

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

Commissioner	Yes	No	Not Participating
Huston	√		
Bennett	√		
Freeman	√		
Veleta	√		
Ziegner			√

**PETITION OF THE TOWN OF CHANDLER, INDIANA,)
FOR AUTHORITY AND APPROVAL TO: (1) INCREASE)
RATES AND CHARGES FOR WATER UTILITY SERVICE,) CAUSE NO. 46124
INCLUDING APPROVAL OF NEW SCHEDULE(S) OF)
RATES AND CHARGES FOR WATER SERVICES; AND (2)) APPROVED: APR 09 2025
ISSUE REVENUE BONDS, NOTES, OR OTHER)
OBLIGATIONS OF INDEBTEDNESS)**

ORDER OF THE COMMISSION

Presiding Officers:

Wesley R. Bennett, Commissioner

Kehinde Akinro, Administrative Law Judge

On September 16, 2024, the Town of Chandler, Indiana (“Petitioner” or “Chandler”) filed its Petition with the Indiana Utility Regulatory Commission (“Commission”), seeking authority to increase rates and charges for its municipal water utility and to issue revenue bonds or other obligations of indebtedness to finance necessary system improvements. Concurrent with its petition, Chandler prefiled direct testimony from its witnesses Scott A. Miller, Pete Wamsley, and Tyler C. Kinder in support of the proposed rate increase and financing plan.

On December 20, 2024, the Indiana Office of Utility Consumer Counselor (“OUCC”) filed its case-in-chief testimony, which included testimony from its witnesses Thomas W. Malan, Shawn Dellinger, and James T. Parks.

On January 21, 2025, Chandler filed a Notice of Settlement informing the Commission that Chandler and the OUCC had reached an agreement in principle regarding the issues in this proceeding. On January 24, 2025, Chandler filed the settlement testimony of Scott A. Miller and Tyler C. Kinder, along with the executed Stipulation and Settlement Agreement (“Settlement Agreement”) as an attachment.

On January 29, 2025, the OUCC filed settlement testimony from Thomas W. Malan. On January 31, 2025, the OUCC submitted a Notice of Correction to clarify certain aspects of its prior filing.

A hearing was held on February 12, 2025, at which the Commission received and admitted into evidence the prefiled testimony and exhibits, including the Stipulation and Settlement Agreement and the supporting settlement testimony. No party objected to the admission of these materials into the record.

Having considered the evidence presented and applicable law, the Commission now makes the following findings:

1. Notice and Jurisdiction. Notice of the proceedings in this Cause was given as required by law. Chandler is a municipally owned water utility as defined by Ind. Code § 8-1-2-1(h). The Commission has jurisdiction over Chandler's proposed changes to its water utility rates and charges pursuant to Ind. Code § 8-1.5-3-8, as well as its request for financing authority under Ind. Code § 8-1.5-2-19. Accordingly, the Commission has jurisdiction over both the Petitioner and the subject matter of this proceeding.

2. Petitioner's Characteristics. Chandler is a municipally owned water utility that provides water service to customers in Warrick County, Indiana, and the surrounding area. Chandler owns and operates a waterworks utility that serves approximately 7,800 customers, primarily residential, but also including commercial and industrial users. Chandler's water system consists of a well field, water treatment plant, transmission mains, storage tanks, and distribution infrastructure that supplies potable water to its customers.

3. Relief Requested. Through the Settlement Agreement, Chandler seeks Commission approval to increase its rates and charges, issue revenue bonds or other obligations of indebtedness, implement a revised debt service structure, and increase its system development charge.

4. Existing Rates and Test Period. Chandler's existing rates and charges were established in a Final Order issued by the Commission on February 6, 2019, in Cause No. 45062. The rates were adjusted by a required true-up on May 19, 2023, and a compliance filing on August 14, 2023. Chandler's test period for determining revenues and expenses is the 12 months ending December 31, 2023, adjusted for changes that are representative of current operations and sufficiently fixed, known, and measurable for ratemaking purposes.

5. Chandler's Direct Evidence. Chandler presented its direct case through the verified testimony of Tyler C. Kinder, Pete Wamsley, and Scott A. Miller, filed on September 16, 2024. Their testimony provided justification for Chandler's request for a rate increase and borrowing authority, outlining the utility's infrastructure needs, the scope of planned improvements, and the financial rationale supporting the requested relief.

Mr. Kinder, Director of Public Services for Chandler Utilities, described the operational and capital needs driving the proposed rate increase. He explained that Chandler is experiencing substantial growth in its service area, resulting in its existing water infrastructure requiring substantial upgrades to maintain safe and reliable service for its approximately 7,800 customers. Many of Chandler's water mains are aging and in need of replacement to reduce leaks and improve system reliability. In addition, Mr. Kinder emphasized the necessity of constructing a new 1.5-million-gallon water storage tank adjacent to the existing Paradise Tank to replace the Paradise and Frame Hill Tanks and to enhance system capacity and stabilize water pressure. He also described projects required as a result of certain road projects. Mr. Kinder also detailed Chandler's plan to acquire land for future well development, ensuring long-term sustainability of the water supply. Mr. Kinder's testimony emphasized that these improvements were critical for meeting current and future demand while maintaining compliance with regulatory standards.

Mr. Wamsley, Water Resources Department Deputy Director at Beam, Longest & Neff Egis Group, provided engineering support for Chandler's proposed improvements. He described the scope and cost estimates for Chandler's planned capital projects, including water main relocations and replacements necessitated by infrastructure deterioration and service territory growth: (1) Telephone Road Relocation Project; (2) South State Street Project; (3) Libbert Road Relocation Project; (4) New Paradise Water Tank; (5) South Wellfield Expansion. Mr. Wamsley explained the design and construction timeline for the Paradise water storage tank, outlining how it would improve water storage capacity and overall system performance. His testimony also addressed the expected long-term benefits of the proposed investments, affirming that the projects were necessary to maintain service reliability and efficiency.

Mr. Miller, Certified Public Accountant and Principal at Baker Tilly Municipal Advisors, LLC, presented testimony sponsoring an accounting study prepared by Baker Tilly and supporting Chandler's proposed rate increase and debt issuance. He explained that Chandler sought an overall 53.6% rate increase, to be phased in over three stages, generating an additional \$2,453,766 in annual operating revenue. Mr. Miller provided an analysis of Chandler's revenue requirements and debt service obligations, to support the issuance of \$15,155,000 in revenue bonds to fund the proposed infrastructure projects. He described how the rate increase was structured to recover Chandler's operating and capital costs while mitigating the impact on customers through a phased implementation. Mr. Miller concluded that Chandler's financial plan provided a sustainable path forward, ensuring that the utility could fund its necessary improvements while maintaining rate stability. Mr. Miller proposed a system development charge of \$1,130 per equivalent dwelling unit for a 5/8-inch to 3/4-inch meter size using the equity buy-in method.

Mr. Miller also addressed the structure of Chandler's proposed financing plan, including the issuance of both Series A and Series B bonds. He explained that the Series B bonds were structured with deferred principal payments to accommodate the utility's projected cash flows and support long-term financial stability while minimizing immediate rate impacts. He outlined the rationale for this approach, noting that it aligned with industry best practices for municipal utility financing and allowed Chandler to undertake necessary system improvements without unduly burdening current customers. Further, Mr. Miller discussed the necessity of issuing bond anticipation notes ("BANs") to fund the Telephone Road Relocation Project before the issuance of long-term bonds. He explained that the BANs were required to meet construction deadlines imposed by external road projects and that they provided a practical and cost-effective interim financing mechanism.

