

Teachers Credit Union
Attn: Commercial Lending Department
110 S. Main Street
P.O. Box 1395
South Bend, IN 46624-1395

WHEN RECORDED MAIL TO:

Teachers Credit Union
Attn: Commercial Lending Department
110 S. Main Street
P.O. Box 1395
South Bend, IN 46624-1395

SEND TAX NOTICES TO:

Teachers Credit Union
Attn: Commercial Lending Department
110 S. Main Street
P.O. Box 1395
South Bend, IN 46624-1395

MORTGAGE

MAXIMUM LIEN. The lien of this Mortgage shall not exceed at any one time \$7,270,000.00.

THIS MORTGAGE dated March 19, 2021, is made and executed between Granger Water Utility LLC, an Indiana limited liability company (referred to below as "Grantor") and Teachers Credit Union, whose address is 110 S. Main Street, P.O. Box 1395, South Bend, IN 46624-1395 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, warrants, and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in St. Joseph County, State of Indiana:

See Exhibit A, which is attached to this Mortgage and made a part of this Mortgage as if fully set forth

**MORTGAGE
(Continued)**

Page 2

herein.

The Real Property or its address is commonly known as Vacant Land +/- 7 acres, Granger , IN 46530.

CROSS-COLLATERALIZATION. In addition to the Note, this Mortgage secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

As more fully described in this mortgage, the Property includes: (a) all extensions, improvements, substitutes, replacements, renewals, and additions to any of the property described; (b) all rents, proceeds, income, and profits from any of the other property described; and (c) all awards, payments, or proceeds of voluntary or involuntary conversion of any of the property described, including insurance, condemnation, tort claims, and other obligations dischargeable in cash.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

FUTURE ADVANCES. In addition to the Note, this Mortgage secures all future advances made by Lender to Grantor whether or not the advances are made pursuant to a commitment. Specifically, without limitation, this Mortgage secures, in addition to the amounts specified in the Note, all future obligations and advances which Lender may make to Grantor, together with all interest thereon, whether such future obligations and advances arise under the Note, this Mortgage or otherwise. This Mortgage also secures all modifications, extensions and renewals of the Note, the Mortgage, or any other amounts expended by Lender on Grantor's behalf as provided for in this Mortgage.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF GRANTOR'S OBLIGATIONS UNDER THAT CERTAIN CONSTRUCTION LOAN AGREEMENT BETWEEN GRANTOR AND LENDER OF EVEN DATE HERewith. ANY EVENT OF DEFAULT UNDER THE CONSTRUCTION LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the

**MORTGAGE
(Continued)**

Page 3

period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the

**MORTGAGE
(Continued)**

Page 4

Property are reasonably necessary to protect and preserve the Property.

CONSTRUCTION LOAN. If some or all of the proceeds of the loan creating the Indebtedness are to be used to construct or complete construction of any Improvements on the Property, the Improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably establish) and Grantor shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by this Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds \$25,000.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30)

**MORTGAGE
(Continued)**

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days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain flood insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan. Flood insurance may be purchased under the National Flood Insurance Program, from private insurers providing "private flood insurance" as defined by applicable federal flood insurance statutes and regulations, or from another flood insurance provider that is both acceptable to Lender in its sole discretion and permitted by applicable federal flood insurance statutes and regulations.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$1,000.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of any Event of Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee

**MORTGAGE
(Continued)**

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simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**MORTGAGE
(Continued)**

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SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. Grantor hereby appoints Lender as Grantor's attorney-in-fact for the purpose of executing any documents necessary to perfect or continue the security interest granted in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness, including without limitation all future advances, when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge

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of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or Grantor's ability to perform Grantor's obligations under this Mortgage or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment, is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to

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(Continued)**

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any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Deficiency Judgment. With respect to any Grantor who also is personally liable on the Note, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section. Under all circumstances, the Indebtedness will be repaid without relief from any Indiana or other valuation and appraisal laws.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

