

OFFICIAL
EXHIBITS

IURC
PETITIONER'S
EXHIBIT NO. 14
11-12-19 AT
DATE REPORTER

Petitioner's Exhibit 14



now joined with
Springsted and Umbaugh

Baker Tilly Municipal Advisors, LLC
8365 Keystone Crossing, Ste 300
Indianapolis, IN 46240
United States of America

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July 15, 2019

Board of Directors
Gibson Water, Inc.
517 East 1250 South
Haubstadt, IN 47639

In connection with the true-up report required by the Order in Cause No. 45080, we have, at your request, prepared this special purpose report for submission to the Indiana Utility Regulatory Commission ("IURC").

This report including the following schedules has been prepared for the purpose of providing to the IURC, the true-up information resulting from the sale of the Taxable Secured Notes, Series 2018 to the Indiana Finance Authority and should not be used for any other purpose.

Page(s)

- | | |
|-------|---|
| 2 | Schedule of Estimated Project Costs and Funding |
| 3 | Schedule of Amortization of \$994,000 Principal Amount of
Outstanding Taxable Secured Notes, Series 2018 |
| 4 | Schedule of Amortization of \$3,655,000 Principal Amount of
Proposed Taxable Secured Notes, Series 2019 |
| 5 | Pro Forma Annual Revenue Requirements and Annual Revenues |
| 6 - 8 | Schedule of Prior, Present and Revised Rates and Charges |

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

Baker Tilly Municipal Advisors

SCHEDULE OF ESTIMATED PROJECT COSTS AND FUNDING
(Per Consulting Engineer)

Estimated Construction Costs:

Sub-totals
Construction contingencies

Estimated Non-Construction Costs:

- Preliminary Engineering
- Environmental Assessment
- Engineering
- Inspection
- IURC Testimony (MEI)
- Archaeological Reconnaissance
- Easement Preparation
- Easement Negotiation, Procurement
- Legal and Financial
- Crop Damage
- Miscellaneous and Contingency

Total Estimated Project Costs

Proposed Rural Development Notes (Proposed)
Taxable Secured Notes, Series 2018 (Closed 12/21/18)

Per IURC Order (11/21/18)			Debt Service True-Up (12/21/18)		
RD	SRF	Total	RD	SRF	Total
	\$521,800	\$521,800	\$600,000		\$600,000
	268,500	268,500	309,000		309,000
\$562,000		562,000	646,000		646,000
158,900		158,900	183,000		183,000
998,400		998,400	863,150	\$750,850	1,614,000
1,719,300	790,300	2,509,600	2,601,150	750,850	3,352,000
171,930	79,030	250,960	285,850	49,150	335,000
1,891,230	869,330	2,760,560	2,887,000	800,000	3,687,000
	32,400	32,400	32,400		32,400
	10,400	10,400	10,400		10,400
24,000		24,000	24,000		24,000
8,600		8,600	8,600		8,600
13,200		13,200	10,700	10,000	20,700
17,100	7,900	25,000		25,000	25,000
10,300	4,700	15,000		15,000	15,000
142,700	65,600	208,300	178,300	30,000	208,300
98,700	45,300	144,000	134,000	10,000	144,000
		-	12,000		12,000
10,300	4,700	15,000		15,000	15,000
5,100	2,400	7,500	22,000		22,000
20,600	9,400	30,000	30,000		30,000
181,500	83,500	265,000	283,500	86,000	369,500
14,400	6,600	21,000	21,000		21,000
270	770	1,040	1,100	3,000	4,100
546,770	273,670	820,440	768,000	194,000	962,000
\$2,438,000	\$1,143,000	\$3,581,000	\$3,655,000	\$994,000	\$4,649,000
\$2,438,000		\$2,438,000	\$3,655,000		\$3,655,000
	\$1,143,000	1,143,000		\$994,000	994,000
\$2,438,000	\$1,143,000	\$3,581,000	\$3,655,000	\$994,000	\$4,649,000

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GIBSON WATER, INC.

