Petitioner's Exhibit 2

VERIFIED DIRECT TESTIMONY
OF
DARRELL BAKER
ON BEHALF OF
BROWN COUNTY WATER UTILITY, INC.
CAUSE NO. 45210

1-Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.
A. My name is Darrell Baker, and my business address is 5130 N. State Road 135, Morgantown, Indiana, 46160.

2-Q. MR. BAKER, WHERE ARE YOU EMPLOYED, IN WHAT CAPACITY AND FOR HOW LONG?
A. I am employed by Brown County Water Utility, Inc. ("BCW" or "Petitioner") as the Operation/Field Service Manager. I began employment with BCW on February 17, 2014.

3-Q. MR. BAKER, PLEASE DESCRIBE YOUR TRAINING AND EXPERIENCE.
A. I was previously employed with Jackson County Water Utility, Inc., in Brownstown, Indiana, for 21 years as General Manager. I currently hold a WT3 and a DSL Water Certification from the Indiana Department of Environmental Management ("IDEM"). Since 2012, I have been a member of the Board of Directors of the Alliance of Indiana Rural Water which is made up of utility managers from across the state.

4-Q. PLEASE DESCRIBE BCW.
A. BCW is a not-for-profit public water utility incorporated in the State of Indiana. Its principal place of business is located at 5130 N. State Road 135, Morgantown, Indiana, 46160. BCW is owned by its members who are also its customers. BCW is governed by a 7 member board of directors which are elected by the membership. These directors are elected for three-year terms on a rotating basis. BCW provides water utility service to approximately 5,219 residential customers and 176 commercial and institutional customers in Brown, Morgan, Monroe, Bartholomew and Johnson Counties, with the majority of its customers being located in Brown County. BCWs largest and only wholesale customer is the Town of Nashville for a total of 5,396 customers. BCW was formed in the early 1970s. BCW produces and treats about 90% of its water and purchases the balance from the Town of Nashville, Citizens Water and Jackson County Water. BCW's current rates and charges were approved by the Commission's November 18, 2015, Order in Cause No. 44648.

5-Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CAUSE?
A. My testimony in this Cause is offered to explain and support BCW's requests: 1) to increase its rates and charges for water service; and, 2) for approval of a new rate design based on a Cost of Service Study ("COSS") recently performed by BCW.

6-Q. WHAT HAVE YOU DONE IN PREPARATION TO GIVE TESTIMONY IN THIS CAUSE?
A. In addition to my detailed personal knowledge of BCW and its operations, I have discussed matters pertinent to this Cause with BCW's Board, BCW's accountant, engineer and

counsel. Among other things, I have reviewed the testimony and exhibits of Ben Phillips, BCW's Board President, Ben Foley, Rate Consultant, and Lori Young, Engineer. I have also reviewed BCW's last two prior IURC rate Orders.

7-Q. ARE YOU ALSO SPONSORING ANY EXHIBITS TO YOUR TESTIMONY?
A. Yes, I am sponsoring:

Exhibit 2-A, which is a Certificate of Substantial Completion, dated June 29, 2017, and a Certificate of Substantial Completion, dated December 18, 2017, both prepared by Curry and Associates, and

Exhibit 2-B, which is BCW's Five year Extensions and Replacements Program ("E&R Program").

8-Q. IN BCW'S LAST IURC CAUSE, CAUSE NO. 44648, BCW WAS AUTHORIZED TO INCUR LONG TERM DEBT TO FINANCE A CAPITAL IMPROVEMENT PROGRAM ("CIP'). DID BCW INCUR THE AUTHORIZED LONG TERM DEBT AND UNDERTAKE THE CIP?
A. Yes.

9-Q. WAS THE CIP SUBSTANTIALLY COMPLETED?
A. Yes. Please see the Certificate of Substantial Completion, dated June 29, 2017, and Certificate of Substantial Completion, dated December 18, 2017, which were prepared by BCW's engineering firm, Curry and Associates.. A copy of these Reports is attached as Exhibit 2-A.