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(Continued)**

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Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. Grantor's "interest" in the Real Property shall be considered to include, without limitation, any right to make a division of the Real Property that is exempt from the requirement of the Michigan Land Division Act, as it shall be amended. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Michigan law.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by the Mortgage upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Indiana law.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish

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(Continued)**

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to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Indiana without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Indiana.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of St. Joseph County, State of Indiana.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waive Jury. All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Granger Water Utility LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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(Continued)**

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Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means Granger Water Utility LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, including, but not limited to, attorneys' fees, costs of collection and costs of foreclosure, together with interest on such amounts as provided in this Mortgage. Specifically, without limitation, indebtedness includes the future advances set forth in the Future Advances provision, together with all interest thereon and all amounts that may be indirectly secured by the Cross-Collateralization provision of this Mortgage.

Lender. The word "Lender" means Teachers Credit Union, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated March 19, 2021, in the original principal amount of **\$1,481,397.00** from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of the Note is March 31, 2024. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

**MORTGAGE
(Continued)**

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

GRANGER WATER UTILITY LLC

By: *John Patrick Matthews*
John Patrick Matthews, Manager of Granger Water Utility LLC

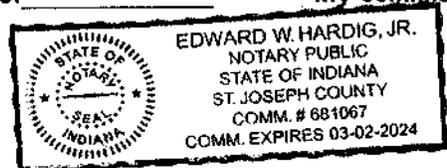
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF INDIANA)
) SS
COUNTY OF ST. JOSEPH)

On this 19 day of March, 2021, before me, the undersigned Notary Public, personally appeared **John Patrick Matthews, Manager of Granger Water Utility LLC**, and known to me to be a member or designated agent of the limited liability company that executed the Mortgage and acknowledged the Mortgage to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Mortgage and in fact executed the Mortgage on behalf of the limited liability company.

By *Edward W Hardig, Jr.* Residing at _____

Notary Public in and for the State of _____ My commission expires _____



I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law (Chelsea Ferenczi, Commercial Loan Processor).

**MORTGAGE
(Continued)**

This Mortgage was prepared by: Chelsea Ferenczi, Commercial Loan Processor



RECORDING PAGE

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 71-04-24-200-004.000-011 (pt), 71-04-13-476-003.000-011(pt), 71-04-24-400-002.000-011(pt)
and 71-05-19-300-001.000-01(pt)1

PARCEL I:

LOT NUMBER 230 IN THE HILLS AT ST. JOE FARM MAJOR SUBDIVISION, SECTION 1, IN HARRIS TOWNSHIP, AS PER PLAT THEREOF RECORDED FEBRUARY 24, 2021 AS INSTRUMENT NUMBER 2021-05783.

PARCEL II:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL I AS SET FORTH IN A DRIVEWAY ACCESS EASEMENT AGREEMENT BY AND BETWEEN ST. JOE FARM LIMITED LIABILITY COMPANY AND THE VILLAGE DEVELOPMENT LLC DATED OCTOBER 31, 2019 AND RECORDED DECEMBER 10, 2019 AS INSTRUMENT NO. 2019-32631 AND RECORDED JANUARY 2, 2020 AS INSTRUMENT NO. 2020-00029 IN THE OFFICE OF THE RECORDER OF SAINT JOSEPH COUNTY, INDIANA.

Attachment JPM - 16 - Loan to Purchase Distribution System

PROMISSORY NOTE

The undersigned promises to pay to the order of The Village Development LLC, an Indiana limited liability company, the sum of Three Hundred Seventy Thousand and 00/100 Dollars (\$370,000.00).

Payment of this Note shall be made as follows:

Beginning on or before December 31, 2022, Borrower agrees to pay minimum annual payments in the amount of Two Hundred Ninety Thousand and 00/100 (\$290,000.00) to Noteholder until principal balance is paid in full. The default rate if not paid on or before December 15, 2021 will be One percent (8%) annual on balance of any amount still due and payable.

