

STATE OF INDIANA)
COUNTY OF JASPER)

SS:

BEFORE THE INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

IN THE MATTER OF:

PETITION FOR ORGANIZATION OF A REGIONAL WATER AND SEWAGE DISTRICT.

CAUSE NO. _____

PETITION

Petitioner, the Board of Commissioners of the County of Jasper ("Commissioners"), pursuant to Ind. Code § 13-26-1-1 et. seq. hereby petitions the Indiana Department of Environmental Management ("IDEM") for the creation of a regional water and sewer district for the purpose of providing sewer and water service to unserved areas in Jasper County as described herein. In support of its Petition, the Commissioners state:

1. **Petitioning Entity.** Consistent with Ind. Code § 13-26-2-2, the Commissioners are filing this Petition on behalf of Jasper County, an "eligible entity" as defined by Ind. Code § 13-11-2-62 (See Commissioners' Resolution, Exhibit 1). The fiscal body for Jasper County, the Jasper County Council, has authorized the filing of this Petition with IDEM (See Jasper County Council's Resolution, Exhibit 2). In support of this Petition, the Commissioners authorized the preparation of an engineering report ("Report") by RQAW, the Commissioners' consulting engineers and architects. A copy of the Report is attached hereto as Exhibit 3 and incorporated herein by reference.

2. **Proposed Name.** The proposed name of the new regional water and sewer district is the Jasper County Regional Water and Sewer District ("District").

3. **Principal Office.** The initial office for the proposed District will be located at 115 West Washington Street, Rensselaer, Indiana 47978.

4. **District Purposes.** The primary purposes to be accomplished by the proposed District are to:

- (i) provide water supply for domestic, industrial, and public use to users inside and outside the District; and
- (ii) provide for the collection, treatment, and disposal of sewage inside and outside the District.

The District intends to accomplish these dual purposes by constructing and thereafter operating potable water and sewage disposal facilities. These facilities will be used to serve residences and businesses within the proposed District. By establishing adequate and dependable water supply and sewage disposal systems, the Commissioners hope to stimulate economic development in Jasper County that will, in turn, create new economic opportunities for its citizens and result in a more diverse tax base. In addition to the potential economic benefits, the Commissioners believe such facilities will be conducive to the public health, safety, convenience, and welfare by: (i) ensuring that its citizens receive potable water that is routinely tested and meets the requirements of the Safe Drinking Water Act; (ii) providing a water supply that can be utilized as a means of fire suppression; and (iii) offering sewage disposal service in accordance with the Clean Water Act and the National Pollutant Discharge Elimination System ("NPDES") Program.

5. **Status of Current Service and Need for Water Supply and Sewage Disposal Service.** There is an undisputed need in the proposed area for improvements to the current system of sewer and water service. Currently, most of the proposed area to be served by the District has no systematic sewage collection or disposal system and relies solely on individual septic systems for the collection and disposal of sewage.

waste. According to data compiled by the United States Department of Agriculture: Natural Resources Conservation Service ("USDA"), 98.7% of Jasper County's soils can be characterized as "very limited" for septic tank absorption fields. The USDA explains in its published materials that the type of soils found in Jasper County generally cannot be used for septic tanks "without major soil reclamation, special design, or expensive installation procedures. Poor performance and high maintenance can be expected." (See Report, Exhibit 3, p. 21; USDA publication). Because the soils in the District are not particularly conducive to this type of sewage disposal, the use of individual septic systems creates health and pollution hazards.

Similarly, individual wells are the only source of water supply to the households and businesses within the District's proposed service territory. Many areas within the proposed District have wells with unsatisfactory water quantity and quality.

The District will address the area's need for safe, efficient, and affordable sewer and water service by constructing new water and sewer facilities and/or by entering into contractual relationships with other entities to provide service on the District's behalf. Where installed, new sewage facilities would replace the need for a septic finger system for each home or business, thus eliminating possible surface and groundwater contamination associated with failed septic systems. Similarly, newly installed water facilities will replace individual wells and provide more reliable potable water and/or water for fire protection services to users in the District.

6. **Outstanding Indebtedness**. At the time of filing this Petition, the District has minimal outstanding indebtedness. The indebtedness is attributable primarily to the fees of professionals who have assisted the District in its preparation and organization. These fees have been advanced by the Commissioners, pursuant to Ind. Code §13-26-

7-2. The District will repay the advance at a later date from the proceeds generated by the District's operations or its issuance of tax exempt bonds. (See Ind. Code § 13-26-7-3).

The cost of constructing new water and/or sewer facilities, and any administrative, legal, engineering, and accounting expenses associated with constructing such facilities, will be paid for out of bond proceeds or by entering into public or private relationships for the payment and construction of the desired facilities.

7. **Description of Service Territory.** The area to be served by the proposed District includes all areas throughout Jasper County, except for those areas actually receiving sewer and/or water service as of the date of formation of the proposed District by existing public utilities, conservancy districts, regional districts, and/or municipalities.