10-Q. IS BCW PROPOSING A REVENUE REQUIREMENT FOR E&R IN THIS CAUSE?
A. Yes.

11-Q. IS THE PROPOSED REVENUE REQUIREMENT FOR E&R BASED ON HISTORICAL E&R SPENDING?
A. No.

12-Q. WHY NOT?
A. Historic E&R spending is not reflective of BCW's ongoing E&R needs.

13-Q. SINCE HISTORICAL E&R SPENDING IS AN UNRELIABLE MEASURE OF ONGOING E&R NEEDS, WHAT DOES BCW PROPOSE?
A. BCW has carefully studied its current and future E&R needs, and, based on that research, has assembled a Five Year E&R Program. The E&R Program is attached to my testimony as Exhibit 2-B.

14-Q. PLEASE EXPLAIN THE E&R PROGRAM.
A. The E&R Program consists of the following components, each of which I will explain.

A. Service Truck Replacement. BCW has a fleet of six (6) one-half ton, four wheel drive pick-up trucks which are used as its service trucks. BCW plans to replace the oldest, or most problematic, truck each year. After six (6) years' service, the trucks generally have over 100,000 miles and at that mileage, maintenance costs and downtime are clearly increasing. In the past, BCW had purchased Ford Ranger pick-up trucks. Rangers were slightly smaller than a standard one-half ton pick-up, and slightly less expensive. However, Ford discontinued its Ranger line. The current cost of a one-half ton, four wheel drive pick-up truck is $36,000.

B. Construction and Maintenance Equipment. Historically, BCW has not owned or operated heavy construction and maintenance equipment such as backhoes, excavators, skid steers and dump trucks. BCW has been fortunate that its work requiring heavy equipment has been done by a local contractor at very favorable prices. However, this contractor has become increasingly unavailable due to his other business obligations. BCW has had to turn to other, much more expensive, contractors for its heavy equipment work, particularly for time-sensitive repairs. Since this repair and maintenance work is ongoing at BCW, its costs with the more expensive contractors quickly became significant.

In an effort to control repair and maintenance costs, BCW made the decision to consider the acquisition and operation of some of its own heavy equipment. BCW gathered information to determine if owning and operating its own equipment would provide a savings in repair and maintenance costs. BCW reviewed information on equipment acquisition costs, maintenance costs, transportation costs, fuel costs, insurance, and operator costs. Based on this review, BCW believes if it owns and operates smaller items of equipment, it can achieve savings in its repair and maintenance expenses. In fact, by using its equipment efficiently, BCW believes it can do many smaller jobs less expensively than even its low-cost contractor.

BCW decided to acquire smaller items of equipment such as a mini-excavator, a skid steer loader, a One-Ton dump truck, and a small towed vacuum machine. These smaller pieces of equipment are much less expensive than the larger versions. Most importantly, BCW can do most of its time-sensitive repairs with this smaller equipment. By doing the time-sensitive repairs itself, BCW will no longer have to hope for the availability of its lower cost contractor when emergencies arise. By doing repairs and smaller projects itself BCW will be able to schedule work efficiently and save money. BCW can schedule larger projects which are not usually time sensitive with contractors. BCW's savings on its smaller jobs will help offset the higher contractor costs on the larger projects.

1. Mini Excavator. As BCW embarks on doing its own meter sets, service line installations, small main installation and repairs, it first had to acquire a digging machine. Since BCW plans to perform smaller work itself, BCW chose a mini excavator rather than a backhoe. A mini excavator can do all of the work which BCW plans to do and it is smaller than a backhoe. The smaller size allows much better access around buildings and other obstacles. Mini excavators inflict much less damage to yards and improved surfaces. The operating costs of mini excavators are less than backhoes. Mini excavators are much lighter and narrower than a backhoe. The smaller size and weight of a mini excavator allows it to be transported by smaller, cheaper trailers which can be towed by smaller, cheaper trucks. These smaller trucks do not require the drivers to hold a Commercial Drivers License, which reduces driver related costs.

