STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA DEPARTMENT
OF ENVIRONMENTAL MANAGEMENT

IN THE MATTER OF:)
THE FORMATION OF THE)
HAYDEN WASTEWATER UTILITY, INC.)
REGIONAL SEWER DISTRICT)

FINDINGS OF FACT AND RECOMMENDED ORDER

OF THE HEARING OFFICER

FINDINGS OF FACT

1. On or about June 14, 2012, the Jennings County Council, and the Jennings County Commissioners petitioned the Indiana Department of Environmental Management (IDEM) for an Order to establish a regional sewer district in Jennings County. On September 20, 2012, IDEM received an amended petition to comply with Indiana Code (IC) 13-26 regarding the District's Board of Trustees, a physical address of the office and a land description of the proposed boundaries of the District.

2. The submitted petition complies with the provisions of IC 13-26-2.

3. The proposed name of the regional sewer district is the Hayden Wastewater Utility, Inc. Regional Sewer District (Hayden RSD).

4. A public hearing was held on October 23, 2012, at the Hayden Historical Museum in the Pavilion Building, located at 6715 W. CR 20 South, Hayden, IN.

5. Notice of the hearing was given by publication in "The Plain Dealer" and "The North Vernon Sun".

6. The principle office of the Hayden RSD shall be located at 75 North Private Road 720 West, North Vernon, IN 47265. The mailing address is P. O. Box 53, Hayden, IN 47245. The Hayden RSD Board of Trustees (RSD Board), upon formation, may relocate the office upon written notice to IDEM.

7. The sanitary sewage needs of those residents now residing within the proposed territory of the Hayden RSD are currently being met with septic systems, some of which are failing.

8. The residents located within the boundaries of the proposed Hayden RSD currently obtain their water for drinking and other purposes from public water supply and individual wells. Contamination from failing septic systems may detrimentally

affect the water quality and public health within the proposed Hayden RSD boundaries.

9. The Hayden RSD is being formed to provide for the collection, treatment, and disposal of sewage within the district pursuant to IC 13-26-1-1. Upon formation, the Hayden RSD may construct and operate a system that will collect and treat the sanitary sewage of the residents of the Hayden RSD. The Hayden RSD may contract with a district or municipality to meet the sewage treatment needs of the residents of the Hayden RSD. The Hayden RSD may implement a septic maintenance and management program as needed.

10. The territory to be included in the Hayden RSD will include the unincorporated areas of Hayden. The boundary description for the Hayden RSD is as follows:

The proposed service area shall begin at a point on W Base Road located approximately 1,717 feet west of the intersection of W Base Road with N County Road 700 W; commencing to a point approximately 567 feet due north; continuing due east to Private Road 720; continuing approximately 195 feet due south along Private Road 720; continuing approximately 1010 feet due east to N County Road 700 W; continuing to a point approximately 1138 feet due north along N County Road 700 W; continuing to a point approximately 1889 feet due east, continuing to a point approximately 1050 feet due south; continuing to a point approximately 1,329 feet in a northeasterly direction; continuing to a point approximately 543 feet in a southeasterly direction to W Center Street; continuing to a point approximately 160 feet southwesterly along W Center Street; continuing to a point approximately 583 feet in a southeasterly direction; continuing to a point approximately 363 feet in a southwesterly direction; continuing to a point approximately 443 feet in a southwesterly direction; continuing to a point approximately 802 feet in a southeasterly direction to the south side of the railroad tracks; continuing to a point approximately 2,256 feet in a northeasterly direction along the south side of the railroad tracks; continuing to a point approximately 1,407 feet due south; continuing to a point approximately 4,199 feet due west to S County Road 700 W; continuing to a point approximately 1,187 feet due north along S County Road 700 W to the north side of the railroad tracks; continuing to a point approximately 1,291 feet in a southwesterly direction along the north side of the railroad tracks; continuing to a point approximately 1,550 feet due north; continuing to a point approximately 475 feet due west; and ending approximately 315 feet due north at the start point, located at a point on W Base Road approximately 1,717 feet west of the intersection of W Base Road with N County Road 700 W.

11. The proposed Hayden RSD has no outstanding indebtedness.

12. The estimated monthly sewage rate is projected to be approximately $47.77, depending upon the design chosen and provided the Hayden RSD pursues and receives public funding as needed.

13. The Hayden RSD shall apply for available public funding as needed.

14. The operation and maintenance costs of the Hayden RSD will be derived from monthly user fees.

15. The Hayden RSD appears capable of accomplishing the purposes for which it was formed in an economically feasible manner, provided it maximizes all practicable public funding options and receives anticipated grants.

16. The plan for financing the cost of operations of the Hayden RSD until it is in receipt of revenue from its operation or proceeds from the sale of bonds may include a forty (40) year loan from the United States Department of Agriculture (USDA) Rural Utility Services or the Indiana State Revolving Fund (SRF) and private contributions.