(887)

SCHEDULE OF AMORTIZATION OF \$994,000 PRINCIPAL AMOUNT

OF OUTSTANDING TAXABLE SECURED NOTES, SERIES 2018

Interest and Principal payable semi-annually January 1st and July 1st

Interest rate as shown

Notes dated December 31, 2018

Payment Date	Principal	Principal	Interest Rate	Debt Service		Note Year Total
	Balance			Interest	Total	
	(---In Dollars---)					
07/01/19	\$994,000			\$18,623.69	\$18,623.69	
01/01/20	994,000	\$7,840	3.55	17,643.59	25,483.50	\$44,107.19
07/01/20	986,160	7,979	3.55	17,584.34	25,483.34	
01/01/21	978,181	8,120	3.55	17,362.71	25,482.71	\$0,966.05
07/01/21	970,061	8,265	3.55	17,218.58	25,483.58	
01/01/22	961,796	8,411	3.55	17,071.88	25,482.88	\$0,966.46
07/01/22	953,385	8,561	3.55	16,923.58	25,483.58	
01/01/23	944,824	8,713	3.55	16,778.63	25,483.63	\$0,967.21
07/01/23	936,111	8,867	3.55	16,615.97	25,482.97	
01/01/24	927,244	9,025	3.55	16,458.58	25,483.58	\$0,966.55
07/01/24	918,219	9,185	3.55	16,298.39	25,483.39	
01/01/25	909,034	9,348	3.55	16,135.35	25,483.35	\$0,966.74
07/01/25	899,686	9,514	3.55	15,969.43	25,483.43	
01/01/26	890,172	9,683	3.55	15,800.55	25,483.55	\$0,966.98
07/01/26	880,489	9,855	3.55	15,628.68	25,483.68	
01/01/27	870,634	10,029	3.55	15,453.75	25,482.75	\$0,966.43
07/01/27	860,605	10,207	3.55	15,275.74	25,483.74	
01/01/28	850,398	10,389	3.55	15,094.56	25,483.56	\$0,966.30
07/01/28	840,009	10,573	3.55	14,910.16	25,483.16	
01/01/29	829,436	10,761	3.55	14,722.49	25,483.49	\$0,966.65
07/01/29	818,675	10,952	3.55	14,531.48	25,483.48	
01/01/30	807,723	11,146	3.55	14,337.08	25,483.08	\$0,966.56
07/01/30	796,577	11,344	3.55	14,139.24	25,483.24	
01/01/31	785,233	11,545	3.55	13,937.89	25,482.89	\$0,966.13
07/01/31	773,688	11,750	3.55	13,732.96	25,482.96	
01/01/32	761,938	11,959	3.55	13,524.40	25,483.40	\$0,966.36
07/01/32	749,979	12,171	3.55	13,312.13	25,483.13	
01/01/33	737,808	12,387	3.55	13,096.99	25,483.09	\$0,966.32
07/01/33	725,421	12,607	3.55	12,878.22	25,483.22	
01/01/34	712,814	12,831	3.55	12,653.45	25,483.45	\$0,966.67
07/01/34	699,983	13,058	3.55	12,424.70	25,482.70	
01/01/35	686,925	13,290	3.55	12,192.92	25,482.92	\$0,965.62
07/01/35	673,635	13,526	3.55	11,957.02	25,483.02	
01/01/36	660,109	13,766	3.55	11,716.93	25,482.93	\$0,965.95
07/01/36	646,343	14,011	3.55	11,472.59	25,483.59	
01/01/37	632,332	14,259	3.55	11,223.89	25,482.89	\$0,966.48
07/01/37	618,073	14,512	3.55	10,979.80	25,482.80	
01/01/38	603,561	14,770	3.55	10,731.21	25,483.21	\$0,966.01
07/01/38	588,791	15,032	3.55	10,481.04	25,483.04	
01/01/39	573,759	15,299	3.55	10,228.22	25,483.22	\$0,966.26
07/01/39	558,460	15,571	3.55	9,973.67	25,483.67	
01/01/40	542,899	15,847	3.55	9,626.28	25,483.28	\$0,966.95
07/01/40	527,042	16,128	3.55	9,355.00	25,483.00	
01/01/41	510,914	16,414	3.55	9,068.72	25,482.72	\$0,965.72
07/01/41	494,500	16,706	3.55	8,777.38	25,483.38	
01/01/42	477,794	17,002	3.55	8,480.84	25,482.84	\$0,966.22
07/01/42	460,792	17,304	3.55	8,179.06	25,483.06	
01/01/43	443,488	17,611	3.55	7,871.91	25,482.91	\$0,965.97
07/01/43	425,877	17,924	3.55	7,559.32	25,483.32	
01/01/44	407,953	18,242	3.55	7,241.17	25,483.17	\$0,966.49
07/01/44	389,711	18,566	3.55	6,917.37	25,483.37	
01/01/45	371,145	18,895	3.55	6,587.82	25,482.82	\$0,966.19
07/01/45	352,259	19,231	3.55	6,252.44	25,483.44	
01/01/46	333,019	19,572	3.55	5,911.09	25,483.09	\$0,966.53
07/01/46	313,447	19,920	3.55	5,563.68	25,483.68	
01/01/47	293,527	20,273	3.55	5,210.10	25,483.10	\$0,966.78
07/01/47	273,254	20,633	3.55	4,850.26	25,483.26	
01/01/48	252,621	20,999	3.55	4,484.02	25,483.02	\$0,966.28
07/01/48	231,622	21,372	3.55	4,111.29	25,483.29	
01/01/49	210,250	21,751	3.55	3,731.94	25,482.94	\$0,965.23
07/01/49	188,499	22,137	3.55	3,345.86	25,482.86	
01/01/50	166,362	22,530	3.55	2,952.93	25,482.93	\$0,965.79
07/01/50	143,832	22,930	3.55	2,553.02	25,483.02	
01/01/51	120,902	23,337	3.55	2,146.01	25,483.01	\$0,966.03
07/01/51	97,565	23,751	3.55	1,731.78	25,482.78	
01/01/52	73,814	24,173	3.55	1,310.20	25,483.20	\$0,965.98
07/01/52	49,641	24,602	3.55	881.13	25,483.13	
01/01/53	25,039	25,039	3.55	444.44	25,482.44	\$0,966.57
Totals	\$994,000			\$731,996.55	\$1,725,996.55	\$1,725,996.55