BCW did considerable market research prior to purchasing a mini excavator. This research resulted in a very favorable pricing opportunity for BCW. Because of BCW's not-for-profit status, Bobcat Equipment offered BCW a very reduced purchase price for a mini excavator. Typically this type of equipment costs approximately $71,024 at retail, but BCW paid only $47,172 for its machine. With careful care and proper maintenance, BCW believes the mini excavator should last ten (10) years. The annual amount included in BCW's E&R Program is $4,717. Further, Bobcat offered BCW a very interesting trade-in proposal. If, after one year, the mini excavator has less than 120 hours of use, BCW has the option of trading it in for a new mini excavator at a cost of only $3,000.

2. Skid Steer. A skid steer loader is a virtually indispensable piece of equipment when doing excavations. A skid steer works hand in hand with a mini excavator to backfill excavations, and to re-grade and clean up excavation sites. Skid steers are able to access difficult locations such as yards, around buildings, plantings and other obstacles. It is tracked so it will do less damage to yards and other surfaces. The skid steer can also be used for snow removal at BCW's water treatment plant. It can also handle the installation and removal of the filtration media at BCW's water treatment plant. BCW had used a rental backhoe to handle media at the treatment plant for many years. The acquisition of the skid steer allows BCW to eliminate the rental backhoe and the related rent expenses. As with the mini excavator, Bobcat also offered BCW a very favorable purchase price for a skid steer. The regular retail price of this skid steer to the public is $68,741. BCW is able to purchase the skid steer for $44,421. The skid steer should last ten (10) years. The annual cost of $4,442 is included in BCW's E&R Program.

3. Trailer. BCW requires a trailer for transporting the mini excavator and the skid steer. Although it would be logical to have trailers for both the mini excavator and the skid steer, BCW proposes only one (1) trailer. For now, BCW only has one (1) truck capable of towing a trailer for either the mini excavator or the skid steer. Since it has only one (1) truck which can tow the equipment trailer, BCW can use only one (1) trailer. The trailer will cost $6,000 and should last ten (10) years. BCW has included $600 per year in its E&R Program for the equipment trailer.

4. Vacuum Machine. Certainly one of the most useful and versatile machine tools for a rural water utility like BCW is a vacuum machine. Vacuum machines can perform several useful functions. Vacuum machines can excavate small diameter holes very quickly. They excavate by dislodging soil with high pressure water and vacuuming up the dislodged soil. This is an ideal tool for test digging areas with underground facilities. The high pressure water will expose buried wires, pipes and even sensitive fiber optic facilities without damaging them. BCW can use its vacuum machine to precisely locate its buried facilities in order to make repairs or do other work. Vacuum machines enhance the speed and efficiency of underground repair and installation projects. BCW plans to acquire a small trailer-mounted vacuum machine rather than the large, and expensive, truck-mounted vacuum machines often used by sewer utilities. BCW can acquire a small, trailer mounted vacuum machine for $61,780. Even though vacuum machines are known to be rather high maintenance items, BCW believes a vacuum machine will last ten (10) years. BCW has included $6,178 annually in its E&R Program.

5. Dump Truck. BCW acquired a used One Ton sized dump truck. The acquisition of a small dump truck is consistent with BCW's plan to do smaller repairs and replacements in-house with smaller equipment. The dump truck will tow the trailer to transport either the mini excavator or the skid steer. The dump truck will also be used to tow the Vacuum Machine. The dump truck can also haul material for backfilling excavations and deliver repair material to the job sites. Another significant advantage of the small dump truck is the drivers do not need a Commercial Drivers License ("CDL"). The training and testing for CDL drivers is time-consuming and expensive. The used dump truck cost $37,900 which was a significant savings over a new dump truck. Because the dump truck will be involved in virtually every repair and maintenance project, hauling material, towing equipment or both, it is expected the dump truck will have a useful life of five (5) years.