17. Petitioners request that the Board of Trustees of the Hayden RSD Board include five (5) members, having a term of four (4) years each, with such terms to be staggered, and that said members of the board be appointed as follows:

A. The Jennings County Commissioners, by a majority vote, shall make one (1) appointment with an initial term of three (3) years; successive terms shall be for a period of four (4) years. The initial term shall expire January 31, 2016.

B. The Spencer Township Trustee, Jennings County, shall make one (1) appointment with an initial term of one (1) year; successive terms shall be for a period of four (4) years. The initial term shall expire January 31, 2014.

C. The Spencer Township Advisory Board of Jennings County, by the majority vote of its Advisory Board, shall make one (1) appointment with an initial term of three (3) years; successive terms shall be for a period of four (4) years. The initial term shall expire January 31, 2016.

D. The Jennings County Commissioners, by a majority vote, shall make one (1) appointment with an initial term of four (4) years; successive terms shall be for a period of four (4) years. The initial term shall expire January 31, 2017.

E. The Hayden Water Association, by a majority vote, shall make one (1) appointment with an initial term of two (2) years; successive terms shall be for a period of four (4) years. The initial term shall expire January 31, 2015.

F. In the event a vacancy occurs on the Hayden RSD Board, the appointing authority for that trustee shall appoint a new board member within forty-five (45) days of the vacancy to complete the term of the vacant board member position(s). All appointments shall meet the requirements of IC 13-26-4.

18. The Hayden RSD Board shall provide sufficient bond for all officers and Trustees, or employees who have any power to disburse funds of the Hayden RSD.

19. The Hayden RSD must promote the public health, safety, convenience and welfare of its residents.

20. On or before November 8, 2013, the Hayden RSD shall file with the Commissioner of IDEM, a detailed plan (the "District Plan") for the construction and operation of the RSD's facilities.

RECOMMENDED ORDER

The Hearing Officer recommends the following:

1. That a Regional Sewer District, to be known as the Hayden Wastewater Utility, Inc. Regional Sewer District (Hayden RSD), be organized as an independent political entity of the State of Indiana as a body corporate and politic.

2. The purposes to be accomplished by the formation of the Hayden RSD are to provide for the collection, treatment, and disposal of sewage within its boundaries pursuant to IC 13-26-1-1.

3. The territory to be included in the Hayden RSD will include the unincorporated areas of Hayden, Indiana, which is located in Jennings County. The boundary description for the Hayden RSD is as follows:

   The proposed service area shall begin at a point on W Base Road located approximately 1,717 feet west of the intersection of W Base Road with N County Road 700 W; commencing to a point approximately 567 feet due north; continuing due east to Private Road 720; continuing approximately 195 feet due south along Private Road 720; continuing approximately 1010 feet due east to N County Road 700 W; continuing to a point approximately 1138 feet due north along N County Road 700 W; continuing to a point approximately 1889 feet due east, continuing to a point approximately 1050 feet due south; continuing to a point approximately 1,329 feet in a northeasterly direction; continuing to a point approximately 543 feet in a southeasterly direction to W Center Street; continuing to a point approximately 160 feet southwesterly along W Center Street; continuing to a point approximately 583 feet in a southeasterly direction; continuing to a point approximately 363 feet in a southwesterly direction; continuing to a point approximately 443 feet in a southwesterly direction; continuing to a point approximately 802 feet in a southeasterly direction to the south side of the railroad tracks; continuing to a point approximately 2,256 feet in a northeasterly direction along the south side of the railroad tracks; continuing to a point approximately 1,407 feet due south; continuing to a point approximately 4,199 feet due west to S County Road 700 W; continuing to a point approximately 1,187 feet due north along S County Road 700 W to the north side of the railroad tracks; continuing to a point approximately 1,291 feet in a southwesterly direction along the north side of the railroad tracks; continuing to a point approximately 1,550 feet due north; continuing to a point approximately 475 feet due west; and ending approximately 315 feet due north at the start point, located at a point on W Base Road approximately 1,717 feet west of the intersection of W Base Road with N County Road 700 W.

4. Petitioners request that the Board of Trustees of the Hayden RSD Board include five (5) members, having a term of four (4) years each, with such terms to be staggered, and that said members of the board be appointed as follows:

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5. The Hayden RSD Board shall provide sufficient bond for all officers and Trustees or employees who have any power to disburse funds of the Hayden RSD.

6. The Hayden RSD must promote the public health, safety, convenience and welfare of its residents.

7. The Hayden RSD shall apply for all available public funding as needed.

8. Upon formation, the Hayden RSD may construct or contract for treatment, pumping, transmission, and storage and distribution systems for the municipal and rural supply needs of its residents.

9. On or before November 8, 2013, the Hayden RSD shall file with the Commissioner of IDEM, a detailed plan (the "District Plan") for the construction and operation of Hayden RSD's facilities.

Dated: December 5, 2012 Hearing Officer Lynne Newton