

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

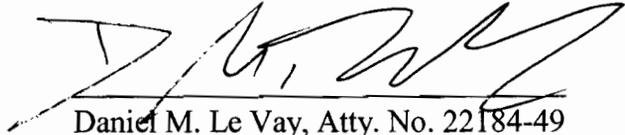
JOINT PETITION OF THE BOARD OF DIRECTORS )  
FOR UTILITIES OF THE DEPARTMENT OF PUBLIC )  
UTILITIES OF THE CITY OF INDIANAPOLIS, D/B/A )  
CITIZENS ENERGY GROUP, CWA AUTHORITY, INC., )  
THE CITY OF INDIANAPOLIS AND ITS )  
DEPARTMENT OF WATERWORKS AND ITS )  
SANITARY DISTRICT FOR APPROVALS IN )  
CONNECTION WITH THE PROPOSED TRANSFER OF )  
CERTAIN WATER UTILITY ASSETS TO THE BOARD )  
AND THE PROPOSED TRANSFER OF CERTAIN )  
WASTEWATER UTILITY ASSETS TO THE )  
AUTHORITY, INCLUDING: (A) APPROVAL OF )  
INITIAL RATES AND RULE FOR WATER AND )  
WASTEWATER SERVICE, AS WELL AS THE TERMS )  
OF CERTAIN AGREEMENTS FOR WASTEWATER )  
TREATMENT AND DISPOSAL SERVICE; (B) )  
APPROVAL OF AN ENVIRONMENTAL COMPLIANCE )  
PLAN UNDER IND. CODE 8-1-28 AND AN )  
ADJUSTMENT MECHANISM FOR WASTEWATER )  
RATES TO PROVIDE TIMELY RECOVERY OF COSTS )  
NECESSARY TO COMPLY IN WHOLE OR IN PART )  
WITH THE SAFE DRINKING WATER ACT AND/OR )  
CLEAN WATER ACT; (C) APPROVAL OF PROPOSED )  
ALLOCATIONS OF CORPORATE SUPPORT )  
SERVICES COSTS AMONG AFFECTED UTILITIES; )  
(D) APPROVAL OF AN OPERATING AGREEMENT )  
BETWEEN CITIZENS ENERGY GROUP AND CWA )  
AUTHORITY, INC.; (E) APPROVAL OF )  
DEPRECIATION RATES AND OTHER ACCOUNTING )  
MATTERS RELATED TO THE WATER AND )  
WASTEWATER ASSETS; AND (F) ANY OTHER )  
APPROVALS NEEDED IN CONNECTION HEREWITH )

CAUSE NO. 43936

PREFILED TESTIMONY WORKPAPERS  
OF  
ON BEHALF OF  
THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

JANUARY 14, 2011

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. M. Le Vay', written over a horizontal line.

Daniel M. Le Vay, Atty. No. 22184-49

Randall C. Helmen

Leja D. Courter

Lorraine Hitz-Bradley

Scott C. Franson

Deputy Consumer Counselor s

## CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been served upon the following counsel of record in the captioned proceeding by electronic service or hand delivery or U.S. Mail on January 14, 2011.

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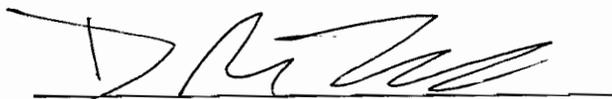
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Deputy Consumer Counselor

**INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**

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## DOW Interlocal Agreements

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks

retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

- ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the Town of Avon.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

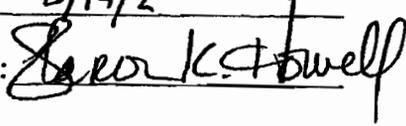
Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Town of Avon

By:  \_\_\_\_\_  
~~Executive~~ TOWN MANAGER AS AUTHORIZED BY COUNCIL

Date: 2/14/2

Attest:  \_\_\_\_\_

ATTACHMENT – FRANCHISE PERMIT  
TOWN OF AVON, INDIANA

NONE-----

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission (“the Commission”) set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks’ ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit’s territory.
- g. Notice to Unit’s Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit’s Advisory Board Member of any proposed water main extension within Unit’s territory. The Unit’s Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks’ Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property

used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to the lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

- ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of Beech Grove, Indiana.

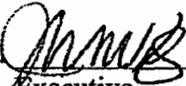
Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

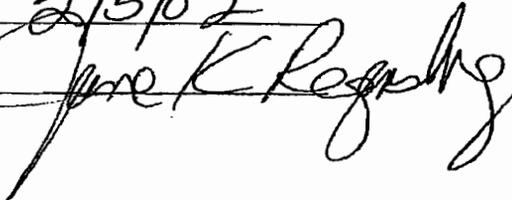
Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Beech Grove, Indiana

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

Date: 2/5/02

Attest: 

**ATTACHMENT – FRANCHISE PERMITS  
BEECH GROVE, INDIANA**

**NONE**-----

## Intergovernmental Agreement

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Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

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Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

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## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
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retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the Town of Brownsburg.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

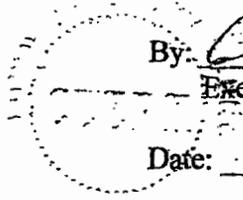
Attest: \_\_\_\_\_

Town of Brownsburg

By: Chad E. Raloff  
Executive

Date: 2/14/02

Attest: Jeanette M. Brubaker



**ATTACHMENT – FRANCHISE PERMITS  
TOWN OF BROWNSBURG, INDIANA**

**Special Main Extension and Water Purchase Agreement  
Approved by: Town of Brownsburg  
Dated: June 30, 1998**

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement; and

Whereas, concurrently with the execution of this Agreement, Unit and Waterworks and the Consolidated City of Indianapolis have entered into an agreement pursuant to which Waterworks and the City of Indianapolis have agreed to sell certain assets and property of the Water Company to Unit on certain terms and conditions (the "Unit Agreement").

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.

- a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
- b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board. Provided, however, if at anytime the Waterworks has no customers within the corporate limits of the Unit, Unit shall not be permitted to have a member on the Advisory Board.
- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. Waterworks may not withdraw from the jurisdiction of the Indiana Utility Regulatory Commission over its rates and provision of services unless approval to do so is given by a two-thirds majority of the Advisory Board. It is not anticipated that Waterworks will ever levy a tax and, in any event, no such tax shall be levied without approval by a two-thirds majority of the Advisory Board. The Advisory Board also has the power to retain an accountant, engineering consultant, and attorney for a reasonable annual fixed fee not to exceed \$150,000 in total per year unless otherwise increased by the Board of Directors of Waterworks.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting. The Advisory Board may attend all meetings of the Board of Directors of Waterworks.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote

of the quorum is required to pass a resolution. However, for votes under paragraphs 1.c., 2.b., and 2.h., provided for herein, all members of the Advisory Board must be present.

- f. Sale of Waterworks Assets. The Advisory Board may recommend that Waterworks dispose of certain system assets within a Unit's territory to a Unit. If the transaction contemplated in the Unit Agreement does not close pursuant to the terms of the Unit Agreement and if Waterworks should fail to provide adequate water supply or distribution system expansion within a Unit's territory comparable to the historical growth experience for that Unit over the immediately preceding ten years, or otherwise upon Waterworks' desire to dispose of system assets within a Unit's territory, then Waterworks shall negotiate in good faith with the Unit for the purchase of the assets and take into account, among other things, the fair market value of the applicable assets as part of an integrated water-utility system, the cost of separating the assets from the existing system, including but not limited to any replacement costs, and the overall impact the disposal may have on the financial condition of Waterworks. If agreement cannot be reached on the price for such system assets, then the issue of price shall be resolved through binding arbitration before a three-judge panel. Each side shall select one judge with the third judge selected by the other two judges.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to city-county general ordinance 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.
- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks shall be subject to the jurisdiction of the Indiana Utility Regulatory Commission ("the Commission") to the fullest extent and will not utilize any current or future statutory framework to withdraw from or otherwise eliminate the Commission's jurisdiction without a two-thirds majority vote of the Advisory Board. In addition, Waterworks agrees to comply with the regulations set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5 unless authorized to do otherwise by a two-thirds majority vote of the Advisory Board.

- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. As long as Waterworks owns utility property within the territory of Unit, Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on such utility property were it privately owned, as long as payments in lieu of taxes may be legally paid by a public utility in the State of Indiana.
- f. Rates and Provision of Service. For a period of five (5) years following the Effective Date, Waterworks will not file a rate petition with the Commission seeking a rate increase or otherwise implement a rate increase for customers served by Waterworks within the Unit. However, Waterworks may, within that five-year period, seek emergency rate relief – for example, rate increases resulting from the need to ameliorate public-health concerns – if warranted. Those Units which are currently subject to the same Water Company retail water rate tariffs as are customers within Indianapolis shall never be charged retail rates by Waterworks higher than those charged by Waterworks to retail customers within Indianapolis. Waterworks shall treat all Units with substantial similarity in a nondiscriminatory fashion, particularly in offering preferential rates and/or extension of services for economic development purposes.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any water main extension proposed by the Waterworks within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Regional Water Authority Study. Waterworks agrees to commission a feasibility study to consider the establishment of a regional water authority for the purpose of acquiring, improving, operating, maintaining, financing, and generally providing of public water utility and related water production,

delivery, storage, distribution, and supply services throughout central Indiana. The study will be completed within three years from the Effective Date, and presented to the Advisory Board for its recommendation. If the Advisory Board determines by two-thirds vote that a regional water authority is in the best interest of the public, Waterworks will hold a public hearing and consider whether it should encourage the Indiana General Assembly to create the appropriate statutory framework for the establishment and operation of a regional water authority. Waterworks will refrain from encouraging the Indiana General Assembly to create a statutory framework for a regional water authority in the absence of a best interest determination by the Advisory Board and will not otherwise implement or participate in such a regional water utility.

- i. Reservoirs Operation. Waterworks shall continue to operate Morse and Geist Reservoirs (collectively "the Reservoirs"), and attendant releases from these water sources, consistent with past water-utility practices of Water Company based on plans and specifications maintained by Water Company on or before the Effective Date. Drawdown of the Reservoirs will be predicated on a water-supply operation plan that responds to period of low precipitation and/or reduced stream flow and increased daily water demands by Waterworks' customers. Waterworks will continue to utilize a coordinated reservoir operations approach that considers on-going water-supply conditions within the watersheds of the Reservoirs, as well as the watershed of Eagle Creek Reservoir. The operator of Waterworks will provide summary annual reports on reservoir releases and operations to the Advisory Board and the Waterworks Board of Directors.
- j. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto, except as contemplated in the Unit Agreement. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement, except as contemplated in the Unit Agreement.

### 3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.

- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.
  - ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the Mayor of the City of Carmel, Indiana and the Common Council of the City of Carmel, Indiana.

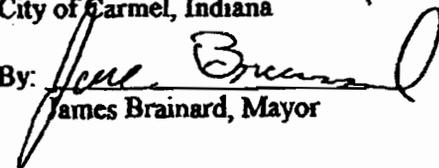
Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

City of Carmel, Indiana

By:   
James Brainard, Mayor

By: \_\_\_\_\_  
Wayne Wilson,  
President Pro Tempore  
of the Common Council of the  
City of Carmel (Signing on  
behalf of the Carmel Common  
Council)

Date: 3/26/02

Date: \_\_\_\_\_

Attest: 

Attest: \_\_\_\_\_

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks

retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the Town of Clermont.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Town of Clermont

By: Benford Hall *council pres.*  
Executive

Date: 3-14-2002

Attest: \_\_\_\_\_

*John Miller*  
*3-14-02*  
*Wanda Kiger*

**ATTACHMENT – FRANCHISE PERMIT**

**TOWN OF CLERMONT, INDIANA**

• **IN THE MATTER OF THE JOINT PETITION OF INDIANAPOLIS WATER COMPANY AND THE TOWN OF CLERMONT FOR A DETERMINATION OF PUBLIC CONVENIENCE AND NECESSITY FOR INDIANAPOLIS WATER COMPANY TO ENGAGE IN WATER UTILITY SERVICE IN HENDRICKS COUNTY, INDIANA, AND FOR APPROVAL OF CERTAIN PRACTICES AND PROVISIONS IN CONNECTION WITH A SALE OF THE CLERMONT WATERWORKS SYSTEM TO INDIANAPOLIS WATER COMPANY.**

**BEFORE: PUBLIC SERVICE COMMISSION OF INDIANA  
APPROVED: APRIL 11, 1968**

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks

retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the Town of Cumberland.

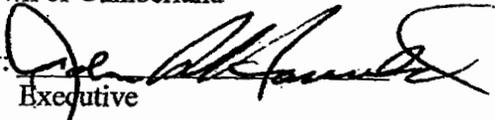
Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

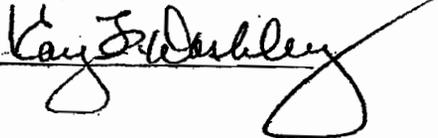
Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Town of Cumberland

By:   
Executive

Date: 2/20/2002

Attest: 

**ATTACHMENT – FRANCHISE PERMIT**

**TOWN OF CUMBERLAND, INDIANA**

• IN THE MATTER OF THE PETITION OF INDIANAPOLIS  
WATER COMPANY FOR A FRANCHISE-PERMIT  
TO LAY, INSTALL, MAINTAIN, REPAIR, REPLACE AND OPERATE  
ITS PIPELINES, WATER MAINS, CONDUITS AND  
APPURTENANCES IN AND THROUGH TOWN STREETS AND  
PROPERTY IN THE TOWN OF CUMBERLAND, INDIANA

BEFORE: BOARD OF TRUSTEE OF THE TOWN OF CUMBERLAND, INDIANA  
APPROVED: APRIL 14, 1975

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks

retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

- ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the Town of Danville.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Town of Danville

By: David F. Odle  
Executive

Date: 2-19-02

Attest: [Signature]

**ATTACHMENT – FRANCHISE PERMITS  
TOWN OF DANVILLE, INDIANA**

**Main Extension and Water Purchase Agreement**

**Approved by: Town of Danville Corporation, by its Town Council**

**Dated: July 30, 2001**

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing; and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks

retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

- ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the Town of Darlington.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Town of Darlington

By: Charles F. Ford  
Executive

Date: Feb 20, 2002

Attest: Teresa P. Sutherland  
Clerk - Treasurer

**ATTACHMENT – FRANCHISE PERMITS  
TOWN OF DARLINGTON, INDIANA**

NONE-----

**Intergovernmental Agreement**

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement; and

Whereas, the City of Carmel ("Carmel"), Waterworks and the Consolidated City of Indianapolis have entered into an agreement pursuant to which Waterworks and the City of Indianapolis have agreed to sell certain assets and property of the Water Company located within Clay Township, Hamilton County ("Clay Township") to Carmel on certain terms and conditions (the "Carmel Agreement").

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.

- a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  
- b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board. Provided, however, if at any time the Waterworks has no customers within the recognized boundaries of the Unit, the Unit shall not be permitted to have a member on the Advisory Board.
  
- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. Waterworks may not withdraw from the jurisdiction of the Indiana Utility Regulatory Commission over its rates and provision of services unless approval to do so is given by a two-thirds majority of the Advisory Board. It is not anticipated that Waterworks will ever levy a tax and, in any event, no such tax shall be levied without approval by a two-thirds majority of the Advisory Board. The Advisory Board also may recommend that Waterworks dispose of certain system assets within a Unit's territory to a Unit, except for Waterworks assets located in Clay Township, which Clay Township assets shall be subject to 1.f of this Agreement. If Waterworks should fail to provide adequate water supply or distribution system expansion within a Unit's territory comparable to historical growth experience for that Unit over the immediately preceding ten (10) years, or otherwise upon Waterwork's desire to dispose of system assets within a Unit's territory, then Waterworks shall negotiate in good faith with the Unit for the purchase of the assets and take into account, among other things, the fair market value of the applicable assets as part of an integrated water utility system, the cost of separating the assets from the existing system, including but not limited to any replacement costs, and the overall impact the disposal may have on the financial condition of Waterworks. If an agreement cannot be reached on the price for such system assets, then the issue of price shall be resolved through binding arbitration before a three (3) judge panel. Each side shall select one (1) judge with the third judge selected by the other two (2) judges. The Advisory Board also has the power to retain an accountant, engineering consultant, and attorney for a reasonable annual fixed fee not to exceed \$150,000 in total per year unless otherwise increased by the Board of Directors of Waterworks.

- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting. The Advisory Board may attend all meetings of the Board of Directors of Waterworks.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution. However, for votes under paragraphs 1.c., 2.b., and 2.h., provided for herein, all members of the Advisory Board must be present.
- f. Sale of Waterworks Assets in Clay Township. If the transaction contemplated in the Carmel Agreement does not close and if Waterworks should fail to provide adequate water supply or distribution system expansion within the Unit's Clay Township territory comparable to historical growth experience for the Unit in Clay Township over the immediately preceding ten (10) years, or otherwise upon Waterworks' desire to dispose of system assets within the Unit's Clay Township territory, then Waterworks shall negotiate in good faith with Unit or Unit's assignee for the purchase of the assets and take into account, among other things, the fair market value of the applicable assets as part of an integrated water utility system, the cost of separating the assets from the existing system, including but not limited to any replacement costs, and the overall impact the disposal may have on the financial condition of Waterworks. If an agreement cannot be reached on the price for such system assets, then the issue of price shall be resolved through binding arbitration before a three (3) judge panel. Each side shall select one judge with the third judge selected by the other two judges.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to city-county general ordinance 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date, subject to the terms and conditions of this Agreement. Waterworks' responsibilities under this Agreement and under

the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks shall be subject to the jurisdiction of the Indiana Utility Regulatory Commission ("the Commission") to the fullest extent and will not utilize any current or future statutory framework to withdraw from or otherwise eliminate the Commission's jurisdiction without a two-thirds majority vote of the Advisory Board. In addition, Waterworks agrees to comply with the regulations set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5 unless authorized to do otherwise by a two-thirds majority vote of the Advisory Board.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, as long as payments in lieu of taxes may be legally paid by a public utility in the State of Indiana.
- f. Rates and Provision of Service. For a period of five (5) years following the Effective Date, Waterworks will not file a rate petition with the Commission seeking a rate increase or otherwise implement a rate increase for customers served by Waterworks within the Unit. However, Waterworks may, within that five-year period, seek emergency rate relief - for example, rate increases resulting from the need to ameliorate public-health concerns - if warranted. Those Units which are currently subject to the same Water Company retail water rate tariffs as are customers within Indianapolis shall never be charged retail rates by Waterworks higher than those charged by Waterworks to retail customers within Indianapolis. Waterworks shall treat all Units with substantial similarity in a nondiscriminatory fashion, particularly in offering preferential rates and/or extension of services for economic development purposes.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any water main extension proposed by the Waterworks within Unit's territory. The Unit's

Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.

- h. Regional Water Authority Study. Waterworks agrees to commission a feasibility study to consider the establishment of a regional water authority for the purpose of acquiring, improving, operating, maintaining, financing, and generally providing of public water utility and related water production, delivery, storage, distribution, and supply services throughout central Indiana. The study will be completed within three years from the Effective Date, and presented to the Advisory Board for its recommendation. If the Advisory Board determines by two-thirds vote that a regional water authority is in the best interest of the public, Waterworks will hold a public hearing and consider whether it should encourage the Indiana General Assembly to create the appropriate statutory framework for the establishment and operation of a regional water authority. Waterworks will refrain from encouraging the Indiana General Assembly to create a statutory framework for a regional water authority in the absence of a best interest determination by the Advisory Board and will not otherwise implement or participate in such a regional water utility.
- i. Reservoirs Operation. Waterworks shall continue to operate Morse and Geist Reservoirs (collectively "the Reservoirs"), and attendant releases from these water sources, consistent with past water-utility practices of Water Company based on plans and specifications maintained by Water Company on or before the Effective Date. Drawdown of the Reservoirs will be predicated on a water-supply operation plan that responds to period of low precipitation and/or reduced stream flow and increased daily water demands by Waterworks' customers. Waterworks will continue to utilize a coordinated reservoir operations approach that considers on-going water-supply conditions within the watersheds of the Reservoirs, as well as the watershed of Eagle Creek Reservoir. The operator of Waterworks will provide summary annual reports on reservoir releases and operations to the Advisory Board and the Waterworks Board of Directors.
- j. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto, except as contemplated in the Carmel Agreement and in this Agreement. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement, except as contemplated in the Carmel Agreement and in this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.
  - ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the Board of Commissioners of Hamilton County, Indiana.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Board of Commissioners of Hamilton County, Indiana

By: *Sharon R. Clark*  
Sharon R. Clark  
County Commissioner

Date: 3-25-02

Attest: *Rubin M. Mills*

By: *Steven C. Dillinger*  
Steven C. Dillinger  
County Commissioner

Date: 3-25-02

Attest: *Rubin M. Mills*

By: *Steven A. Holt*  
Steven A. Holt  
County Commissioner

Date: 3-25-02

Attest: *Rubin M. Mills*

704810-53307#275851

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property

used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to the lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.



## ATTACHMENTS – FRANCHISE PERMITS

### HANCOCK COUNTY, INDIANA

- IN THE MATTER OF THE PETITION OF INDIANAPOLIS WATER COMPANY TO EXTEND THE TERRITORY WITHIN WHICH IT IS AUTHORIZED TO PROVIDE WATER UTILITY SERVICE IN HANCOCK COUNTY, INDIANA, TO INCLUDE ALL AREAS OUTSIDE THE CORPORATE LIMITS OF TOWNS AND CITIES.

BEFORE: INDIANA UTILITY REGULATORY COMMISSION

CAUSE NO.: 39794

APPROVED: JUNE 29, 1989

- IN THE MATTER OF THE PETITION OF INDIANAPOLIS WATER COMPANY FOR A DETERMINATION OF PUBLIC CONVENIENCE AND NECESSITY FOR THE COMPANY TO ENGAGE IN WATER UTILITY SERVICE IN A PORTION OF HANCOCK COUNTY, INDIANA.

BEFORE: INDIANA UTILITY REGULATORY COMMISSION

CAUSE NO.: 34037

APPROVED: MAY 14, 1975

- IN THE MATTER OF THE PETITION OF INDIANAPOLIS WATER COMPANY FOR A FRANCHISE-PERMIT TO LAY, INSTALL, MAINTAIN, REPAIR, REPLACE, AND OPERATE ITS PIPELINES, WATER MAINS, CONDUITS AND APPURTENANCES IN AND THROUGH COUNTY HIGHWAYS AND PROPERTY IN HANCOCK COUNTY, INDIANA.

BEFORE: BOARD OF COMMISSIONERS OF HANCOCK COUNTY, INDIANA

APPROVED: JUNE 2, 1975

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property

used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to the lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of Hendricks County, Indiana.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Hendricks County, Indiana

By: Alan S. Osterman  
Executive

Date: FEB. 19, 2002

Attest: Nancy D. Marsh

**ATTACHMENTS – FRANCHISE PERMITS**

**HENDRICKS COUNTY, INDIANA**

- **IN THE MATTER OF THE JOINT PETITION OF INDIANAPOLIS WATER COMPANY AND THE TOWN OF CLERMONT FOR A DETERMINATION OF PUBLIC CONVENIENCE AND NECESSITY FOR INDIANAPOLIS WATER COMPANY TO ENGAGE IN WATER UTILITY SERVICE IN HENDRICKS COUNTY, INDIANA, AND FOR APPROVAL OF CERTAIN PRACTICES AND PROVISIONS IN CONNECTION WITH A SALE OF THE CLERMONT WATERWORKS SYSTEM TO INDIANAPOLIS WATER COMPANY.  
BEFORE: INDIANA UTILITY REGULATORY COMMISSION  
CAUSE NO.: 31690  
APPROVED: APRIL 11, 1968**

- **IN THE MATTER OF THE PETITION OF INDIANAPOLIS WATER COMPANY FOR A FRANCHISE-PERMIT TO LAY, INSTALL, MAINTAIN, REPAIR AND OPERATE ITS PIPELINES, WATER MAINS, CONDUITS AND APPURTENANCES IN AND THROUGH COUNTY HIGHWAYS AND PROPERTY IN HENDRICKS, COUNTY, INDIANA.  
BEFORE: BOARD OF COMMISSIONERS OF HENDRICKS COUNTY, INDIANA  
APPROVED: MAY 6, 1968**

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. Waterworks may not withdraw from the jurisdiction of the Indiana Utility Regulatory Commission over its rates and provision of services unless approval to do so is given by a two-thirds majority of the Advisory Board. It is not anticipated that Waterworks will ever levy a tax and, in any event, no such tax shall be levied without approval by a two-thirds majority of the Advisory Board. The Advisory Board also may recommend that Waterworks dispose of certain system assets within a Unit's territory to a Unit. If Waterworks should fail to provide adequate water supply or distribution system expansion within a Unit's territory comparable to the historical growth experience for that Unit over the immediately preceding ten years, or otherwise upon Waterworks' desire to dispose of system assets within a Unit's territory, then Waterworks shall negotiate in good faith with the Unit for the purchase of the assets and take into account, among other things, the fair market value of the applicable assets as part of an integrated water-utility system, the cost of separating the assets from the existing system, including but not limited to any replacement costs, and the overall impact the disposal may have on the financial condition of Waterworks. If agreement cannot be reached on the price for such system assets, then the issue of price shall be resolved through binding arbitration before a three-judge panel. Each side shall select one judge with the third judge selected by the other two judges. The Advisory Board also has the power to retain an accountant, engineering consultant, and attorney for a reasonable annual fixed fee not to exceed \$150,000 in total per year unless otherwise increased by the Board of Directors of Waterworks.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting. The

Advisory Board may attend all meetings of the Board of Directors of Waterworks.

- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution. However, for votes under paragraphs 1.c., 2.b., and 2.h., provided for herein, all members of the Advisory Board must be present.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to city-county general ordinance 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.
- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks shall be subject to the jurisdiction of the Indiana Utility Regulatory Commission ("the Commission") to the fullest extent and will not utilize any current or future statutory framework to withdraw from or otherwise eliminate the Commission's jurisdiction without a two-thirds majority vote of the Advisory Board. In addition, Waterworks agrees to comply with the regulations set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5 unless authorized to do otherwise by a two-thirds majority vote of the Advisory Board.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.

- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, as long as payments in lieu of taxes may be legally paid by a public utility in the State of Indiana.
- f. Rates and Provision of Service. For a period of five (5) years following the Effective Date, Waterworks will not file a rate petition with the Commission seeking a rate increase or otherwise implement a rate increase for customers served by Waterworks within the Unit. However, Waterworks may, within that five-year period, seek emergency rate relief – for example, rate increases resulting from the need to ameliorate public-health concerns – if warranted. Those Units which are currently subject to the same Water Company retail water rate tariffs as are customers within Indianapolis shall never be charged retail rates by Waterworks higher than those charged by Waterworks to retail customers within Indianapolis. Waterworks shall treat all Units with substantial similarity in a nondiscriminatory fashion, particularly in offering preferential rates and/or extension of services for economic development purposes.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any water main extension proposed by the Waterworks within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Regional Water Authority Study. Waterworks agrees to commission a feasibility study to consider the establishment of a regional water authority for the purpose of acquiring, improving, operating, maintaining, financing, and generally providing of public water utility and related water production, delivery, storage, distribution, and supply services throughout central Indiana. The study will be completed within three years from the Effective Date, and presented to the Advisory Board for its recommendation. If the Advisory Board determines by two-thirds vote that a regional water authority is in the best interest of the public, Waterworks will hold a public hearing and consider whether it should encourage the Indiana General Assembly to create the appropriate statutory framework for the establishment and operation of a regional water authority. Waterworks will refrain from encouraging the Indiana General Assembly to create a statutory framework for a regional water authority in the absence of a best interest determination by the Advisory Board and will not otherwise implement or participate in such a regional water utility.

- i. Reservoirs Operation. Waterworks shall continue to operate Morse and Geist Reservoirs (collectively "the Reservoirs"), and attendant releases from these water sources, consistent with past water-utility practices of Water Company based on plans and specifications maintained by Water Company on or before the Effective Date. Drawdown of the Reservoirs will be predicated on a water-supply operation plan that responds to period of low precipitation and/or reduced stream flow and increased daily water demands by Waterworks' customers. Waterworks will continue to utilize a coordinated reservoir operations approach that considers on-going water-supply conditions within the watersheds of the Reservoirs, as well as the watershed of Eagle Creek Reservoir. The operator of Waterworks will provide summary annual reports on reservoir releases and operations to the Advisory Board and the Waterworks Board of Directors.
- j. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement subject to the Units' rights to acquire property in 1.c. above.

### 3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid

provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.

f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.

g. Approvals:

i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the Mayor of the Consolidated City of Indianapolis, Indiana.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Consolidated City of Indianapolis, Indiana

By: Bart Peterson  
Mayor

Date: 3-19-02

Attest: ASh

**ATTACHMENT – FRANCHISE PERMIT**

**CITY OF INDIANAPOLIS, INDIANA**

- **IN THE MATTER OF THE SURRENDER OF  
LICENSE, PERMIT AND FRANCHISE FOR WATER UTILITY  
OPERATIONS IN THE CITY OF INDIANAPOLIS, BY THE  
INDIANAPOLIS WATER COMPANY.**

**BEFORE: PUBLIC SERVICE COMMISSION OF INDIANA  
APPROVED: MARCH 30, 1923**

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks

retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the Town of Lizton.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Town of Lizton

By: *W. S. Crouch*  
Executive

Date: *2-19-02*

Attest: *Shelia J. Thomas Cl-2r*

**ATTACHMENT – FRANCHISE PERMITS  
TOWN OF LIZTON, INDIANA**

**Resolution No. 10-22-01-001  
Approved by: Lizton Town Council  
Dated: October 22, 2001**

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. Waterworks may not withdraw from the jurisdiction of the Indiana Utility Regulatory Commission over its rates and provision of services unless approval to do so is given by a two-thirds majority of the Advisory Board. It is not anticipated that Waterworks will ever levy a tax and, in any event, no such tax shall be levied without approval by a two-thirds majority of the Advisory Board. The Advisory Board also may recommend that Waterworks dispose of certain system assets within a Unit's territory to a Unit. If Waterworks should fail to provide adequate water supply or distribution system expansion within a Unit's territory comparable to the historical growth experience for that Unit over the immediately preceding ten years, or otherwise upon Waterworks' desire to dispose of system assets within a Unit's territory, then Waterworks shall negotiate in good faith with the Unit for the purchase of the assets and take into account, among other things, the fair market value of the applicable assets as part of an integrated water-utility system, the cost of separating the assets from the existing system, including but not limited to any replacement costs, and the overall impact the disposal may have on the financial condition of Waterworks. If agreement cannot be reached on the price for such system assets, then the issue of price shall be resolved through binding arbitration before a three-judge panel. Each side shall select one judge with the third judge selected by the other two judges. The Advisory Board also has the power to retain an accountant, engineering consultant, and attorney for a reasonable annual fixed fee not to exceed \$150,000 in total per year unless otherwise increased by the Board of Directors of Waterworks.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting. The

Advisory Board may attend all meetings of the Board of Directors of Waterworks.

- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution. However, for votes under paragraphs 1.c., 2.b., and 2.h., provided for herein, all members of the Advisory Board must be present.

2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to city-county general ordinance 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.
- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks shall be subject to the jurisdiction of the Indiana Utility Regulatory Commission ("the Commission") to the fullest extent and will not utilize any current or future statutory framework to withdraw from or otherwise eliminate the Commission's jurisdiction without a two-thirds majority vote of the Advisory Board. In addition, Waterworks agrees to comply with the regulations set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5 unless authorized to do otherwise by a two-thirds majority vote of the Advisory Board.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.

- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, as long as payments in lieu of taxes may be legally paid by a public utility in the State of Indiana.
- f. Rates and Provision of Service. For a period of five (5) years following the Effective Date, Waterworks will not file a rate petition with the Commission seeking a rate increase or otherwise implement a rate increase for customers served by Waterworks within the Unit. However, Waterworks may, within that five-year period, seek emergency rate relief – for example, rate increases resulting from the need to ameliorate public-health concerns – if warranted. Those Units which are currently subject to the same Water Company retail water rate tariffs as are customers within Indianapolis shall never be charged retail rates by Waterworks higher than those charged by Waterworks to retail customers within Indianapolis. Waterworks shall treat all Units with substantial similarity in a nondiscriminatory fashion, particularly in offering preferential rates and/or extension of services for economic development purposes.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any water main extension proposed by the Waterworks within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Regional Water Authority Study. Waterworks agrees to commission a feasibility study to consider the establishment of a regional water authority for the purpose of acquiring, improving, operating, maintaining, financing, and generally providing of public water utility and related water production, delivery, storage, distribution, and supply services throughout central Indiana. The study will be completed within three years from the Effective Date, and presented to the Advisory Board for its recommendation. If the Advisory Board determines by two-thirds vote that a regional water authority is in the best interest of the public, Waterworks will hold a public hearing and consider whether it should encourage the Indiana General Assembly to create the appropriate statutory framework for the establishment and operation of a regional water authority. Waterworks will refrain from encouraging the Indiana General Assembly to create a statutory framework for a regional water authority in the absence of a best interest determination by the Advisory Board and will not otherwise implement or participate in such a regional water utility.

- i. Reservoirs Operation. Waterworks shall continue to operate Morse and Geist Reservoirs (collectively “the Reservoirs”), and attendant releases from these water sources, consistent with past water-utility practices of Water Company based on plans and specifications maintained by Water Company on or before the Effective Date. Drawdown of the Reservoirs will be predicated on a water-supply operation plan that responds to period of low precipitation and/or reduced stream flow and increased daily water demands by Waterworks’ customers. Waterworks will continue to utilize a coordinated reservoir operations approach that considers on-going water-supply conditions within the watersheds of the Reservoirs, as well as the watershed of Eagle Creek Reservoir. The operator of Waterworks will provide summary annual reports on reservoir releases and operations to the Advisory Board and the Waterworks Board of Directors.
- j. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement subject to the Units’ rights to acquire property in 1.c. above.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks’ Bonds are no longer outstanding; (b) Waterworks assets within the Unit’s territorial limits are no longer subject to any lien established by the Waterworks’ Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit’s Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks’ Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid

provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.

f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.

g. Approvals:

i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of Marion County, Indiana.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Marion County, Indiana

By: Bart Putman  
Executive

Date: 3-19-02

Attest: [Signature]

ATTACHMENT – FRANCHISE PERMIT  
MARION COUNTY, INDIANA

NONE-----

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks

retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous:

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

- ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the Town of McCordsville.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Town of McCordsville

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

Date: 2-2-02

Attest: Catherine C. Gardner

**ATTACHMENT – FRANCHISE PERMIT**

**TOWN OF MCCORDSVILLE, INDIANA**

• **IN THE MATTER OF THE PETITION OF  
INDIANAPOLIS WATER COMPANY  
FOR A LICENSE, PERMIT AND FRANCHISE  
TO ERECT, CONSTRUCT, INSTALL, RECONSTRUCT,  
RENEW, MAINTAIN, PATROL, REPAIR AND  
REPLACE, IF NECESSARY, WATER MAINS  
AND APPURTENANCES THERETO IN, UNDER,  
UPON, OVER AND ACROSS ALL ROADS, STREETS,  
HIGHWAYS AND OTHER PUBLIC PROPERTY  
WITHIN THE CORPORATE LIMITS OF THE TOWN OF  
MCCORDSVILLE, INDIANA.**

**BEFORE: TOWN COUNCIL TOWN OF MCCORDSVILLE, INDIANA  
APPROVED: JULY 16, 1997**

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission (“the Commission”) set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks’ ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit’s territory.
- g. Notice to Unit’s Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit’s Advisory Board Member of any proposed water main extension within Unit’s territory. The Unit’s Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks’ Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property

used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to the lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of Morgan County, Indiana.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Morgan County, Indiana

By: *Sumner S. Neff*  
Executive

Date: 2/15/02

Attest: *Brenda Adams*

## ATTACHMENTS – FRANCHISE PERMITS

### MORGAN COUNTY, INDIANA

- IN THE MATTER OF THE PETITION OF IWC MORGAN WATER CORPORATION and EASTERN MORGAN COUNTY RURAL WATER COMPANY, INC. FOR APPROVAL OF THE TRANSFER OF THE EASTERN MORGAN COUNTY RURAL WATER COMPANY FRANCHISE, WORKS AND SYSTEM TO IWC MORGAN WATER CORPORATION AND CONTINUATION OF THE RATES OF EASTERN MORGAN COUNTY RURAL WATER COMPANY NOW IN EFFECT  
BEFORE: INDIANA UTILITY REGULATORY COMMISSION  
CAUSE NO.: 41450  
APPROVED: JULY 1, 1999
- IN THE MATTER OF THE PETITION OF INDIANAPOLIS WATER COMPANY FOR (1) A DETERMINATION THAT PUBLIC NECESSITY AND CONVENIENCE REQUIRE INDIANAPOLIS WATER COMPANY TO PROVIDE WATER UTILITY SERVICE TO THE PUBLIC LOCATED OUTSIDE THE CORPORATE LIMITS OF CITIES AND TOWNS IN AREAS OF MORGAN COUNTY, INDIANA, AND (2) THE CONSENT OF THE COMMISSION TO THE BOARD OF COMMISSIONERS OF MORGAN COUNTY GRANTING TO INDIANAPOLIS WATER COMPANY A LICENSE, FRANCHISE AND PERMIT TO USE THE ROADS, HIGHWAYS AND OTHER PROPERTY OF MORGAN COUNTY, INDIANA, FOR WATER UTILITY PURPOSES.  
BEFORE: INDIANA UTILITY REGULATORY COMMISSION  
CAUSE NO.: 40403  
APPROVED: MAY 8, 1996
- IN THE MATTER OF THE PETITION OF INDIANAPOLIS WATER COMPANY FOR A LICENSE, PERMIT AND FRANCHISE TO ERECT, CONSTRUCT, INSTALL, RECONSTRUCT, RENEW, OPERATE, MAINTAIN, PATROL, REPAIR AND REPLACE, IF NECESSARY, WATER MAINS AND APPURTENANCES THERETO IN, UNDER, UPON, OVER AND ACROSS ALL ROADS, HIGHWAYS AND OTHER PROPERTY OF THE COUNTY LOCATED OUTSIDE THE CORPORATE LIMITS OF INCORPORATED CITIES AND TOWNS IN MORGAN COUNTY, INDIANA  
BEFORE: BOARD OF COMMISSIONERS OF MORGAN COUNTY, INDIANA  
APPROVED: APRIL 15, 1996

ATTACHMENTS – FRANCHISE PERMITS (Continued)

MORGAN COUNTY, INDIANA

• IN THE MATTER OF THE PETITION OF EASTERN MORGAN COUNTY RURAL WATER COMPANY, INC. FOR (1) AUTHORITY TO CONTRACT A NEW RURAL WATER UTILITY TO SERVE MEMBER-CUSTOMERS IN BROWN, GREEN, HARRISON, JACKSON, AND MADISON TOWNSHIPS IN MORGAN COUNTY AND FINANCE SAID CONSTRUCTION BY EXECUTING AND DELIVERING A SERIES OF PROMISSORY NOTES AND MORTGAGES AND (2) FOR APPROVAL OF A SCHEDULE OF RATES AND CHARGES FOR WATER SERVICE. BEFORE: INDIANA UTILITY REGULATORY COMMISSION CAUSE NO.: 39598 APPROVED: FEBRUARY 15, 1995

• IN THE MATTER OF THE PETITION OF INDIANAPOLIS WATER COMPANY FOR (1) AN INDETERMINATE PERMIT TO OWN, OPERATE, MANAGE, LEASE AND CONTROL PLANT AND EQUIPMENT FOR THE TRANSMISSION AND DELIVERY OF WATER UTILITY SERVICE TO OR FOR THE PUBLIC IN CERTAIN AREAS OUTSIDE THE CORPORATE LIMITS OF CITIES AND TOWNS IN MORGAN COUNTY, INDIANA; (2) THE CONSENT OF THE COMMISSION TO THE GRANT BY MORGAN COUNTY OF A LICENSE, PERMIT, OR FRANCHISE FOR THE USE OF THE ROADS, HIGHWAYS AND OTHER PUBLIC AREAS OF THE COUNTY FOR WATER UTILITY PURPOSES; AND (3) A DETERMINATION THAT PUBLIC NECESSITY AND CONVENIENCE REQUIRE SUCH SERVICE. BEFORE: INDIANA UTILITY REGULATORY COMMISSION CAUSE NO. 39909 APPROVED: JUNE 8, 1994

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks

retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the Town of New Palestine.

• Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Town of New Palestine

By: Richard M. Shank  
Executive

Date: 02/20/2004

Attest: Susan K. Morris

**ATTACHMENT – FRANCHISE PERMIT**

**TOWN OF NEW PALESTINE, INDIANA**

- **IN THE MATTER OF THE PETITION OF  
INDIANAPOLIS WATER COMPANY  
FOR A LICENSE, PERMIT AND FRANCHISE  
TO ERECT, CONSTRUCT, INSTALL, RECONSTRUCT,  
RENEW, MAINTAIN, PATROL, REPAIR AND  
REPLACE, IF NECESSARY, WATER MAINS  
AND APPURTENANCES THERETO IN, UNDER,  
UPON, OVER AND ACROSS ALL ALLEYS ROADS, STREETS,  
HIGHWAYS AND OTHER PUBLIC PROPERTY AND PLACES  
WITHIN THE TOWN OF NEW PALESTINE, INDIANA AND TO  
RENDER PUBLIC WATER UTILITY SERVICES FROM SUCH  
FACILITIES WITHIN THE TOWN OF NEW PALESTINE**

**BEFORE: TOWN COUNCIL TOWN OF NEW PALESTINE, INDIANA  
APPROVED: OCTOBER 15, 1997**

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

- I. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. Waterworks may not withdraw from the jurisdiction of the Indiana Utility Regulatory Commission over its rates and provision of services unless approval to do so is given by a two-thirds majority of the Advisory Board. It is not anticipated that Waterworks will ever levy a tax and, in any event, no such tax shall be levied without approval by a two-thirds majority of the Advisory Board. The Advisory Board also may recommend that Waterworks dispose of certain system assets within a Unit's territory to a Unit. If Waterworks should fail to provide adequate water supply or distribution system expansion within a Unit's territory comparable to the historical growth experience for that Unit over the immediately preceding ten years, or otherwise upon Waterworks' desire to dispose of system assets within a Unit's territory, then Waterworks shall negotiate in good faith with the Unit for the purchase of the assets and take into account, among other things, the fair market value of the applicable assets as part of an integrated water-utility system, the cost of separating the assets from the existing system, including but not limited to any replacement costs, and the overall impact the disposal may have on the financial condition of Waterworks. If agreement cannot be reached on the price for such system assets, then the issue of price shall be resolved through binding arbitration before a three-judge panel. Each side shall select one judge with the third judge selected by the other two judges. The Advisory Board also has the power to retain an accountant, engineering consultant, and attorney for a reasonable annual fixed fee not to exceed \$150,000 in total per year unless otherwise increased by the Board of Directors of Waterworks.

d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting. The

Advisory Board may attend all meetings of the Board of Directors of Waterworks.

- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution. However, for votes under paragraphs 1.c., 2.b., and 2.h., provided for herein, all members of the Advisory Board must be present.

2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to city-county general ordinance 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.
- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks shall be subject to the jurisdiction of the Indiana Utility Regulatory Commission ("the Commission") to the fullest extent and will not utilize any current or future statutory framework to withdraw from or otherwise eliminate the Commission's jurisdiction without a two-thirds majority vote of the Advisory Board. In addition, Waterworks agrees to comply with the regulations set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5 unless authorized to do otherwise by a two-thirds majority vote of the Advisory Board.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.

- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, as long as payments in lieu of taxes may be legally paid by a public utility in the State of Indiana.
- f. Rates and Provision of Service. For a period of five (5) years following the Effective Date, Waterworks will not file a rate petition with the Commission seeking a rate increase or otherwise implement a rate increase for customers served by Waterworks within the Unit. However, Waterworks may, within that five-year period, seek emergency rate relief – for example, rate increases resulting from the need to ameliorate public-health concerns – if warranted. Those Units which are currently subject to the same Water Company retail water rate tariffs as are customers within Indianapolis shall never be charged retail rates by Waterworks higher than those charged by Waterworks to retail customers within Indianapolis. Waterworks shall treat all Units with substantial similarity in a nondiscriminatory fashion, particularly in offering preferential rates and/or extension of services for economic development purposes.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any water main extension proposed by the Waterworks within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Regional Water Authority Study. Waterworks agrees to commission a feasibility study to consider the establishment of a regional water authority for the purpose of acquiring, improving, operating, maintaining, financing, and generally providing of public water utility and related water production, delivery, storage, distribution, and supply services throughout central Indiana. The study will be completed within three years from the Effective Date, and presented to the Advisory Board for its recommendation. If the Advisory Board determines by two-thirds vote that a regional water authority is in the best interest of the public, Waterworks will hold a public hearing and consider whether it should encourage the Indiana General Assembly to create the appropriate statutory framework for the establishment and operation of a regional water authority. Waterworks will refrain from encouraging the Indiana General Assembly to create a statutory framework for a regional water authority in the absence of a best interest determination by the Advisory Board and will not otherwise implement or participate in such a regional water utility.

- i. Reservoirs Operation. Waterworks shall continue to operate Morse and Geist Reservoirs (collectively "the Reservoirs"), and attendant releases from these water sources, consistent with past water-utility practices of Water Company based on plans and specifications maintained by Water Company on or before the Effective Date. Drawdown of the Reservoirs will be predicated on a water-supply operation plan that responds to period of low precipitation and/or reduced stream flow and increased daily water demands by Waterworks' customers. Waterworks will continue to utilize a coordinated reservoir operations approach that considers on-going water-supply conditions within the watersheds of the Reservoirs, as well as the watershed of Eagle Creek Reservoir. The operator of Waterworks will provide summary annual reports on reservoir releases and operations to the Advisory Board and the Waterworks Board of Directors.
- j. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement subject to the Units' rights to acquire property in l.c. above.

### 3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid

provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.

f. Further Assurance. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.

g. Approvals:

i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the Mayor of the City of Noblesville.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

City of Noblesville, Indiana

By: Dennis R. Redick  
Dennis R. Redick, Mayor

Date: 2-26-02

Attest: Janet Jaros  
Janet Jaros, Clerk-Treasurer

ATTACHMENTS – FRANCHISE PERMIT

CITY OF NOBLESVILLE, INDIANA

IN THE MATTER OF THE JOINT  
PETITION OF HARBOUR WATER  
COMPANY, INC. TO EXTEND THE  
TERRITORY WITHIN HAMILTON  
COUNTY, INDIANA, IN WHICH IT IS  
AUTHORIZED TO ENGAGE IN THE  
PRODUCTION, TRANSMISSION, DELIVERY,  
DISTRIBUTION, SUPPLYING, FURNISHING  
AND SALE OF WATER UTILITY SERVICE.

BEFORE: INDIANA UTILITY REGULATORY COMMISSION  
CAUSE NO.: 37326  
APPROVED: FEBRUARY 3, 1984

IN THE MATTER OF PETITION  
OF HARBOUR WATER COMPANY, INC.  
FOR A DETERMINATION OF PUBLIC  
CONVENIENCE AND NECESSITY TO ENGAGE  
IN WATER UTILITY SERVICE WITHIN AN  
AREA OF HAMILTON COUNTY, INDIANA.

BEFORE: PUBLIC SERVICE COMMISSION OF INDIANA  
CAUSE NO. 35305  
APPROVED: JUNE 21, 1978

**Intergovernmental Agreement**

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), the parties agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana; and

Whereas, at the time of closing of a certain Asset Purchase Agreement among the City of Indianapolis, NiSource Inc., and Water Company (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout parts of central Indiana; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. **Administration of this Agreement.** The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. **Joint Advisory Board.** To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. **Unit Appointment.** If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed

for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date.
- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.

- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory and/or for wholesale sale of water to Unit.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. Upon the expiration of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no

longer subject to the lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.

- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.
  - ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date.

Consolidated City of Indianapolis Department of Waterworks

By: John M. Mutz  
Chairman, Board of Directors

Date: 2-21-02

Town of Pittsboro

SSS  
By: STEVEN P. SHIRLEY  
Printed

Date: 2-12-02

[Signature]  
Printed GEORGE CLEMENS

Date: 02-12-02

Terry C. Mitchell Jr.  
TERRY C. MITCHELL JR.  
Printed

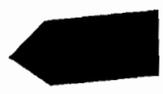
Date: 2-12-02

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Date: \_\_\_\_\_

\_\_\_\_\_  
Printed

Date: \_\_\_\_\_



## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks

retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the City of Southport.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

City of Southport

By: *Marionette Lungt - Mayor*  
Executive

Date: *2-22-02*

Attest: \_\_\_\_\_

**ATTACHMENT – FRANCHISE PERMITS  
CITY OF SOUTHPORT, INDIANA**

**NONE**-----

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. The Advisory Board has the power to retain an engineering consultant for a reasonable annual fixed fee. The amount of the fixed fee must be submitted in writing to Waterworks during Waterworks' budgeting process for the applicable fiscal year.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting.
- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to City-County general ordinance no. 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise

Permits will include the provision of Water Services to Customers within Unit's territory.

- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks agrees to comply with the regulations of the Indiana Utility Regulatory Commission ("the Commission") set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5. All rates and charges of Waterworks shall be authorized, to the extent permitted or required by law, by the Commission or its successor regulatory agencies.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.
- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, subject, however to Waterworks' ability to include such payments in its rates. Waterworks agrees to include the payments in lieu of taxes as a cost of services in any and all rate proceedings before the Commission.
- f. Rates. For a period of five (5) years following the Effective Date, Waterworks will use best efforts not to file a rate petition with the Commission seeking a rate increase within Unit's territory.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any proposed water main extension within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks

retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement.

3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.
- f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.
- g. Approvals:
  - i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of the Town of Zionsville, Indiana.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Town of Zionsville, Indiana

By: Pat Anne  
Executive

Date: MARCH 4, 2002

Attest: Beverly Harris

ATTACHMENT – FRANCHISE PERMIT

TOWN OF ZIONSVILLE, INDIANA

• IN THE MATTER OF THE PETITION OF  
INDIANAPOLIS WATER COMPANY AND ZIONSVILLE  
WATER COMPANY FOR A LICENSE, PERMIT AND  
FRANCHISE TO ERECT, CONSTRUCT, INSTALL,  
RECONSTRUCT, RENEW, OPERATE, MAINTAIN, PATROL,  
REPAIR AND REPLACE, IF NECESSARY, WATER MAINS  
AND APPURTENANCES THERETO IN, UNDER,  
UPON, OVER AND ACROSS ALL ALLEYS, ROADS, STREETS,  
HIGHWAYS AND OTHER PUBLIC PROPERTY AND PLACES  
WITHIN THE TOWN OF ZIONSVILLE, INDIANA AND TO  
RENDER PUBLIC WATER UTILITY SERVICES FROM SUCH  
FACILITIES WITHIN THE TOWN OF ZIONSVILLE.

BEFORE: BOARD OF TRUSTEE OF TOWN OF ZIONSVILLE, INDIANA  
APPROVED: MARCH 3, 1986

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. Waterworks may not withdraw from the jurisdiction of the Indiana Utility Regulatory Commission over its rates and provision of services unless approval to do so is given by a two-thirds majority of the Advisory Board. It is not anticipated that Waterworks will ever levy a tax and, in any event, no such tax shall be levied without approval by a two-thirds majority of the Advisory Board. The Advisory Board also may recommend that Waterworks dispose of certain system assets within a Unit's territory to a Unit. If Waterworks should fail to provide adequate water supply or distribution system expansion within a Unit's territory comparable to the historical growth experience for that Unit over the immediately preceding ten years, or otherwise upon Waterworks' desire to dispose of system assets within a Unit's territory, then Waterworks shall negotiate in good faith with the Unit for the purchase of the assets and take into account, among other things, the fair market value of the applicable assets as part of an integrated water-utility system, the cost of separating the assets from the existing system, including but not limited to any replacement costs, and the overall impact the disposal may have on the financial condition of Waterworks. If agreement cannot be reached on the price for such system assets, then the issue of price shall be resolved through binding arbitration before a three-judge panel. Each side shall select one judge with the third judge selected by the other two judges. The Advisory Board also has the power to retain an accountant, engineering consultant, and attorney for a reasonable annual fixed fee not to exceed \$150,000 in total per year unless otherwise increased by the Board of Directors of Waterworks.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting. The

Advisory Board may attend all meetings of the Board of Directors of Waterworks.

- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution. However, for votes under paragraphs 1.c., 2.b., and 2.h., provided for herein, all members of the Advisory Board must be present.

2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to city-county general ordinance 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.
- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks shall be subject to the jurisdiction of the Indiana Utility Regulatory Commission ("the Commission") to the fullest extent and will not utilize any current or future statutory framework to withdraw from or otherwise eliminate the Commission's jurisdiction without a two-thirds majority vote of the Advisory Board. In addition, Waterworks agrees to comply with the regulations set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5 unless authorized to do otherwise by a two-thirds majority vote of the Advisory Board.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.

- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, as long as payments in lieu of taxes may be legally paid by a public utility in the State of Indiana.
- f. Rates and Provision of Service. For a period of five (5) years following the Effective Date, Waterworks will not file a rate petition with the Commission seeking a rate increase or otherwise implement a rate increase for customers served by Waterworks within the Unit. However, Waterworks may, within that five-year period, seek emergency rate relief – for example, rate increases resulting from the need to ameliorate public-health concerns – if warranted. Those Units which are currently subject to the same Water Company retail water rate tariffs as are customers within Indianapolis shall never be charged retail rates by Waterworks higher than those charged by Waterworks to retail customers within Indianapolis. Waterworks shall treat all Units with substantial similarity in a nondiscriminatory fashion, particularly in offering preferential rates and/or extension of services for economic development purposes.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any water main extension proposed by the Waterworks within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Regional Water Authority Study. Waterworks agrees to commission a feasibility study to consider the establishment of a regional water authority for the purpose of acquiring, improving, operating, maintaining, financing, and generally providing of public water utility and related water production, delivery, storage, distribution, and supply services throughout central Indiana. The study will be completed within three years from the Effective Date, and presented to the Advisory Board for its recommendation. If the Advisory Board determines by two-thirds vote that a regional water authority is in the best interest of the public, Waterworks will hold a public hearing and consider whether it should encourage the Indiana General Assembly to create the appropriate statutory framework for the establishment and operation of a regional water authority. Waterworks will refrain from encouraging the Indiana General Assembly to create a statutory framework for a regional water authority in the absence of a best interest determination by the Advisory Board and will not otherwise implement or participate in such a regional water utility.

- i. Reservoirs Operation. Waterworks shall continue to operate Morse and Geist Reservoirs (collectively "the Reservoirs"), and attendant releases from these water sources, consistent with past water-utility practices of Water Company based on plans and specifications maintained by Water Company on or before the Effective Date. Drawdown of the Reservoirs will be predicated on a water-supply operation plan that responds to period of low precipitation and/or reduced stream flow and increased daily water demands by Waterworks' customers. Waterworks will continue to utilize a coordinated reservoir operations approach that considers on-going water-supply conditions within the watersheds of the Reservoirs, as well as the watershed of Eagle Creek Reservoir. The operator of Waterworks will provide summary annual reports on reservoir releases and operations to the Advisory Board and the Waterworks Board of Directors.
- j. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement subject to the Units' rights to acquire property in 1.c. above.

### 3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid

provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.

f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.

g. Approvals:

i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of Boone County, Indiana.

Consolidated City of Indianapolis Department of Waterworks

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Boone County, Indiana

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

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

ATTACHMENT – FRANCHISE PERMIT

BOONE COUNTY, INDIANA

• IN THE MATTER OF THE PETITION OF INDIANAPOLIS WATER COMPANY FOR A LICENSE, PERMIT AND FRANCHISE TO ERECT, CONSTRUCT, INSTALL, RECONSTRUCT, RENEW, OPERATE, MAINTAIN, PATROL, REPAIR AND REPLACE, IF NECESSARY, WATER MAINS AND APPURTENANCES THERETO IN, UNDER, UPON, OVER AND ACROSS ALL ROADS, HIGHWAYS AND OTHER PROPERTY OF BOONE COUNTY, INDIANA LOCATED OUTSIDE THE CORPORATE LIMITS OF INCORPORATED CITIES AND TOWNS.

BEFORE: BOARD OF COMMISSIONERS OF BOONE COUNTY  
APPROVED: DECEMBER 30, 1988

\* IN THE MATTER OF THE PETITION OF THE INDIANAPOLIS WATER COMPANY FOR (1) A DETERMINATION THAT PUBLIC NECESSITY AND CONVENIENCE REQUIRE INDIANAPOLIS WATER COMPANY TO PROVIDE WATER UTILITY SERVICE TO THE PUBLIC LOCATED OUTSIDE THE CORPORATE LIMITS OF CITIES AND TOWNS IN BOONE COUNTY, INDIANA, AND (2) THE CONSENT OF THE COMMISSION TO THE BOARD OF COMMISSIONERS OF BOONE COUNTY GRANTING INDIANAPOLIS WATER COMPANY A LICENSE, FRANCHISE AND PERMIT TO USE THE ROADS, HIGHWAYS AND OTHER PROPERTY OF BOONE COUNTY, INDIANA, FOR WATER UTILITY PURPOSES.

BEFORE: INDIANA UTILITY REGULATORY COMMISSION  
APPROVED: NOVEMBER 30, 1988

• IN THE MATTER OF THE PETITION OF INDIANAPOLIS WATER COMPANY AND ZIONSVILLE WATER CORPORATION FOR A LICENSE, PERMIT AND FRANCHISE TO ERECT, CONSTRUCT, INSTALL, RECONSTRUCT, RENEW, OPERATE, MAINTAIN, PATROL, REPAIR AND REPLACE, IF NECESSARY, WATER MAINS AND APPURTENANCES THERETO IN, UNDER, UPON, OVER AND ACROSS ALL ROADS, HIGHWAYS AND OTHER PROPERTY OF THE COUNTY LOCATED OUTSIDE THE CORPORATE LIMITS OF INCORPORATED CITIES AND TOWNS IN A PORTION OF BOONE COUNTY, INDIANA.

BEFORE: BOARD OF COMMISSIONERS OF BOONE COUNTY  
APPROVED: JULY 8, 1986

\* IN THE MATTER OF THE PETITION OF  
THE INDIANAPOLIS WATER COMPANY AND  
ZIONSVILLE WATER CORPORATION  
FOR (1) A DETERMINATION THAT PUBLIC  
NECESSITY AND CONVENIENCE REQUIRE  
INDIANAPOLIS WATER COMPANY AND  
ZIONSVILLE WATER CORPORATION TO PROVIDE  
WATER UTILITY SERVICE TO THE PUBLIC  
LOCATED IN CERTAIN AREAS OF  
OF CITIES AND TOWNS IN BOONE COUNTY,  
INDIANA, AND (2) THE CONSENT OF THE COMMISSION  
TO THE BOARD OF COMMISSIONERS OF BOONE  
COUNTY GRANTING INDIANAPOLIS WATER  
COMPANY AND ZIONSVILLE WATER CORPORATION  
A LICENSE, FRANCHISE AND PERMIT TO THEM  
TO USE THE ROADS, HIGHWAYS AND OTHER  
PROPERTY OF BOONE COUNTY, INDIANA, IN  
CERTAIN AREAS FOR WATER UTILITY PURPOSES.

BEFORE: INDIANA UTILITY REGULATORY COMMISSION  
APPROVED: FEBRUARY 26, 1986

## Intergovernmental Agreement

BY THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement"), entered into by the county or municipality listed on the signature line below ("Unit") and the Consolidated City of Indianapolis Department of Waterworks ("Waterworks"), agree as follows:

Whereas, the water utilities of IWC Resources, Inc. ("Water Company") provide public water utility and related water production, transmission, delivery, storage, distribution, and supply services ("Water Services") throughout central Indiana, including services rendered within Unit's territory; and

Whereas, on the effective date (the "Effective Date"), Waterworks will acquire substantially all of the assets and properties of the Water Company including the right and obligation to provide Water Services to residential, commercial, industrial, municipal and other customers ("Customers") located throughout central Indiana, which includes Customers located within Unit's territory; and

Whereas, the parties make this Agreement for the purpose of providing the terms and conditions of their mutual commitment to cooperation in the provision of Water Services within Unit's territory; and

Whereas, Waterworks intends to enter into agreements regarding Water Services with other counties and municipalities located throughout central Indiana ("Other Units" and, together with Unit, "Units") on terms substantially similar to this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Administration of this Agreement. The parties acknowledge and agree that mutual cooperation is important for the effective and efficient administration of this Agreement.
  - a. Joint Advisory Board. To promote cooperation in the administration of this Agreement, there will be established a joint advisory board (the "Advisory Board") whose members will include a representative from Waterworks and from each of the Units electing to appoint a member to the Advisory Board.
  - b. Unit Appointment. If Unit so elects, then it will appoint one member to the Advisory Board. Unit's Advisory Board member serves at the pleasure of

Unit for a term of one year ending on December thirty-first, and until his or her successor is appointed and qualified. Unit's member may be reappointed for successive terms. The chair shall be selected annually by a majority of the members of the Advisory Board.

- c. Advisory Board Powers. The Advisory Board has the power to furnish recommendations to the Board of Directors of Waterworks with respect to any of the powers and duties the Waterworks' Board may exercise and perform including, but not limited to, recommendations concerning service, utility service agreements, rates, water quality, system expansion, bonding, and management. Waterworks may not withdraw from the jurisdiction of the Indiana Utility Regulatory Commission over its rates and provision of services unless approval to do so is given by a two-thirds majority of the Advisory Board. It is not anticipated that Waterworks will ever levy a tax and, in any event, no such tax shall be levied without approval by a two-thirds majority of the Advisory Board. The Advisory Board also may recommend that Waterworks dispose of certain system assets within a Unit's territory to a Unit. If Waterworks should fail to provide adequate water supply or distribution system expansion within a Unit's territory comparable to the historical growth experience for that Unit over the immediately preceding ten years, or otherwise upon Waterworks' desire to dispose of system assets within a Unit's territory, then Waterworks shall negotiate in good faith with the Unit for the purchase of the assets and take into account, among other things, the fair market value of the applicable assets as part of an integrated water-utility system, the cost of separating the assets from the existing system, including but not limited to any replacement costs, and the overall impact the disposal may have on the financial condition of Waterworks. If agreement cannot be reached on the price for such system assets, then the issue of price shall be resolved through binding arbitration before a three-judge panel. Each side shall select one judge with the third judge selected by the other two judges. The Advisory Board also has the power to retain an accountant, engineering consultant, and attorney for a reasonable annual fixed fee not to exceed \$150,000 in total per year unless otherwise increased by the Board of Directors of Waterworks.
- d. Meetings. The Advisory Board may hold meetings at times and places prescribed by its rules or established by resolution. No notice to members is required for holding, or taking any action at, a regularly scheduled meeting. A special meeting of the Advisory Board may be called by the chairperson or by a majority of its members at any place in the Waterworks' jurisdiction as designated in the call. Each member shall be notified of the time and place of a special meeting by written notice delivered at least forty-eight (48) hours in advance of the meeting. The notice requirement may be waived as to a member who attends the meeting, or who executes a written waiver of notice either before or after the meeting. Unless considered unnecessary by the Advisory Board, a representative of Waterworks' operator will attend each meeting. The

Advisory Board may attend all meetings of the Board of Directors of Waterworks.

- e. Quorum and Voting. A majority of the total number of members shall constitute a quorum of the Advisory Board. A quorum is required for official Advisory Board action and the Advisory Board shall act by resolution and a majority vote of the quorum is required to pass a resolution. However, for votes under paragraphs 1.c., 2.b., and 2.h., provided for herein, all members of the Advisory Board must be present.

## 2. Waterworks Responsibilities.

- a. Water Services. On the Effective Date, the Water Company will assign and Waterworks will assume, as authorized by and subject to city-county general ordinance 112, 2001, all of the Water Company's rights, powers, privileges, and obligations under one or more franchise permits and/or similar agreements that are attached hereto and incorporated into this Agreement by this reference (collectively, the "Franchise Permits"). Accordingly, Unit hereby consents, approves and permits such assignment by the Water Company and assumption by Waterworks as of the Effective Date. Waterworks' responsibilities under this Agreement and under the Franchise Permits will include the provision of Water Services to Customers within Unit's territory.
- b. Indiana Utility Regulatory Commission Jurisdiction. Waterworks shall be subject to the jurisdiction of the Indiana Utility Regulatory Commission ("the Commission") to the fullest extent and will not utilize any current or future statutory framework to withdraw from or otherwise eliminate the Commission's jurisdiction without a two-thirds majority vote of the Advisory Board. In addition, Waterworks agrees to comply with the regulations set forth in 170 I.A.C. 6-1 and 170 I.A.C. 6-1.5 unless authorized to do otherwise by a two-thirds majority vote of the Advisory Board.
- c. Financing, Staffing, Budgeting. The financing, staffing, and supplying of Water Services and the establishing and maintaining of a budget for Waterworks shall be determined by the Board of Directors of Waterworks.
- d. Supervision of Funds. The City Controller, as the chief fiscal officer to Waterworks, shall be responsible for receiving, disbursing, and accounting for all monies of Waterworks. All monies received from the operation of Waterworks, or received from the disposal of any assets or operation rights thereof, shall be used only for the operation, maintenance, extension, financing, acquisition of professional or expert personnel, payment in lieu of taxes, or as otherwise specifically directed by the Board of Directors of Waterworks for the provision of Water Services.

- e. Payments in Lieu of Taxes. Waterworks shall make payments to compensate all units within the territory of Unit for taxes that would have been due on its utility property were it privately owned, as long as payments in lieu of taxes may be legally paid by a public utility in the State of Indiana.
- f. Rates and Provision of Service. For a period of five (5) years following the Effective Date, Waterworks will not file a rate petition with the Commission seeking a rate increase or otherwise implement a rate increase for customers served by Waterworks within the Unit. However, Waterworks may, within that five-year period, seek emergency rate relief – for example, rate increases resulting from the need to ameliorate public-health concerns – if warranted. Those Units which are currently subject to the same Water Company retail water rate tariffs as are customers within Indianapolis shall never be charged retail rates by Waterworks higher than those charged by Waterworks to retail customers within Indianapolis. Waterworks shall treat all Units with substantial similarity in a nondiscriminatory fashion, particularly in offering preferential rates and/or extension of services for economic development purposes.
- g. Notice to Unit's Advisory Board Member. Waterworks will provide adequate and reasonable notice to Unit's Advisory Board Member of any water main extension proposed by the Waterworks within Unit's territory. The Unit's Advisory Board Member may, within 15 days, direct the Secretary-Treasurer of Waterworks' Board of Directors to enter the proposed water main extension as an item on the agenda of the next regularly scheduled meeting of the Board. At the Board meeting the proposed water main extension will be subject to public discussion and Board consideration.
- h. Regional Water Authority Study. Waterworks agrees to commission a feasibility study to consider the establishment of a regional water authority for the purpose of acquiring, improving, operating, maintaining, financing, and generally providing of public water utility and related water production, delivery, storage, distribution, and supply services throughout central Indiana. The study will be completed within three years from the Effective Date, and presented to the Advisory Board for its recommendation. If the Advisory Board determines by two-thirds vote that a regional water authority is in the best interest of the public, Waterworks will hold a public hearing and consider whether it should encourage the Indiana General Assembly to create the appropriate statutory framework for the establishment and operation of a regional water authority. Waterworks will refrain from encouraging the Indiana General Assembly to create a statutory framework for a regional water authority in the absence of a best interest determination by the Advisory Board and will not otherwise implement or participate in such a regional water utility.

- i. Reservoirs Operation. Waterworks shall continue to operate Morse and Geist Reservoirs (collectively "the Reservoirs"), and attendant releases from these water sources, consistent with past water-utility practices of Water Company based on plans and specifications maintained by Water Company on or before the Effective Date. Drawdown of the Reservoirs will be predicated on a water-supply operation plan that responds to period of low precipitation and/or reduced stream flow and increased daily water demands by Waterworks' customers. Waterworks will continue to utilize a coordinated reservoir operations approach that considers on-going water-supply conditions within the watersheds of the Reservoirs, as well as the watershed of Eagle Creek Reservoir. The operator of Waterworks will provide summary annual reports on reservoir releases and operations to the Advisory Board and the Waterworks Board of Directors.
- j. Waterworks Property. In the event of termination of this Agreement, Waterworks retains all right, title and interest in the assets and real and personal property of the Water Company that Waterworks acquires as of the Effective Date and in any and all additions thereto. Further, Waterworks retains the right to acquire, hold, and dispose of real and personal property used and useful in the provision of Water Services in connection with this Agreement subject to the Units' rights to acquire property in 1.c. above.

### 3. Miscellaneous.

- a. Duration. This Agreement is effective as of the Effective Date and shall be in force and effect until the later of: (a) the Waterworks' Bonds are no longer outstanding; (b) Waterworks assets within the Unit's territorial limits are no longer subject to any lien established by the Waterworks' Bonds; or (c) the expiration without renewal or extension of all of the Franchise Permits.
- b. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together and, together with substantially similar agreements of Waterworks and the Other Units, will constitute one and the same instrument.
- c. No Effect on Unit's Ability. This Agreement is not intended to, and does not, impinge upon the ability of the Unit to exercise any statutory right it may have to establish a department of waterworks and own a water utility.
- d. Restriction of Waterworks' Annexation Rights. The provision or the extension of water utility service by Waterworks shall not be utilized to annex property within the territory of the Unit.
- e. Severability. Should any provision (section, paragraph, sentence, clause, or any other portion) of this Agreement be declared by a court of competent jurisdiction to be invalid for any reason, the remaining provision or provisions shall not be affected, if and only if such remaining provisions can, without the invalid

provision or provisions, be given the effect intended by the parties in entering into this Agreement. To this end, the provisions of this Agreement are severable.

f. Further Assurances. The parties will cooperate with each other and will execute and deliver, or cause to be delivered, all such other documents and instruments, and will take all such other actions, as the other party hereto may reasonably request from time to time to carry out the intent of the provisions and purposes of this Agreement.

g. Approvals:

i. Approval of the Commission. On or before the Effective Date, Waterworks will submit this Agreement to the Commission for approval in connection with the Commission's approval of the Settlement, IURC Cause Number 41821.

ii. Party Approvals. This Agreement shall be in full force and effect as of the Effective Date when approved by the Chairman of the Board of Directors of the Consolidated City of Indianapolis Department of Waterworks and the executive of Town of Fishers, Indiana.