C. SCADA System Improvement. BCW's current SCADA system allows the storage tanks, the water treatment plant and the booster stations to communicate with BCW's main office via radio signal. The SCADA began to experience signal failures disrupting these critical communications. BCW had its SCADA system examined by a SCADA system specialist. The specialist determined the radio signal failures were the result of tree growth. Since the trees are far too numerous to remove, the recommended resolution to the problem is to install a taller antenna tower. The installation of the taller tower is estimated to cost $9,663. The annual amount for the five (5) year E&R Program is $1,933 per year.

D. Hydrant Replacement, Valve Replacement, Service Line Replacement, Master Meters and Main Replacement. As part of its E&R Program, BCW proposes certain hydrant replacements, valve replacements, service line replacements, main replacements and the installation of certain master meters. The description and costs of these E&R projects are detailed in Ms. Young's testimony.

E. Spurgeon Booster Station Improvements. BCW proposes certain improvements to its Spurgeon Booster Station which has been in service since the early 1970s. The description and costs of these improvements are detailed in Ms. Young's testimony.

F. Meter Reading Computer Upgrades. BCW currently has two (2) Toughbook Laptop computers and software for its Orion Meter Reading System. Both the computers and the related software are 6-7 years old. BCW has been notified by its meter vendor that the manufacturer will not upgrade BCW's current system after 2019. The new equipment and software are compatible with BCW's existing meters and the next generation of the Orion equipment which BCW will purchase in the future. BCW has obtained a quote from Badger to upgrade BCW's radio-read meter system. The upgrade would involve transitioning to Badger's "Beacon" system which is a cloud based technology. The new system will use Toughpad tablets rather than the Toughbook laptop computers. Communication with BCW's current billing software will need to be upgraded to be compatible with the new Beacon system. The system upgrades include hardware, software, engineering fees, licensing fees, user fees and training. The total E&R annual requirement for Meter Reading Computer upgrades is $10,458, which includes the annual portion of non-recurring costs of $4,634 and annual recurring charges of $5,824.

G. Upgrade Office/Billing Software. BCW has been using its existing office and billing software since 2009. The software supplier will soon stop supporting BCW's existing software package. The new software will offer many enhancements and improvements. G5 is the latest software offering. G4 has been in production for over fifteen (15) years and with G5 we are able to make use of new technology as well as software coding. Demonstrations of the product show it has a completely new user interface that allows much easier navigation and additional functionality. One important new feature is that electronic work orders which go directly to the service team devices is generated as the service requires is initially received. These enhanced electronic work orders will improve customer service and reduce costs. The software upgrades will cost $17,330, for an annual requirement over five (5) years of $3,466.

H. Upgrade Field and Office Computers. BCW's office computers, server and field tablet computers are over five (5) years old and out of warranty. Most critically, these computers cannot run the new software needed by BCW because of their limited RAM. BCW plans to replace its computers over time from 2019 to 2023. The computer hardware upgrades are needed for the new G5 requirement and provide warranty coverage for the computer system. BCW system consists of nine (9) workstations and one (1) server, all with expired warranties. This update will put all new workstations and the server under a five (5) year warranty plan. The new system firewalls come with a three (3) year software and hardware warranty. In addition, BCW proposes to add a firewall to the water treatment plant to better secure the SCADA system. The cost of the computer upgrades is $58,115, for an annual requirement over five (5) years of $11,623.

I. Meter Replacement Program. BCW plans to replace ten (10) percent, or 540, of its meters each year. BCW has replaced this number of meters annually for the past several years. However, prior management did not adhere to this replacement schedule. BCW's current plan has been to focus on replacing its older manual read meters with radio read meters. BCW has been on track with its ten (10) percent annual replacements and would have replaced its manual read meters in 2019. However, because prior management did not always follow the ten (10) percent per year replacement plan, BCW now has a number of older radio read meters which have been in service over ten (10) years.