6. OUCC's Responsive Evidence. The OUCC's case-in-chief testimony, filed on December 20, 2024, included analysis from Thomas W. Malan, Shawn Dellinger and James T. Parks, as well as the submission of comments received from the public. The OUCC's testimony addressed the reasonableness of Chandler's proposed revenue requirements, debt structure, and capital improvement plans. While the OUCC recognized the need for certain infrastructure investments, it recommended adjustments to Chandler's proposed rate increase and borrowing authority.

Mr. Malan, a Utility Analyst in the OUCC's Water/Wastewater Division, provided an evaluation of Chandler's revenue requirement and rate design. He testified that while Chandler's infrastructure needs justified a rate adjustment, the initial request for a 53.62% increase was excessive. Based on the OUCC's analysis, Mr. Malan recommended an alternative rate increase of 46.14%, which would generate \$2,163,426 in additional annual revenue. He also proposed adjustments to Chandler's revenue and expense projections, including the reclassification of capital-related expenses, removal of non-recurring costs, and normalization of test-year revenues. Additionally, Mr. Malan supported Chandler's proposal to increase the system development charge to \$1,130 per equivalent dwelling unit, finding it to be reasonable.

Mr. Dellinger, a Senior Utility Analyst in the OUCC's Water/Wastewater Division, evaluated Chandler's proposed debt issuance and associated revenue requirements. While he agreed that Chandler required new financing to fund system improvements, he raised concerns about the proposed structure of the Series B bonds, which would have deferred principal payments for decades, creating intergenerational inequities. Instead, he recommended that the Series B bonds follow a level amortization schedule to ensure equitable cost distribution among current and future ratepayers. Mr. Dellinger also reviewed Chandler's proposed borrowing amount and recommended reducing certain non-construction costs, including estimated legal and advisory fees, which he found to be inflated. Additionally, he proposed a true-up process to reconcile actual financing costs with projected revenue collections, ensuring that Chandler does not over-collect from ratepayers.

Mr. Parks, also a Senior Utility Analyst in the OUCC's Water/Wastewater Division, reviewed the scope and necessity of Chandler's planned capital projects. While he agreed that certain projects, such as the Paradise water storage tank, were necessary, he questioned whether all proposed investments were timely and cost-effective. Mr. Parks recommended that Chandler prioritize essential improvements and conduct a long-term planning study to assess the necessity of additional capital expenditures. He also suggested that Chandler evaluate alternative financing options to reduce borrowing costs.

In addition to testimony from its witnesses, the OUCC filed consumer comments, which contained feedback from Chandler's water utility customers regarding the proposed rate increase. Mr. Malan acknowledged the consumer concerns and stated that the OUCC's recommended adjustments were designed to address these concerns while still providing Chandler with adequate revenue.

7. Settlement Agreement and Supporting Evidence. In support of the Settlement Agreement, Chandler submitted testimony from Scott A. Miller and Tyler C. Kinder, supporting the revised rate structure and financing plan. The OUCC filed its supporting settlement testimony from Thomas W. Malan, affirming that the agreement reasonably balances utility financial needs with ratepayer protection.

A. Terms of the Settlement Agreement. The Settlement Agreement reflects a compromise between Chandler's original request and the OUCC's recommendations. Under its terms, the parties stipulated and agreed to the following key provisions:

i. **Revised Rate Increase.** By agreement Chandler's proposed 53.62% rate increase was modified to a 47.74% increase, implemented over three phases. This adjustment is expected to generate an additional \$2,220,188 in annual revenue, with phased revenue requirement implementation as follows:

Phase	Effective Date	Revenue Increase	Percentage Increase
Phase I	Upon Commission approval	\$836,102	17.98%
Phase II	12 months after Phase I	\$843,981	15.38%
Phase III	12 months after Phase II	\$540,105	8.53%

Settlement Agreement	Phase 1	Phase 2	Phase 3
<u>Annual Revenue Requirements:</u>			
Operating Disbursements			
Cash Operating Disbursements	\$2,823,586	\$2,823,586	\$2,823,586
Taxes Other Than Income	57,198	57,198	57,198
Debt Service			
Outstanding Debt	1,564,918	1,564,918	1,564,918
Proposed Debt	723,130	1,063,611	1,061,434
Debt Service Reserve			
Outstanding Debt	100,320	100,320	100,320
Proposed Debt	141,266	141,266	141,266
Replacements and Improvements	300,000	803,500	1,345,782
Total Revenue Requirements	<u>5,710,418</u>	<u>6,554,399</u>	<u>7,094,504</u>
Less: Test year Interest Receipts	(133,800)	(133,800)	(133,800)
Less: Other Operating Receipts	(65,687)	(65,687)	(65,687)
Less: Other Non-operating Receipts	(6,366)	(6,366)	(6,366)
Less: Disconnection Service Charges	<u>(17,515)</u>	<u>(17,515)</u>	<u>(17,515)</u>
Net Revenue Requirements	<u>\$5,487,050</u>	<u>\$6,331,031</u>	<u>\$6,871,136</u>
<u>Annual Receipts:</u>			
Metered Sales:			
Residential	\$3,071,667	\$3,071,667	\$3,071,667
Commercial	1,119,909	1,119,909	1,119,909
Industrial	7,030	7,030	7,030
Fire Protection	438,779	438,779	438,779
Penalties	13,563	13,563	13,563
Additional Revenues from Phased Increases	-	836,102	1,680,083
Totals	<u>\$4,650,948</u>	<u>\$5,487,050</u>	<u>\$6,331,031</u>
Additional Revenues Required	<u>\$836,102</u>	<u>\$843,981</u>	<u>\$540,105</u>
Approximate Across-the-Board			
Percentage Increase Calculated	<u>17.98%</u>	<u>15.38%</u>	<u>8.53%</u>
Overall Across-the-Board Percentage Increase			<u>47.74%</u>

ii. **Cash Operating Disbursements.** The parties agreed that Cash Operating disbursements should be \$2,823,586 in all Phases (Phase I, Phase II, and Phase III).

iii. **Borrowing Authority.** Chandler should be authorized to issue revenue bonds totaling \$15,155,000, structured as follows:

- Series A Bonds – \$7,760,000, 20-year term, standard amortization.
- Series B Bonds – \$7,395,000, 35-year term, with a level amortization schedule instead of the originally proposed wrapped structure.

The Settlement Agreement is intended to maintain Chandler’s ability to issue debt but ensures a more equitable repayment structure for ratepayers by requiring level debt service payments. The parties agree that Chandler’s financing authority should expire on December 31, 2026, if not used by that date.

iv. **Debt Service and Reserve Requirements.** The Settlement Agreement establishes a proposed debt service revenue requirement as follows:

Phase	Debt Service Revenue Requirement	Debt Service Reserve Revenue Requirement
Phase I	\$2,288,048	\$241,586
Phase II	\$2,628,529	\$241,586
Phase III	\$2,626,352	\$241,586

These provisions are intended to ensure that Chandler’s debt service obligations are properly accounted for in its rate structure.

v. **Replacements and Improvements/Depreciation Expense.** The parties agree that Chandler’s replacements and improvements should be \$300,000 in Phase I, \$803,500 in Phase II, and \$1,345,782 in Phase III.

vi. **Revenues.** Chandler’s residential metered sales should be normalized to account for actual new connections through September 30, 2024, which equals \$3,071,667

vii. **System Development Charge.** Chandler’s system development charge should increase to \$1,130 per equivalent dwelling unit, as recommended by both Chandler and the OUCC.

viii. **True-Up Process and Overcollection Adjustments.** The parties agreed to a true-up process that incorporates actual project costs through a report filed by Petitioner within 30 days after closing on each long-term debt issuance explaining the terms of the new loan, the balance actually borrowed, the amount of debt service reserve required, bid tabulations for any projects for which these are available at the time of the true-up, and an itemized account of all issuance costs (such as bond counsel, legal, and financial advising fees), including issuance costs actually incurred to that date

The parties agreed to mechanisms ensuring that Chandler does not over-collect from ratepayers due to delays in issuance of the authorized debt. The Settlement Agreement requires that all collections for the debt service revenue requirement and the debt service reserve revenue requirement for the proposed bonds, occurring more than two months after the order date and before closing, be placed in a restricted account and used to prepay the debt service reserve.