**Consolidated City of Indianapolis Department of Waterworks**

By: \_\_\_\_\_  
Chairman, Board of Directors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

**Town of Fishers, Indiana**

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

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

**ATTACHMENT – FRANCHISE PERMIT**

**TOWN OF FISHERS, INDIANA**

- **IN THE MATTER OF THE PETITION OF  
INDIANAPOLIS WATER COMPANY  
FOR A FRANCHISE- PERMIT  
TO LAY, INSTALL, MAINTAIN, REPAIR AND  
REPLACE AND OPERATE ITS PIPELINES, WATER  
MAINS, CONDUITS AND APPURTENANCES IN  
AND THROUGH TOWN STREETS AND PROPERTY  
IN THE TOWN OF FISHERS, INDIANA.**

**BEFORE: BOARD OF TRUSTEES, TOWN OF FISHERS, INDIANA  
APPROVED: OCTOBER 1, 1973**

~~ORIGINAL COVER PAGE~~

~~DEPARTMENT OF  
WATERWORKS  
OF THE  
CONSOLIDATED CITY OF  
INDIANAPOLIS  
City County Building~~

~~200 East Washington~~

---

**WATER SERVICE TARIFF**  
**RATES, TERMS AND CONDITIONS**  
**FOR WATER SERVICE WITHIN**  
**MARION COUNTY, INDIANA**

**Issued By The**

**Department of Public Utilities for**  
**The City of Indianapolis, acting by**  
**and through The Board of Directors for Utilities,**  
**as Trustee, in furtherance of a Public Charitable Trust for**  
**the Water System d/b/a Citizens Waterworks**  
**2020 North Meridian Street**  
**Indianapolis, Indiana 4620446202**

~~Telephone: (317) 324-4055~~

**RULES**

~~INDIANAPOLIS DEPARTMENT OF WATERWORKS~~

~~ORIGINAL PAGE 1~~

~~Martha D. Lamkin  
President of  
Board of Directors~~

~~Carey B. Lykins  
President, and  
Chief Executive Officer~~

|

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 1

<u>TABLE OF CONTENTS</u>	<u>PAGE NO.</u>
<u>PAGE</u>	
<u>APPLICATION</u> .....	<u>5</u>
<u>DEFINITIONS</u> .....	<u>5</u> ..... <u>6</u>

**RULE 1. COMMENCEMENT OF SERVICE**

<del>(A)</del> <u>General</u> .....	<u>8</u>
<del>(B)</del>	
<u>1.1 General</u> .....	<u>9</u>
<u>1.2 Metered Domestic and Fire Service</u> .....	<u>8</u> ..... <u>9</u>
<del>(C)</del> <u>1.3 Unmetered Fire Service</u> .....	<u>8</u> ..... <u>9</u>
<del>(D)</del> <u>1.4 Emergency Service</u> .....	<u>8</u> ..... <u>9</u>
<del>(E)</del> <u>1.5 Unauthorized Use of Water</u> .....	<u>8</u> ..... <u>9</u>

**RULE 2. CUSTOMER SECURITY DEPOSITS**

<del>(A)</del>	
<u>2.1 Deposit Requirements</u> .....	<u>9</u> ..... <u>10</u>
<del>(B)</del> <u>2.2 Interest on Deposits</u> .....	<u>9</u> ..... <u>10</u>
<del>(C)</del> <u>Records and Receipts</u> .....	<u>9</u>
<del>(D)</del> <u>2.3 Refunds of Deposits to Continuing Customer</u> .....	<u>9</u> ..... <u>10</u>
<del>(E)</del> <u>2.4 Refunds Upon Disconnection</u> .....	<u>10</u> ..... <u>10</u>
<del>(F)</del> <u>Unclaimed Deposits</u> .....	<u>10</u>

**RULE 3. METER READINGS AND BILLINGS**

<del>(A)</del>	
<u>3.1 Billings, Meter Readings and Estimates</u> .....	<u>11</u> ..... <u>10</u>
<del>(B)</del> <u>3.2 Adjustments Following Estimated Bills</u> .....	<u>11</u> ..... <u>11</u>
<del>(C)</del> <u>3.3 More Frequent and Requested Readings</u> .....	<u>11</u>
<del>(D)</del> <u>Delinquent Bills</u> .....	<u>12</u>
<del>(E)</del> <u>3.4 Delinquent Bills</u> .....	<u>11</u>
<u>3.5 Charges Follow Customer</u> .....	<u>12</u> ..... <u>11</u>
<del>(F)</del> <u>3.6 Remote Meter Reading Service</u> .....	<u>12</u> ..... <u>12</u>
<del>(G)</del> <u>3.7 Leakage Allowance</u> .....	<u>12</u> ..... <u>12</u>
<del>(H)</del> <u>Billing Errors</u> .....	<u>13</u>
<del>(I)</del> <u>3.8 Billing Errors</u> .....	<u>12</u>
<u>3.9 Adjustments Due to Meter Error</u> .....	<u>13</u> ..... <u>12</u>
<del>(J)</del> <u>3.10 Aggregated Meter Reading</u> .....	<u>13</u>
<del>(K)</del> <u>3.11 Adjustment for Water Used Through a Fire Meter</u> .....	<u>14</u>

**RULE 4. DISCONNECTION OF SERVICE**

<del>(A)</del>	
<u>4.1 Upon Customer's Request</u> .....	<u>15</u> ..... <u>13</u>
<del>(B)</del> <u>4.2 Without Customer's Request and Without Notice</u> .....	<u>15</u> ..... <u>13</u>
<del>(C)</del> <u>4.3 Without Customer's Request But With Notice</u> .....	<u>15</u> ..... <u>14</u>
<del>(D)</del> <u>4.4 Procedure for Involuntary Disconnection of Residential Customers</u> .....	<u>16</u> ..... <u>14</u>

INDIANAPOLIS DEPARTMENT OF WATERWORKS ORIGINAL PAGE 2

WATER TERMS AND CONDITIONS  
I.U.R.C. CAUSE NO. 43936

EFFECTIVE:

**Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202**

**ORIGINAL PAGE NO. 2**

**PAGE**

<del>(E)</del> 4.5 Duplicate Notice Protection Plan .....	15
4.6 Postponement of Disconnection of a Residential Customer for Medical Reasons.....	17 .....
<del>(F)</del> 4.7 Other Circumstances Postponing Disconnection of Residential Customer.....	17 .....
<del>(G)</del> 4.8 Time of Disconnection.....	18 .....
<del>(H)</del> 4.9 Remedies Not Exclusive.....	18 .....
<del>(I)</del> Reconnection.....	18
4.10 Reconnection.....	16

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 3

**TABLE OF CONTENTS** **PAGE NO.**

**RULE 5. METERS**

(A)

5.1	Ownership and Size of Meter and Pit	19	16
<del>(B)</del>	<del>5.2</del> Location and Protection of Meter and Pit	<del>19</del>	<del>16</del>
<del>(C)</del>	<del>5.3</del> Change in Location	<del>19</del>	<del>17</del>
<del>(D)</del>	<del>Multiple Meters</del>	<del>19</del>	
<del>(E)</del>	<del>5.4</del> Multiple Meters		<del>17</del>
5.5	Temporary Hydrant Meters	20	17

**RULE 6. METER TESTING**

**RULE 6. METER TESTING**

<del>(A)</del>	<del>6.1</del> Records and Procedures	<del>21</del>	<del>17</del>
<del>(B)</del>	<del>6.2</del> Frequency of Testing	<del>21</del>	<del>18</del>
<del>(C)</del>	<del>6.3</del> Meter Tests Requested by Customers	<del>22</del>	<del>19</del>
<del>(D)</del>	<del>6.4</del> Tests Under Commission Supervision	<del>22</del>	<del>19</del>

**RULE 7. SERVICE PIPES AND OTHER FACILITIES**

(A)

7.1	Installation and Ownership of Service Pipes	23	19
<del>(B)</del>	<del>7.2</del> Maintenance of Service Pipes	<del>23</del>	<del>19</del>
<del>(C)</del>	<del>7.3</del> Disconnection of Old Service Pipes	<del>23</del>	<del>20</del>
<del>(D)</del>	<del>7.4</del> Service Pipe Installation Requirements	<del>24</del>	<del>20</del>
<del>(E)</del>	<del>7.5</del> Replacement of Service Pipes	<del>25</del>	<del>21</del>
<del>(F)</del>	<del>Metering Points</del>	<del>25</del>	
<del>(G)</del>	<del>7.6</del> Metering Points		<del>21</del>
7.7	Relocation of Service Pipes	25	21
<del>(H)</del>	<del>7.8</del> Undersized Service Pipes	<del>25</del>	<del>21</del>
<del>(I)</del>	<del>7.9</del> Thawing Frozen Service Pipes	<del>26</del>	<del>22</del>
<del>(J)</del>	<del>7.10</del> Irregularly Located Service Pipes	<del>26</del>	<del>22</del>
<del>(K)</del>	<del>7.11</del> Modification of Facilities		<del>26</del>
<del>(L)</del>	<del>7.12</del> Association of Customers	<del>26</del>	<del>22</del>

**RULE 8. PLUMBING RESTRICTIONS**

(A)

8.1	Lawn Irrigation System and Yard or Post Hydrant Installation Requirements	27	22
<del>(B)</del>	<del>8.2</del> Prevention of Contamination of Department's Utility's Distribution System	<del>27</del>	<del>22</del>
<del>(C)</del>	<del>8.3</del> Prevention of Circulation of in Looped Systems	<del>27</del>	<del>23</del>
<del>(D)</del>	<del>8.4</del> Potable Secondary Water Supply	<del>27</del>	<del>23</del>

INDIANAPOLIS DEPARTMENT OF WATERWORKS ORIGINAL PAGE 3

PAGE

<del>(E)</del>	<del>8.5</del> Non-potable Water Supply	<del>27</del>	<del>23</del>
<del>(F)</del>	<del>8.6</del> Booster Pump Installations	<del>28</del>	<del>23</del>

**WATER TERMS AND CONDITIONS**  
**I.U.R.C. CAUSE NO. 43936**

**EFFECTIVE:**

**Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202**

**ORIGINAL PAGE NO. 4**

~~(G)~~ 8.7 General Requirements.....~~28~~.....23

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 5

**TABLE OF CONTENTS** **PAGE NO.**

**RULE 9. FIRE SERVICE**

(A)

9.1	Design and Installation Requirements	29	23
<del>(B)</del>	<del>9.2</del> Alarms and Check Valves	29	24
<del>(C)</del>	<del>9.3</del> Seals on Hydrants and Other Fixtures	29	24
<del>(D)</del>	<del>9.4</del> Discontinuance of Service	29	24
<del>(E)</del>	<del>Fire Meters</del>	30	
<del>(F)</del>	<del>9.5</del> Fire Meters		24
9.6	High Volume – High Pressure Industrial Systems	30	24
<del>(G)</del>	<del>9.7</del> Detector Checks	31	25

**RULE 10. DEPARTMENT'S UTILITY'S RESPONSIBILITY FOR SERVICE**

(A)

10.1	Interruptions, Pressure and Volume	32	25
<del>(B)</del>	<del>10.2</del> Liability for Damages on Customer's Premises		32

**RULE 11. COMPLAINT PROCEDURE**

<del>(A)</del>	<del>Complaint</del>		33
	(B)		
11.1	Complaint		25
11.2	Investigation of Complaint and Notification of Proposed Disposition	33	26
<del>(C)</del>	<del>11.3</del> Service During Review of Complaint		33
<del>(D)</del>	<del>11.4</del> Record of Complaints		33

**RULE 12. MAIN EXTENSIONS**

<del>(A)</del>	<del>Definitions</del>		34
	(B)		
12.1	Definitions		26
12.2	Written Agreement and Scheduling of Projects	34	27
<del>(C)</del>	<del>12.3</del> Design of Main Extension		35
<del>(D)</del>	<del>12.4</del> Determination of Cost of Main Extension		35
<del>(E)</del>	<del>12.5</del> Determination of Revenue Allowance	36	29
<del>(F)</del>	<del>12.6</del> Guarantee to Insure Connection to Free Extension	37	29
<del>(G)</del>	<del>12.7</del> Allocation of Total Required Deposit Where There is More Than One Prospective Customer	37	29
<del>(H)</del>	<del>12.8</del> Cash or Secured Deposits		37
<del>(I)</del>	<del>12.9</del> When Deposits Collected Are Less Than Total Required Deposit	38	30
<del>(J)</del>	<del>12.10</del> Return of Deposits Upon Failure to Commence Construction		38
<del>(K)</del>	<del>12.11</del> Connection and Service		38
<del>(L)</del>	<del>Department</del> 12.12 Utility May Install Larger Mains		38
<del>(M)</del>	<del>12.13</del> Subsequent Connector's Fee		38
<del>(N)</del>	<del>12.14</del> Provision Regarding the Refund of Deposits		39
<del>(O)</del>	<del>12.15</del> Optional Surcharge Main Extension in Developed Residential Area		41

INDIANAPOLIS DEPARTMENT OF WATERWORKS ORIGINAL PAGE 4

**Citizens Waterworks**  
**2020 N. Meridian Street**  
**Indianapolis, Indiana 46202**

**ORIGINAL PAGE NO. 6**

**PAGE**

(P) Area 12.16 Special Contracts for Rate Surcharge in Developed Residential Area ..... 42

(Q) Other Rules ..... 43

~~INDIANAPOLIS DEPARTMENT 12.17~~ ..... Other Rules

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

**ORIGINAL PAGE NO. 7**

**TABLE OF WATERWORKS**

**RATE SCHEDULES**

<u>Water Rate No. 1 - Metered Water Service .....</u>	<u>101 - 101B</u>
<u>Water Rate No. 2 - Private Fire Protection Service .....</u>	<u>102 - 102B</u>
<u>Water Rate No. 3 - Interruptible Raw Water Service at Morse Reservoir .....</u>	<u>103 - 103B</u>

**APPENDICES**

<u>Appendix A - Miscellaneous Service Charges .....</u>	<u>201 - 201B</u>
<u>Appendix B - Non-Recurring Charges .....</u>	<u>202 - 202B</u>

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 8

RULES

RULES

APPLICATION

The ~~rules of the Department of Waterworks of the Consolidated City of Indianapolis~~ terms and conditions for service, as set forth here and as amended and supplemented from time to time, shall govern all water service rendered or to be rendered by the ~~Department~~ Utility. They shall be binding upon every ~~customer~~ Customer and constitute a part of the terms and conditions of every contract for water service, whether expressly incorporated therein or not.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 9

**DEFINITIONS**

The following terms as used in these rules have the following meanings:

~~“Active service” means service~~

**ACTIVE SERVICE** - ~~Service is on from the main to the premises~~ Service is on from the main to the Premises, and water service is being billed.

~~“Branched service pipe” means a~~

**BRANCHED SERVICE PIPE** - ~~A pipe connected to the primary service pipe~~ A pipe connected to the primary Service Pipe that supplies water to a Premises.

~~“Commission” means the~~

**COMMISSION** - ~~Indiana Utility Regulatory Commission.~~ Indiana Utility Regulatory Commission.

~~“Commission’s rules” mean the~~

**COMMISSION’S RULES** - ~~Rules, Regulations and Standards of Service for Utilities~~ Rules, Regulations and Standards of Service for Utilities Rendering Water Service in Indiana, adopted by the Commission on September 27, 1977, in Cause No. 34805, as revised, supplemented and replaced from time to time.

~~“Customer” means an~~

**CUSTOMER** - ~~An individual, firm, corporation, government agency or other entity~~ An individual, firm, corporation, government agency or other entity being supplied with water utility service by the Department

~~“Department” means the Department of Waterworks of the Consolidated City of Indianapolis, and shall also include, where the context so requires, the Consolidated City of Indianapolis itself, or any professional management firm that has been retained by the Department of Waterworks of the Consolidated City of Indianapolis to operate its water utility facilities and that is acting in its capacity as the agent or representative of the Department of Waterworks of the Consolidated City of Indianapolis.~~

~~“Department’s rate schedules” mean the Department’s schedules of rates and charges as approved by the Commission and in effect from time to time.~~

~~“Easement” means an~~

**EASEMENT** - ~~An interest in land owned by another that entitles the~~ An interest in land owned by another that entitles the Department to a specific, limited use.

~~“Fire meter” means a~~

**FIRE METER** - ~~A device owned by the Department~~ A device owned by the Department which measures and records the quantity of water supplied to the customer both for private fire service and for use other than private fire service.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 10

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 6

~~“Inactive service” means water service is~~ **HYDRANT METER -** A device owned by the Utility which temporarily is connected to one of its hydrants and measures and records the quantity of water supplied to the Customer on a temporary basis.

**INACTIVE SERVICE -** Water service is available from the main to the ~~premises~~ Premises, but water service is not being billed.

~~“Main” means a~~

**MAIN -** A pipe owned by the ~~Department~~ Utility, located within a public right-of-way or an easement granted to the ~~Department~~ Utility or reserved for utilities, which delivers water to fire hydrants and Service Pipes.

~~hydrants and service pipes.~~

~~“Meter” means a~~

**METER -** A device owned by the ~~Department~~ Utility which measures and records the quantity of water supplied to the ~~customer~~ Customer.

~~“Person” means an~~

**PERSON -** An individual, firm, corporation, governmental agency or other entity.

~~“Plumber” means a~~

**PLUMBER -** A person performing plumbing service and bonded to the Department's Utility's satisfaction.

~~“Potable water supply” means water~~

**POTABLE WATER SUPPLY -** Water meeting the drinking water quality standards enumerated in 327 IAC 8-2.

~~“Premises” means the~~

**PREMISES -** The whole or part of a dwelling, building, or structure owned, leased or operated by a single legal entity located on a single parcel or contiguous parcels of real estate and receiving water service as approved by the ~~Department~~ Utility. Examples of buildings and the corresponding number of ~~premises~~ Premises are as follows:

~~Examples No. of Premises~~

~~Residential House 1~~

~~Commercial Building(s) 1 per building~~

~~Double 2~~

~~Condominium 1 per owner~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 11

~~Apartment Complex 1 per complex~~

<del>Example</del>	<del>No. of Premises</del>
<del>Residential House</del>	<del>1</del>
<del>Commercial Building(s)</del>	<del>1 per building</del>
<del>Double</del>	<del>2</del>
<del>Condominium</del>	<del>1 per owner</del>
<del>Apartment Complex</del>	<del>1 per complex</del>

Each lot or service building will be considered a ~~premises~~Premises, and therefore, served by a separate ~~service pipe~~Service Pipe. Any exception to this must be approved by the ~~Department~~Utility. If the situation is not described by one of the above examples or is unusual, the ~~Department~~Utility will give such special consideration as the circumstances require in its judgment.

~~“Primary service pipe” means a~~

**PRIMARY SERVICE PIPE -** A pipe connected to a ~~Department main~~Utility Main that supplies water

~~to more than one premises~~Premises.

~~“Public right of way” means the~~

**PUBLIC RIGHT OF WAY -** The entire right-of-way of a road, street or way which has been dedicated for use by the public and accepted by the appropriate governmental authority.

~~“Residential customer” means a~~

**RESIDENTIAL CUSTOMER -** A person being supplied with water service by the ~~Department~~Utility exclusively for residential purposes.

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 7

~~“Service pipe” means a~~**SERVICE PIPE -** A supply line connecting a ~~premises~~Premises directly to the ~~Department’s~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

**ORIGINAL PAGE NO. 12**

~~main~~Utility's Main located (a) in a ~~public right~~Public Right-of-way adjacent to the real estate upon which such ~~premises~~Premises is located, (b) in an ~~easement~~Easement on, over or under the real estate upon which such ~~premises~~Premises is located, (c) in an ~~easement~~Easement adjacent to the ~~public right~~Public Right-of-way adjacent to the ~~customer's~~Customer's Premises, or (d) in an isolated ~~premises~~Premises in a commercial/industrial complex.

"Service stop" means a

**SERVICE STOP -** \_\_\_\_\_ A valve inserted in the ~~service pipe~~Service Pipe between the ~~main~~Main and the ~~meter~~Meter for the purpose of turning water on and off.

"Tap" means a

**TAP -** \_\_\_\_\_ A fitting owned and installed by the ~~Department~~Utility in order to connect a Service Pipe to the Main.  
~~service pipe to the main.~~

**Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202**

**ORIGINAL PAGE NO. 13**

~~INDIANAPOLIS DEPARTMENT OF WATERWORKS~~

~~ORIGINAL PAGE 8~~

UTILITY -

The Department of Public Utilities for the City of Indianapolis, acting by and through the Board of Directors for Utilities, as trustee of a public charitable trust for the water system, doing business as Citizens Waterworks, 2020 N. Meridian Street, Indianapolis, Indiana 46202, or any professional management firm that has been retained by Citizens Waterworks to operate its water utility facilities and that is acting in its capacity as the agent or representative of the Citizens Waterworks.

UTILITY'S RATE  
SCHEDULES -

The Utility's schedules of rates and charges as approved by the Commission and may be revised, supplemented, and replaced from time to time.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 14

RULE 1. COMMENCEMENT OF SERVICE

(A) 1.1 General. A prospective ~~customer~~ Customer shall not connect or reconnect service, nor employ any person to do so, without authorization by the ~~Department~~ Utility. All service rendered by the ~~Department~~ Utility shall be solely for the uses and ~~premises~~ Premises designated by the prospective ~~customer~~ Customer at the time service is requested and subject to, and in accordance with, these rules and regulations and the ~~Department's rate schedules.~~ Utility's Rate Schedules. A Customer shall not sell or give away water to anyone not specifically included in its agreement with the ~~Department~~ Utility for service.

(B) 1.1.1 No promises, agreements or representations of any agent, employee or authorized representative of the Utility, or its predecessor, shall be binding upon the Utility unless the same shall have been incorporated in a written contract or application.

1.2 Metered Domestic and Fire Service. A prospective ~~customer~~ Customer desiring metered water service to a ~~premises~~ Premises connected by an existing ~~service pipe~~ Service Pipe to a ~~main~~ Main shall notify the ~~Department~~ Utility either in writing or by telephone at least three days before the desired connection date. A prospective ~~customer~~ Customer desiring metered water service to a ~~premises~~ Premises not connected by a ~~service pipe~~ Service Pipe to a ~~main~~ Main shall have his ~~plumber~~ Plumber submit to the ~~Department~~ Utility a written application for plumbing permit, allowing at least three working days for the application approval before calling to schedule the ~~tap~~ Tap. After the application for service is approved, all ~~taps~~ Taps will be scheduled in the order received by the ~~Department~~ Utility. The connection shall not be made until the ~~Department~~ Utility authorizes the ~~plumber~~ Plumber to connect a ~~service pipe~~ Service Pipe to the ~~tap~~ Tap. For 3/4-inch and 1-inch service lines, the ~~Department~~ Utility shall install a ~~meter~~ Meter at the time of the service connection. Service commences for the ~~customer~~ Customer when the ~~meter~~ Meter is set. For service lines larger than 1-inch, the prospective ~~customer~~ Customer may request and obtain service in accordance with these rules.

(C) 1.3 Unmetered Fire Service. The ~~Department~~ Utility will commence public or private unmetered fire service after a prospective ~~customer~~ Customer application has been approved and a confirmation letter has been sent to the applicant. The ~~Department~~ Utility will not furnish unmetered fire service to a ~~premises~~ Premises unless metered water service for use other than fire service is also being supplied to the ~~premises~~ Premises. Unmetered fire service commences for the ~~customer~~ Customer when the ~~service stop~~ Service Stop is turned on.

(D) 1.4 Emergency Service. When necessary for the health or safety of a ~~customer~~ Customer or his

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 15

~~her~~ property, the ~~Department~~Utility may authorize temporary emergency water service in any manner appropriate to the circumstances and consistent with sound engineering practice and will charge the ~~customer~~Customer involved in such service, during the period of emergency, the appropriate charges prescribed in the ~~Department's rate schedules~~Utility's Rate Schedules for the water usage and size of ~~meter~~Meter through which they receive water service.

(E)

1.5

Unauthorized Use of

Water. Unless authorization for water service has been granted by the ~~Department~~Utility, water shall not be turned on at any ~~premises~~Premises by anyone other than the ~~Department's~~Utility's representatives, except that a ~~plumber~~Plumber authorized by the ~~Department~~Utility to connect a ~~service pipe~~Service Pipe to a ~~tap~~Tap may temporarily turn on the water to test his work. The ~~plumber~~Plumber shall turn the water off immediately after testing. Before and after such test, the ~~Department~~Utility may lock the valve on the upstream side of the ~~meter~~Meter in the closed position until commencement of service is authorized by the ~~Department~~Utility. If the water is turned on or left on, in violation of this or any other applicable rule, the ~~customer~~Customer or other person determined by the ~~Department~~Utility to be responsible shall pay the cost of water service for the ~~premises~~Premises for such time as the water was on without authority from the ~~Department~~Utility.

~~INDIANAPOLIS DEPARTMENT OF WATERWORKS~~

ORIGINAL PAGE 9

~~1.5.1 Upon detecting a device or scheme which has been utilized to avoid or attempted to avoid full payment for water service, the Utility may, after estimating the volume of water service so used.~~

~~1.5.1.1 Immediately disconnect such water service without notice pursuant to Rule 4.2.~~

~~1.5.1.2 Bill and demand immediate payment from the person benefiting from such device or scheme the actual costs of water used, corrections and repairs, or two hundred dollars (\$200.00), whichever is more.~~

~~1.5.1.3 Bill any and all damages as provided by Indiana Code 34-24-3-1 et seq. based upon the Utility's reasonable and customary estimate thereof.~~

**RULE 2. CUSTOMER SECURITY DEPOSITS**

~~(A) 2.1~~ Deposit Requirements. The ~~Department~~Utility may require a cash security deposit ("deposit" in this Rule 2) in an amount not to exceed one-sixth (1/6) of the expected annual

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 16

~~billings for the premises~~ Premises served if the ~~customer~~ Residential Customer has (1) been mailed disconnect notices for two consecutive months or any three months within the preceding twelve months or (2) had service discontinued for nonpayment of bills. If the deposit required is in excess of \$70, it may be paid in equal installments over a period not to exceed eight weeks, except where the deposit is required as a result of disconnection of service for nonpayment of bills, in which case full payment of the deposit will be required prior to reconnection.

~~(B)~~

2.1.1 The Utility may require Customers or Applicants for Water Services that are not Residential Customers to make a cash deposit at any time to assure payment of bills, and as a condition of receiving or continuing to receive Water Services. Such deposit shall not be less than forty dollars (\$40.00), nor more than the amount of the bill for any three (3) consecutive months known or estimated to have the highest water consumption. The Utility shall determine the appropriate deposit.

2.2 Interest on Deposits. A deposit made pursuant to this Rule 2 and held by the

~~Department~~ for more than ~~twelve months~~ thirty (30) days will earn interest calculated monthly at the authorized rate of interest for the current month from the date of deposit to the date the deposit is paid in full to the Utility. The rate of interest will be established by the commission in a general administrative order for each calendar year.