These older radio read meters have begun to fail at the rate of 150 to 200 per year and cause two (2) troublesome issues. When BCW reads meters in radio read areas, its readers drive through the area. The meter readings are registered on the meter reader's on-board computer. If a meter in the area has failed to send a signal to the meter reader's computer, this is not known until the reader's computer is downloaded into BCW's billing system. If the billing system does not receive a meter reading, the system generates a work order to dispatch a service person to manually read the failed meter. Obviously, the manual "re-reading" must be accomplished quickly so the billing can be completed on time. When an old radio read meter fails to transmit a reading, the result is time consuming and expensive. A review of BCW's records discloses that it has approximately 1,400 of these old radio read meters in its system. BCW has about 530 manual read meters remaining in service which it planned to replace in 2019. Because of the significant difficulties caused when the old radio read meters fail, it is critical to replace them as soon as possible. Due to the need to replace the old radio read meters promptly, BCW proposes to temporarily amend its meter replacement plan. BCW proposes to replace 685 meters in each

year for years one, two and three of its Five Year E&R Program. This would allow BCW to replace the failing radio read meters in an accelerated manner, and its remaining manual read meters in the first three (3) years of its E&R Program. BCW would resume replacing 540 meters per year for years four and five of the E&R Program and thereafter. The current cost of a new radio read meter is $216.71. The annual cost of replacement meters to be included in BCW's Five Year E&R Program is $135,877.

J. Office Building Maintenance and Office Equipment and Furniture. This category contains several office building replacement items and the replacement of certain office equipment. BCW proposes to: replace the roof at a cost of $11,800, over twenty (20) years; paint the exterior and interior at a cost of $7,230, over five (5) years; replace the floor coverings at a cost of $8,110, over five (5) years; upgrade plumbing, plumbing fixtures and replace appliances at a cost of $3,446, over ten (10) years; and replace the HVAC equipment at a cost of $6,500, over fifteen (15) years. BCW proposes to add and replace certain items of office furniture. The office furniture will include: several cubical/work stations and nineteen (19) office chairs at a cost of $14,165, over five (5) years, for an annual requirement of $2,823. BCW's office building has developed serious issues with its foundation and concrete floor. The floor is seriously cracked and is sinking, particularly in each corner. The foundation is also damaged. The floor and foundation damage is believed to be caused by sub-surface water intrusion. The floor cracks cause areas of the building to be damp. The foundation issue has also caused damage to the building's stone veneer. The cost of these critical repairs to the foundation, floor and stone veneer is $26,338, for an annual requirement over fifteen (15) years of $1,756.

K. Repave Existing Parking Lot and Pave Back Parking Lot. BCW paved its front parking lot, where customers typically park, several years ago. The front lot now needs resurfacing. The back parking lot, where the employees park, is a gravel lot which has never been paved. Since BCW has no maintenance building, all of the field employees must report to the main office building. With a gravel parking lot, the field employees track dirt and mud into the BCW office building. The dirt and mud tracked in from the gravel lot necessitates more frequent cleaning and leads to the premature deterioration of the office floor coverings. The total cost of resurfacing the front parking lot and paving the back lot is $43,145, for an annual requirement over five (5) years of $8,629.

L. Back-Up Generator for the Office. BCW's office is located in a rural area and is subject to power outages. Power outages completely disrupt all of the office functions such as telephones, computers, building lighting, and heating and cooling. Without power, BCW is unable to learn of, or respond to, system emergencies or customer requests. A back-up generator will cost $17,904 and is expected to have a ten (10) year useful life. BCW proposes an annual E&R requirement of $1,790 for the back-up generator.

15- Q MR. BAKER, ARE ALL OF THE ACQUISITIONS, EXTENSIONS AND REPLACEMENTS SET FORTH IN BCW'S E&R PROGRAM NECESSARY FOR BCW TO CONTINUE TO PROVIDE REASONABLY ADEQUATE SERVICE?

