

**STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION**

**JOINT PETITION OF CROSSROADS )  
UTILITIES, LLC (“CROSSROADS”) AND LMH )  
UTILITIES CORP. (“LMH”) FOR APPROVAL AND )  
AUTHORIZATION OF: (A) THE ACQUISITION )  
BY CROSSROADS OF LMH’S WASTEWATER )  
UTILITY PROPERTY (THE “LMH SYSTEM”) IN )  
DEARBORN COUNTY, INDIANA PURSUANT TO )  
THE PURCHASE AGREEMENT THEREFOR; ) **CAUSE NO. 45833**  
(B) APPROVAL OF ACCOUNTING AND RATE BASE )  
TREATMENT; (C) APPROVAL OF THE APPLICATION )  
OF LMH’S EXISTING RATES AND CHARGES AFTER )  
CLOSING; (D) APPROVAL OF CROSSROADS’ )  
RULES AND REGULATIONS )  
FOLLOWING CLOSING; (E) APPLICATION OF )  
LMH’S DEPRECIATION ACCRUAL RATES TO SUCH )  
ACQUIRED PROPERTIES; AND (F) THE APPROVAL OF )  
THE TRANSFER OF LMH’S CERTIFICATE OF )  
TERRITORIAL AUTHORITY TO CROSSROADS. )**

**VERIFIED PRE-FILED DIRECT TESTIMONY OF CHRIS LAGALY**

**SUBMITTED ON BEHALF OF**

**CROSSROADS UTILITIES, LLC**

**January 3, 2023**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND BRIEF BUSINESS**  
2 **DESCRIPTION.**

3 A. My name is Chris Lagaly. I serve as the Operations Manager of Indiana for Envirolink,  
4 Inc. (“Envirolink”), which is an affiliate of Crossroads Utilities, LLC (“Crossroads”). My  
5 business address is 5400 Homewood Court North Carolina. Envirolink and its subsidiaries  
6 provide management services for over 120 water and wastewater systems in several states.  
7 Envirolink of Indiana, LLC has served as the contract operator for the LMH Utilities Corp.  
8 wastewater system (the “LMH System”) since May 2022. In my capacity as Operations  
9 Manager, I have been directly involved in the day-to-day operations and compliance of the  
10 LMH System. I work alongside Zach Tucker, who serves as the Operator in Responsible  
11 Charge for the LMH System.

12 **Q. WOULD YOU BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE?**

13 A. I hold a Class IV Wastewater Certification issued by the Indiana Department of  
14 Environmental Management in 2013. I have been credentialed by the Indiana Industrial  
15 Operators Association as a Certified Pretreatment Coordinator since 2013. I began  
16 working at South Dearborn Regional Sewer District in 2003 as a laborer and have served  
17 as Operator, maintenance, and Foreman. I left South Dearborn in 2019 to take on the role  
18 as Operations Manager of Indiana with Envirolink where I currently serve as the  
19 Superintendent of the South Dearborn Regional Sewer District in addition to my role with  
20 the LMH System.

21 **Q. PLEASE DESCRIBE YOUR HISTORY WORKING WITH THE LMH SYSTEM.**

22 A. I began working with the LMH System in May 2022, when Envirolink assumed  
23 responsibility by contract of the LMH System’s operations and maintenance. I am

1 responsible for ensuring that the LMH System operates in compliance with applicable  
2 regulations, for identifying necessary maintenance and operational needs. My  
3 responsibilities include the oversight of plant operations, maintenance of the collection  
4 system and the 18 lift stations, laboratory testing and system regulatory compliance.

5 **Q. HOW WOULD YOU DESCRIBE THE LMH SYSTEM?**

6 A. I agree with the description of the LMH System provided by witnesses June and Zach  
7 Tucker. The LMH System was built in 1987. Two additional Sequential Batch Reactor  
8 Tanks for increased capacity were added in approximately 2002. Generally speaking, the  
9 LMH System is providing adequate service. However, there are opportunities for  
10 improvements to the LMH System that will result in a more efficient and cost-effective  
11 system so that customers continue to receive good quality service in the future.

12 **Q. PLEASE DESCRIBE ALL KNOWN INFRASTRUCTURE, ENVIRONMENTAL,  
13 OR OTHER ISSUES AFFECTING THE LMH SYSTEM.**

14 A. There are several infrastructure, environmental and other issues affecting the LMH System.  
15 First, the collection system has excessive I&I in the system which is resulting in overflows  
16 during rain events. These overflows occur mostly at lift stations when heavy rain falls in a  
17 short time period. Mr. Tucker provides information on the details of the sewer system  
18 overflows (“SSO”) reported to the Indiana Department of Environmental Management in  
19 the recent past where the cause of the SSO was excessive rain in a short time period. As  
20 Mr. Myers testifies, Crossroads conducted an engineering analysis of the LMH System that  
21 revealed a near-term need to address the I&I issued by performing a CCTV inspection on  
22 the collection system and installing a telemetry system to better manage and prevent  
23 overflows. We believe that the majority of the I&I is coming from the older portion of the