~~that it is mailed or personally delivered to the customer, or otherwise lawfully disposed of in accordance with this rule, at the rate currently in effect as prescribed by the Commission.~~

~~(C) Records and Receipts. For each deposit, the Department will provide a written receipt and maintain a record showing (1) the name of the customer, (~~

~~2) the current address of~~

~~the customer so long as he maintains an active account with the Department in his name, (3) the amount of the deposit, (4) the date the deposit was made, and (5) a record of each transaction affecting the deposit. If a customer desires a refund of his deposit but is unable to locate his receipt, and the Department's records reflect that the deposit was made and the customer is entitled to a refund, the Department will make the refund based on a written statement from the customer stating he made the deposit and requests the refund.~~

~~(D) Refunds of Deposits to Continuing Customer. Satisfactory~~

~~Deposits from Residential Customers will be refunded after the Residential Customer has established an acceptable payment for a period~~

~~of either nine consecutive months or ten out record in accordance with the Commission's Rules. The deposit of any twelve consecutive months, unless said~~

~~payments were late payments for any two consecutive months, will entitle the customer to a refund of his deposit, plus interest, if any. The Department will also refund the deposit plus~~

~~accrued interest, if any, if the customer demonstrates his credit worthiness by providing the Department with a written statement which establishes that he satisfies the criteria of one of the following subparagraphs (1) and (2):~~

~~(1) The customer (a) has been a customer of any utility within the last two~~

~~years, (b) owes no outstanding bills for service rendered by any utility, (c) did not have,~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 17

~~during the last twelve consecutive months that the service was provided, more than two bills which were delinquent to any utility, or, if such service has been rendered for a period of less than twelve months, did not have more than one delinquent bill in such period, and (d) within the last two years did not have a service disconnected by a utility. (2) The customer has not been a customer of a utility during the previous two years, but fulfills the requirements of any two of the following lettered clauses: (a) He has been employed by his present employer for two years or has been employed by his present employer for less than two years, but has been employed by only one other employer during the past two years, or has been employed by the present employer for less than two years and has no previous employment due to having recently graduated~~

INDIANAPOLIS DEPARTMENT OF WATERWORKS ORIGINAL  
PAGE 10

~~from a school, university, vocational program or has recently been discharged from military service. (b) He owns or is buying his home or is renting a home or non-residential Customer or the deposit of a Residential Customer who fails to establish an apartment acceptable payment record may be retained by the Utility until Water Services are discontinued. and has occupied the premises for more than two years. (c) He has credit cards, charge accounts, or has been extended credit by a bank or commercial concern, unless a credit check shows that he has been in default on any such account more than twice within the last twelve months.~~

(E)

2.4 Refunds Upon Disconnection. ~~Upon disconnection of service, the Department will apply the customer's deposit, plus accrued Water Services, the deposit and earned interest, if any, will be applied to the payment of any outstanding bills. The unapplied portion, if any, of the deposit and earned interest will be refunded to the Customer. The Customer will be billed for any balance due the Utility. The balance of any deposit and interest, if any, to the customer's unpaid balance, and the excess, if any, of the deposit and interest over the unpaid balance will be after being applied to any outstanding bills which cannot be returned to the customer. If service is terminated at the request of the customer, the Department will apply the deposit, plus accrued interest, if any, to the customer's final bill unless at the time he requests Customer after termination the customer requests that the Department refund the deposit to him directly, in which case the Department will do so within fifteen days after payment of the customer's final bill.~~

(F) Unclaimed Deposits. Any deposit made by a customer which has remained unclaimed for seven years after the Department has made diligent efforts to locate the customer

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

**ORIGINAL PAGE NO. 18**

~~or the heirs of the customer~~ of service, shall be ~~presumed abandoned~~ reported and, ~~after making any~~  
lawful  
~~deductions, will be treated in accordance with the provisions disposed of as required by the Uniform~~  
~~Disposition~~ Disclaimer of  
Unclaimed Property ~~Interests Act, IC32-9-1.5, (Indiana Code 32-17.5, et seq).~~

~~INDIANAPOLIS DEPARTMENT OF WATERWORKS~~

~~ORIGINAL PAGE 11~~

### **RULE 3. METER READINGS AND BILLINGS**

~~(A) 3.1~~ Billings, Meter Readings and Estimates. All metered accounts will be  
billed  
monthly. All ~~meters~~ Meters will be read ~~bimonthly~~ bi-monthly, unless the ~~customer~~ Customer requests regular  
monthly  
readings at the charge provided in the ~~Department's~~ Utility's rate schedules. Readings shall be prima  
facie evidence of the amount of water used. Customers will be billed on the basis of estimated

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 19

consumption for the first month of the reading period, and the second month will be billed on the basis of actual consumption for the total reading period, less the estimated consumption billed in the first month. Bills based on estimated consumption may also be rendered at the request of the ~~customer~~ Customer or where circumstances beyond the ~~Department's~~ Utility's reasonable control require estimates, including, but not limited to, inclement weather, labor disputes, inaccessibility of a ~~customer's~~ meter Customer's Meter or remote counter where the ~~Department~~ Utility has reasonably attempted to read it, and failure of the ~~meter~~ Meter or remote counter to register.

Estimated monthly consumption for interim billings will be based on a 12-month moving average or a seasonal average for the ~~premises~~ Premises whenever such data are available. In those circumstances where 12 months of consumption history or a seasonal moving average is not available, the estimate shall be based on the average monthly consumption for the ~~customer's~~ Customer's classification, as determined for the previous calendar year, unless there is evidence currently available which would indicate that such an estimate would be inapplicable, in which case the ~~Department~~ Utility will estimate the bill based on such known circumstances.

Bills for municipal uses will be rendered monthly. Annual unmetered municipal consumption will be estimated, based on consultations, and treated as consumed evenly throughout the year as metered water.

Bills for unmetered fire service will be rendered monthly. If a ~~customer~~ Customer receives unmetered fire service through a ~~service pipe~~ Service Pipe in which a detector check with a bypass ~~meter~~ Meter is installed, as provided for in Rule ~~9(G)~~.7, the ~~Department~~ Utility will read the ~~meter~~ Meter at the time of the annual fire service inspection, and the consumption shall be treated as consumed evenly over the period since the previous reading.

(B)

3.1.1 The Utility may provide an Automatic Bank Deduction Plan for Nonindustrial Customers, which will be a payment plan whereby the billed amount is deducted each month from the Nonindustrial Customer's checking account by the Nonindustrial Customer's authorized financial institution. The Utility shall continue to provide to the Nonindustrial Customer a Monthly bill.

3.2 Adjustments Following Estimated Bills. Where the ~~Department~~ Utility has billed based

on estimated consumption, the first charge after a ~~meter~~ Meter reading is obtained shall be adjusted by averaging consumption over the period from the last reading, or from the date service through the ~~meter~~ Meter was begun if the ~~meter~~ Meter had not been previously read, charging for each period in accordance with the ~~Department's rate schedules~~ Utility's Rate Schedules for the periods and allowing credit for the amount of estimated billings.

(C)

3.3 More Frequent and Requested Readings. Any ~~customer~~ Customer may, upon written request to the ~~Department~~ Utility, obtain regular monthly readings of his ~~meter~~ Meter for such additional

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 20

~~\_charge as prescribed in the Department's rate schedules.~~ Utility's Rate Schedules. Upon request of a ~~customer~~ Customer, the ~~Department~~ Utility will make a special reading of the ~~customer's meter~~ Customer's Meter at a time other than the time of a ~~\_regularly scheduled reading for the charge prescribed in the Department's rate schedules.~~ The ~~Department~~ Utility's Rate Schedules. The Utility, however, shall have no duty to issue a special bill based on such off-cycle reading.

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 12

~~(D)~~ 3.4 ~~Delinquent Bills.~~ Each bill shall be due upon receipt and payable at the ~~customer~~ Customer service office of the ~~Department~~ Utility or at such other places as may be designated by the ~~Department~~ Utility. Bills which remain unpaid for more than seventeen days following the mailing of the bill shall be ~~\_delinquent,~~ and a late payment charge in the amount set forth in the ~~Department's rate schedules~~ Utility's Rate Schedules will be added to the bill and owed by the ~~customer~~ Customer.

~~(E)~~ 3.5 ~~Charges Follow Customer.~~ All charges follow the ~~customer~~ Customer and moving from one ~~premises~~ Premises to another in no way absolves the ~~customer~~ Customer from any unpaid charges incurred at a ~~\_previous location.~~ In the case of leased property, the landlord shall be responsible to the ~~Department~~ Utility for payment of the bill, even though the tenant may pay it. A ~~customer's~~ Customer's service ~~\_may be discontinued for failure to pay for service rendered to him at a previous location if such~~ bill has remained unpaid for more than 45 days. There will be no abatement of charges by ~~\_reason of the extended absence of the customer~~ Customer from the ~~premises~~ Premises unless the ~~Department~~ Utility has ~~\_been notified to discontinue service.~~

~~(F)~~ 3.6 ~~Remote Meter Reading Service.~~ Remote ~~meter~~ Meter reading service is available to ~~customers~~ Customers being served through 5/8-inch, 3/4-inch or 1-inch ~~meters~~ Meters which are installed indoors. ~~\_This service allows the Department~~ Utility to read ~~meters~~ Meters located inside a structure without entering the ~~\_structure.~~ A small, weatherproof totalizer will be mounted on the outside of the structure and ~~\_connected by a cable to a register mounted on the meter~~ Meter. The equipment to accomplish this ~~\_service will be furnished, installed, maintained and replaced, if necessary, and owned by the~~ ~~Department~~ Utility. A remote meter reading device is a fixture at the ~~premises~~ Premises where it is installed and

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 21

will not be moved to another location without the ~~Department's~~Utility's written consent.

Whenever the ~~Department~~Utility, during normal working hours, is unable to read a ~~customer's~~  
~~meter~~Customer's Meter for twelve consecutive months, the ~~Department~~Utility shall require installation of a  
remote meter  
reading device. Once a remote meter reading device is installed, it will remain in service until  
the ~~service pipe~~Service Pipe to the ~~premises~~Premises is replaced, in which event the inside ~~meter~~Meter shall  
be relocated to  
an outside meter pit approved by the ~~Department~~Utility and located on the ~~customer's~~Customer's property  
adjacent  
to or near the ~~public right~~Public Right-of-wayWay or ~~easement~~Easement line.

(G)

3.7 Leakage Allowance.

(

~~3.7.1)~~

Underground leaks.

Allowance for underground ~~service pipe~~Service Pipe leaks or  
leaks in crawl spaces or concrete floors (but not leaks in underground irrigation systems)  
will be 75 percent of the charge for wasted water estimated from the beginning date of  
the leak to the date of repair, which period shall not exceed two regular reading periods  
unless extended by missed readings. The ~~Department~~Utility will inspect the ~~premises~~Premises to  
determine the cause of the leak. Wastage will be considered as the excess consumption  
over normal usage, obtained by reference to the ~~customer's~~Customer's consumption record. If there  
is no consumption record, the average consumption for the previous calendar year for the  
appropriate customer classification will be used as the normal consumption. An  
adjustment will be given only after the ~~customer~~Customer has corrected the condition causing the  
leak and the ~~premises~~Premises has been inspected by the ~~Department~~Utility to determine that repairs  
have been properly made.

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 13

(

~~3.7.2)~~

Other types of hidden leaks. Allowance for other types of hidden leaks

(but not leaks in underground irrigation systems) will be 50 percent of the charge for  
wasted water. The period adjusted shall not exceed one regular reading period unless  
extended by missed readings. Such allowance will be considered only one time per  
~~customer~~Customer per service address, and only when all the following conditions exist: (a)  
consumption is at least double normal usage, (b) consumption is at least 2,000 cubic feet  
more than normal, (c) total consumption for the reading period exceeds 2,800 cubic feet,  
(d) circumstances indicate that a leak exists or had existed, (e) the leak shall have been

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 22

hidden from open view, including toilet leaks and other concealed plumbing leaks, and  
(f) repairs have been made. Wastage will be determined as indicated in Rule ~~3(G)(7.1)~~.

An adjustment will be given only after the ~~customer~~ Customer has corrected the condition causing  
the leak to the ~~Department's~~ Utility's satisfaction.

(H)

3.8 ~~\_\_\_\_\_~~ Billing Errors. All billing errors, including incorrect tariff  
applications, will be  
adjusted by the ~~Department~~ Utility to the known date of error or for a period of one year, whichever  
period is shorter.

(I)

3.9

Adjustments Due to Meter

Error. If a ~~meter~~ Meter is found to have a percentage of error  
greater than two percent during a test conducted by the ~~Department~~ Utility or the Commission at the  
request of the ~~customer~~ Customer, in accordance with these rules, the following adjustments of bills shall  
be made:

(

3.9.1) ~~\_\_\_\_\_~~ Fast Meters. When a ~~meter~~ Meter is found to have a positive average  
error - i.e.,

is fast, in excess of two percent, the ~~Department~~ Utility will refund or credit to the ~~customer's~~  
Customer's account the amount in excess of that determined to be an average charge for one-half of  
the time elapsed since the previous test, or one year, whichever is shorter. This average  
charge shall be calculated on the basis of units registered on the ~~meter~~ Meter over corresponding  
periods, either prior to or subsequent to the period for which the ~~meter~~ Meter is determined to be  
fast. No part of a monthly service charge will be refunded.

(

3.9.2) ~~\_\_\_\_\_~~ Slow Meters. When a ~~meter~~ Meter is stopped or found to have a  
negative

average error - i.e., is slow, in excess of two percent, the ~~Department~~ Utility will charge the  
~~customer~~ Customer an amount estimated to be the average charge for one-half of the time elapsed  
since the previous test, or one year, whichever period is shorter. This average charge  
shall be calculated on the basis of units registered on the ~~meter~~ Meter over corresponding  
periods, either prior to or subsequent to the period for which the ~~meter~~ Meter is determined to  
be slow or stopped. Such charge will be made only in cases where the ~~Department~~ Utility is not  
at fault for allowing the stopped or slow ~~meter~~ Meter to remain in service.

(J)

3.10 ~~\_\_\_\_\_~~ Aggregated Meter Reading. Meter readings for a ~~premises~~ Premises  
will be aggregated for

billing purposes, in lieu of installation of a master meter, where the ~~customer~~ Customer would be entitled to  
a master meter for the ~~premises~~ Premises under the ~~Department's~~ Utility's current rules but was previously  
unable

to install a master meter due to rules of the ~~Department~~ Utility then in effect. The monthly charge for  
this service will be ~~75 cents per meter in excess of one~~ pursuant to the Multiple Meter Aggregated Billing  
Charge as reflected on Appendix A. This rule is applicable only with respect

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 23

~~to service pipe~~Service Pipe and ~~meter~~Meter installations for which a written request for aggregated ~~meter~~Meter readings and billings was made to, and approved by, the Utility's predecessor, the Department ~~prior to the effective date of this rule~~Waterworks of the City of Indianapolis.

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 14

~~(K)~~ 3.11 Adjustment for Water

Used Through a Fire Meter. If a ~~customer~~Customer receives water ~~service~~ through a ~~service pipe~~Service Pipe in which a ~~fire meter~~Fire Meter is installed, and water is needed and used because of a fire, the ~~Department~~Utility, upon written notice of and within 30 days after such use, will adjust the charges owed by the ~~customer~~Customer for the metered water service to reflect water used solely for non-fire service purposes. The adjustment will be based upon the ~~customer's~~Customer's average monthly consumption for non-fire service purposes during the previous twelve months or for such period as the ~~customer~~Customer has received water service from the ~~Department~~Utility for non-fire service purposes if less than twelve months.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 24

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 15

**RULE 4. DISCONNECTION OF SERVICE**

(A) 4.1 Upon Customer's Request. A ~~customer~~Customer desiring disconnection of service must notify the ~~Department~~Utility at least three days in advance of the day on which disconnection is desired. The ~~Department~~Utility will endeavor to disconnect the service within three working days of the requested disconnection date. The ~~customer~~Customer shall remain responsible for all service used and the related billings until service is disconnected pursuant to the ~~customer's~~Customer's notice, except that the ~~customer~~Customer shall not be liable for any service rendered more than three working days after the requested disconnection date.

(B) 4.2 Without Customer's Request and Without Notice. The ~~Department~~Utility may disconnect service to a ~~customer~~Customer without request by, or prior notice to, the ~~customer~~Customer if:

(4.2.1) there exists an unapproved cross-connection of a ~~customer's~~Customer's water pipes to any other source of water supply or any other condition about the ~~customer's~~Customer's premises ~~Customer's Premises~~ that might cause contamination of the public water supply or otherwise be dangerous or hazardous to life, physical safety or property;

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 25

(  
~~4.2.2~~ \_\_\_\_\_ there is an outstanding order of a court, the Commission or other duly  
\_empowered authority directing disconnection;

(  
~~4.2.3~~ \_\_\_\_\_ a fraudulent or unauthorized use of water is detected by the  
Department,  
Utility, and the Department Utility has reasonable grounds to believe the ~~customer~~ Customer is responsible for  
\_such use;

(  
~~4.2.4~~ \_\_\_\_\_ the ~~meter~~ Meter or any of the Department's Utility's regulating or  
measuring equipment  
\_has been tampered with, and the Department Utility has reasonable grounds to believe that the  
~~customer~~ Customer is responsible for such tampering; or

(  
~~4.2.5~~ \_\_\_\_\_ the ~~customer~~ Customer fails to meet the terms of the  
Department's Utility's 24-hour payment  
~~agreement~~ arrangement described in Paragraph (D) Rule 4.4.  
If service has been disconnected for the reasons described in Paragraphs B(  
~~4.3~~) or B(4)  
above, restoration of service will be conditioned on the payment of a penalty for tampering plus  
the applicable charges for unbilled water usage, as prescribed in the Department's rate schedules.  
(C) \_\_\_\_\_ Without Customer's Request But With Notice. The

Department Utility may disconnect  
\_service to a ~~customer~~ Customer for any of the following reasons, provided it notifies the ~~customer~~ Customer as  
set  
\_forth here:

(  
~~4.3.1~~ \_\_\_\_\_ the ~~customer~~ Customer fails to repair any leak in the ~~service~~  
pipes Service Pipes or appurtenances  
\_between the ~~public right~~ Public Right-of-way Way or ~~easement~~ Easement in which the ~~main~~ Main is located and  
the ~~meter~~,  
Meter, or in any private fire system or unmetered facilities;

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 26

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 16

~~(4.3.2)~~ \_\_\_\_\_ the ~~customer~~Customer vacates the ~~premises~~Premises or fails to pay his/her water bills or other charges related to his water utility service installations or facilities in accordance with these rules and the ~~Department's rate schedules~~Utility's Rate Schedules, or otherwise violates any of these rules;

(

~~4.3.3~~ \_\_\_\_\_ the ~~customer~~Customer fails to provide free and nonhazardous access to the ~~premises~~Premises and ~~meter~~Meter so that the ~~Department's~~Utility's representatives may make meter readings and necessary inspections and maintain, replace, or remove the ~~meter~~Meter, or fails to maintain approved ~~meter~~Meter settings, including pits and vaults;

(

~~4.3.4~~ \_\_\_\_\_ the ~~customer~~Customer installs a new ~~service pipe~~Service Pipe or appurtenances or alters or removes the existing ~~service pipe~~Service Pipe or appurtenances, including the ~~meter~~Meter, without the ~~Department's~~Utility's written consent; or

(

~~4.3.5)~~ \_\_\_\_\_ the ~~customer~~Customer fails to remedy a condition or use on his ~~premises~~Premises which, in the ~~Department's~~Utility's judgment, endangers the ~~Department's~~Utility's distribution system.

If service is to be disconnected for any of the foregoing reasons, the ~~Department~~Utility will, at least five days (seven days in the case of a ~~residential customer~~Residential Customer) prior to the proposed disconnection, mail or personally deliver notice to the ~~customer~~Customer or a responsible person on the ~~premises~~Premises, at the address of the ~~customer~~Customer shown on the records of the ~~Department~~Utility. The notice will state the date of the reason for the proposed disconnection, and the ~~Department's~~Utility's telephone number which the ~~customer~~Customer may call during regular business hours for further information. In the case of disconnection of a ~~residential customer~~Residential Customer, the notice will also contain a reference to the pamphlet furnished by the ~~Department~~Utility to each of its ~~customers~~Customers for information as to the ~~residential customer's~~Residential Customer's rights.

~~(D)~~

4.4

Procedure for Involuntary

Disconnection of Residential Customers. Immediately

preceding the disconnection of service to a ~~residential customer~~Residential Customer, the ~~Department's~~Utility's employee

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 27

~~residential customer~~  
Residential Customer or other responsible person then at the ~~premises~~ Premises. The employee will announce the purpose of the visit, and a record of the visit will be maintained for at least thirty (30) days. The employee will also attempt to inform the ~~residential customer~~ Residential Customer or other responsible person of the reason for disconnection including, if the reason for disconnection is nonpayment, the amount of any delinquent bill. The employee will request from the ~~residential customer~~ Residential Customer any available verification that the reason for disconnection of service is no longer valid (such as, but not limited to, written evidence that the delinquent bill has been paid or evidence that the conditions, circumstances or practices which caused the disconnection have been corrected) or that the reason of disconnection is currently in dispute and under review, pursuant to Rule 11. The employee will not be required to accept payment in order to prevent the service from being disconnected for nonpayment; however, the ~~Department's~~ Utility's 24-hour payment ~~agreement~~ will arrangement may be offered as an option to disconnection should the ~~customer~~ Customer or other responsible party offer such payment. Upon the presentation of satisfactory evidence or acceptance by the ~~customer~~ Customer or other responsible party of the ~~Department's~~ Utility's 24-hour payment ~~agreement~~ arrangement, service will not be disconnected. When the employee has disconnected the service, he/she will give to a responsible person at the ~~residential customer's~~ Residential Customer's Premises, or if no one is at home, will leave at an entry way on the ~~premises~~ Premises, a notice stating that service has been disconnected and the address and

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 17

telephone number of the ~~Department~~ Utility where the ~~customer~~ Customer may arrange to have service reconnected.

(E)

4.5 Duplicate Notice Protection Plan. A Residential Customer may request the Utility notify a predesignated third party of a water service disconnection notice issued to the Residential Customer. Such request shall be made in writing in the form of a Duplicate Notice Protection Plan Enrollment Application. When requested, the Utility shall notify the predesignated third party, by mail, of the pending service disconnection at the time the Utility renders the disconnection notice to the Residential Customer. The Utility may restrict the use of the Duplicate Notice Protection Plan to its Residential Customers who are elderly, handicapped, ill, or otherwise unable to act upon a service disconnection notice, as determined by the Utility.

4.6 Postponement of Disconnection of a Residential Customer for Medical Reasons.

Except in the case of disconnection for any of the reasons set forth in Rule 4(B), 2, the ~~Department~~ Utility will postpone the disconnection of service to a ~~residential customer~~ Residential Customer for ten days if, prior to the

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 28

~~\_~~disconnect date specified in the disconnect notice, the ~~customer~~Customer provides the ~~Department~~Utility with a ~~\_~~medical statement from a licensed physician or public health official stating that such ~~\_~~disconnection would be a serious and immediate threat to the health or safety of a designated ~~\_~~person in the household of the ~~residential customer~~Residential Customer. The postponement of disconnection will be ~~\_~~continued for one additional 10-day period upon the ~~customer~~Customer furnishing the ~~Department~~Utility an ~~\_~~additional medical statement dated on or before the end of the first 10-day period.

(F)

4.7 ~~\_\_\_\_\_~~ Other Circumstances Postponing Disconnection of Residential Customer. The

~~Department~~ Utility will not disconnect service to a residential ~~customer~~Customer who:

(

4.7.1) ~~\_\_\_\_\_~~ fails to pay for service rendered at a different ~~premises~~Premises, metering point, residence, or location, unless such bill has remained unpaid for at least forty-five (45) days, or

(

4.7.2) ~~\_\_\_\_\_~~ fails to pay for service to a previous occupant of the ~~premises~~Premises served,

~~\_~~unless the ~~Department~~Utility has reason to believe the ~~customer~~Customer is attempting to defraud the ~~Department~~ Utility by using another name, or

(

4.7.3) ~~\_\_\_\_\_~~ establishes to the ~~Department's~~Utility's satisfaction the existence of a financial

~~\_~~hardship as the reason for his inability to pay the full amount due and (a) pays at least \$10 or one-tenth (1/10) of the delinquent bill, whichever is less, (b) agrees to pay the remainder of the outstanding bill within three months, (c) agrees to pay all undisputed future bills for service as they become due and (d) has not breached any similar

~~\_~~agreement with the ~~Department~~Utility within the past twelve months. The terms of the agreement must be in writing. The Utility may add to the Residential Customer's outstanding bill a late payment charge in the amount prescribed in the Utility's Rate Schedules, or

(

4) 7.4 ~~\_\_\_\_\_~~ is unable to pay a bill which is unusually large due to prior incorrect reading of the ~~meter~~Meter, incorrect application of the ~~Department's~~Utility's rates schedules, incorrect

~~\_~~connection or functioning of the ~~meter~~Meter, prior estimates where no actual reading was taken for over two months, a stopped or slow ~~meter~~Meter or remote meter reading device, or any

~~\_~~human or mechanical error of the ~~Department~~Utility, and (a) pays an amount at least equal to the ~~customer's~~Customer's average bill for the twelve (12) bills immediately preceding the bill in question, (b) agrees to pay the remainder within three months, and (c) agrees to pay all

~~\_~~undisputed future bills for service as they become due. The terms of the agreement must be in writing. The Utility may not add to the Customer's outstanding bill any late payment charge.

If the Department continues service to a residential customer pursuant to clauses (3) or

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 29

~~(4) of this Rule 4(F), the terms of the agreement must be in writing and signed by the customer. If the service is continued pursuant to clause (3) of this Rule 4(F), the Department may add to the residential customer's outstanding bill a late payment charge in the amount prescribed in the Department's rate schedules.~~

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 18

~~(G)~~

4.8

Time of Disconnection.