B. Supporting Evidence from Chandler and the OUCC. Scott A. Miller, testifying on behalf of Chandler, explained that the Settlement Agreement represents a reasonable compromise between Chandler's original proposal and the OUCC's recommendations. He stated that the revised rate increase and debt service provisions provide Chandler with the financial ability to maintain safe and reliable water service while ensuring affordability for ratepayers. Mr. Miller emphasized that the Settlement Agreement was the product of arm's-length negotiations and reflects balanced concessions from both parties.

Tyler C. Kinder, also testifying for Chandler, described how the Settlement Agreement allows Chandler to proceed with critical infrastructure investments while ensuring that the rate structure remains fair and equitable. He confirmed that Chandler remains committed to implementing efficient measures to optimize its capital spending.

Thomas W. Malan, testifying for the OUCC, stated that the Settlement Agreement addresses the key concerns raised in the OUCC's case-in-chief testimony. He testified that the revised debt structure, true-up mechanisms, and phased-in rate increase protect ratepayers from excessive costs while still providing Chandler with the revenue necessary to fund its improvements. He concluded that the final negotiated outcome is in the public interest and should be approved by the Commission.

8. Commission Discussion and Findings. Settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum, Inc. v. Ind. Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coal. of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coal.*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coal. of Ind., Inc. v. Pub. Serv. Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's own procedural rules require that settlements be supported by probative evidence. 170 I.A.C. 1-1.1-17(d). Therefore, before the Commission can approve the Settlement Agreement, we must determine whether the evidence in this Cause sufficiently supports the conclusions that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2, and that such agreement serves the public interest.

The Commission has before it substantial evidence supporting the reasonableness of the Settlement Agreement. Our review of the Settlement Agreement is aided by the parties' supporting settlement testimony, which explains the rationale behind the agreed-upon financing, rate adjustments, and procedural mechanisms. After considering the record as a whole, we find that the revised rate increase, debt issuance, and procedural safeguards contained in the Settlement Agreement are reasonable and supported by the evidence of record.

The Settlement Agreement proposes a revised overall rate increase of 47.74%, to be phased in over three stages, generating an additional \$2,220,188 in annual revenue. The agreed-upon rate structure is designed to ensure that Chandler's water utility operations remain financially viable while mitigating the impact of rate adjustments on customers. The Commission finds that the phased implementation schedule provides a balanced approach, avoiding abrupt cost increases while ensuring that Chandler's revenue requirements are met.

The Commission further finds that the revenue requirement adjustments incorporated into the Settlement Agreement are reasonable. The evidence demonstrates that the OUCC's recommended modifications, including revenue normalization, properly reflect Chandler's actual financial needs. The adjustments to debt service allocations, operating expense classifications, and system development charges ensure that the final revenue requirement is fair, cost-justified, and in the public interest.

The Settlement Agreement authorizes Chandler to issue up to \$15,155,000 in revenue bonds, structured into Series A and Series B financings, with modifications to the repayment structure. The Commission finds that the revised financing structure, including the requirement for level amortization of the Series B bonds, appropriately balances Chandler's long-term capital funding needs with equitable cost recovery among current and future ratepayers. We further find the capital projects to be funded with the debt necessary, prudent and in the public interest.

Under Ind. Code § 8-1.5-2-19(b), when a municipality issues debt, it must show the rates and charges "will provide sufficient funds for the operation, maintenance, and depreciation of the utility, and to pay the principal and interest of the proposed bond issue, together with a surplus or margin of at least ten percent (10%) in excess." Exhibit A of the Settlement Agreement shows that Chandler has met the standard under Ind. Code § 8-1.5-2-19(b).

The financing provisions also include debt service reserve requirements and safeguards against premature revenue collection. The proposed debt service reserve adjustments, totaling \$141,266 across all phases, provide necessary security for Chandler's borrowing while ensuring that excess revenues are not retained unnecessarily. Given the evidence presented, the Commission finds the agreed-upon debt issuance and repayment terms to be necessary and reasonable.

The Settlement Agreement includes provisions to prevent overcollection of revenues due to the timing of Chandler's bond issuances. Specifically, Chandler will deposit all collections for the debt service revenue requirement and the debt service reserve revenue requirement for the proposed bonds, collected more than two months after the order date but before closing, into a restricted account to be used for prepaying the debt service reserve.

The Commission finds that these true-up mechanisms ensure that Chandler does not prematurely collect from ratepayers for debt service obligations that have not yet been incurred. By requiring adjustments in Chandler's next rate case to account for any remaining over-collection or under-collection, the Settlement Agreement ensures fair and accurate cost recovery. These provisions enhance ratepayer protections and are in the public interest.

Based on the record in this Cause, we find that the Settlement Agreement is a reasonable compromise between the positions of Chandler and the OUCC. The evidence supports the agreed-upon rate increase, financing authority, procedural safeguards, and planning requirements. The Settlement Agreement ensures that Chandler has the necessary funding to maintain safe and reliable water service, while also limiting financial burdens on ratepayers through phased implementation and true-up provisions.

Accordingly, the Commission approves the Settlement Agreement as a fair, reasonable, and public interest-serving resolution of the issues presented in this proceeding and incorporates its terms by reference as if set out in full.

9. Effect of the Rate Increase on Customers. Based on the rate increase approved in this Order, the average residential monthly water bill based on 4,000 gallons will increase from \$34.10 to \$40.23 in Phase I, \$46.42 in Phase II, and \$50.38 in Phase III, respectively. This average bill includes the volumetric, service, and public fire protection charges. The system development charge will increase from \$600 to \$1,130 per equivalent dwelling unit for a 5/8-inch to 3/4-inch meter size.

10. Effect of the Settlement Agreement. Consistent with the parties' agreement, the Settlement Agreement is not to be used as precedent in any other proceeding or for any other purpose except to the extent necessary to implement or enforce its terms; consequently, with regard to future citation of the Settlement Agreement or this Order, we find our approval herein should be treated in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434 (IURC March 19, 1997).

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Stipulation and Settlement Agreement, a copy of which is attached to this Order, is approved.

2. Chandler is authorized to increase its rates and charges for water utility service in accordance with the terms of the Settlement Agreement, implementing a phased rate increase of 47.74% over three stages, resulting in an additional \$2,220,188 in annual revenue.

3. Chandler is authorized to issue revenue bonds or other obligations of indebtedness in a total amount not to exceed \$15,155,000, consistent with the terms and conditions set forth in the Settlement Agreement. Chandler's borrowing authority shall expire on December 31, 2026, if not exercised.

4. Chandler shall implement the agreed-upon debt service and debt service reserve revenue requirements as detailed in the Settlement Agreement, including the establishment of designated accounts to address overcollection of revenues related to Chandler's bond issuances.

5. Chandler shall implement the agreed-upon true-up procedures in the Settlement Agreement.

6. Chandler shall increase its system development charge to \$1,130 per equivalent dwelling unit, in accordance with the Settlement Agreement.