8. **Board of Trustees.** The proposed District shall be governed by a three-member board of trustees that will be appointed by the Commissioners.

9. **Plan for Financing Cost.** Other than the previously mentioned organizational expenses, the District will not incur any costs prior to the issuance of the bonds or the receipt of revenue from the District's operations.

10. **Estimated Cost of Accomplishing Purpose of District.** The Commissioners have identified a number of projects that could be completed. Some of the projects include purchasing water and sewer on a wholesale basis from neighboring utilities and then the District would be solely responsible for serving its customers with water and sewage treatment service. Other potential projects would require the proposed District to construct its own sewer and water facilities. Please find outlined below a brief summary and estimated cost of three (3) potential projects:

(i) State Road 114 Project

The State Road 114 Project involves the extension of water and sewer facilities from the City of Rensselaer's existing municipal limits along State Road 114 to the Exit 215 Interchange at Interstate 65. This Project would offer retail water and sewer service to new and existing businesses and residents in this area. The estimated construction cost for the sewer facilities for the State Road 114 Project is Three Hundred Sixty Thousand Fifty-Nine Dollars (\$360,059) and the water facilities are estimated to cost Four Hundred Eighty-Seven Thousand Five Hundred Seventy-Four Dollars (\$487,574). With general construction costs and contingencies, the total anticipated cost of the State Road 114 Project is One Million Fifty-Three Thousand One Hundred Sixty Dollars (\$1,053,160).

(ii) State Road 231 Project

The State Road 231 Project would entail the extension of both sewer and water facilities from the City of Remington's existing municipal limits north along State Road 231 to Exit 205 at Interstate 65. The Jasper County Sanitarian has noted a particular need for sewer service in this area as a number of businesses have closed due to the lack of offsite sanitary sewer service (See Exhibit 1, Report, pgs. 8-9). When completed, this Project would offer much needed sewer and water service to both new and existing businesses and residences in the area. The estimated construction cost for the State Road 231 Project is Three Hundred Seventy-Four Thousand One Hundred Seventy-Two Dollars (\$374,172) for sanitary sewer facilities and Four Hundred Eighty-Four Thousand Five Hundred Eighty Dollars (\$484,580) for water facilities. With general construction costs and contingencies, the total anticipated cost of the State

Road 231 Project is One Million Sixty-Six Thousand Five Hundred Two Dollars \$1,066,502.

(III) Kankakee Valley School Project

The Kankakee Valley School Project would extend water service from the Town of DeMotte's existing municipal limits east along State Road 10 to a new Kankakee Valley school. The water facilities would be used to provide service to the new school, as well as to residences and businesses in this area. The estimated total construction costs for the Kankakee Valley School Project is Four Hundred Sixty-Two Thousand One Dollar (\$462,001). When including general construction costs and contingencies, the total anticipated cost of the Kankakee Valley School Project is Five Hundred Ninety Thousand Four Hundred Two Dollars (\$590,402).

In addition to the three (3) potential projects outlined above, the Petitioner (i.e. Commissioners) intends to meet with potentially interested parties to determine whether additional and/or different projects are more feasible and necessary. As this information becomes available, the Petitioner (and later the District) will file the requisite paperwork with IDEM. To the extent the District's final, detailed plan (see Ind. Code § 13-26-2-10(b)(4)) contemplates that sewage treatment service will be provided in cooperation with a municipality, the District will comply with Ind. Code § 13-26-4-1, et seq., if applicable.

11. **Estimated Cost of Operating and Maintaining District.** The estimate as to the initial annual cost of operating and maintaining the water supply and sewage disposal facilities for the three (3) potential projects described in paragraph 10 above is as follows: (i) State Road 114 Project - Fifteen Thousand Dollars (\$15,000); (ii) State Road 231 Project - Fifteen Thousand Dollars (\$15,000); and (iii) Kankakee Valley

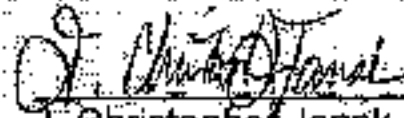
School Project - Eight Thousand Dollars (\$8,000). These figures are subject to adjustment due to the addition of new customers, increases or decreases associated with the costs of providing water and/or sewer service, and fluctuating construction costs. In addition, the estimated operation and maintenance expenses do not include the wholesale water supply or wastewater treatment charges that may be imposed by third-party providers.

12. Source of Funding to Pay Cost of Operating and Maintaining District; Rates and Charges to be Imposed by District. The District intends to fund the cost of constructing water and sewer facilities by requesting and receiving capital contributions from parties to be benefitted by the new facilities; issuing revenue bonds; receiving grant monies; and/or receiving monies from tax increment financing(s). Once the systems are constructed, the District will establish monthly service rates pursuant to the criteria set forth in Ind. Code §13-26-11-1 et seq. At this time, the Commissioners desire (but cannot yet guarantee) that the sewer and water rates not exceed \$50 per month (for each service) for each equivalent dwelling unit connected to its systems. The final amount of the rates and charges will depend on the terms of the bonds and any grants extended to the District.