In cases of disconnection, the ~~Department~~Utility will disconnect service between the hours of 8:00 a.m. and 3:00 p.m., prevailing local time, except that requested disconnections and disconnections for any reasons set forth in Rule 4(~~B~~), 2, above, may be made at any time. Disconnections of service for nonpayment will be made on days on which the ~~Department's~~Utility's office is open to the public and before twelve noon (12:00 noon) of the day immediately preceding a day on which the ~~Department's~~Utility's office is to be closed to the public.

~~(H)~~

4.9

Remedies Not Exclusive.

The remedies provided to the ~~Department~~Utility in this Rule 4 shall not be exclusive and shall be in addition to any other remedies which the ~~Department~~Utility has at law or in equity.

~~(I)~~

4.10

Reconnection. After

disconnection of water service to a ~~premises~~Premises in accordance with these rules, the ~~Department~~Utility will reconnect the service to a ~~premises~~Premises if (1) all conditions, circumstances or practices which caused the disconnection have been corrected, (2) all ~~delinquent charges owed the Department by the customer~~ unpaid bills for water service have been paid, (3) the deposit, if required by the ~~Department~~Utility in accordance with Rule 2(~~A~~), 1 above, has been made by the ~~customer~~Customer, (4) a responsible person is present in the ~~premises~~Premises to see that all water outlets are closed to prevent damage from escaping water, and (5) the ~~customer~~Customer has paid the ~~Department's~~Utility's Reconnection Charge as prescribed in the ~~Department's rate schedules~~Utility's Rate Schedules on Appendix B.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 30

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 19

**RULE 5. METERS**

~~(A)~~ 5.1 Ownership and Size of Meter and Pit. All ~~meters~~ Meters shall be owned, installed, removed and maintained by the ~~Department~~ Utility. The ~~Department~~ Utility shall determine the kind and size of ~~meter~~ Meter to be used in connection with any ~~service pipe~~ Service Pipe. Except as provided in Rule 5 ~~(C)~~, 3, all meter pits, meter pit covers and other materials comprising the meter pit facilities shall be purchased, owned, installed, removed, and maintained in a safe manner by the ~~customer~~ Customer.

~~(B)~~ 5.2 Location and Protection of Meter and Pit. Meters larger than 1-inch shall be installed in an approved meter pit or inside the structure served. However, if, in the ~~Department's~~ Utility's judgment, a backflow prevention device is required, it shall be located adjacent to

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 31

~~the public right~~Public Right-of-wayWay or ~~easement~~Easement line unless otherwise approved by the ~~Department~~Utility prior to installation. Meters shall always be placed upstream of backflow devices. See Rule 8 for more details. Unless otherwise approved by the ~~Department~~Utility, Meters 1-inch and smaller shall be installed in a meter pit approved by the ~~Department~~Utility located on the ~~customer's~~Customer's property adjacent

~~to or near the public right~~Public Right-of-wayWay or ~~easement~~Easement line.

Upon request of a ~~customer~~Customer and before installation, the meter pit will be located at the point requested by the ~~customer~~Customer if practicable and in accordance with sound utility standards. The meter pit must be constructed to protect the ~~meter~~Meter from freezing and damage from vehicular traffic and located to be convenient and accessible for the ~~Department~~Utility representatives. The pit location should be designed to prevent an inflow of surface water.

Meters which cannot be installed in outside pits shall be located inside the structure served as approved by the ~~Department~~Utility. An inside ~~meter~~Meter shall be as near as possible to the point where the ~~service pipe~~Service Pipe enters the building in a clean, dry, safe place, protected from freezing and hot water and not subject to wide temperature variations. In case of damage to a ~~meter~~Meter or any of its immediate attachments by reason of any act, neglect or omission on the part of the ~~customer~~Customer (including, but not limited to, the freezing of an inside meter), the ~~customer~~Customer shall pay the ~~Department~~Utility the Damaged Meter Replacement charge prescribed in the ~~Department's rate schedules~~Appendix B of the Utility's Rate Schedules for repair and replacement of the Meter of the meter.

The ~~meter~~Meter shall at all times be accessible for reading, inspection and removal for testing. The ~~Department~~Utility reserves the right to put seals on any water ~~meter~~Meter or on its couplings for any ~~premises~~Premises, and may turn off the supply if such seals are found broken or removed.

(C)

5.3 Change in Location. All changes in the location of a ~~meter~~Meter shall be approved by the ~~Department~~Utility and, except as hereinafter provided, at the ~~customer's~~Customer's expense. Whenever the ~~service pipe~~Service Pipe to a ~~premises~~Premises having an inside ~~meter~~Meter is replaced, the ~~meter~~Meter shall be relocated in a meter pit approved by the ~~Department~~Utility located on the ~~customer's~~Customer's property adjacent to or near the ~~public right~~Public Right-of-wayWay or ~~easement~~Easement line, in which case the ~~Department~~Utility, at its expense, will provide the ~~customer~~Customer with the ~~meter~~Meter connection, pit cover, lid and service stop, to be installed by the ~~customer~~Customer at his/her expense.

(D)

5.4 Multiple Meters. Where water for a ~~premises~~Premises is metered at more than one ~~service~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 32

~~pipe~~Service Pipe for the convenience or at the request of the ~~customer~~Customer, each location shall be billed separately

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 20

~~except as provided in Rule 3(J).10.~~ If the ~~Department~~Utility determines that water for a ~~premises~~Premises should

~~be metered through more than one service pipe~~Service Pipe for the convenience of the ~~Department~~Utility, meter

~~readings shall be aggregated and billed as if from a single meter~~Meter. In no event will meter readings

~~be aggregated for two or more premises~~Premises.

~~(E)~~

5.5 ~~Temporary Hydrant Meters.~~ Where temporary water service is requested from

~~one of the Department's~~Utility's hydrants, the ~~customer~~Customer will receive this service through a ~~hydrant meter~~

~~Hydrant Meter~~ assembly after executing a contract with the ~~Department~~Utility and paying the required deposit and

~~connection charge as prescribed in the Department's rate schedules.~~Miscellaneous Service Charges tariff of the Utility's Rate Schedules. The ~~hydrant meter~~Hydrant Meter will be

~~issued by the Department~~Utility and secured to the hydrant by the ~~customer~~Customer. The ~~Department~~Utility reserves

~~the right to remove its hydrant connection and meter~~Meter and terminate this service at any time it

~~deems necessary or appropriate, without prior notice. The deposit is refundable upon service~~

~~termination as provided in Rule 2(E).4.~~

~~Each temporary hydrant meter~~Hydrant Meter depositor shall report to the ~~Department~~Utility by the first day of

~~each month the amount of water which passed through the meter~~Meter during the prior month. The

~~reports may be subject to verification by the Department~~Utility and will serve as the basis for billing for

~~water service. In the event no report of water usage is furnished to the Department~~Utility, the charges

~~for water service will be based on estimates as provided in Rule 3(A).1.~~ Any temporary ~~hydrant~~

~~meter~~Hydrant Meter depositor who fails to report water usage for any two months during the preceding 12-

~~month period shall pay a late reporting charge for each subsequent late reporting, as prescribed in the Non-Recurring Charges tariff of the Utility's Rate Schedules.~~

~~the Department's rate schedules.~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 33

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 21

**RULE 6. METER TESTING**

(A)

**RULE 6. METER TESTING**

6.1 Records and Procedure. Whenever a ~~meter~~Meter in service is tested, a record will be

~~kept~~ kept of the location of the ~~meter~~Meter, the reason for making the test and the readings of the ~~meter~~Meter before and after the test. For the determination of ~~meter~~Meter accuracy, the ~~Department~~Utility will use the ~~test~~ test flows for the various types of ~~meters~~Meters specified from time to time in the Commission's rules.

~~These~~ These test flows for displacement-type cold-water ~~meters~~Meters currently are:

~~Nominal~~  
~~Meter Size~~  
~~Minimum Test Flow~~  
~~Gallons per Minute~~  
~~Normal Test Flow~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 34

Limit

Gallons per Minute

~~5/8 inch~~

~~1/4~~

~~1-20~~

~~3/4 inch 1/2 2-30~~

~~1 inch 3/4 3-50~~

~~1 1/2 inch 1 1/2 5-100~~

~~2 inch 2 8-160~~

~~3 inch 4 16-300~~

~~4 inch 7 28-500~~

~~6 inch 12 48-1,000~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 35

<u>Nominal Meter Size</u>	<u>Minimum Test Flow Gallons per Minute</u>	<u>Normal Test Flow Limit Gallons per Minute</u>
<u>5/8-inch</u>	<u>1/4</u>	<u>1 - 20</u>
<u>3/4-inch</u>	<u>1/2</u>	<u>2 - 30</u>
<u>1-inch</u>	<u>3/4</u>	<u>3 - 50</u>
<u>1 1/2-inch</u>	<u>1 1/2</u>	<u>5 - 100</u>
<u>2-inch</u>	<u>2</u>	<u>8 - 160</u>
<u>3-inch</u>	<u>4</u>	<u>16 - 300</u>
<u>4-inch</u>	<u>7</u>	<u>28 - 500</u>
<u>6-inch</u>	<u>12</u>	<u>48 - 1,000</u>

Displacement ~~meters~~Meters will be tested at three or more test flows. One will be at the minimum test flow. One will be at not more than 10% of the maximum normal test flow. One will be at not less than 35% of the maximum normal test flow limit.

A ~~meter~~Meter will not be placed in service if it registers less than 95% of the water passed through it at the minimum test flow or over or under registers more than 1 1/2% in the normal test flow limits, with the exception that a repaired ~~meter~~Meter will register not less than the following appropriate percentage of the water passed through it at the minimum test flow, and shall not over or under register more than 2% in the normal test flow limits:

- If manufactured on or after January 1, 1955 — 90%
- If manufactured prior to January 1, 1955 — 85%

(B)

6.2 ~~Frequency of Testing.~~ Meters will be inspected and tested by the Department/Utility in

accordance with the following program, known as the "Statistical Quality Control Program".

(

6.2.1) The Statistical Quality

Control Program shall be based on Military

Standard No. 105-D, Sampling Procedures and Tables for Inspection by Attributes.

Sample size code letters will be taken from Table I, General Inspection Level II. Sample

size and acceptance-rejection numbers will be determined from Table II A, single

sampling plan for normal inspection, using Acceptance Quality Level (AQL) 10.

(

6.2.2) The ~~meters~~Meters for

quality control sampling will be separated into

homogenous groups by manufacturer, model, design, or other distinguishing

characteristics by year set. The sample for each group will, as far as possible, be taken

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 22

from routine ~~meter~~Meter exchanges, removals, and field tests for each year, except that those

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 36

~~meters~~ Meters removed or exchanged because of known or suspected defects or for special tests  
may be excluded from the quality control sample.

(C)  
6.2.3) ~~\_\_\_\_\_~~ If an inadequate sample of ~~meters~~ Meters is routinely exchanged or removed, the balance of ~~meters~~ Meters required for sampling will be obtained from ~~meters~~ Meters in service by removal on a randomly selected basis.

(C)  
6.2.4) ~~\_\_\_\_\_~~ Beginning in the year indicated in the table below and continuing through subsequent service years, ~~meter~~ Meter groups will be sample tested annually, being allowed to continue in service until an annual sample reaches its rejection number of deviant ~~meters~~ Meters. The service life of ~~meter~~ Meter groups may be extended by this quality control program as long as ninety percent of the ~~meters~~ Meters in a sample group does not exceed an accuracy figure of 102.0 percent when tested at not less than 35% of its rated capacity.

5/8-inch <del>meters</del> Meters	9th year
3/4-inch <del>meters</del> Meters	7th year
1-inch <del>meters</del> Meters	5th year
1 1/2-inch <del>meters</del> Meters	3rd year

A ~~meter~~ Meter may be inspected and tested by the ~~Department~~ Utility at any time that the ~~Department~~ Utility suspects it of registering inaccurately.

(C)  
6.3 ~~\_\_\_\_\_~~ Meter Tests Requested by Customers. The ~~Department~~ Utility will test the accuracy of a ~~meter~~ Meter upon written request by a ~~customer~~ Customer. The ~~customer~~ Customer shall pay the charge set forth in the ~~Department's rate schedules~~ Miscellaneous Service Charges tariff of the Utility's Rate Schedules for any ~~meter~~ Meter test after the first test of such ~~meter~~ Meter if (1) the test is requested within thirty-six (36) months after the last test and (2) any error of the ~~meter~~ Meter is found to be in compliance with Rule 6(A)-1. A written report giving the results of the test will be made to the ~~customer~~ Customer within 10 days after the test has been completed.

(D)  
~~\_\_\_\_\_~~ 6.4 ~~\_\_\_\_\_~~ Tests Under Commission Supervision. A test will be made of a ~~customer's meter~~ Customer's Meter by the ~~Department~~ Utility under the supervision of an employee of the Commission upon appropriate direction by the Commission.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 37

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 23

**RULE 7. SERVICE PIPES AND OTHER FACILITIES**

(A)

7.1 Installation and Ownership of Service Pipes. The ~~service pipe~~ Service Pipe shall be installed and owned by the ~~customer~~ Customer. The type, kind and quality of all pipe and materials installed between the ~~main~~ Main and the ~~meter~~ Meter connection shall be subject to approval by the ~~Department~~ Utility. The ~~meter~~ Meter and ~~tap~~ Tap will be furnished, installed, maintained and replaced, if necessary, by the ~~Department~~ Utility and are its property. If the ~~tap~~ Tap is installed by the ~~Department~~ Utility outside regular working hours for the convenience of the ~~customer~~ Customer, the ~~customer~~ Customer shall be charged the actual cost to the ~~Department~~ Utility of labor and equipment used in the work. The ~~customer~~ Customer or his ~~plumber~~ Plumber shall install the ~~meter~~ Meter connection, which will be furnished, owned, repaired and replaced, if necessary, by the ~~Department~~ Utility. If the connection is damaged or lost by the ~~customer~~ Customer or his ~~plumber~~ Plumber, the ~~customer~~ Customer shall pay the ~~Department~~ Utility the cost thereof, but the ~~customer~~ Customer will not be held responsible for loss or damage if he/she has used reasonable care to protect the ~~Department's~~ Utility's property.

(B)

7.2 Maintenance of Service Pipes. The ~~Department~~ Utility will maintain, repair or replace

**Citizens Waterworks**  
**2020 N. Meridian Street**  
**Indianapolis, Indiana 46202**

**ORIGINAL PAGE NO. 38**

~~the portion of the service pipe~~ Service Pipe and appurtenances between the ~~main~~ Main and the ~~public right~~ Public Right-of-way  
Way line made necessary by leaks.

The ~~customer~~ Customer will maintain, repair or replace the portion of the ~~service pipe~~ Service Pipe, and  
appurtenances from the ~~public right~~ Public Right-of-way Way line to the ~~premises~~ Premises.

The ~~Department~~ Utility shall have no duty to maintain, repair or replace ~~service pipes~~ Service Pipes which are  
connected to a pipe in a ~~public right~~ Public Right-of-way Way, which pipe, prior to the dedication of the ~~right-~~  
ofway,  
Public Right-of-Way, was a ~~service pipe~~ Service Pipe not owned by the ~~Department~~ Utility.

For ~~mains~~ Mains and ~~service pipes~~ Service Pipes installed in ~~easements~~ Easements, the ~~Department~~ Utility will  
maintain the  
main Main and tap Tap but will not maintain the ~~service pipe~~ Service Pipe.

The ~~Department~~ Utility shall have no duty to maintain, repair or replace ~~service pipes~~ Service Pipes within a  
vacated ~~public right~~ Public Right-of-way Way or ~~easements~~ Easements unless the ~~service pipe~~ Service Pipe  
crosses a ~~public right~~ Public Right-of-way  
Way adjacent to the ~~easement~~ Easement.

(C) 7.3 ~~Disconnection of Old Service Pipes.~~ The ~~Department~~ Utility will  
disconnect, at its  
expense, inactive ~~service pipes~~ Service Pipes at the tap Tap under the following conditions: (1) when the  
~~Department~~ Utility receives a "wrecking" notification for a ~~premises~~ Premises; (2) when an active ~~service pipe~~  
Service Pipe serves the ~~premises~~ Premises; (3) when a ~~customer~~ Customer installs a new ~~service pipe~~ Service  
Pipe; or (4) when there are no  
existing on-site needs for water service. If the situation is not described by one of the above  
conditions or is unusual, the ~~Department~~ Utility will give such special considerations as the  
circumstances require in its sole judgment.

All ~~service pipe~~ Service Pipe disconnections will be scheduled by the ~~Department~~ Utility. The  
~~Department~~ Utility is  
under no obligation to disconnect inactive ~~service pipes~~ Service Pipes prior to construction of new or  
modified Service Pipes.  
~~service pipes.~~

Any damages to inactive ~~service pipes~~ Service Pipes in the ~~right~~ Public Right-of-way Way or  
~~easement~~ Easement, prior to  
disconnections performed by the ~~Department~~ Utility, shall be the responsibility of the property owner.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 39

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 24

~~(D)~~ 7.4 Service Pipe Installation Requirements. Service ~~pipes~~Pipes, including branches, shall be installed according to the following specifications:

⌘  
7.4.1) The minimum inside diameter of the service pipe Service Pipe shall be 3/4-inch (or in accordance with the building code applicable to the area).

⌘  
7.4.2) The service pipe Service Pipe shall run in a straight line perpendicular to the ~~main~~Main or from the ~~main~~Main to the property line or ~~easement~~Easement line of the ~~premises~~Premises being served. Any exceptions to this practice must be approved by the ~~Department~~Utility.

⌘  
7.4.3) The service pipe Service Pipe shall be installed and maintained with a minimum cover of 4 1/2 feet from the ~~main~~Main to a point where the ~~service pipe~~Service Pipe is otherwise protected from freezing.

⌘  
~~7.4)~~ 4 The service pipe Service Pipe shall include a ~~service stop~~Service Stop of the type approved by the ~~Department~~Utility. Service ~~pipes~~Pipes for ~~meters~~Meters one-inch or smaller installed in an outside meter pit shall have a ~~service stop~~Service Stop with a locking device, which is a part of the meter-holding connection furnished by the ~~Department~~Utility. Service ~~pipes~~Pipes for ~~meters~~Meters one-inch or smaller which cannot be installed in an outside pit shall have a ~~service stop~~Service Stop approved by the ~~Department~~Utility placed between the curb and the ~~public right~~Public Right-of-way Way line. Unless otherwise approved, the service stop shall be placed in the unpaved portion of the ~~public right of way~~Public Right-of-Way near the curb edge of the sidewalk and shall be in front of the structure served. In streets where there are no sidewalks or curbs, such ~~service stops~~Service Stops, as a general rule, shall be placed in the ~~public right~~Public Right-of-way Way 5 1/2 feet from the right-of-way line. All ~~service pipes~~Service Pipes 1 1/2-inch or larger shall have a ~~service stop~~Service Stop installed within three feet of the ~~main~~.

Main. In no case shall ~~service stops~~Service Stops be placed in vaults under the sidewalk.

⌘  
7.4.5) Each service stop Service Stop except those installed in pits shall be provided with an approved box. The top of the box shall be set level with the grade of the surrounding street, sidewalk, or ground. This box shall be originally installed and owned by the

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 40

~~customer~~ Customer and if located on private property shall be maintained and kept to proper grade  
by the ~~customer~~ Customer.

7.4.6) Each ~~service pipe~~ Service Pipe shall contain an approved shut-off valve. Where the ~~meter~~ Meter is located in a building, the valve shall be located where the ~~service pipe~~ Service Pipe first enters the building and on the street side of the ~~meter~~ Meter. Where the ~~meter~~ Meter is located in an outside pit, the valve shall be installed either in the basement or in a riser pipe just above the first floor so that all outlets are controlled. A drawing showing the proposed layout of ~~branched service pipes~~ Branched Service Pipes and valves shall be submitted to, and have been approved by, the ~~Department~~ Utility prior to installation of said ~~service pipes~~ Service Pipes and valves.

7) 4.7 Any ~~service pipe~~ Service Pipe laid in proximity to an existing or proposed sewer or drain line shall be installed in accordance with the current plumbing rules and regulations of the State of Indiana applicable to such installation.

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 25

~~(7.4.8)~~ Every ~~premises~~ Premises shall receive water utility service through a separate ~~service pipe~~ Service Pipe unless the ~~Department~~ Utility approves and authorizes the provision of water utility service to two or more separate ~~premises~~ Premises through a primary ~~service pipe~~ Service Pipe and related ~~branched service pipes~~ Branched Service Pipes in accordance with ~~paragraph (L)~~ of this Rule 7.12.

A ~~service pipe~~ Service Pipe shall not extend from one ~~premises~~ Premises to another across a ~~public right of~~ Public Right-of-Way way.

A ~~service pipe~~ Service Pipe shall not extend across a property, lot or ~~easement~~ Easement line except in those instances where the ~~main~~ Main to which the ~~service pipe~~ Service Pipe is connected is installed in a ~~public right~~ Public Right-of-way Way or in an ~~easement~~ Easement parallel to the ~~public right~~ Public Right-of-way Way.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 41

(F)  
7.4.9) \_\_\_\_\_ The ~~Department~~Utility, upon request, will review a ~~customer's~~Customer's plans and specifications with respect to the type, location and arrangement for the service, ~~service pipe~~Service Pipe and other facilities downstream from the ~~meter~~Meter, but the ~~Department~~Utility is not responsible for the adequacy of such ~~service pipe~~Service Pipe and facilities downstream from the ~~meter~~Meter or for selection by the ~~customer~~Customer of the best or most economical type of service or ~~metering~~Metering arrangement.

(E)

7.5

Replacement of Service

Pipes. The ~~Department~~Utility recommends against extending or reconnecting a previously installed ~~service pipe~~Service Pipe to a building if such ~~service pipe~~Service Pipe is or may be of inadequate capacity and invites the ~~customer~~Customer or ~~plumber~~Plumber to obtain the advice of the ~~Department~~Utility regarding the size of the ~~service pipe~~Service Pipe which would be adequate for the proposed service. If the ~~customer~~Customer elects to install a new ~~service pipe~~Service Pipe, the installation shall be made by the ~~customer~~Customer.

(F)

7.6 \_\_\_\_\_ Metering Points. Unless the ~~customer~~Customer requests additional metering points and the request is approved by the ~~Department~~Utility, service shall be supplied through a separate ~~service pipe~~Service Pipe and ~~meter~~Meter for each ~~premises~~Premises.

In new or unusual situations or situations not described by the existing rules, service and metering points must be reviewed and approved by the ~~Department~~Utility prior to installation.

(G)

7.7 \_\_\_\_\_ Relocation of Service Pipes. The ~~Department~~Utility shall not be liable for the cost of moving or relocating a ~~service pipe~~Service Pipe or related appurtenances to serve the convenience of the ~~Customer~~Customer.

If the ~~Department~~Utility relocates a ~~main~~Main in connection with a public improvement project, the ~~Department~~Utility will, at its expense, reconnect the ~~service pipe~~Service Pipe from the old ~~main~~Main to the new ~~main~~Main.

If a ~~service pipe~~Service Pipe must be relocated or lowered in connection with a public improvement project not involving a ~~Department~~Utility Main relocation, the ~~service pipe~~Service Pipe will be relocated or lowered at the expense of the public improvement project agency.

(H)

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 42

7.8 Undersized Service Pipes. The ~~Department~~Utility is not responsible for inadequate or unsatisfactory service due to an undersized ~~service pipe~~Service Pipe. Replacement of an undersized ~~service pipe~~Service Pipe and appurtenances shall be at the ~~customer's~~Customer's expense.

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 26

(I) 7.9 Thawing Frozen Service Pipes. The ~~Department~~Utility shall not be required to attempt to thaw ~~service pipes~~Service Pipes.

(J) 7.10 Irregularly Located Service Pipes. A ~~service pipe~~Service Pipe which is irregularly located shall, at the ~~Department's~~Utility's expense, be relocated and connected to a new ~~main~~Main abutting the ~~premises~~Premises when subsequently installed for other purposes.

The ~~Department~~Utility shall not be under any obligation to permit connection or to supply service to any ~~customer~~Customer whose ~~premises~~Premises does not abut a ~~main~~Main.

(K) 7.11 Modification of Facilities. Where modification of the ~~customer's~~Customer's facilities, or the type or arrangement of service is required in the ~~Department's~~Utility's judgment because of changes in the use of the ~~premises~~Premises or because of the ~~customer's~~Customer's operations which affect the ~~Department's~~Utility's distribution system, such as the causing of pressure fluctuations which affect service to other ~~customers~~Customers or damage to the ~~Department's~~Utility's system, the necessary modification shall be made at the ~~customer's~~Customer's expense at the request of the ~~Department~~Utility. The ~~Department~~Utility shall also be entitled to recover from such a ~~customer~~Customer the costs of repairing its distribution system.