Average annual principal and interest payment for the four note years ending January 1, 2025.

\$50,966.74

(Subject to the attached letter of Baker Tilly Municipal Advisors, LLC dated July 15, 2019)

GIBSON WATER, INC.

(Rural Development)

**SCHEDULE OF AMORTIZATION OF \$3,655,000 PRINCIPAL AMOUNT OF
PROPOSED TAXABLE SECURED NOTES, SERIES 2019**

Assumed interest rate as indicated

Assumes Notes dated November 15, 2019

Note Year Ending January 1,	Principal Balance (--In Dollars--)	Assumed Interest Rate (%)	Debt Service		
			Principal	Interest	Total
			(-----In Dollars-----)		
2020	\$3,655,000			\$16,345.98	\$16,345.98
2021	3,655,000			127,925.04	127,925.04
2022	3,655,000	3.50	\$42,830.20	127,242.27	170,072.47
2023	3,612,170	3.50	44,353.54	125,718.95	170,072.49
2024	3,567,816	3.50	45,931.07	124,141.40	170,072.47
2025	3,521,885	3.50	47,564.70	122,507.79	170,072.49
2026	3,474,320	3.50	49,256.43	120,816.03	170,072.46
2027	3,425,064	3.50	51,008.32	119,064.14	170,072.46
2028	3,374,056	3.50	52,822.53	117,249.94	170,072.47
2029	3,321,233	3.50	54,701.28	115,371.19	170,072.47
2030	3,266,532	3.50	56,646.83	113,425.63	170,072.46
2031	3,209,885	3.50	58,661.58	111,410.88	170,072.46
2032	3,151,224	3.50	60,748.00	109,324.47	170,072.47
2033	3,090,476	3.50	62,908.64	107,163.86	170,072.50
2034	3,027,567	3.50	65,146.08	104,926.37	170,072.45
2035	2,962,421	3.50	67,463.15	102,609.32	170,072.47
2036	2,894,958	3.50	69,862.60	100,209.88	170,072.48
2037	2,825,095	3.50	72,347.40	97,725.08	170,072.48
2038	2,752,748	3.50	74,920.57	95,151.91	170,072.48
2039	2,677,827	3.50	77,585.27	92,487.20	170,072.47
2040	2,600,242	3.50	80,344.73	89,727.72	170,072.45
2041	2,519,897	3.50	83,202.35	86,870.10	170,072.45
2042	2,436,695	3.50	86,161.62	83,910.86	170,072.48
2043	2,350,533	3.50	89,226.13	80,846.35	170,072.48
2044	2,261,307	3.50	92,399.64	77,672.85	170,072.49
2045	2,168,907	3.50	95,686.01	74,386.48	170,072.49
2046	2,073,221	3.50	99,089.26	70,983.24	170,072.50
2047	1,974,132	3.50	102,613.55	67,458.92	170,072.47
2048	1,871,519	3.50	106,263.21	63,809.26	170,072.47
2049	1,765,255	3.50	110,042.70	60,029.80	170,072.50
2050	1,655,213	3.50	113,956.54	56,115.92	170,072.46
2051	1,541,256	3.50	118,009.64	52,062.85	170,072.49
2052	1,423,246	3.50	122,206.89	47,865.59	170,072.48
2053	1,301,040	3.50	126,553.42	43,519.07	170,072.49
2054	1,174,486	3.50	131,054.52	39,017.93	170,072.45
2055	1,043,432	3.50	135,715.73	34,356.73	170,072.46
2056	907,716	3.50	140,542.73	29,529.74	170,072.47
2057	767,173	3.50	145,541.42	24,531.07	170,072.49
2058	621,632	3.50	150,717.87	19,354.59	170,072.46
2059	470,914	3.50	156,078.45	13,994.02	170,072.47
2060	314,835	3.50	161,629.70	8,442.79	170,072.49
2061	153,206	3.50	153,205.70	2,694.12	155,899.82
Totals			<u>\$3,655,000.00</u>	<u>\$3,277,997.33</u>	<u>\$6,932,997.33</u>

Average annual principal and interest payment for the
four note years ending January 1, 2025.