WHEREFORE, the Commissioners, pursuant to Ind. Code §13-26-1-1 et seq., respectfully request that IDEM review the Petition; set a hearing and issue an order as soon as practicable so that the Jasper County Regional Water and Sewer District may address the needs of the businesses and citizens within the proposed District; and for all other appropriate relief.

Date: July 31, 2009

Respectfully submitted,



J. Christopher Janak
Attorney No. 18499-49

Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204
(317) 684-5000

Counsel for Jasper County
Commissioners and Jasper County
Regional Water & Sewer District

1338931_6

RESOLUTION NO. 2009-10

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF JASPER COUNTY, INDIANA, APPROVING, AUTHORIZING,
AND DIRECTING THE FILING OF A PETITION TO CREATE A
REGIONAL WATER AND SEWER DISTRICT**

WHEREAS, the Board of Commissioners of Jasper County, Indiana ("Commissioners"), in conjunction with the County Council of Jasper County ("Council"), seeks to address the need for water supply and sewage disposal services in areas of Jasper County that are not currently receiving such services; and

WHEREAS, the Commissioners believe that the creation of a regional water and sewer district will best address Jasper County's need for water supply and sewage disposal services and will therefore serve the public health, safety, convenience, and welfare; and

WHEREAS, the creation of a regional water and sewer district is intended to stimulate economic development and, in turn, create economic opportunities for the citizens of Jasper County, Indiana; and

WHEREAS, the Commissioners retained RQAW Consulting Engineers and Architects to prepare an engineering report outlining the proposed scope and purpose of the contemplated district; and

WHEREAS, the Commissioners desire to take the legal steps necessary to create a regional water and sewer district, including specifically the filing of a petition with the Indiana Department of Environmental Management ("IDEM");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF JASPER COUNTY, INDIANA, as follows:

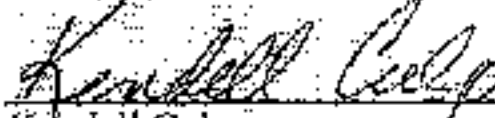
1. The Commissioners hereby support for, and formally express their intent to pursue, the creation of a regional district to provide sewage disposal and water supply services in and around Jasper County, Indiana.
2. The Commissioners hereby approve, authorize, and direct its attorney, J. Christopher Janak, Bose McKinney & Evans LLP, 111 Monument Circle, Suite 1100, Indianapolis, IN 46204, to initiate the legal process for the creation of a regional district, including the filing of a petition with IDEM for the creation of a regional water and sewer district to be known as the Jasper County Regional Water and Sewer District.
3. The form of the petition for the creation of Jasper County Regional Water and Sewer District is attached hereto and incorporated herein by reference.

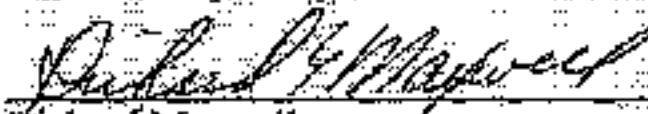
EXHIBIT

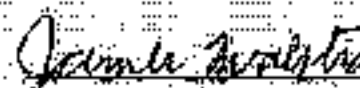
1

PASSED this _____ day of June, 2009.

JASPER COUNTY COMMISSIONERS


Kendall Culp


Richard Maxwell


James Walstra

1416111_1

RESOLUTION NO. 2009-06

**A RESOLUTION OF THE COUNTY COUNCIL OF JASPER COUNTY, INDIANA
AUTHORIZING THE FILING OF A PETITION TO CREATE A
REGIONAL WATER AND SEWER DISTRICT**

WHEREAS, the County Council of Jasper County ("Council") recognizes the need for water supply and sewage disposal services in areas of Jasper County that are not currently receiving such services; and

WHEREAS, the Council desires to support the creation of a regional water and sewer district that will address the need for water supply and sewage disposal services in areas currently unserved; and

WHEREAS, the Council believes that the creation of a regional water and sewer district will stimulate economic development within Jasper County; and

WHEREAS, the Council desires to approve and authorize the filing of a petition with the Indiana Department of Environmental Management ("IDEM") for the creation of a regional water and sewer district.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF JASPER COUNTY, INDIANA, as follows:

1. The Council hereby approves and authorizes the filing of a petition with IDEM to create a regional water and sewer district to be known as the Jasper County Regional Water and Sewer District.
2. The form of the petition for the creation of the Jasper County Regional Water and Sewer District is attached hereto and incorporated herein by reference.

PASSED this 16th day of June, 2009.


JASPER COUNTY COUNCIL


Ronald G. Sipkema, Member


Gerrit H. DeVries, Member


Charles L. Hamstra, Member


Dianne Richardson, Member


John T. Price, Member


H. Dan Stalbaum, Member