7. In accordance with Ind. Code § 8-1-2-70, Chandler shall pay the following itemized charges within 20 days from the date of this Order into the Commission's public utility fund account, through the Secretary of the Commission, as well as any additional costs incurred in connection with this Cause:

Commission Charges:	\$ 4,497.67
OUCG Charges:	\$ 15,978.88
Legal Advertising Charges:	\$ <u>49.92</u>
Total:	\$ 20,526.47

8. In accordance with Ind. Code § 8-1-2-85, Chandler shall pay a fee equal to \$0.25 for each \$100 of water utility revenue bonds issued, to the Secretary of the Commission, within 30 days of receipt of the financing proceeds authorized herein.

9. This Order shall be effective on and after the date of its approval.

HUSTON, BENNETT, FREEMAN, AND VELETA CONCUR; ZIEGNER ABSENT:

APPROVED: APR 09 2025

**I hereby certify that the above is a true
and correct copy of the Order as approved.**

_____ on behalf of
Dana Kosco
Secretary of the Commission

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE TOWN OF CHANDLER,)
INDIANA, FOR AUTHORITY AND APPROVAL)
TO: (1) INCREASE RATES AND CHARGES FOR)
WATER UTILITY SERVICE, INCLUDING)
APPROVAL OF NEW SCHEDULE(S) OF RATES)
AND CHARGES FOR WATER SERVICES; AND)
(2) ISSUE REVENUE BONDS, NOTES, OR OTHER)
OBLIGATIONS OF INDEBTEDNESS)

CAUSE NO. 46124

IURC
JOINT

EXHIBIT No. _____

2-12-85
DATE

REPORTER

STIPULATION AND SETTLEMENT AGREEMENT

Petitioner, the Town of Chandler, Indiana, by counsel, ("Chandler" or "Town" or "Petitioner") and the Indiana Office of Utility Consumer Counselor ("OUCC") (collectively, the "Settling Parties"), by their respective counsel, respectfully request the Indiana Utility Regulatory Commission ("Commission") to approve this Stipulation and Settlement Agreement ("Settlement"). The Settling Parties agree that the terms and conditions set forth below represent a fair and reasonable resolution of the issues described herein, subject to incorporation into a final order of the Commission, which approves this Settlement without any modification or condition that is not acceptable to the Settling Parties.

1. In this proceeding, this Settlement follows the filing of Petitioner's direct testimony and attachments and the OUCC's pre-filed testimony and attachments. Since the time of Petitioner's and OUCC's filings in this Cause, the parties have engaged in discussions to address items the OUCC has identified in testimony as its primary issues in this Cause. Those interactions framed the discussions between the Settling Parties and formed the basis for the

Settling Parties to reach agreement on the terms reflected in this Settlement. A basic component of each party's willingness to enter this agreement is the overall result that is achieved hereby. The Settling Parties have agreed to concessions on individual issues to which the Settling Parties would not be willing to agree but for the overall result produced by this Stipulation and Settlement Agreement. In other words, each party has agreed to forego or compromise on positions on individual issues in exchange for the overall result produced collectively by all of the concessions. As set forth below, the parties have negotiated terms that resolve all issues in this proceeding. In most cases, the agreed upon terms are founded upon documented positions that are in the record in this proceeding, including in Settlement Testimony that the Settling Parties have agreed each of them will file in support of this Settlement. Such supportive testimony will be offered into evidence without objection by any Settling Party. While the parties intend to submit testimony in support of the Settlement, the parties agree that the respective cases of the parties and facts in evidence substantially support all terms of the Settlement. The Settling Parties agree that certain schedules detailing the Petitioner's debt and revenue requirements, attached hereto as Exhibit A, are integral to this Settlement and are incorporated herein by reference.

2. For purposes of Settlement, the Settling Parties stipulate and agree as follows:

A. Borrowing Authority

(a) Petitioner shall be authorized to issue debt in total amount of \$15,155,000, split into two phases (series A and series B), with a debt service revenue requirement in Phase I, Phase II and Phase III as follows:

Phase	Debt Service Revenue Requirement
Phase I	\$723,130
Phase II	\$1,063,611
Phase III	\$1,061,434

(b) The 2025 Series B bond issuance shall use a level funding structure instead of a wrapped structure.

(c) Petitioner shall be granted a debt service reserve revenue requirement of \$241,586 in Phase I, Phase II and Phase III.

(d) The financing authority granted herein shall expire on December 31, 2026, if not used by that date.

B. Stipulated Rates and Revenue

(a) The schedules detailing the debt service revenue requirements, stipulated rates, and other financial metrics referenced in this Settlement are attached hereto as Exhibit A. Exhibit A is incorporated herein by reference and shall be binding upon the Settling Parties. Any conflict between Exhibit A and the main body of this Agreement shall be resolved in favor of Exhibit A.

(b) Rates shall be increased in three phases as presented in Petitioner's case-in-chief, modified to produce an overall rate increase of 47.74% to generate an additional \$2,220,188 of operating revenue per year. The Settling Parties agree the initial increase in rates will take effect upon the issuance of an approving order by the Commission in 2025. The Phase II increase will then take effect twelve months later in 2026. Phase III will then be implemented twelve months after Phase II in 2027.

(c) Petitioner's System Development Charge shall be increased to \$1,130 per equivalent dwelling unit.

(d) Petitioner's authorized rates shall be based on a cash operating disbursements revenue requirement of \$2,823,586 in all Phases (Phase I, Phase II and Phase III).

(e) Petitioner's authorized rates shall be based on a replacements and improvements revenue requirement of \$300,000 in Phase I, \$803,500 in Phase II, and \$1,345,782 in Phase III.

(f) Petitioner's residential metered sales shall be normalized to account for actual new connections through September 30, 2024, which equals \$3,071,667.

(g) The Commission shall require a true-up process that incorporates actual project costs through a report filed by Petitioner within thirty (30) days after closing on each long-term debt issuance explaining the terms of the new loan, the balance actually borrowed, the amount of debt service reserve required, bid tabulations for any projects for which these are available at the time of the true-up, and an itemized account of all issuance costs (such as bond counsel, legal, and financial advising fees), including issuance costs actually incurred to that date. Additionally, all collections for the debt service revenue requirement and the debt service reserve revenue requirement for the new bonds that take place more than two months after the date of the order and before closing on such debt should be placed in a restricted account and used to pre-pay the debt service reserve.

C. Other Settlement Terms

- (a) Petitioner shall meter and charge Town departments for their water usage.
- (b) Petitioner, not the Town of Chandler, shall independently purchase and manage all fuel required for its operations.
- (c) Petitioner shall endeavor to provide to the best of its ability all applicable information requested by the Commission in its Annual Report forms for each page, including the Performance Measures.
- (d) Petitioner shall complete its Asset Management Plan and submit copies to the Commission and the OUCC once completed in conjunction with SRF funding.
- (e) The borrowing authority stipulated in Section 2(A) herein includes alternate tank sizes for its proposed 1.5 MG Paradise Water Tank, if Petitioner chooses to pursue those alternatives; provided, however, that Petitioner shall not be required to expend additional resources to obtain bids for alternate sizes.
- (f) All other items not expressly addressed herein or in the schedules incorporated herein by reference shall be resolved as presented in Petitioner's case-in-chief in this Cause.

3. **Settlement Effect, Scope, and Approval.** The Settlement is conditioned upon and subject to its acceptance and approval by the Commission in its entirety without any change or condition that is unacceptable to any Settling Party. Each term of the Settlement is in consideration and support of each and every other term. The Settling Parties will work together to prepare an agreed upon proposed order to be submitted in this Cause. If the Commission does not approve the Settlement in its entirety or if the Commission makes modifications that are

unacceptable to any Settling Party, the Settlement shall be null and void and shall be deemed withdrawn upon notice in writing by any party within 14 days after the date of the order stating that a modification made by the Commission is unacceptable to the Settling Party.