A. Yes.

16-Q ARE THE COSTS OF THE ACQUISITIONS, EXTENSIONS AND REPLACEMENTS SET FORTH IN BCW'S E&R PROGRAM REASONABLE IN AMOUNT?

A. Yes.

17-Q MR. BAKER, ARE YOU FAMILIAR WITH THE REVENUE AND EXPENSE ADJUSTMENTS SET FORTH IN THE RATE REPORT PREPARED BY MR. FOLEY?

A. Yes. I worked extensively with Mr. Foley providing him with the factual information supporting his adjustments and I concur with his adjustments.

18-Q ARE THE EXPENSE AND AMORTIZED COST ITEMS SET FORTH IN MR. FOLEY'S ADJUSTMENTS, AND PROPOSED REVENUE REQUIREMENT, NECESSARY FOR BCW TO CONTINUE TO PROVIDE REASONABLY ADEQUATE SERVICE?

A. Yes.

19-Q ARE THE AMOUNTS OF EXPENSE AND AMORTIZED COST ITEMS SET FORTH IN MR. FOLEY'S ADJUSTMENTS, AND REVENUE REQUIREMENT, REASONABLE?

A. Yes.

20-Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

VERIFICATION

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

Darrell Baker

Date: 4-9-19

Petitioner's Exhibit 2-A

EJCDC
ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

CERTIFICATE OF SUBSTANTIAL COMPLETION

Owner:	BROWN CO. WATER UTILITY, INC.	Owner's Contract No.:
Contractor:	LYKINS CONTRACTING, INC.	Contractor's Project No.:
Engineer:	CURRY & ASSOCIATES, INC.	Engineer's Project No.:
Project:	DIV. 1: 2015 DISTRIBUTION SYS. IMP.	Contract Name:

This preliminary [~~final~~] Certificate of Substantial Completion applies to:

☐ All Work ☒ The following specified portions of the Work:

All work in Base Bid, except for Cottonwood Control Valve Vault and fencing at booster stations. (Does not include Alternate Bid #1 Service Line Replacement of Alt. Bid #2 Valve and Hydrant Replacements)

June 29, 2017
Date of Substantial Completion

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and found to be substantially complete. The Date of Substantial Completion of the Work or portion thereof designated above is hereby established, subject to the provisions of the Contract pertaining to Substantial Completion. The date of Substantial Completion in the final Certificate of Substantial Completion marks the commencement of the contractual correction period and applicable warranties required by the Contract.

A punch list of items to be completed or corrected is attached to this Certificate. This list may not be all-inclusive, and the failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract.

The responsibilities between Owner and Contractor for security, operation, safety, maintenance, heat, utilities, insurance, and warranties upon Owner's use or occupancy of the Work shall be as provided in the Contract, except as amended as follows: *None*

Amendments to Owner's responsibilities: ☒ None ☐ As follows

Amendments to Contractor's responsibilities: ☒ None ☐ As follows:

The following documents are attached to and made a part of this Certificate: *Punch List and Letter requesting Substantial Completion*

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents, nor is it a release of Contractor's obligation to complete the Work in accordance with the Contract.

EXECUTED BY ENGINEER:	RECEIVED:	RECEIVED:
By: Lori A Young (Authorized Signature)	By: Barry Pfeiffer Owner (Authorized Signature)	By: Joseph E Cook Contractor (Authorized Signature)
Title: Project Engineer	Title: Board President	Title: Treasurer
Date: 8-15-2017	Date: 8-15-2017	Date: 9-25-17

EJCDC
ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

CERTIFICATE OF SUBSTANTIAL COMPLETION

Owner:	BROWN CO. WATER UTILITY, INC.	Owner's Contract No.:	
Contractor:	LYKINS CONTRACTING, INC.	Contractor's Project No.:	
Engineer:	CURRY & ASSOCIATES, INC.	Engineer's Project No.:	
Project:	DIV. 1: 2015 DISTRIBUTION SYS. IMP.	Contract Name:	