(L) 7.12 Association of Customers. The ~~Department~~Utility may contract, in its judgment, with

**Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202**

**ORIGINAL PAGE NO. 43**

~~two or more prospective customers~~Customers for water service from one primary ~~service pipe~~Service Pipe, provided the ~~customers~~ Customers have entered into a written contract with the ~~Department~~Utility and with each other to provide for the maintenance of the primary ~~service pipe~~Service Pipe and all related branches, and to pay all associated private fire service charges.

A ~~service pipe~~Service Pipe to an isolated ~~premises~~Premises shall not extend across a property, lot or ~~easement~~Easement line to a ~~main~~Main until the prospective ~~customer~~Customer and the owner(s) of adjacent land between the isolated ~~premises~~Premises and the ~~main~~Main have entered into a written contract with the ~~Department~~Utility and with each other to provide for the maintenance of the ~~service pipe~~Service Pipe and to pay all associated private fire service charges.

~~INDIANAPOLIS DEPARTMENT OF WATERWORKS~~

~~ORIGINAL PAGE 27~~

**RULE 8. PLUMBING RESTRICTIONS**

~~(A) 8.1~~ Lawn Irrigation System and Yard or Post Hydrant Installation Requirements.

~~Customers shall construct an air gap or install a reduced pressure principle backflow preventer or~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 44

pressure type vacuum breaker in accordance with Indiana Department of Environmental Management Rule 327 IAC 8-10-6, on the water line connecting the public water supply to any lawn irrigation facility buried below ground which has a ~~spinkingsprinkling~~ sprinkling outlet located less than six (6) inches above grade and which is constructed after July 19, 1985.

Vacuum breakers installed on all yard or post hydrants shall be of the self-draining, nonfreezing type.

A drawing of each such proposed lawn irrigation and hydrant installation shall be submitted to, and have been approved by, the ~~Department~~Utility prior to installation.

(B)

8.2 ~~Prevention of Contamination of Department's~~Utility's Distribution System. No

interconnection or plumbing arrangement shall be permitted that could allow contamination to enter the ~~Department's~~Utility's distribution system. Backflow prevention devices shall be installed in ~~customer~~Customer facilities in accordance with Indiana Department of Environmental Management Rule 327 IAC

8-10. ~~Department~~Utility-approved backflow prevention devices as required by Indiana Department of Environmental Management Rule 327 IAC 8-10 shall be installed in the primary ~~service pipe~~Service Pipe serving an association of ~~customers~~Customers, as described in Rule 7(L). ~~Department~~12. Utility approved backflow

prevention or detector check devices shall be installed in all unmetered private fire service lines as described in Rule 9. Backflow prevention devices approved by the ~~Department~~Utility shall be installed in any other ~~service pipe~~Service Pipe where the ~~Department~~Utility, in its judgment, determines that such protection is necessary.

All backflow prevention devices shall be installed at locations approved by the ~~Department~~Utility. These devices will be selected and installed in accordance with 327 IAC 8-10-7.

No connection to a ~~service pipe~~Service Pipe shall be made between the ~~main~~Main and the backflow prevention device without the ~~Department's~~Utility's prior approval.

(C)

8.3 ~~Prevention of Circulation in Looped Systems.~~ Service pipesPipes which form a

complete loop and connect to a ~~main~~Main at two or more points shall have double check valve assemblies installed in them. The devices shall be installed near the property line at each point of connection to the ~~main~~Main.

(D)

8.4 Potable Secondary Water Supply. Customers having a potable secondary water

supply shall install and maintain, at their expense, proper backflow prevention devices in accordance with Indiana Department of Environmental Management Rule 327 IAC 8-10-5. This will include tanks constructed to store water furnished by the ~~Department's~~Utility's distribution system.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 45

~~(E)~~

8.5 ~~Non-Potable Water Supply.~~ Where a ~~premises~~Premises has a non-potable secondary or private fire service water supply, no connection will be allowed to the potable water piping system. This is to comply with 327 IAC 8-10-~~5b-5(b).~~

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 28

~~(F)~~

8.6

Booster Pump

~~Installations.~~ All plans for booster pump installations shall be submitted to the ~~Department~~Utility prior to installation. A booster pump must be equipped with pressure sensing controls to provide shut down when the ~~main~~Main pressure drops below 20 psi. Requirements for backflow prevention devices, metering or flow detection will be considered at this time.

~~(G)~~

8.7  
and

General Requirements. Backflow prevention devices shall be installed

inspected per Indiana Department of Environmental Management Rule 327 IAC 8-10. If the ~~Department~~Utility finds noncompliance with these rules, it will report such noncompliance to the Indiana Department of Environmental Management per Rule 327 IAC 8-10-10. The ~~Department~~Utility may also disconnect service to the ~~customer~~Customer in accordance with Rule 4~~(B)(2.1).~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 46

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 29

### RULE 9. FIRE SERVICE

~~(A)~~ 9.1 Design and Installation Requirements. The type, kind and quality of all pipe and materials installed underground for fire service shall be subject to approval by the ~~Department~~ Utility. Fire service water shall pass through a ~~fire meter~~ Fire Meter, double check detector check assembly or detector check with a bypass ~~meter~~ Meter unless, in the ~~Department's~~ Utility's judgment, fire service water is allowed to pass through a domestic ~~meter~~ Meter. A ~~fire meter~~ Fire Meter shall be installed only in a ~~service pipe~~ Service Pipe which supplies water to a ~~premises~~ Premises both for fire service use and use other than fire service.

A  
\_detector check with a bypass meter or double check detector check assembly will be installed where required by Rule ~~9(G)~~ 7. All fire service lines within buildings shall be installed in such a manner that all pipes will be easily accessible for inspection at any time. Underground pipes outside of buildings must be placed and maintained with a minimum cover of four and one-half feet. Unmetered connections with fire service systems are prohibited.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 47

~~\_\_\_\_\_~~ In the event that an additional ~~service pipe~~ Service Pipe for supplying water to the ~~premises~~ Premises solely for use other than fire service is branched from a ~~service pipe~~ Service Pipe supplying water to the ~~premises~~ Premises for fire service, the ~~customer~~ Customer may elect to install separate ~~meters~~ Meters in each such ~~service pipe~~ Service Pipe branch, in lieu of a ~~fire meter~~ Fire Meter in the primary ~~service pipe~~ Service Pipe for the combined services. Where a fire service system is maintained under pressure from a jockey pump, the water serving the jockey pump shall be drawn from the line serving the fire pump and a separate ~~meter~~ Meter shall be installed on this line.

(B)

~~9.2~~ ~~\_\_\_\_\_~~ Alarms and Check Valves. Private fire service systems without tanks shall be equipped with a flow alarm and a double check valve assembly. Systems with tanks shall have one flow alarm and an approved backflow prevention device. Water from the ~~Department's~~ Utility's supply used for filling storage tanks or reservoirs shall be metered.

(C)

~~9.3~~ ~~\_\_\_\_\_~~ Seals on Hydrants and Other Fixtures. Hydrants and other fixtures connected to a private fire service line may be sealed by the ~~Department~~ Utility, and such seals shall be broken only in case of fire or as specially permitted by the ~~Department~~ Utility. The ~~customer~~ Customer must immediately notify the ~~Department~~ Utility of the breaking of any such seal.

(D)

~~9.4~~ ~~\_\_\_\_\_~~ Discontinuance of Service. Water service for a ~~customer's~~ Customer's private fire service system may be discontinued for (1) any of the reasons set forth in ~~Rule~~ Rules 4 or 9(A), 1, except vacancy of ~~premises~~ Premises, (2) the ~~customer's~~ Customer's failure to notify the ~~Department~~ Utility promptly in the case where the ~~Department's~~ Utility's seals on valves, fittings, or hydrants are broken, or (3) waste or unauthorized use of water by the ~~customer~~ Customer through fire service lines.

Water service for a ~~customer's~~ Customer's private fire service system located in Marion County will not be disconnected at the ~~customer's~~ Customer's request, unless the fire department having jurisdiction of the district in which the ~~premises~~ Premises is located has approved the disconnection. Until the fire department approves the disconnection, the ~~customer~~ Customer will continue to be obligated to pay for such service. If the ~~customer~~ Customer fails to pay for their unmetered fire service, the ~~Department~~ Utility may discontinue the metered water service as set forth in Rule 4.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

~~INDIANAPOLIS DEPARTMENT OF WATERWORKS~~

If the ~~premises~~ Premises is located outside of Marion County, the ~~Department~~ Utility will not discontinue private fire service at the ~~customer's~~ Customer's request, and the ~~customer~~ Customer will continue to be obligated to pay for such service, unless the ~~Department~~ Utility has received a return mail receipt showing that the fire department having jurisdiction of the area in which the ~~premises~~ Premises is located has received the ~~Department's~~ Utility's notice that such service will be discontinued. If the ~~customer~~ Customer fails to pay for their unmetered fire service, the ~~Department~~ Utility may discontinue the metered water service as set forth in Rule 4.

~~Rule 4:~~

(E)

9.5 ~~Fire Meters.~~ A ~~fire meter~~ Fire Meter shall be installed whenever a single ~~service pipe~~ Service Pipe is installed for the purpose of supplying water to a ~~premises~~ Premises both for fire service and for use other than fire service. The ~~fire meter~~ Fire Meter and ~~tap~~ Tap in the ~~main~~ Main shall be furnished, installed and owned by the ~~Department~~ Utility. The meter pit and all other facilities within the meter pit shall be subject to the ~~Department's~~ Utility's approval prior to installation and be constructed and installed by, and be the responsibility of, the ~~customer~~ Customer.

(F)

9.6 ~~High Volume – High Pressure Industrial Systems.~~ In the case of a private fire service system to serve an industrial complex owned and operated as a single entity by one ~~customer~~ Customer which will have significant water storage and high volume/high pressure pumping facilities, such system shall be installed in accordance with plans submitted to, and approved by, the ~~Department~~ Utility prior to installation. In the event that it is necessary that any part of such system cross or be located within a ~~public right~~ Public Right-of-way Way or a ~~Department~~ Utility-owned ~~easement~~ Easement, such system shall not be deemed to violate Rule 7(~~D~~)(4.8) if the ~~customer~~ Customer has entered into a written agreement with the ~~Department~~ Utility in which the ~~customer~~ Customer has agreed to:

(

9.6.1) ~~install all of the customer's~~ Customer's pipes within the ~~right~~ Public Right-of-way Way or ~~easement~~ Easement in a tunnel or casing pipe extending five (5) feet onto the ~~customer's~~ Customer's property on each side of the ~~right~~ Public Right-of-way Way or ~~easement~~ Easement, all details of which shall be subject to the ~~Department's~~

Utility's approval,

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Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 49

9.6.2) \_\_\_\_\_ pay the costs incurred by the ~~Department~~Utility to replace with an approved pipe \_\_\_\_\_ material any ~~Department main~~Utility Main which, in the ~~Department's~~Utility's judgment, is put in jeopardy and is located within the area disturbed by the installation of the ~~customer's~~Customer's pipes within the ~~public right~~Public Right-of-wayWay or ~~easement~~Easement,

(  
9.6.3) \_\_\_\_\_ maintain and repair, at the ~~customer's~~Customer's sole expense, the ~~customer's~~Customer's private \_\_\_\_\_ fire service system, including the ~~customer's~~Customer's pipes installed within the ~~public right-of-way~~Public Right-of-Way or ~~easement~~Easement,

(  
9.6.4) \_\_\_\_\_ compensate the ~~Department~~Utility for any and all damage to the ~~Department's~~Utility's facilities located in the ~~public right~~Public Right-of-wayWay or ~~easement~~Easement caused by the ~~customer~~Customer, its \_\_\_\_\_ system, installation or use,

(  
9.6.5) \_\_\_\_\_ indemnify the ~~Department~~Utility against any and all liability and claims arising \_\_\_\_\_ from damage to property or injury (whether or not alleged to be the result of the ~~Department's~~Utility's negligence) caused by the ~~customer's~~Customer's system or its installation, \_\_\_\_\_ maintenance or use, and

INDIANAPOLIS DEPARTMENT OF WATERWORKS \_\_\_\_\_

ORIGINAL PAGE 31

(  
(  
9.6.6) \_\_\_\_\_ relocate, at no expense to the ~~Department~~Utility, its facilities installed within the \_\_\_\_\_ ~~public right~~Public Right-of-wayWay if such relocation is necessitated by a public improvement.

(G)  
9.7 \_\_\_\_\_ Detector Checks. An Underwriters Laboratory-approved detector check with a \_\_\_\_\_ bypass ~~meter~~Meter or double check detector check assembly shall be installed in all new private fire \_\_\_\_\_ system ~~service pipes~~Service Pipes. In addition, detector checks with bypass ~~meters~~Meters or double check detector \_\_\_\_\_ check assemblies shall be installed where existing private fire system ~~service pipes~~Service Pipes are being modified, replaced or relocated, where existing private fire systems are being extended, and

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 50

~~when a customer~~Customer being served has been found by the ~~Department~~Utility to be using water, without authorization from ~~the Department~~Utility, from an existing ~~unmetered service pipe~~Service Pipe for purposes other than fire service. The detector check or double check detector check assembly shall be located after all metered ~~branched service pipe~~Branched Service Pipe connections. The bypass ~~meter~~Meter around the detector check or double check detector check assembly shall be sized, purchased, installed and owned by the ~~Department~~Utility. The detector check or double check detector check assembly, meter pit or vault, and all other piping facilities within the meter pit or vault, shall be subject to the ~~Department's~~Utility's prior approval and be constructed and installed by, and the responsibility of, the ~~customer~~Customer.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 51

~~INDIANAPOLIS DEPARTMENT OF WATERWORKS~~

ORIGINAL PAGE 32

~~RULE 10. DEPARTMENT'S UTILITY'S RESPONSIBILITY FOR SERVICE~~

~~(A) 10.1~~ ~~Interruptions, Pressure, and Volume.~~ The ~~Department~~Utility will use reasonable care and diligence to avoid interruptions and fluctuations in its service, but it cannot and does not guarantee that interruptions and fluctuations will not occur. Variations in pressure or volume of flow are to be expected. In the ~~Department's~~Utility's judgment, ~~customers~~Customers requiring uniform service, an uninterrupted supply, or uniform pressure or volume shall make their own special provisions on their ~~premises~~Premises. Customers needing special provisions for uninterrupted service may also be required to install multiple meters or multiple backflow devices to allow the ~~Department~~Utility to test ~~meters~~Meters and backflow devices or repair ~~meters~~Meters during the ~~Department's~~Utility's normal business hours and to allow the ~~customer~~Customer to repair its backflow devices.

~~(B)~~  
~~10.2~~ ~~Liability for Damages on Customer's Premises.~~ The ~~Department~~Utility shall not be liable for any damage done or inconvenience caused by reason of any break, leak or defect in, or by water escaping from, ~~service pipes~~Service Pipes or fixtures on the ~~premises~~Premises of the owner or ~~customer~~Customer.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 52

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 33

**RULE 11. COMPLAINT PROCEDURE-**

(A)-11.1 Complaint. A ~~customer~~Customer may complain to the ~~Department~~Utility at any time about any bill which is not then delinquent, a security deposit, a disconnection notice, or any other matter relating to the ~~Department's~~Utility's service and may also request a conference about such matters. The complaints may be made in person, in writing, or by completing a form available from either the Commission or from the ~~Department~~Utility at its business office. A complaint shall be considered filed upon receipt by the ~~Department~~Utility, except mailed complaints shall be considered filed as of the postmark date. In making a complaint or requesting a conference (hereinafter "complaint"), the ~~customer~~Customer shall state his/her name, service address and the general nature of his/her complaint.

(B) 11.2 Investigation of Complaint and Notification of Proposed Disposition. Upon receiving each such complaint, the ~~Department~~Utility will ~~investigation~~investigate the matter, confer with the ~~customer~~Customer when requested and notify him/her, in writing, of its proposed disposition of the matter. Such written notification will advise the ~~customer~~Customer that he/she may, within seven days following the date on which such notification is mailed, request a review of the ~~Department's~~Utility's proposed disposition by the Commission. If the ~~customer~~Customer requests a special ~~meter~~Meter reading, the first reading of the ~~customer's~~Customer's Meter by the ~~Department~~Utility during its investigation shall not be subject to the charge for a special ~~meter~~Meter reading prescribed in the ~~Department's rate schedules~~Utility's Rate Schedules. Subsequent readings, however, if requested by the ~~customer~~Customer, will be subject to the charge.

(C) 11.3 Service During Review of Complaint. If the ~~customer~~Customer is receiving service at the time the complaint is received by the ~~Department~~Utility, his/her service will not be disconnected until at

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 53

least ten days after the date on which the ~~Department~~Utility mails the notification of its proposed disposition of the matter to the ~~customer~~Customer. If the ~~customer~~Customer, within seven days after the mailing by the ~~Department~~Utility of its proposed disposition of the matter, requests the Commission to review the ~~Department's~~Utility's proposed disposition of the complaint, the ~~Department~~Utility will not disconnect the ~~customer's~~Customer's service until at least three days after the date of the mailing of the Commission's decision on the matter, provided the ~~customer~~Customer has paid and continues to pay all undisputed bills, portions of disputed bills as specified hereinafter, and all future undisputed bills prior to their becoming delinquent. If the ~~customer~~Customer and the ~~Department~~Utility cannot agree as to what portion of a bill is undisputed, the ~~customer~~Customer shall pay on the disputed bill an amount equal to his average bill for the twelve months immediately preceding the disputed bill, except in those cases where the ~~customer~~Customer has received fewer than twelve bills, in which event the ~~customer~~Customer shall pay an amount equal to 1/12 of the ~~Department's~~Utility's estimate of its annual cost of rendering service to such ~~Customer~~Customer.

(D)

11.4 Record of Complaints. The ~~Department's~~Utility's record of complaints under this rule will be available during normal business hours upon request by the concerned ~~customer~~Customer, his agent possessing written authorization, or the Commission.

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 34

RULE 12. MAIN EXTENSIONS:

(A) 12.1 Definitions. The following terms as used in this rule have the following meanings:

( 12.1) 1 "Completion date of the ~~main~~Main extension" means the date the ~~Department~~Utility declares the ~~main~~Main extension to be in service and releases it for ~~taps~~Taps.

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Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

**ORIGINAL PAGE NO. 54**

~~12.1.2)~~ \_\_\_\_\_ “Cost of the ~~main~~Main extension” means the estimated cost of installing the ~~main~~Main or the actual cost of a developer-installed extension.

⊖

~~12.1.3)~~ \_\_\_\_\_ “Deposit” means the amount required to be deposited by or on behalf of each prospective ~~customer~~Customer for a ~~main~~Main extension prior to the ~~Department~~Utility commencing construction of the ~~main~~Main extension.

⊖

~~12.1.4)~~ \_\_\_\_\_ “Main extension” means the ~~mains~~Mains, hydrants and appurtenances installed by the ~~Department~~Utility to provide the water utility service requested by or on behalf of the prospective ~~customer~~Customer or ~~customers~~Customers, but does not include the ~~customer’s~~ service pipeCustomer’s Service Pipe.

⊖

~~12.1.5)~~ \_\_\_\_\_ “Original depositor” means a prospective ~~customer~~Customer who enters into a ~~main~~Main extension agreement with the ~~Department~~Utility and makes a deposit with the ~~Department~~Utility prior to the completion date of the ~~main~~Main extension.

⊖

~~12.1.6)~~ \_\_\_\_\_ “Parcel” means a lot as platted or if the area to be served is not platted, the equivalent of a “lot” as determined in accordance with the Commission’s Rule 170 IAC 6-1.5-30.

⊖

~~12.1.5-30.~~

~~(7)~~ \_\_\_\_\_ “Prospective ~~customer~~Customer” or “applicant” means the person requesting the ~~main~~Main extension in order to receive water utility service from the ~~Department~~Utility.

⊖

~~12.1.8)~~ \_\_\_\_\_ “Subsequent connector” means a person who was not an original depositor and who connects to the ~~main~~Main within 10 years after the completion date of the ~~main~~Main extension.

⊖

~~12.1.9)~~ \_\_\_\_\_ “Subsequent connector’s fee” means the amount required to be paid to the ~~Department~~Utility by each subsequent connector prior to his being permitted to connect to the ~~main~~Main.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 55

(~~F~~)  
12.1.10) \_\_\_\_\_ “Total required deposit” means the amount by which the cost of the ~~main~~ Main extension exceeds the amount equal to three times the estimated annual revenue to be received by the ~~Department~~ Utility from the prospective ~~customer~~ Customer or ~~customers~~ Customers less the ~~Department’s~~ Utility’s costs of connecting said prospective ~~customer~~ Customer or ~~customers~~ Customers to the ~~main~~ Main.

(~~B~~)  
12.2 \_\_\_\_\_ Written Agreement and Scheduling of Projects. Persons desiring ~~main~~ Main extensions shall apply therefore in writing to the ~~Department~~ Utility. All ~~main~~ Main extensions require a prior written agreement between the ~~Department~~ Utility and the prospective ~~customer~~ Customer or ~~customers~~ Customers, who shall

INDIANAPOLIS DEPARTMENT OF WATERWORKS \_\_\_\_\_

ORIGINAL PAGE 35

\_\_\_\_\_ contract to connect to the ~~main~~ Main within nine months after the completion date of the ~~main~~ Main extension and receive service from the ~~main~~ Main extension for a period not less than three years.

\_\_\_\_\_ All ~~main~~ Main extension projects will be carried out in accordance with the Commission’s Rule 170 IAC 6-1.5 and this Rule 12. They will be scheduled for construction in the order in which the ~~Department~~ Utility receives the total required deposit under the ~~main~~ Main extension agreement or the executed ~~main~~ Main extension agreement if there is no required deposit.

(~~C~~)  
12.3 \_\_\_\_\_ Design of Main Extension. All ~~main~~ Main extensions installed to provide domestic water service shall also provide fire protection service. Unless otherwise specifically provided for in the ~~main~~ Main extension agreement, the ~~main~~ Main extension will be designed to deliver domestic water service at a rate sufficient to serve the number of parcels abutting the main extension and public fire protection service at a minimum rate of 1,000 gallons per minute at 20 pounds per square inch residual pressure. In addition to the above, the ~~Department~~ Utility will determine the size of ~~main~~ Main reasonably necessary to serve the applicant without degrading the integrity of the

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 56

~~Department's~~ Utility's distribution system.

(D)

12.4 Determination of Cost of Main Extension.

(

12.4.1)

General. The cost of a

~~main~~Main extension may be either (a) the actual cost of a developer-installed extension; or (b) the estimated cost of the extension. The estimated cost of the ~~main~~Main extension to satisfy the design characteristics set forth in Rule 12(C).3 or such other design characteristics as are specifically requested by the prospective ~~customer~~ Customer or ~~customers~~ Customers will be based on the length of the ~~main~~Main and unit cost for installing the appropriately sized ~~main~~Main. All such costs will be determined annually by the ~~Department~~ Utility, based on the ~~Department's~~ Utility's actual average cost to install ~~mains~~Mains during the previous calendar year, adjusted for known increases or decreases in materials, equipment, special construction, overhead and labor costs. The total of such estimated costs shall be the cost of the ~~main~~Main extension for all purposes under the ~~main~~Main extension agreement. If, however, one or more of the prospective ~~customers~~ Customers requests special service, such as higher flow or pressure, which the ~~Department~~ Utility determines requires the installation of a ~~main~~Main larger than that which would otherwise be necessary to serve the domestic and fire protection requirements of the prospective ~~customers~~ Customers generally, the ~~Department~~ Utility will compute the cost of an alternative ~~main~~Main extension which would meet the needs of the prospective ~~customer~~ Customer or ~~customers~~ Customers assuming no one of them required any special service, which cost will be used to determine the deposit required from each of the original depositors other than those requesting the special service and the subsequent connector's fees.

The applicant shall be required to pay the cost of the ~~main~~Main extension and the full gross-up any applicable state and federal taxes associated with the cost of the extension, and the applicant shall receive refunds as provided in this Rule 12.

(

12.4.2) Length and Location of Main Extension.

(a)

12.4.2.1 Extension of Main to Intersection or Parcel Adjacent to Parcel Having Available Service. The ~~main~~Main extension shall run to the end of the lot or frontage of the most remote original applicant to be served. However, if such lot or frontage abuts

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 36

an intersecting street, the terminal point of the extension shall be located so that the ~~main~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 57

Main to be installed ties into the existing ~~main~~Main in the intersecting street. If there is no ~~main~~Main in the intersecting street, the cost of the ~~main~~Main extension shall be computed on the basis of an extension of the ~~main~~Main to the center of the street. If the ~~main~~Main to be extended terminates within a parcel served thereby and the extension of such ~~main~~Main is to serve only the immediately adjacent parcel, the ~~Department~~Utility, at its expense, will extend the existing ~~main~~Main to the mutual property line and such line will be considered the beginning point of the ~~main~~Main extension.