The Settlement is the result of compromise in the settlement process and neither the making of the Settlement nor any of its provisions shall constitute an admission or waiver by any Settling Party in any other proceeding, now or in the future. The Settlement shall not be used as precedent in any other current or future proceeding or for any other purpose except to the extent provided for herein or to the extent necessary to implement or enforce its terms.

The evidence to be submitted in support of the Settlement, together with evidence already admitted, constitutes substantial evidence sufficient to support the Settlement and provides an adequate evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of the Settlement. The Settling Parties hereby waive cross-examination of each other's witnesses.

The parties agree that the communications and discussions and materials produced and exchanged during the negotiation of the Settlement relate to offers of settlement and shall be inadmissible in this or any other proceeding.

The undersigned represent and agree that they are fully authorized to execute the Settlement on behalf of the designated party who will be bound thereby. The Settling Parties will either support or not oppose on rehearing, reconsideration, and/or appeal, a Commission Order accepting and approving this Settlement in accordance with its terms.

ACCEPTED and AGREED this 24th day of January, 2025

Town of Chandler, Indiana

Indiana Office of Utility Consumer Counselor

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CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL OPERATING RECEIPTS
See Explanation of Adjustments, Pages 2 - 3.

	Phase I (September 2025)					Phase II (September 2026)					Phase III (September 2027)				
	Petitioner	OUCC	Rebuttal or Settlement	Increase / Decrease	Ref.	Petitioner	OUCC	Rebuttal or Settlement	Increase / Decrease	Ref.	Petitioner	OUCC	Rebuttal or Settlement	Increase / Decrease	Ref.
<u>Annual Revenue Requirements:</u>															
Operating disbursements															
Cash operating disbursements	\$2,991,163	\$2,808,344	\$2,823,586	\$15,242	(1)	\$2,991,163	\$2,808,344	\$2,823,586	\$15,242	(1)	\$2,991,163	\$2,808,344	\$2,823,586	\$15,242	(1)
Taxes other than income	57,198	57,198	57,198	-		57,198	57,198	57,198	-		57,198	57,198	57,198	-	
Debt service															
Outstanding debt	1,564,918	1,564,918	1,564,918	-		1,564,918	1,564,918	1,564,918	-		1,564,918	1,564,918	1,564,918	-	
Proposed debt	155,281	-	723,130	723,130	(2)	749,371	723,129	1,063,611	340,482	(2)	974,706	1,059,806	1,061,434	1,628	(2)
Debt service reserve															
Outstanding debt	100,320	100,320	100,320	-		100,320	100,320	100,320	-		100,320	100,320	100,320	-	
Proposed debt	195,093	139,761	141,266	1,505	(3)	195,093	139,761	141,266	1,505	(3)	195,093	139,761	141,266	1,505	(3)
Replacements and improvements	415,000	963,146	300,000	(663,146)	(4)	633,000	1,072,236	803,500	(268,736)	(4)	1,345,782	1,345,782	1,345,782	-	(4)
Total revenue requirements	5,478,973	5,633,687	5,710,418	76,731		6,291,063	6,465,906	6,554,399	88,493		7,229,180	7,076,129	7,094,504	18,375	
Less: Test year interest receipts	(133,800)	(133,800)	(133,800)	-		(133,800)	(133,800)	(133,800)	-		(133,800)	(133,800)	(133,800)	-	
Less: Other operating receipts	(65,687)	(65,687)	(65,687)	-		(65,687)	(65,687)	(65,687)	-		(65,687)	(65,687)	(65,687)	-	
Less: Other non-operating receipts		(6,366)	(6,366)	-			(6,366)	(6,366)	-			(6,366)	(6,366)	-	
Less: Disconnection service charges		(17,515)	(17,515)	-			(17,515)	(17,515)	-			(17,515)	(17,515)	-	
Net Revenue Requirements	<u>\$5,279,486</u>	<u>\$5,410,319</u>	<u>\$5,487,050</u>	<u>\$76,731</u>		<u>\$6,091,576</u>	<u>\$6,242,538</u>	<u>\$6,331,031</u>	<u>\$88,493</u>		<u>\$7,029,693</u>	<u>\$6,852,761</u>	<u>\$6,871,136</u>	<u>\$18,375</u>	
<u>Annual Receipts:</u>															
Metered sales:															
Residential	\$2,994,595	\$3,110,054	\$3,071,667	(\$38,387)	(5)	\$2,994,595	\$3,110,054	\$3,071,667	(\$38,387)	(5)	\$2,994,595	\$3,110,054	\$3,071,667	(\$38,387)	(5)
Commercial	1,135,426	1,119,909	1,119,909	-		1,135,426	1,119,909	1,119,909	-		1,135,426	1,119,909	1,119,909	-	
Industrial	7,127	7,030	7,030	-		7,127	7,030	7,030	-		7,127	7,030	7,030	-	
Fire protection	438,779	438,779	438,779	-		438,779	438,779	438,779	-		438,779	438,779	438,779	-	
Penalties	-	13,563	13,563	-		-	13,563	13,563	-		-	13,563	13,563	-	
Additional revenues from phased increases	-	-	-	-		703,559	720,984	836,102	115,118		1,515,649	1,553,203	1,680,083	126,880	
Totals	<u>\$4,575,927</u>	<u>\$4,689,335</u>	<u>\$4,650,948</u>	<u>(\$38,387)</u>		<u>\$5,279,486</u>	<u>\$5,410,319</u>	<u>\$5,487,050</u>	<u>\$76,731</u>		<u>\$6,091,576</u>	<u>\$6,242,538</u>	<u>\$6,331,031</u>	<u>\$88,493</u>	
Additional Revenues Required	<u>\$703,559</u>	<u>\$720,984</u>	<u>\$836,102</u>	<u>\$115,118</u>		<u>\$812,090</u>	<u>\$832,219</u>	<u>\$843,981</u>	<u>\$11,762</u>		<u>\$938,117</u>	<u>\$610,223</u>	<u>\$540,105</u>	<u>(\$70,118)</u>	
Approximate Across-the-Board Percentage Increase Calculated	<u>15.38%</u>	<u>15.38%</u>	<u>17.98%</u>			<u>15.38%</u>	<u>15.38%</u>	<u>15.38%</u>			<u>15.40%</u>	<u>9.78%</u>	<u>8.53%</u>		
Overall Across-the-Board Percentage Increase											<u>53.62%</u>	<u>46.14%</u>	<u>47.74%</u>		
Debt Service Coverage	<u>137%</u>	<u>171%</u>	<u>120%</u>			<u>137%</u>	<u>153%</u>	<u>136%</u>			<u>162%</u>	<u>157%</u>	<u>157%</u>		

(Continued on next page)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL OPERATING RECEIPTS

- (1) To reflect pro forma operation and maintenance disbursements as calculated on pages 4 - 6.
- (2) To provide an allowance for the average annual debt service on the proposed bonds.
See page 8.

	Phase I (3/1/26 & 9/1/26)	Phase II (3/1/27 & 9/1/27)	Phase III (3/1/28 & 9/1/28)
Proposed 2025A annual interest payments	\$370,273	\$375,833	\$364,146
Proposed 2025A annual principal payments	-	237,000	247,000
Proposed 2025B annual interest payments	352,857	359,778	355,288
Proposed 2025B annual principal payments	-	91,000	95,000
Adjustment	<u>\$723,130</u>	<u>\$1,063,611</u>	<u>\$1,061,434</u>

- (3) To provide an allowance for funding the debt service reserve equal to the maximum annual debt service on the outstanding and proposed bonds over a five-year period.