If any payment pursuant to the Note is not paid when due, the entire unpaid principal and interest shall, at the option of the holder of this Note ("Holder"), become immediately due and payable. Forbearance on the part of the Holder in accelerating or pursuing collection of this Note shall not operate as a waiver of the right to do so at any future date. Upon default, the Holder shall be entitled to recover all costs of collection, including, but not limited to, reasonable attorney fees. This Note is payable without relief from valuation or appraisal laws. This Note may be prepaid in full, or in part, without penalty. Payments shall be applied first to costs of collection, then to interest, then to principal.

Presentment, notice of dishonor and protest are waived by all makers, sureties, guarantors and endorsers of this Note. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, successors, assigns and legal representatives. This Note shall be governed by Indiana Law. Time shall be of the essence. If this Note is inconsistent with any security agreement or mortgage, the provisions of this Note shall control.

THE MATURITY DATE OF THIS NOTE MAY BE EXTENDED IF MUTUALLY AGREED UPON IN WRITING.

Payment of this Note shall be made to the Holder at 1130 S Bend Ave., Ste 350, South Bend, IN 46617, or at such other address as the Holder may designate to the undersigned in writing.

This Note is executed on June 15, 2021, at South Bend, Indiana.

Borrower:



J. Patrick Matthews, Manager
Granger Water Utility, LLC

CONSTRUCTION AGREEMENT

THIS AGREEMENT, made this 1st day of March, 2021, by and between Granger Water Utility, LLC, called the "Owner," and New Buffalo Land Improvement Company d/b/a Forest Beach Builders, a Michigan Corporation, hereinafter called the "Contractor."

WITNESSETH:

WHEREAS, the Contractor desires to construct for Owner, and Owner desires to have built by Contractor a commercial structure to be constructed on the following real property:

Project at Lot 230 at The Hills at St. Joe Farm as more fully set forth on Plans and Specifications dated December 16, 2020 .

Subject to restrictions and easements of record.

NOW, THEREFORE, for and in consideration of the mutual covenant and agreements herein contained and the consideration hereinafter named, the parties agree as follows:

1. CONSTRUCTION. Contractor desires and agrees with Owner to furnish all materials and perform all work necessary to furnish in a good and workmanlike manner the erection of a residence in accordance with this Agreement, the specifications attached hereto as Exhibit "A" (Structure Specifications), the plans and drawings attached as Exhibit "B" (Building Plans), any applicable building codes, and the covenants, conditions and restrictions affecting the property legally described above.
2. PRICE AND PAYMENT. Owner agrees to pay Contractor for the demolition and erection and completion of said improvements, as herein provided the total sum of Three hundred one thousand dollars (\$301,000.00) . Contractor shall periodically, but not less than monthly, submit detailed invoices supported by Job Cost Reports and copies of all receipts to Owner. Owner shall promptly pay invoices within 5 business days. Waivers for the previous invoice shall be provided to buyer prior the following round of invoicing, if necessary. Deposits with Contractor to be applied to the purchase price. Monthly invoices will include work completed to date plus 15%.
3. COMMENCEMENT OF CONSTRUCTION. Contractor shall commence construction after the signing of this agreement and obtainment of all necessary permits and financing approvals.
4. COMPLETION OF CONSTRUCTION. Contractor shall complete construction within approximately 150 days, including Sundays and holidays, of the date of commencement of construction. Extensions due to delays resulting from strikes, work stoppages, work slowdowns, extras, availability of materials, adverse weather conditions, Acts of God, and similar other matters beyond the reasonable control of Contractor shall be allowed.

5. ALLOWANCES. Owner will choose all items and costs will be paid as incurred. Contractor will pass all discounts directly through to Owner.
6. INSPECTION. During construction, the Owner and their architects or engineers, bankers, or both, may from time to time, inspect the structure and shall have access to copies of all plans, shop drawings and specifications relating to construction. If, during construction or at any time before a final certificate of occupancy is issued, Owner or their architects or engineers determine that the building is not constructed in accordance with plans and specifications, prompt written notice shall be given to Contractor specifying in detail the particular deficiency, omissions, or other act of nonconformance. Upon receiving such notice, Contractor shall take all necessary steps to make the proper corrections. Any dispute concerning the reasonableness of such deficiency, omissions or other claimed nonconformance shall be settled by an independent arbitrator.