(b)

12.4.2.2 Termination of Main Extension in Permanent Cul-De-Sac. If the public thoroughfare in which the ~~main~~Main is to be installed dead ends in a permanent cul-de-sac, ~~de-sac,~~ the ~~main~~Main will be installed to wrap around the cul-de-sac in the unpaved portion of the ~~public thoroughfare right~~ Public Right-of-way Way, so that the ~~service pipe~~Service Pipe to serve each parcel abutting the public thoroughfare may be connected to the ~~main~~Main without disturbing the paved portion of the public thoroughfare in the cul-de-sac and without crossing any property line other than the right-of-way line.

(c)

12.4.2.3 Termination of Main Extension Against Natural or Physical Barrier. If the public thoroughfare in which the ~~main~~Main is to be installed dead ends against a railroad, creek, river or other physical or natural barrier, or if the ~~main~~Main is to serve the last lot or last facing pair of lots in a street, the ~~main~~Main to be installed may terminate at the physical or natural barrier, at the point where the most remote ~~service pipe~~Service Pipe is to be connected to the ~~main~~Main, or at a point perpendicular to the farthest corner of the house or structure located on the parcel adjacent to the barrier, whichever the ~~Department~~Utility in its reasonable engineering judgment determines is the most appropriate under the circumstances.

(d)

12.4.2.4 Mains to be Installed in Public Thoroughfare. The ~~Department~~Utility shall not have a duty to locate a ~~main~~Main other than in a public thoroughfare. In its discretion, the ~~Department~~Utility may install a ~~main~~Main in an ~~easement~~Easement or right-of-way granted to the ~~Department~~Utility where installation of the ~~main~~Main in the public thoroughfare is impracticable or installation of the ~~main~~Main in an ~~easement~~Easement will, in the ~~Department's~~Utility's engineering judgment, benefit the ~~Department's~~Utility's distribution system.

(E)

12.5 Determination of Revenue Allowance. The revenue allowance for each ~~main~~Main extension shall be equal to three times the estimated annual revenue to be received from the ~~customer~~Customer or ~~customers~~Customers to be attached to the ~~main~~Main less the estimated cost of connecting the prospective ~~customer~~Customer or ~~customers~~Customers to the ~~main~~Main, which cost shall be based on the size of the ~~tap~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 58

Tap and ~~meter~~ Meter through which the prospective ~~customer~~ Customer or ~~customer~~ Customers will receive service. If the revenue allowance exceeds the cost of the ~~main~~ Main extension, the ~~main~~ Main extension shall be a "free extension," subject to the terms and conditions described in Rule 12(F).6.

In determining the revenue allowance, the ~~Department~~ Utility will estimate the annual revenue to be received by it from each of the prospective ~~customers~~ Customers based on the average annual revenue received from ~~customers~~ Customers of the same classification having similar characteristics during the

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 37

previous calendar year. If there is evidence available that would indicate that such an estimate would be inapplicable, the ~~Department~~ Utility will estimate the annual revenue based on such evidence.

Where the ~~main~~ Main extension will serve ~~residential customers~~ Residential Customers, an immediate revenue allowance will be allowed only for existing residences or residential units where construction of the building containing the units has commenced above the first floor and where the prospective ~~customer~~ Customer or developer, as the case may be, agrees to take service within nine months following the completion date of the ~~main~~ Main extension. Where the ~~main~~ Main extension is to serve a proposed commercial or industrial real estate development, no immediate revenue allowance will be allowed for prospective commercial or industrial ~~customers~~ Customers unless, in the ~~Department's~~ Utility's judgment, sufficient construction has commenced and pertinent data is available to the ~~Department~~ Utility to permit it to identify the prospective commercial or industrial ~~customers~~ Customers in order to determine anticipated water demands and estimate the annual revenue to be received from such prospective ~~customers~~ Customers.

(F)

12.6 ~~Guarantee to Insure Connection to Free Extension.~~ If the ~~main~~ Main extension is estimated to be a "free extension," as identified in Rule 12(E).5, the ~~Department~~ Utility may require each prospective ~~customer~~ Customer to make a reasonable deposit, not to exceed three years' estimated revenue from such ~~customer~~ Customer, to guarantee that such prospective ~~customer~~ Customer connects to, and takes service from, the ~~main~~ Main extension within nine months after the completion date of the ~~main~~ Main extension. Each such deposit will be returned as soon as practicable after the prospective ~~customer~~ Customer commences service from the ~~main~~ Main extension. If a prospective ~~customer~~ Customer fails to connect to and

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 59

take service from the ~~main~~Main extension, the ~~Department~~Utility will retain the deposit as liquidated damages for the loss resulting to it from the prospective ~~customer's~~Customer's failure to commence service as anticipated and relied upon by the ~~Department~~Utility, unless a sufficient number of other prospective ~~customers~~Customers become ~~customers~~Customers so as to qualify the ~~main~~Main extension as a free extension.

(G)

12.7 Allocation of Total Required Deposit Where There is More Than One Prospective

Customer. Unless otherwise agreed upon among the prospective ~~customers~~Customers, each shall pay to the ~~Department~~Utility his proportionate share of the total required deposit based on the ratio of the number of parcels for which ~~he~~each Customer requests water service to the total number of parcels for which water service is requested by all of the prospective ~~customers~~Customers. When a prospective ~~customer~~Customer owns more than one parcel but does not elect to arrange for service to all parcels, he may designate which of the parcels are to be served and shall make deposits for each of the parcels to be served. A separate ~~main~~Main extension agreement shall be entered into with respect to each parcel for which water service is requested.

(H)

12.8 Cash or Secured Deposits. A prospective ~~customer's~~Customer's deposit shall be made in cash or, in lieu of cash, it may be secured by an irrevocable letter of credit acceptable to the ~~Department~~Utility and issued by a national bank or a bank chartered under the laws of the State of Indiana. In all cases, said letter of credit shall permit the ~~Department~~Utility upon request to draw funds for the purchase of materials to be used for the ~~main~~Main extension and unconditionally guarantee payment of the remainder of the deposit within three days after the completion date of the ~~main~~Main extension.

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 38

(I) 12.9 When Deposits Collected are Less than Total Required Deposit. In the event that the amount of deposits collected by the ~~Department~~Utility from the original depositors is less than the total required deposit when the ~~Department~~Utility is ready to commence installation of the ~~main~~Main, the ~~Department~~Utility may elect either to cancel the project and return all deposits or to proceed with the ~~main~~Main extension. If the ~~Department~~Utility elects to proceed with the ~~main~~Main extension, the amount by which the total required deposit exceeds the deposits collected shall be identified as the ~~Department's~~Utility's "repayable investment," and no refunds will be made to depositors until the ~~Department~~Utility has recovered all of its repayable investment, with interest at the annual rate of one

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 60

percent (1%) over local prime at the time the proposed written agreements for the ~~main~~Main extension are sent by the ~~Department~~Utility to the prospective ~~customer~~Customer or ~~customers~~Customers.

(J)

12.10 Return of Deposits Upon Failure to Commence Construction. Upon receipt and

retention by the ~~Department~~Utility of the total required deposit, no refund of any deposit will be made unless within 180 days after the ~~Department's~~Utility's receipt of the total required deposit, construction of the ~~main~~Main extension shall not have begun. In the event that the ~~Department~~Utility has not commenced installation of the ~~main~~Main extension within 180 days after receipt of the total required deposit from the original depositors, the ~~Department~~Utility shall, upon written request from an original depositor, refund his/her deposit. Unless such refunded deposit and all other refunded deposits are replaced by the same or other original depositors within 90 days thereafter, the ~~Department~~Utility may cancel the project and refund all remaining deposits thereon. The ~~Department~~Utility shall not be liable for damage to any person, firm, corporation, organization or other entity for failure to install the ~~main~~Main extension within any particular period of time, regardless of the type of damage claimed.

(K)

12.11 Connection and Service. An original depositor shall be entitled to one service

pipeService Pipe connection for each parcel for which a deposit is made. An original depositor shall connect to and receive water service from the ~~main~~Main extension within nine months after the completion date of the ~~main~~Main extension and shall use and pay for such service for a period of at least three years. In the event the original depositor fails to connect to and take service from the ~~main~~Main extension within nine months after the completion date of the ~~main~~Main extension, the revenue allowance for such prospective ~~customer~~Customer shall be identified as the ~~Department's~~Utility's repayable investment and no refunds will be made to the original depositors until the ~~Department~~Utility has recovered all of its repayable investment, with interest at the annual rate of one percent (1%) over local prime at the time the proposed written agreements for the ~~main~~Main extension are sent by the ~~Department~~Utility to the prospective ~~customer~~Customer or ~~customers~~Customers. The ~~Department~~Utility may also require a bond to enforce the faithful performance of the prospective ~~customer's~~Customer's connection and service obligations.

(L) ~~Department~~

12.12 Utility May Install Larger Mains. The ~~Department~~Utility may install mainsMains larger

than the size of ~~mains~~Mains used to determine the cost of the ~~main~~Main extension in order to provide for future extensions. The additional cost of installing such larger ~~mains~~Mains shall be the ~~Department's~~Utility's expense.

(M)

12.13

Subsequent Connector's

Fee. If the owner or occupant of any unconnected parcel

abutting the main but not included in the original application for the ~~main~~Main extension, requests water service any time within ten years after the completion date of the ~~main~~Main extension, the

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 61

owner shall, prior to the ~~Department~~Utility permitting the connection of said parcel to the ~~main~~, pay Main, pays  
a

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 39

subsequent connector's fee for each parcel for which service is requested. The amount of the  
subsequent connector's fee shall be the cost of the ~~main~~Main extension divided by the number of  
parcels abutting the ~~main~~Main used to compute the cost per parcel in determining the amount of the  
total required deposit from the original depositors for the ~~main~~Main extension, unless otherwise  
determined in accordance with Rule 12(~~D~~)(~~4.1~~). If the owner of land which abuts the ~~main~~  
Main extension and was unplatted on the completion date of the ~~main~~Main extension and said owner or his  
heirs, successors or assigns (hereinafter, collectively the "owner") subdivides said land within 10  
years after the completion date of the ~~main~~Main extension in such a manner that some or all of the  
parcels will not require service directly from the ~~main~~Main extension, and the owner requests a lateral  
~~main~~ Main extension from the ~~main~~Main extension to serve such land, the owner shall pay to the  
~~Department~~ Utility a subsequent connector's fee for each parcel abutting the earlier ~~main~~Main extension,  
regardless of whether such parcels are to be served by the earlier ~~main~~Main extension or by the lateral  
~~main~~ Main extension. Applicants for service connections for parcels within subdivision developments  
included in a ~~main~~Main extension agreement shall not be required to pay a subsequent connector's  
fee. The subsequent connector's fee shall be in addition to any other charges which the  
subsequent connector must pay to the ~~Department~~Utility in order to connect to and receive service from the  
Utility.

the Department.

(N) \_\_\_\_\_

12.14 Provisions Regarding the Refund of Deposits.

←

12.14.1) \_\_\_\_\_ All ~~main~~Main extensions are the ~~Department's~~Utility's property.

The ~~Department~~Utility shall

have the right to make further extensions therefrom without the original depositors being  
entitled to any refund by reason of such further extensions or connections thereto, except  
as provided in Rule 12(~~M~~); 13.

←

12.14.2) \_\_\_\_\_ No refund shall be based on connections to the ~~main~~Main extension  
made more

than 10 years after the completion date of the ~~main~~Main extension. In no event shall the total  
amount of the refunds to an original depositor exceed the amount of his deposit. No  
interest shall be paid on any deposit made pursuant to this Rule 12.

←

12.14.3) \_\_\_\_\_ No refund of any deposit shall be made on account of any ~~customer~~

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 62

Customer connecting to the ~~main~~Main extension for whom a final revenue allowance was allowed in establishing or adjusting the amount of such deposit, or whose property does not directly abut upon the particular section of the public thoroughfare in which the ~~main~~Main extension is installed.

⤵  
12.14.4) \_\_\_\_\_ In the event that more than one party contributes to the total required deposit, refunds shall be divided among the parties making the total required deposit in the same proportion as their contributions bear to the total required deposit, unless otherwise provided for in the ~~main~~Main extension agreement.

⤵  
12.14.5) \_\_\_\_\_ The ~~Department~~Utility shall notify the original depositor or depositors of the completion date of the ~~main~~Main extension. Within 30 days after the first anniversary of said completion date, and within 30 days after the next nine anniversaries of said completion date, the ~~Department~~Utility shall compute credits toward its repayable investment, if any, and

~~INDIANAPOLIS DEPARTMENT OF WATERWORKS~~

ORIGINAL PAGE 40

the refunds due the original depositor or depositors. Such credits shall consist of the sum of the following:

(a) \_\_\_\_\_ The subsequent connector's fees collected by the ~~Department~~Utility from ~~customers~~Customers connected to the ~~main~~Main extension after the completion date of the ~~main~~Main extension and for whom no credit has been previously allowed.

(b) \_\_\_\_\_ A revenue allowance in the amount specified in the ~~main~~Main extension agreement for each single family residential ~~customer~~Customer who connected to the ~~main~~Main after the completion date of the ~~main~~Main extension and for whom no credit has previously been allowed.

(c) \_\_\_\_\_ A revenue allowance for each non-residential or multi-dwelling complex ~~customer~~Customer for whom no credit was previously allowed in the amount of three times the first normal 12-months' ~~metered~~Metered and private fire protection service bills paid by such ~~customer~~Customer within four years after connection to the ~~main~~Main, less the ~~Department's~~Utility's cost of so connecting them. If the connection occurs in the tenth

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 63

year after the completion date of the ~~main~~Main extension, the credit under this subparagraph (c) shall be based on the ~~Department's~~Utility's estimate of the first normal 12-months' revenue from that ~~customer~~Customer for each nonresidential or multiple dwelling unit complex ~~customer~~Customer who connected to the ~~main~~Main extension and for whom no credit has previously been allowed.

(d) ~~\_\_\_\_\_~~ A revenue allowance for each non-residential or multi-dwelling complex ~~customer~~Customer for whom a partial credit was previously allowed in the amount of three times the first normal 12-months' metered and private fire protection service bills paid by such ~~customer~~Customer, less the amount of the partial credit previously allowed.

(  
~~12.14.6)~~ ~~\_\_\_\_\_~~ All credits shall first be applied to pay the ~~Department~~Utility its repayable investment and accrued interest thereon, if any. After the ~~Department's~~Utility's repayable investment and interest thereon has been fully paid, all further credits shall be refunded to the original depositor or depositors by check mailed to the original depositor's last known address, as shown on the ~~Department's~~Utility's books and records. Any refund which cannot be made after the refund becomes due and payable because the ~~Department~~Utility is unable to locate the intended recipient will be reported as unclaimed property to the State of Indiana in accordance with the ~~Uniform Disposition of Unclaimed~~Disclaimer of Property Act, ~~IC~~Interests Acts (~~Indiana Code 32-9~~

~~17.5, et. Seq.~~), as the same may be amended from time to time.

(  
~~12.14.7)~~ ~~\_\_\_\_\_~~ In the case of a phased residential real estate development where the preliminary plat of the entire development, in a form satisfactory to the ~~Department~~Utility, is provided the ~~Department~~Utility at the time of the first request by the developer for a ~~main~~Main extension, refunds may be aggregated as follows: During the ten-year period, beginning with the date that the first ~~main~~Main extension for that development is placed in service, the amount of any refunds generated in excess of the deposit made on any phase of the development shall be applied against the deposit made for any earlier phase of the

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 41

development, so long as the total amount of refunds to the original depositor does not at any time exceed the total amount of his deposits during such period.

(~~⊖~~)

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 64

12.15 Optional Surcharge Main Extension in Developed Residential Area.

The ~~Department~~ Utility will install a ~~main~~ Main extension for owners of single or double family dwellings along an existing street in a developed residential area in accordance with the terms and conditions hereinafter described, provided each of said owners enters into a ~~main~~ Main extension agreement with the ~~Department~~ Utility in which said owners, for themselves and their successors in interest in the ~~premises~~ Premises (hereinafter the "owner"), agree to become and remain ~~customers~~ Customers of the ~~Department~~ Utility for at least 60 consecutive months following the completion date of the ~~main~~ Main extension and abide by the terms and conditions set forth in this Rule ~~12(O).15~~ 15. Upon request by the ~~Department~~ Utility, applicants for such a ~~main~~ Main extension shall provide the ~~Department~~ Utility with proof of their property ownership.

The cost of the ~~main~~ Main extension shall be determined in accordance with Rule ~~12(D)(4.1)~~ 12(O).15. To determine each owner's share of that cost, the ~~Department~~ Utility will divide the cost of the ~~main~~ Main extension by the number of dwellings whose owners enter into the ~~main~~ Main extension agreement. That amount, plus the estimated cost of connecting the owner to the ~~main~~ Main, will be the responsibility of each owner and is hereinafter referred to as the "Full Owner's Share". Each owner entering into the ~~main~~ Main extension agreement will have the option of either paying to the ~~Department~~ Utility for each affected dwelling at the time of the execution of the ~~main~~ Main extension agreement (1) the Full Owner's Share," less the ~~Department's~~ Utility's revenue allowance, for each dwelling or (2) a "Partial Owner's Share," which shall be equal to the greater of (a) 10% of the Full Owner's Share or (b) the percentage of the Full Owner's Share required so that the monthly ~~main~~ Main extension surcharge (as hereinafter described) will not exceed a maximum amount fixed by the ~~Department~~ Utility from time to time. For those owners paying a Partial Owner's Share, the remainder of the Full Owner's Share (the "Remaining Balance") shall be paid to the ~~Department~~ Utility through a "main extension surcharge" on his monthly water bill, over a 60-month period commencing the month following that in which the main is placed in service. The amount of such monthly ~~main~~ Main extension surcharge will be approximately 1/60th of the Remaining Balance. The ~~Department~~ Utility shall not be entitled to any interest on the Remaining Balance, and an owner electing the Partial Owner's Share option shall not be entitled to a revenue allowance.

Subsequent connectors to a ~~main~~ Main extension installed pursuant to this Rule ~~12(O).15~~ 15 within 10 years following the in-service date of the ~~main~~ Main extension shall pay to the ~~Department~~ Utility a subsequent connector's fee in an amount computed in accordance with Rule ~~12(M).13~~ 13. Until such time as the ~~Department~~ Utility has recovered its investment in the ~~main~~ Main extension, less any revenue allowances made for a Full Owner's Share (~~Department's~~ Utility's "investment"), the ~~Department~~ Utility will not be obligated to refund any subsequent connector's fees or revenue allowances connected therewith. The ~~Department~~ Utility shall review all projects as of each anniversary of the in-service date of the ~~main~~ Main extension. If at that time the ~~Department~~ Utility has recovered its investment, the

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 65

~~Department~~ Utility will thereafter, until the end of the contract term, make refunds from subsequent connector fees and related revenue allowances, and from ~~main~~Main extension surcharge payments as hereinafter described. Such fees, allowances and payments will be divided equally, per dwelling, among all depositors of Full and Partial Owner's Shares. Those who have deposited a Full Owner's Share will be refunded the resulting amounts. The same amounts will be credited

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 42

against the unpaid portion of the Remaining Balance on the contract obligation of the current owner of a ~~premises~~Premises for which a Partial Owner's Share was deposited. No owner, however, shall be refunded, or credited for, amounts in excess of the sum of deposits and any payments made by such owner ("owner's investment"). When the ~~Department~~Utility has recovered its investment and all owners have recovered their owners' investment, the ~~main~~Main extension contract shall terminate and no further refunds will be made or subsequent connector fees collected.

An owner that pays a Partial Owner's Share, but does not connect a ~~service pipe~~Service Pipe to the ~~main~~Main, shall be known as a "surcharge ~~customer~~Customer". Since such a ~~customer~~Customer will not be receiving a monthly water bill, the ~~Department~~Utility will send the surcharge ~~customer~~Customer a separate monthly bill for the ~~main~~Main extension surcharge. A monthly ~~main~~Main extension bill which remains unpaid for a period of more than 17 days following the mailing of the bill by the ~~Department~~Utility shall be delinquent. If such bill remains delinquent for 7 days following the ~~Department's~~Utility's mailing of a delinquency notice, said ~~customer~~Customer shall be deemed to have forfeited to the ~~Department~~Utility has Partial Owner's Share and all monthly surcharge payments previously made to the ~~Department~~Utility. During the term of the ~~main~~Main extension contract, any subsequent applicant for water service to the owner's ~~premises~~ Premises, including a defaulting surcharge ~~customer~~Customer as provided for in the foregoing sentence, shall be deemed a subsequent connector and pay a subsequent connector's fee for such service.

An owner that occupies a dwelling served by a ~~service pipe~~Service Pipe connected to the ~~main~~Main extension installed pursuant to this Rule 12(~~⊖~~),15 must pay all ~~main~~Main extension surcharges by the due date of the accompanying water bill. A monthly ~~main~~Main extension surcharge which remains unpaid for a period of more than 17 days following the mailing of the bill by the ~~Department~~Utility shall be delinquent. If such bill remains delinquent for 7 days following the ~~Department's~~Utility's mailing of a disconnect notice, the ~~Department~~Utility may declare the entire unpaid amount of the owner's Remaining Balance immediately due and payable, and upon non-payment thereof, may disconnect water service to the owner's ~~premises~~Premises. An owner leasing to others a dwelling served by a ~~service pipe~~Service Pipe connected to the ~~main~~Main extension shall agree with the ~~Department~~Utility for the years

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 66

that the monthly surcharge payment will remain in effect, that the owner is the ~~customer~~ Customer and will receive and pay the monthly bills for water service and the ~~main~~ Main extension surcharges. Said owner shall further agree that if the monthly ~~main~~ Main extension surcharges are not received by the ~~Department~~ Utility within 7 days following the ~~Department's~~ Utility's mailing of a disconnect notice, the ~~Department~~ Utility may declare the entire amount of the owner's unpaid Remaining Balance immediately due and payable, and upon non-payment thereof, may disconnect water service to the owner's ~~premises~~ Premises with notice and in accordance with Rule 4. In the event of a disconnection of water utility service under this Rule 12(O), 15, such service may thereafter ~~by~~ be restored only when the entire amount of the owner's Remaining Balance and the ~~Department's~~ Utility's disconnect and reconnect charges have been paid.

The failure of one or more owners that paid a Partial Owner's Share to pay all of his or their monthly ~~main~~ Main extension surcharges shall not preclude the ~~Department~~ Utility from collecting monthly ~~main~~ Main extension surcharge payments from other owners and subsequent connector fees until its repayable investment has been recovered.

(P)

12.16 Special Contracts for Rate Surcharge in Developed Residential Area.

Pursuant to

170 IAC 6-1.5-40, the ~~Department~~ Utility will make a ~~main~~ Main extension to an unserved, developed

INDIANAPOLIS DEPARTMENT OF WATERWORKS

ORIGINAL PAGE 43

residential area ("designated area") if the owners of at least 50% of the dwellings in the area contract ("Special Contract") for service, on terms acceptable to the ~~Department~~ Utility, providing for the ~~Department's~~ Utility's recovery of the cost of the ~~main~~ Main extension ("main extension cost") and its cost of connecting ~~customers' service pipes~~ Customers' Service Pipes to the ~~main~~ Main through ~~area surcharges and tap~~ Monthly Area Rate Surcharges and Area Rate Tap fees, as prescribed in the ~~Department's rate schedules~~ Miscellaneous Service Charges tariff of the Utility's Rate Schedules, applicable to all ~~customers~~ Customers and potential ~~customers~~ Customers in the designated area until the ~~Department~~ Utility has recovered the ~~main~~ Main extension cost. If owners of fewer than 50% of the dwellings in an area enter into a Special Contract for the area, the ~~Department~~ Utility may elect not to proceed with a ~~main~~ Main extension under this rule.

The ~~monthly area rate surcharge~~ Monthly Area Rate Surcharge will be determined by dividing the ~~main~~ Main extension cost by the number of potential ~~customers~~ Customers in the designated area and dividing the resulting remainder by no fewer than 120 months.

Citizens Waterworks  
2020 N. Meridian Street  
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 67

An owner who contracts for service and pays the ~~area rate tap~~Area Rate Tap fee, but fails to connect to the ~~main~~Main within six months after the date the ~~main~~Main is placed in service, or one who does not contract for service and does not pay such fee before a ~~main~~Main is installed, shall, prior to commencement of service, pay the ~~Department~~Utility at the time the owner connects to the ~~main~~Main and in addition to the ~~area rate tap~~Area Rate Tap fee, the ~~secondary connector fee~~Secondary Connector Fee prescribed in the ~~Department's rate~~ schedulesMiscellaneous Service Charges tariff of the Utility's Rate Schedules for the designated area which fee will be credited against the ~~main~~Main extension cost.

(Q)

12.17 Other Rules. All ~~main~~Main extensions shall be installed, service connections made and water service rendered by the ~~Department~~Utility in accordance with all applicable rules and standards prescribed by the Commission and the ~~Department's~~Utility's rates, charges and rules approved by the Commission ~~and in effect~~as revised, supplemented, and replaced from time to time.