Estimated debt service reserve requirement	\$2,628,952
Less: Estimated debt service reserve on July 1, 2025*	<u>(1,421,024)</u>
Sub-total	1,207,928
Divide by 5 years	<u>5</u>
Required annual funding	241,586
Less: Current debt service reserve required funding	<u>(100,320)</u>
Adjustment	<u>\$141,266</u>

* Annual interest rate per December 2024 BONY DSR Bank Statement is 4.30%, which calculates to a monthly interest rate of 0.36%. Per OUCC Testimony, anticipate receiving Order by July 1, 2025.

<u>Date</u>	<u>Beginning Balance</u>	<u>Monthly Transfer</u>	<u>Interest Earnings</u>	<u>Ending Balance</u>
1/1/2025	\$1,327,988.71	\$8,360	\$4,788.58	\$1,341,137.29
2/1/2025	1,341,137.29	8,360	4,835.70	1,354,332.99
3/1/2025	1,354,332.99	8,360	4,882.98	1,367,575.97
4/1/2025	1,367,575.97	8,360	4,930.44	1,380,866.41
5/1/2025	1,380,866.41	8,360	4,978.06	1,394,204.47
6/1/2025	1,394,204.47	8,360	5,025.86	1,407,590.33
7/1/2025	1,407,590.33	8,360	5,073.82	<u>1,421,024.15</u>

(Continued on next page)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

PRO FORMA ANNUAL REVENUE REQUIREMENTS AND ANNUAL OPERATING RECEIPTS

- (4) To provide an allowance for replacements and improvements equal to \$300,000 for Phase I, \$803,500 for Phase II, and the annual depreciation allowance prior to the proposed project for Phase III.

	Phase I	Phase II	Phase III
Estimated replacements and improvements	<u>\$300,000</u>	<u>\$803,500</u>	<u>\$1,345,782</u>

- (5) To normalize test year interest income based on current percentage earnings and to exclude earnings on remaining bond proceeds.

	Residential Customers Billed	Increase (Decrease) in Users	Times Additional Monthly Bills	Additional Monthly Bills
January, 2023	7,257			
February	7,272	15	1	15
March	7,291	19	2	38
April	7,327	36	3	108
May	7,374	47	4	188
June	7,476	102	5	510
July	7,504	28	6	168
August	7,509	5	7	35
September	7,541	32	8	256
October	7,569	28	9	252
November	7,494	(75)	10	(750)
December	7,410	(84)	11	(924)
January, 2024	7,420	10	12	120
February	7,415	(5)	12	(60)
March	7,436	21	12	252
April	7,482	46	12	552
May	7,492	10	12	120
June	7,617	125	12	1,500
July	7,627	10	12	120
August	7,627	0	12	0
September	<u>7,654</u>	<u>27</u>	<u>12</u>	<u>324</u>
Totals	<u>89,024</u>	<u>397</u>		2,824

Times average residential monthly bill at existing rates for 4,384 gallons x \$32.83

Total normalized increase in residential metered sales 92,712

Plus: Test year metered sales normalized for a 1.75% decrease per
Tariff effective August 13, 2023 2,978,955

Total Normalized Metered Residential Sales \$3,071,667

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY
PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS
See Explanation of Adjustments, pages 5 to 6.

	<u>Petitioner</u>	<u>OUC</u> <u>(12/20/2024)</u>	<u>Rebuttal or Settlement</u>	<u>Increase / Decrease</u>	<u>Ref.</u>
<u>Operating Disbursements:</u>					
Test year operating disbursements	\$2,847,403	\$2,847,403	\$2,847,403	\$ -	
Adjustments:					
System delivery	-	12,168	8,905	(3,263)	(1)
Capital and non-recurring:					
Materials and supplies	-	(25,000)	(25,000)	-	(2)
Contractual services	-	(16,737)	(16,737)	-	(3)
Accounting	-	(6,135)	(6,135)	-	(4)
Legal	-	(10,043)	(10,043)	-	(5)
Contractual services:					
Engineering	-	(124,240)	(124,240)	-	(6)
Accounting	-	(12,832)	5,673	18,505	(7)
All other adjustments	143,760	143,760	143,760	-	
Total Operating Disbursements	<u>\$2,991,163</u>	<u>\$2,808,344</u>	<u>\$2,823,586</u>	<u>\$15,242</u>	

(Continued on next page)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS

Explanation of adjustments

No inflation adjustment made.

	<u>Petitioner</u>	<u>OUC</u> (12/20/2024)	<u>Rebuttal or Settlement</u>	<u>Increase / Decrease</u>
<u>Adjustment (1) - System Delivery</u>				
To account for increased operating costs due to customer growth.				
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Cost per Residential Bill:				
Purchased power		\$1.60	\$1.60	\$1.60
Chemicals		0.76	0.76	0.76
Postage		0.73	0.73	0.73
Sub-total		3.09	3.09	3.09
Times Increase in Billings		3,938	2,882	(1,056)
Adjustment	\$ -	\$12,168	\$8,905	(\$3,263)
<u>Adjustment (2) - Capital and Non-Recurring Items - Materials and Supplies</u>				
To eliminate materials and supplies expenses (Account 6101001451.000) that are considered capital in nature.				
<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Metzger Construction, Inc.	Baker Rd Repair	\$ -	(\$25,000)	(\$25,000)
<u>Adjustment (3) - Capital and Non-Recurring Items - Contractual Services</u>				
To eliminate contractual services expenses (Account 6101001312.000) that are considered capital in nature.				
<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Beam, Longest & Neff, LLC.	Pro Serv 2/27 - 4/30/23		(\$5,813)	(\$5,813)
Beam, Longest & Neff, LLC.	Engineering Services		(4,070)	(4,070)
Beam, Longest & Neff, LLC.	Services		(4,060)	(4,060)
Beam, Longest & Neff, LLC.	Engineering Services		(1,600)	(1,600)
Beam, Longest & Neff, LLC.	Engineering Services		(1,194)	(1,194)
Adjustment		\$ -	(\$16,737)	(\$16,737)
<u>Adjustment (4) - Capital and Non-Recurring Items - Accounting</u>				
To eliminate accounting expenses (Account 6101001313.000) that are considered non-recurring in nature.				
<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Baker Tilly Municipal Advisors, LLC	Revised Water Rates	\$ -	(\$6,135)	(\$6,135)

(Continued on next page)

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

PRO FORMA ANNUAL CASH OPERATING DISBURSEMENTS

Explanation of adjustments

No inflation adjustment made.

	Petitioner	OUCC (12/20/2024)	Rebuttal or Settlement	Increase / Decrease
<u>Adjustment (5) - Capital and Non-Recurring Items - Legal</u>				
To eliminate contractual services expenses (Account 6101001311.000) that are considered capital in nature.				
<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Jackson Kelly PLLC	Transmission Main		(\$3,712)	\$ -
Jackson Kelly PLLC	Transmission Main		(3,331)	-
Jackson Kelly PLLC	Legal Services		(3,000)	-
Adjustment		\$ -	(\$10,043)	\$ -
<u>Adjustment (6) - Contractual Services - Engineering</u>				
To adjust test year expenses to amortize hydraulic model analysis over five years.				
Hydraulic model analysis		\$155,300	\$155,300	
Amortize over 5 years		5	5	
Sub-total		31,060	31,060	
Less test year amount		(155,300)	(155,300)	
Adjustment		\$ -	(\$124,240)	
<u>Adjustment (7) - Contractual Services - Accounting</u>				
To adjust test year expenses to amortize State Board of Accounts audit over two years.				
State Board of Accounts audit		\$13,311	\$25,160	
Amortize over number of years covered		2	1	
Sub-total		6,655	25,160	
Less test year amount		(13,311)	(13,311)	
Adjustment		\$ -	\$11,849	\$18,505
To adjust test year expenses to amortize 30 day filing for non-recurring charges over five years.				
Non-recurring charges expense		\$7,720	\$7,720	
Amortize over 5 years		5	5	
Sub-total		1,544	1,544	
Less test year amount		(7,720)	(7,720)	
Adjustment		\$ -	(\$6,176)	\$ -

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$7,395,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS OF 2025, SERIES B**

Principal and interest payable semiannually March 1st and September 1st, beginning March 1, 2026.