\$170,072.48

(Subject to the attached letter of Baker Tilly Municipal Advisors, LLC dated July 15, 2019)

GIBSON WATER, INC.

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

<u>Pro Forma Annual Revenue Requirements</u>	<u>Per IURC Order (11/21/18)</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Debt Service True-Up (12/21/18)</u>
Operation and maintenance expenses	\$1,870,591			\$1,870,591
Debt service:				
Proposed 2019 RD Notes	113,444	\$56,628	(1)	170,072
2018 SRF Notes	51,174	(207)	(1)	50,967
Debt service reserve:				
Proposed 2019 RD Notes	11,344	5,663	(2)	17,007
2018 SRF Notes	5,191	5,002	(2)	10,193
Extensions and replacements	126,143			126,143
Total annual revenue requirements	2,177,887	67,086		2,244,973
Less interest income	(229)			(229)
Less miscellaneous income	(7,995)			(7,995)
Net annual revenue requirements	<u>\$2,169,663</u>	<u>\$67,086</u>		<u>\$2,236,749</u>
<u>Pro Forma Annual Revenues</u>				
Water sales	\$1,838,563			\$1,838,563
Fire protection	22,680			22,680
Total annual revenues	<u>\$1,861,243</u>	<u>\$ -</u>		<u>\$1,861,243</u>
Additional revenues required	<u>\$308,420</u>	<u>\$67,086</u>		<u>\$375,506</u>
Approximate Across-The-Board Increase In Present Rates and Charges	<u>16.6%</u>			<u>20.2%</u>
Resulting Approximate Average Residential Bill (Assuming 5,000 gallons and excluding tracking factor approved 2/6/19)	<u>\$45.43</u>			<u>\$46.85</u>

(1) See pages 3 and 4, increase in debt service due to increased project costs and allocation of projects between financings.

(2) See pages 3 and 4, increase in maximum principal and interest payment.

(Subject to the attached letter of Baker Tilly Municipal Advisors, LLC dated July 15, 2019)

GIBSON WATER, INC.

SCHEDULE OF PRIOR, PRESENT AND REVISED WATER RATES AND CHARGES

(a) Metered Consumption		Plus Existing		Rate per 1,000 gallons		
Consumption Per Month		Prior (1)	Tracking Factor (2)	Effective Base Rates	Present (3)	Revised (4)
First	2,000 gallons	\$6.16	\$1.81	\$7.97	\$9.29 *	\$9.58 *
Next	5,000 gallons	5.87	1.81	7.68	8.95 *	9.23 *
Next	18,000 gallons	5.57	1.81	7.38	8.61 *	8.87 *
Next	75,000 gallons	5.28	1.81	7.09	8.27 *	8.52 *
Next	100,000 gallons	3.52	1.81	5.33	6.21 *	6.41 *
Next	300,000 gallons	1.76	1.81	3.57	4.16 *	4.29 *
Over	500,000 gallons	1.17	1.81	2.98	3.47 *	3.58 *

(b) Minimum Charge		Plus Existing		Minimum Charge		
Meter Size	Gallons Allowed	Prior (1)	Tracking Factor (2)			
5/8 and 3/4 inch meter	2,000	\$12.32	\$3.62	\$15.94	\$18.58 *	\$19.16 *
1 inch meter	3,400	20.53	6.16	26.69	31.11 *	32.08 *
1 1/2 inch meter	6,900	41.06	12.51	53.57	62.44 *	64.39 *
2 inch meter	11,315	65.69	20.49	86.18	100.48 *	103.58 *
3 inch meter	21,630	123.17	39.14	162.31	189.29 *	195.08 *
4 inch meter	37,000	205.28	66.98	272.26	317.55 *	327.21 *
6 inch meter	75,890	410.55	137.44	547.99	639.17 *	658.55 *