Within 48 hours before closing, Owner and Contractor will inspect the project and form a list of post closing items (Punch List) to be completed by the Contractor. Contractor shall repair or replace the items on the Punch List within 30 days after closing.

7. GENERAL CONDITIONS.

- A. Contractor shall pay for all labor, materials, tools, and equipment required to fully perform all work required to complete the building according to the specifications and drawings attached hereto as Exhibits "A," and "B" and in satisfaction of all zoning and building code requirements and applicable covenants, conditions, and restrictions of the subdivision, if any.
- B. Fire, theft, extended coverage and windstorm insurance and Builder's Risk Insurance on the dwelling and all other insurance shall be provided by the Owner. The risk of loss by fire or other casualty shall be on the Owner during the entire period of construction and thereafter, until occupancy. Owner shall be responsible for building materials placed on the site during construction prior to their incorporation in the dwelling. Contractor will provide proof of general liability insurance to Owner. For additions and remodels, the homeowner's policy will be the first level of insurance.
- C. The structure shall, when completed, comply with all applicable state, municipal and other governmental laws, ordinances, regulations, and orders. Contractor shall pay all fees and Contractor shall obtain all necessary building and other permits related to the work including, but not limited to, electric fees for meters or service to the project, gas fees for meters or service to the project. Said fees to be included in the contract price. Any payments to any school district or other governmental authority which must be made before the necessary building and other

permits related to the work are issued, if any, shall be paid by Contractor. Contractor shall pay for any sewer and water tap-on fees. All costs incurred will be invoiced to the Owner as provided in paragraph 2 above.

8. **DEBRIS.** Contractor shall remove all debris from the premises prior to closing. Contractor is not aware of any violation of environmental laws.
9. **EXPRESS WARRANTY.** Contractor guarantees the building for a period of one (1) year from the date of closing to be free from defective material and workmanship, including the material and workmanship of all subcontractors and material men of Contractor, including all latent defects. THIS WARRANTY SHALL NOT BE CONSIDERED IN LIEU OF ANY OTHER WARRANTIES WHICH MAY EXIST UNDER LAW. This warranty is in Lieu of any implied warranties.
10. **EXTRAS.** No extra work and no changes or alterations in such work shall be made, except as agreed upon by the parties. Any modifications to this Contract, including any work for extras, must be agreed to in writing prior to such work being performed. No claim for amounts due for extra work shall be valid unless the provisions of this paragraph have been complied with. No changes, omissions, or extra work shall annul or invalidate this contract. If the Contractor is delayed in securing written change orders by Owner, the construction period shall be extended two (2) days for each day of delay. Faxed signatures shall be considered binding and enforceable. Payment for any extras or changes will be due upon execution of the change order.
11. **MATERIALS.** All materials used in construction of the structure shall be new and of standard quality except where otherwise stated in the specifications.
12. **SPECIFICATIONS AND DRAWINGS.** This contract, the plans, elevations, sections, and detail drawings, together with the specifications attached hereto, form the complete contract and are of equal force as if set out herein. Anything set out in the specifications and not set out in the drawings, shall be followed as if set forth in both the specifications and drawings and shall be governed by the specifications.
13. **FINAL PAYMENT.** Final payment shall be made on or before seven (7) days after substantial completion of the residence by Contractor. Owner will not be required to make final payment unless Contractor can provide, prior to payment, a certificate of occupancy.
14. **DEFAULT.** Time is of the essence. If Owner fails to perform this Contract in any manner, upon written notice to Owner, the deposit paid by the Owner aforesaid may be released by or for the account of Contractor as liquidated damages, consideration for the execution of this Contract and in settlement of any claims, and this Contract shall become null and void, and Contractor shall have the right, if necessary and applicable, to re-enter and take possession of the premises aforesaid and all rights in the title to the premises and any and all improvements made upon said premises by Owner shall vest in the Contractor. Contractor may seek specific performance and elect to receive the Owner's