Assumed interest rate as indicated.

Assumes bonds are dated September 9, 2025.

Payment Date	Principal Balance (-----In \$1,000's-----)	Principal	Assumed Interest Rate* (%)	Interest (-----In Dollars-----)	Total (-----In Dollars-----)	Bond Year Total
3/1/2026	\$7,395			\$172,418.53	\$172,418.53	
9/1/2026	7,395			180,438.00	180,438.00	\$352,856.53
3/1/2027	7,395	\$45	4.88	180,438.00	225,438.00	
9/1/2027	7,350	46	4.88	179,340.00	225,340.00	450,778.00
3/1/2028	7,304	47	4.88	178,217.60	225,217.60	
9/1/2028	7,257	48	4.88	177,070.80	225,070.80	450,288.40
3/1/2029	7,209	49	4.88	175,899.60	224,899.60	
9/1/2029	7,160	51	4.88	174,704.00	225,704.00	450,603.60
3/1/2030	7,109	52	4.88	173,459.60	225,459.60	
9/1/2030	7,057	53	4.88	172,190.80	225,190.80	450,650.40
3/1/2031	7,004	54	4.88	170,897.60	224,897.60	
9/1/2031	6,950	56	4.88	169,580.00	225,580.00	450,477.60
3/1/2032	6,894	57	4.88	168,213.60	225,213.60	
9/1/2032	6,837	58	4.88	166,822.80	224,822.80	450,036.40
3/1/2033	6,779	60	4.88	165,407.60	225,407.60	
9/1/2033	6,719	61	4.88	163,943.60	224,943.60	450,351.20
3/1/2034	6,658	63	4.88	162,455.20	225,455.20	
9/1/2034	6,595	64	4.88	160,918.00	224,918.00	450,373.20
3/1/2035	6,531	66	4.88	159,356.40	225,356.40	
9/1/2035	6,465	67	4.88	157,746.00	224,746.00	450,102.40
3/1/2036	6,398	69	4.88	156,111.20	225,111.20	
9/1/2036	6,329	71	4.88	154,427.60	225,427.60	450,538.80
3/1/2037	6,258	73	4.88	152,695.20	225,695.20	
9/1/2037	6,185	74	4.88	150,914.00	224,914.00	450,609.20
3/1/2038	6,111	76	4.88	149,108.40	225,108.40	
9/1/2038	6,035	78	4.88	147,254.00	225,254.00	450,362.40
3/1/2039	5,957	80	4.88	145,350.80	225,350.80	
9/1/2039	5,877	82	4.88	143,398.80	225,398.80	450,749.60
3/1/2040	5,795	84	4.88	141,398.00	225,398.00	
9/1/2040	5,711	86	4.88	139,348.40	225,348.40	450,746.40
3/1/2041	5,625	88	4.88	137,250.00	225,250.00	
9/1/2041	5,537	90	4.88	135,102.80	225,102.80	450,352.80
3/1/2042	5,447	92	4.88	132,906.80	224,906.80	
9/1/2042	5,355	95	4.88	130,662.00	225,662.00	450,568.80
3/1/2043	5,260	97	4.88	128,344.00	225,344.00	
9/1/2043	5,163	99	4.88	125,977.20	224,977.20	450,321.20
3/1/2044	5,064	102	4.88	123,561.60	225,561.60	
9/1/2044	4,962	104	4.88	121,072.80	225,072.80	450,634.40
3/1/2045	4,858	107	4.88	118,535.20	225,535.20	
9/1/2045	4,751	109	4.88	115,924.40	224,924.40	450,459.60
3/1/2046	4,642	112	4.88	113,264.80	225,264.80	
9/1/2046	4,530	115	4.88	110,532.00	225,532.00	450,796.80
Sub-totals		\$2,980		\$6,382,657.73	\$9,362,657.73	\$9,362,657.73

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CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

(Cont'd)

**SCHEDULE OF AMORTIZATION OF \$7,395,000 PRINCIPAL AMOUNT
OF PROPOSED WATERWORKS REVENUE BONDS OF 2025, SERIES B**

Principal and interest payable semiannually March 1st and September 1st, beginning March 1, 2026.

Assumed interest rate as indicated.

Assumes bonds are dated September 9, 2025.

Payment Date	Principal Balance	Principal	Assumed Interest Rate*	Interest	Total	Bond Year Total
	(-----In \$1,000's-----)		(%)	(-----In Dollars-----)		
Sub-totals carried forward		\$2,980		\$6,382,657.73	\$9,362,657.73	\$9,362,657.73
3/1/2047	\$4,415	117	4.88	107,726.00	224,726.00	
9/1/2047	4,298	120	4.88	104,871.20	224,871.20	449,597.20
3/1/2048	4,178	123	4.88	101,943.20	224,943.20	
9/1/2048	4,055	126	4.88	98,942.00	224,942.00	449,885.20
3/1/2049	3,929	129	4.88	95,867.60	224,867.60	
9/1/2049	3,800	133	4.88	92,720.00	225,720.00	450,587.60
3/1/2050	3,667	136	4.88	89,474.80	225,474.80	
9/1/2050	3,531	139	4.88	86,156.40	225,156.40	450,631.20
3/1/2051	3,392	142	4.88	82,764.80	224,764.80	
9/1/2051	3,250	146	4.88	79,300.00	225,300.00	450,064.80
3/1/2052	3,104	149	4.88	75,737.60	224,737.60	
9/1/2052	2,955	153	4.88	72,102.00	225,102.00	449,839.60
3/1/2053	2,802	157	4.88	68,368.80	225,368.80	
9/1/2053	2,645	161	4.88	64,538.00	225,538.00	450,906.80
3/1/2054	2,484	165	4.88	60,609.60	225,609.60	
9/1/2054	2,319	169	4.88	56,583.60	225,583.60	451,193.20
3/1/2055	2,150	173	4.88	52,460.00	225,460.00	
9/1/2055	1,977	177	4.88	48,238.80	225,238.80	450,698.80
3/1/2056	1,800	181	4.88	43,920.00	224,920.00	
9/1/2056	1,619	186	4.88	39,503.60	225,503.60	450,423.60
3/1/2057	1,433	190	4.88	34,965.20	224,965.20	
9/1/2057	1,243	195	4.88	30,329.20	225,329.20	450,294.40
3/1/2058	1,048	200	4.88	25,571.20	225,571.20	
9/1/2058	848	204	4.88	20,691.20	224,691.20	450,262.40
3/1/2059	644	209	4.88	15,713.60	224,713.60	
9/1/2059	435	215	4.88	10,614.00	225,614.00	450,327.60
3/1/2060	220	220	4.88	5,368.00	225,368.00	225,368.00
Totals		<u>\$7,395</u>		<u>\$8,047,738.13</u>	<u>\$15,442,738.13</u>	<u>\$15,442,738.13</u>

*Assumes bond will be issued through the SRF pooled program in fall 2025. Assumed interest rate is based on current market conditions with an additional 100 basis points to account for market fluctuations.