1 collection system, which is the north side, but the CCTV inspection results will confirm  
2 and identify the appropriate locations for immediate attention. We also know that the  
3 collection system is treating more than just wastewater because sump pumps from certain  
4 houses are tied into the system causing excess flows during wet weather times. As Mr.  
5 Myers notes, we believe that a concerted effort to remove those connections will help  
6 eliminate the overflows. Additionally, there are treatment inefficiencies in the way the  
7 tanks are aerated. We have also identified certain lift stations and/or gravity lines  
8 conveying the sewage that are under sized. Finally, there are numerous areas for  
9 improvement in the operations and maintenance of the system that will provide greater  
10 reliability and operational efficiency such as an effort to secure additional spare parts,  
11 improve effluent discharge, sludge press improvement, more concentrated efforts on  
12 general maintenance and the implementation of best practices. As Mr. Myers testifies,  
13 LMH's customer service capabilities are also in need of improvement through reverse 411  
14 informational announcements, additional billing options such as ACH, credit card  
15 payments and in -person payment, as well as the addition of 24/7 customer support.

16 **Q. IS THE LMH SYSTEM CURRENTLY SUBJECT TO ANY ENVIRONMENTAL**  
17 **ENFORCEMENT ACTIONS?**

18 A. None that I am aware of.

19 **Q. PLEASE DESCRIBE THE PROCESS CROSSROADS HAS USED TO**  
20 **DETERMINE THE REASONABLE AND PRUDENT IMPROVEMENTS IT WILL**  
21 **COMPLETE FOLLOWING THE ACQUISITION.**

22 A. We have evaluated the system for deficiencies both from an infrastructure and an  
23 operational standpoint using both internal personnel and outside engineers. In early 2022

1 we did a site visit to evaluate the system, we requested permits, monthly reporting,  
2 inspection reports, financial records and review them for any and all glaring issues. We  
3 had an engineer evaluate the system in October 2022.

4 **Q. HOW WILL CROSSROADS DETERMINE WHICH IMPROVEMENTS TO**  
5 **MAKE TO THE LMH SYSTEM?**

6 A. After the acquisition closes, Crossroads will conduct a further operational and engineering  
7 evaluation of the LMH System, implement an asset management strategy and plan,  
8 including prioritization models for prioritizing recommended improvements to the LMH  
9 System. Based on my operations experience with the LMH System, my review of the  
10 records and data associated with the LMH System, and my inspection of the LMH System,  
11 my preliminary recommendation, pending a post-closing evaluation, is that Crossroads  
12 begin an initiative to perform a CCTV inspection of the collection system and install  
13 telemetry on the lift stations as explained in further detail by Mr. Myers. I also recommend  
14 that LMH begin efforts to eliminate existing sump pump connections to the collection  
15 system. These connections are adding clear water to the system, which is contributing to  
16 the I&I problems that are especially evident during wet weather events. I concur with the  
17 other aspects of Mr. Myers' testimony regarding additional potential improvements.

18 **Q. HAVE YOU REVIEWED THE APPRAISALS OF THE LMH SYSTEM**  
19 **ATTACHED TO MR. MYERS' TESTIMONY?**

20 A. Yes.

21 **Q. HAVE THERE BEEN ANY IMPROVEMENTS TO THE LMH SYSTEM SINCE**  
22 **THE APPRAISALS WERE CONDUCTED THAT ARE NOT NOTED?**

23 A. Not anything substantial to my knowledge.

1 **Q. HOW WILL LMH'S CUSTOMERS BENEFIT FROM CROSSROADS'**  
2 **ACQUISITION OF THE LMH SYSTEM?**

3 A. In addition to any economies of scale identified by Mr. Myers, once the necessary and  
4 reasonable improvements are made, LMH customers will enjoy good service quality for  
5 years to come. Absent these improvements, the LMH System will not operate in an optimal  
6 condition. For example, if inflow and infiltration is not addressed, customers may pay  
7 higher rates for treatment of clear water or experience additional overflows during heavy  
8 rain events. Under Crossroads' ownership, reliability and response time will be reduced, a  
9 comprehensive customer service and maintenance team will be available to support unique  
10 and individual situations, and additional financial resources will be available to provide  
11 needed capital investment for repairs and upgrades to ensure the continued reliability of an  
12 aging system.

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

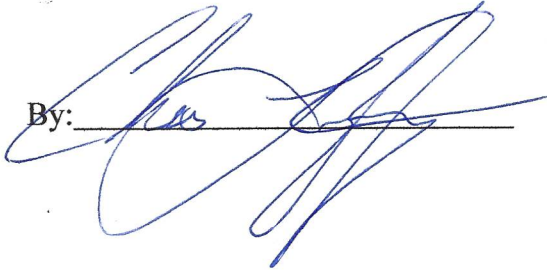
14 A. Yes.

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**VERIFICATION**

I hereby verify that the foregoing testimony is true and accurate to the best of my knowledge and belief.

DATED: 12-15-2022

By: \_\_\_\_\_