deposit without thereby waiving any actions for damages resulting from Owner's breach. If for any reason other than failure of Contractor to render his title marketable after diligent effort, Contractor fails, neglects, or refuses to perform this Contract, Owner may seek specific performance or elect to receive the return of their deposits without thereby waiving any actions for damages resulting from Contractor's breach. Owner or Contractor shall pay all reasonable attorney fees and costs incurred by the prevailing party in enforcing the terms and provisions of this Contract and in defending any proceeding to which the Owner or Contractor is made a party as a result of the acts or omissions of the other party.

15. CHANGES AND EXTRAS. The parties acknowledge that it may be necessary to effect changes, modifications or extras of the Plans and Specifications during construction. Changes will be "time and material" and Contractor will attempt to provide Owner with an estimate of the costs or savings arising by virtue of each change, modification or extra.
16. TIME PRICE CHARGE. In addition to any amounts due from the Owner to the Contractor as herein provided, it is expressly agreed and understood that any amount unpaid to the Contractor when due pursuant to this Contract shall be subject to, and the Owner agrees to pay a charge of one and one-half (1½ %) per cent per month on all amounts unpaid. Monies held in escrow may be subject to these charges.
17. NOTICES. All notices required to be given under this Contract shall be construed to mean notice in writing signed by or on behalf of the party giving same served upon the other party or their attorney personally or deposited properly addressed to such party at the address herein set forth in the U.S. mail postage paid, certified or registered mail, return receipt requested or by facsimile to the parties or their attorney. Notice by mail shall be deemed to be delivered upon deposit in the U.S. Post Office receptacle.
18. RISK OF LOSS. As part of the expenses incurred in the construction of the dwelling, the Owner agrees to purchase and maintain builder's risk insurance (new construction only) and to purchase and maintain property insurance upon the entire work at the site to the full insurable value thereof until completion of the contract or occupancy, whichever occurs first. In the event that, prior to contract completion, the subject premises shall be destroyed by fire or other casualty to an extent that the cost of repair thereof exceeds 10% of the purchase price set forth herein, or in the event any portion of the subject premises shall be taken by condemnation, then, at the option of either party hereto, this Contract shall be declared null and void, and Contractor shall be entitled to a final payment on services to that point of completion prior to the damage. Contractor shall also be named as secondary insured on builder's liability insurance policy.
19. 1445 AND 1099 COMPLIANCE. Owner and Contractor agree that if Contractor is a "foreign person" within the meaning of Section 1445 of Internal Revenue Code, then Title Company shall withhold and deduct from sale proceeds a tax equal to 10% of the amount realized. If the lender or title company assumes no responsibility in regards to Section 1099 compliance, Contractor shall have the responsibility for filing the necessary documentation to comply with Section 1099.

20. **SIGNAGE:** From and after the Effective Date of this Agreement, The Contractor shall have the right to erect signage on the Property at the Contractor's sole cost and expense, which signage shall conform to all proper local regulations and ordinances. The Contractor, at the Contractor's expense, shall remove all signage from the Property at the end of the contract.

21. **REPRESENTATIONS:** All representations made herein shall survive the closing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate, the date and day first above written.

CONTRACTOR:

OWNER:

FOREST BEACH BUILDERS

GRANGER WATER UTILITY

By: 

By: 

Attest: _____

Attest: _____

WAIVER OF IMPLIED WARRANTIES

I recognize that by accepting the express warranties and the guarantee covering those warranties for the periods of time provided in this contract, I am giving up the right to any claims for implied warranties, which may be greater than the express warranties. Implied warranties are unwritten warranties relating to the reasonable expectations of Owner with regard to the construction of the Owner's structure, as those reasonable expectations are defined by the courts on a case by case basis.

Owner:
BY: 

Date: 3/1/2021

BY: _____

Date: _____