CHANDLER (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF PROPOSED COMBINED BOND AMORTIZATION

Payment Date	Outstanding				Proposed			Total	Bond Year Total
	2010 Bonds	2016 Bonds	2019 Bonds	2023 Bonds	2024 BANs	2025 Bonds, Series A	2025 Bonds, Series B		
03/01/24	\$54,325.20	\$285,401.25	\$174,699.36	\$241,407.70				\$755,833.51	
09/01/24	55,120.80	282,903.75	173,933.88	241,407.70				753,366.13	\$1,509,199.64
03/01/25	49,901.80	285,406.25	178,169.22	241,407.70	\$78,073.61			832,958.58	
09/01/25	50,755.80	287,862.50	177,339.88	266,407.70	104,875.00			887,240.88	1,720,199.46
03/01/26	47,595.20	290,272.50	180,511.34	264,065.20	26,218.75 (1)	\$180,928.71	\$172,418.53	1,162,010.23	
09/01/26	48,478.40	287,636.25	172,631.60	273,750.10		189,344.00	180,438.00	1,152,278.35	2,314,288.58
03/01/27	359,347.00		152,841.12	270,298.00		306,344.00	225,438.00	1,314,268.12	
09/01/27	359,675.00		154,293.00	268,887.00		306,489.20	225,340.00	1,314,684.20	2,628,952.32 (2)
03/01/28	359,930.00		154,718.93	267,489.70		305,561.20	225,217.60	1,312,917.43	
09/01/28	359,112.00		156,132.41	267,106.10		305,584.40	225,070.80	1,313,005.71	2,625,923.14
03/01/29	359,235.60		155,520.94	267,722.50		305,534.40	224,899.60	1,312,913.04	
09/01/29	359,286.20		154,908.52	268,325.20		306,411.20	225,704.00	1,314,635.12	2,627,548.16
03/01/30	359,263.80		156,297.16	266,914.20		306,190.40	225,459.60	1,314,125.16	
09/01/30	359,168.40		155,658.87	267,516.90		305,896.40	225,190.80	1,313,431.37	2,627,556.53
03/01/31			530,777.65	252,105.90		305,529.20	224,897.60	1,313,310.35	
09/01/31			530,777.82	251,900.40		306,088.80	225,580.00	1,314,347.02	2,627,657.37
03/01/32			530,777.99	251,694.90		305,550.80	225,213.60	1,313,237.29	
09/01/32			530,778.14	251,489.40		305,939.60	224,822.80	1,313,029.94	2,626,267.23
03/01/33			530,778.23	251,283.90		306,230.80	225,407.60	1,313,700.53	
09/01/33			530,778.22	252,078.40		306,424.40	224,943.60	1,314,224.62	2,627,925.15
03/01/34			530,778.03	251,859.20		306,520.40	225,455.20	1,314,612.83	
09/01/34			530,777.58	251,640.00		306,518.80	224,918.00	1,313,854.38	2,628,467.21
03/01/35			530,777.78	251,420.80		306,419.60	225,356.40	1,313,974.58	
09/01/35			530,777.52	251,201.60		306,222.80	224,746.00	1,312,947.92	2,626,922.50
03/01/36			530,777.66	250,982.40		305,928.40	225,111.20	1,312,799.66	
09/01/36			530,778.06	251,763.20		305,536.40	225,427.60	1,313,505.26	2,626,304.92
03/01/37			530,777.56	251,530.30		306,046.80	225,695.20	1,314,049.86	
09/01/37			530,778.00	251,297.40		306,435.20	224,914.00	1,313,424.60	2,627,474.46
03/01/38			530,778.18	252,064.50		305,701.60	225,108.40	1,313,652.68	
09/01/38			530,777.90	250,817.90		305,870.40	225,254.00	1,312,720.20	2,626,372.88
03/01/39			530,777.94	251,585.00		305,917.20	225,350.80	1,313,630.94	
09/01/39			530,778.06	251,338.40		305,842.00	225,398.80	1,313,357.26	2,626,988.20
03/01/40				782,091.80		305,644.80	225,398.00	1,313,134.60	
09/01/40				782,570.50		306,325.60	225,348.40	1,314,244.50	2,627,379.10
03/01/41				781,939.60		305,860.00	225,250.00	1,313,049.60	
09/01/41				782,212.80		306,272.40	225,102.80	1,313,588.00	2,626,637.60
03/01/42				782,376.40		305,538.40	224,906.80	1,312,821.60	
09/01/42				782,430.40		305,682.40	225,662.00	1,313,774.80	2,626,596.40
03/01/43				782,374.80		305,680.00	225,344.00	1,313,398.80	
09/01/43				782,209.60		305,531.20	224,977.20	1,312,718.00	2,626,116.80
03/01/44				781,934.80		306,236.00	225,561.60	1,313,732.40	
09/01/44				782,550.40		305,770.00	225,072.80	1,313,393.20	2,627,125.60
03/01/45				782,042.70		306,157.60	225,535.20	1,313,735.50	
09/01/45				782,425.40		306,374.40	224,924.40	1,313,724.20	2,627,459.70
03/01/46				782,684.80		306,420.40	225,264.80	1,314,370.00	
09/01/46				781,820.90		306,295.60	225,532.00	1,313,648.50	2,628,018.50
03/01/47				781,847.40			224,726.00	1,006,573.40	
09/01/47				781,750.60			224,871.20	1,006,621.80	2,013,195.20
03/01/48				782,530.50			224,943.20	1,007,473.70	
09/01/48				782,173.40			224,942.00	1,007,115.40	2,014,589.10
03/01/49				782,693.00			224,867.60	1,007,560.60	
09/01/49				782,075.60			225,720.00	1,007,795.60	2,015,356.20
03/01/50				782,334.90			225,474.80	1,007,809.70	
09/01/50				782,457.20			225,156.40	1,007,613.60	2,015,423.30
03/01/51				782,442.50			224,764.80	1,007,207.30	
09/01/51				782,290.80			225,300.00	1,007,590.80	2,014,798.10
03/01/52				782,002.10			224,737.60	1,006,739.70	
09/01/52				782,576.40			225,102.00	1,007,678.40	2,014,418.10
03/01/53							225,368.80	225,368.80	
09/01/53							225,538.00	225,538.00	450,906.80
03/01/54							225,609.60	225,609.60	
09/01/54							225,583.60	225,583.60	451,193.20
03/01/55							225,460.00	225,460.00	
09/01/55							225,238.80	225,238.80	450,698.80
03/01/56							224,920.00	224,920.00	
09/01/56							225,503.60	225,503.60	450,423.60
03/01/57							224,965.20	224,965.20	
09/01/57							225,329.20	225,329.20	450,294.40
03/01/58							225,571.20	225,571.20	
09/01/58							224,691.20	224,691.20	450,262.40
03/01/59							224,713.60	224,713.60	
09/01/59							225,614.00	225,614.00	450,327.60
03/01/60							225,368.00	225,368.00	225,368.00
Totals	\$3,181,195.20	\$1,719,482.50	\$11,851,658.55	\$28,539,598.60	\$209,167.36	\$12,610,795.91	\$15,442,738.13	\$73,554,636.25	\$73,554,636.25

(1) Only includes interest paid. Assumes BAN is redeemed with the issuance of the proposed 2025 bonds.

(2) Maximum annual debt service.

Average annual principal and interest payment for the five bond years ending September 1, 2031.

\$2,627,527.50