(c) Sale for Resale Schedule		Plus Existing		Flow Rate		
	Monthly Flat Rate	Prior (1)	Tracking Factor (2)			
Haubstadt Municipal Water Utility (5)	\$ -	\$0.886	\$1.81 (2)	\$2.696	\$3.15 *	\$3.25 *
Toyota Motor Manufacturing, Indiana, Inc. (6)		1.06	1.64 (7)	2.70	3.15 *	3.25 *

- (1) Pursuant to IURC Order in Cause No. 37829, dated April 9, 1986.
- (2) Cumulative tracking factor approved No. 50109.
- (3) Present rates and charges approved by the IURC pursuant to Cause No. 45080 on November 21, 2018 and represents a 16.6% across-the-board increase in prior rates and charges and became effective on December 10, 2018.
- (4) Revised rates and charges represent a 19.5% across-the-board increase in prior rates and charges effective upon commission approval.
- (5) Wholesale rates and charges applicable to sales for resale to the Haubstadt Municipal Water Utility were approved by the Indiana Utility Regulatory Commission per conference minutes on June 29, 1989. The monthly flat rate was removed pursuant to IURC Order in Cause No. 43918, dated November 4, 2010.
- (6) Initial rate for Toyota Motor Manufacturing, Indiana, Inc. (TMMI) approved pursuant to IURC Order in Cause No. 40755 dated March 26, 1997.
- (7) Inclusive of all tracking factors approved subsequent to the initial rate approval for TMMI.

* Subject to the wholesale water tracking factor listed in "Appendix A".

(Continued on next page)

(Subject to the attached letter of Baker Tilly Municipal Advisors, LLC dated July 15, 2019)

GIBSON WATER, INC.

(Cont'd)

SCHEDULE OF PRIOR, PRESENT AND REVISED WATER RATES AND CHARGES

		<u>Prior (1)</u>	<u>Present (2)</u>	<u>Revised (3)</u>
(d) Temporary Users - Conduit				
Water furnished to temporary users such as contractors shall be charged on the basis of the metered rates hereinbefore set forth as estimated and established by the Waterworks Superintendent.				
(e) Temporary Users - Vehicle (per 1,000 gallons)				
		\$6.16 *	\$9.29 *	\$9.58 *
(f) Connection Charge	5/8 - 3/4 inch meters	\$450.00	\$1,500.00	\$1,500.00
	Larger meters	\$750.00	At cost but	At cost but
			not less than	not less than
			\$1,500.00	\$1,500.00
(g) Membership Fees				
		\$100.00	\$100.00	\$100.00
(h) Delinquencies				
A water service bill which has remained unpaid for a period of more than 17 days following the mailing of the bill shall have a late payment charge added to it, which charge shall be the amount of 10 percent of the first \$3.00 and 3 percent of the excess of \$3.00.				
(i) Reconnection Charge				
		\$25.00	\$25.00	\$25.00
(j) Fire Protection Service				
<u>Rates</u>		<u>Per Annum</u>		
1 inch connection		\$30.00	\$34.98	\$36.06
1 1/4 inch connection		45.00	52.47	54.09
1 1/2 inch connection		65.00	75.79	78.13
2 inch connection		115.00	134.09	138.23
3 inch connection		250.00	291.50	300.50
4 inch connection		445.00	518.87	534.89
6 inch connection		1,000.00	1,166.00	1,202.00
8 inch connection		1,780.00	2,075.48	2,139.56
(k) Insufficient Funds Charge				
		\$20.00	\$20.00	\$20.00

(1) Pursuant to IURC Order in Cause No. 37829, dated April 9, 1986.

(2) Present rates and charges approved by the IURC pursuant to Cause No. 45080 on November 21, 2018 and represents a 16.6% across-the-board increase in prior rates and charges and became effective on December 10, 2018.

(3) Revised rates and charges represent a 19.5% across-the-board increase in prior rates and charges effective upon commission approval.

* Subject to the wholesale water tracking factor listed in "Appendix A".

(Continued on next page)

(Subject to the attached letter of Baker Tilly Municipal Advisors, LLC dated July 15, 2019)

GIBSON WATER, INC.

(Cont'd)

SCHEDULE OF PRIOR, PRESENT AND REVISED WATER RATES AND CHARGES

APPENDIX A

Water Tracking Adjustment - The water tracking factor set forth in this schedule is applicable where clearly denoted on other rate schedules and shall be occasioned solely by changes in the wholesale cost of water, in accordance with 170 IAC 6-5-1.

Water Tracking Rate

\$0.35 per 1,000 gallons *

* Inclusive of the following separate tracking factors:

\$0.35 per 1,000 gallons approved per conference minutes, February 6, 2019

Total \$0.35

(Subject to the attached letter of Baker Tilly Municipal Advisors, LLC dated July 15, 2019)