This preliminary [~~final~~] Certificate of Substantial Completion applies to:

☐ All Work ☒ The following specified portions of the Work:

Cottonwood Control Valve Vault, Fencing at Booster Stations, Alternate Bid #1 Service Line Replacement of Alt. Bid #2 Valve and Hydrant Replacements

December 18, 2017
Date of Substantial Completion

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and found to be substantially complete. The Date of Substantial Completion of the Work or portion thereof designated above is hereby established, subject to the provisions of the Contract pertaining to Substantial Completion. The date of Substantial Completion in the final Certificate of Substantial Completion marks the commencement of the contractual correction period and applicable warranties required by the Contract.

A punch list of items to be completed or corrected is attached to this Certificate. This list may not be all-inclusive, and the failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract.

The responsibilities between Owner and Contractor for security, operation, safety, maintenance, heat, utilities, insurance, and warranties upon Owner's use or occupancy of the Work shall be as provided in the Contract, except as amended as follows: *None*

Amendments to Owner's responsibilities: ☒ None ☐ As follows

Amendments to Contractor's responsibilities: ☒ None ☐ As follows:

The following documents are attached to and made a part of this Certificate: *Punch List*

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents, nor is it a release of Contractor's obligation to complete the Work in accordance with the Contract.

EXECUTED BY ENGINEER:	RECEIVED:	RECEIVED:
By: Lori A Young (Authorized signature)	By: Ben Phillips President (Owner (Authorized Signature))	By: (Contractor (Authorized Signature))
Title: Project Engineer	Title: Board of Director President	Title: GM-OPERATIONS
Date: 12-14-2018	Date: 12-18-2018	Date: 12-17-18

RMS

Brown County Water Utility, Inc.

Extensions & Replacement (E&R) Program

	2019	2020	2021	2022	2023
Service Vehicles	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000
Vacuum Machine	6,178	6,178	6,178	6,178	6,178
Skid Steer	4,442	4,442	4,442	4,442	4,442
SCADA Improvement	1,933	1,933	1,933	1,933	1,933
Mini-Excavator	4,717	4,717	4,717	4,717	4,717
Trailer	600	600	600	600	600
Dump Truck	7,580	7,580	7,580	7,580	7,580
Valve Replacement	5,000	5,000	5,000	5,000	5,000
Hydrant Replacement	20,000	20,000	20,000	20,000	20,000
Service Line Replacement	18,920	18,920	18,920	18,920	18,920
Main Replacement	56,052	56,052	56,052	56,052	56,052
Master Meters	9,300	9,300	9,300	9,300	9,300
Meter Replacement	135,877	135,877	135,877	135,877	135,877
Spurgeon Booster Improvement	11,657	11,657	11,657	11,657	11,657
Upgrade Billing Software	3,466	3,466	3,466	3,466	3,466
Meter Reading System Upgrade	10,458	10,458	10,458	10,458	10,458
Upgrade Field & Office Computers	11,623	11,623	11,623	11,623	11,623
Office Maintenance					
Roof Replacement	590	590	590	590	590
Exterior Repairs	1,756	1,756	1,756	1,756	1,756
Painting - Interior & Exterior	1,446	1,446	1,446	1,446	1,446
Flooring Replacement	1,622	1,622	1,622	1,622	1,622
Plumbing & Appliances	345	345	345	345	345
HVAC replacement	433	433	433	433	433
Furniture & Equipment	2,823	2,823	2,823	2,823	2,823
Office Generator	1,790	1,790	1,790	1,790	1,790
Parking Lot Paving/Repaving	8,629	8,629	8,629	8,629	8,629
	$ 363,237	$ 363,237	$ 363,237	$ 363,237	$ 363,237

Average Annual Extensions and Replacements	$ 363,237
Depreciation Expense - Adjustment 16	$ 721,785

See Independent Accountant's Compilation Report.