

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
BLOOMINGTON, INDIANA, FOR)
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR WATER UTILITY)
SERVICE, FOR APPROVAL OF A NEW) CAUSE NO. 46330
SCHEDULE OF WATER RATES AND)
CHARGES APPLICABLE THERETO, AND)
FOR AUTHORITY TO ISSUE AND)
APPROVAL OF BONDS, NOTES, OR)
OTHER OBLIGATIONS)

JOINT STIPULATION AND SETTLEMENT AGREEMENT

On November 26, 2025, the City of Bloomington, Indiana (“Petitioner” or “Bloomington”) filed with the Indiana Utility Regulatory Commission (the “Commission”) its Petition initiating this Cause and its case-in-chief. The Trustees of Indiana University on behalf of its Bloomington Campus (“IU”), Indiana University Health (“IU Health”) (IU and IU Health, together the “Customer Group”), and Washington Township Water Authority (“WTWA”), respectively, filed petitions to intervene in this Cause, which were each granted by the presiding officers.

The Indiana Office of the Utility Consumer Counselor (“OUCC”), the Customer Group, and WTWA (collectively, the “Consumer Parties”) filed their respective cases-in-chief on March 17, 2026. The Consumer Parties filed their cross-answering evidence on April 8, 2026. Petitioner filed its rebuttal evidence on April 14, 2026.

Bloomington, the OUCC, the Customer Group, and WTWA (collectively, the “Parties”, and individually, a “Party”) have after arms-length settlement negotiations reached an agreement with respect to all of the issues before the Commission in this Cause. The Parties therefore stipulate and agree for purposes of resolving all of the issues

in this Cause, to the terms and conditions set forth in this Joint Stipulation and Settlement Agreement (this “Settlement”).

1. Bonds.

- A. Approval of Debt; Authorization to Issue Bonds. The Parties stipulate and agree that the Commission should approve Bloomington’s request for authorization to issue water utility revenue bonds (the “Bonds”) in one or more series in an aggregate amount not to exceed the \$71 million principal amount at interest rates not to exceed eight percent (8%) per annum as described in the testimony of Bloomington’s witness, Jennifer Z. Wilson.
- B. No True Up. The Parties agree that no true up of debt service is required because debt service for the Bonds is being deferred to synchronize with both the amount of, and end to, existing debt service obligations for prior issuances and is therefore already reflected in Bloomington’s revenue requirement, which does not need additional adjustment for this element of the utility’s cost of service.
- C. Information on Bonds. Bloomington agrees that it shall provide the OUCC, and any other Party so requesting, information about the Bonds, including principal amount, interest rate, and amortization table, within thirty (30) days of issuance. The information may be provided informally without the need for a filing with the Commission.
- D. Lower Than Anticipated Debt Service. If Bloomington issues debt such that debt service will be less than that depicted for year 2029 on page 30 of 33 on Attachment JZW-1, Bloomington will seek to adjust its rates during or before 2029.
- E. Use of Debt Service Reserve. If applicable, Bloomington agrees that it will notify the Commission and the Parties if Bloomington uses debt service reserve funds for any other reason than to make the last payment on its current or proposed debt issuances.

2. Stipulated Revenues.

- A. Financial Schedules. The Parties stipulate for settlement purposes to the financial schedule attached as Attachment 1 (the “Agreed Schedule”), including all adjustments identified therein.
- B. Test Year Operating Revenue. The Parties stipulate and agree that Bloomington’s adjustable test year operating revenue at present rates is \$21,517,823.
- C. Revenue Requirement. The Parties stipulate and agree that Bloomington’s current rates and charges are inadequate and that Bloomington’s rates and charges should be increased to recover an additional 25.00% of its adjustable test year operating revenue. The Parties further stipulate and agree that Bloomington’s revenue requirements for the rate increase is depicted on the Agreed Schedule.
- D. Pro Forma Authorized Operating Revenue. After adjustments, the Parties stipulate and agree that Bloomington’s pro forma operating revenue will be \$26,897,154, as shown on the Agreed Schedule. The Parties stipulate and agree that the revenue increases provided herein are just and reasonable and should be approved.

3. Stipulated Cost Allocation and Rate Design.

- A. Allocations Limited to 2 Times System Average Maximum Increase. The Parties agree that in order to resolve their differences on cost of service and rate design issues, the amount of the revenue requirement increase should be allocated as set forth on Attachment 2 hereto, which limits the maximum increase for any rate class, except Irrigation, to 2 times the system average increase. The Parties stipulate and agree that unique historical circumstances related to the Irrigation rate class require that the 2 times system average maximum increase limit should not apply to the Irrigation rate class.
- B. Agreed Rate Allocation. The Parties agree that the foregoing allocation of the revenue requirement among the customer classes and resulting rates are based on a compromise of the cost of service analyses presented in testimony. The Parties agree that in light of the proposed and agreed upon rate design and

allocation among the customer classes, no specific cost of service model was adopted. Commission approval of this Settlement will resolve the cost of service and rate design issues in this case without the need for Commission determination on the merits of the cost of service study and the Parties request that the Commission make no finding approving any particular cost of service study. Except as expressly stated in this Settlement, no Party, by entering into this Settlement, has acquiesced in or waived any position with respect to the appropriate methodology for determining cost of service, cost allocation or rate design in any other proceeding, including future proceedings initiated by Petitioner. Accordingly, in any and all future proceedings, including any initiated by Petitioner, no presumption will be given to any prior methodology for determining cost of service or rate design as a result of this Settlement, and the Parties reserve all rights to present evidence and advocate positions with respect to cost of service, cost allocation and rate design issues different from those set forth in this Settlement.

C. Agreed Tariff. The Parties agree that the proposed tariff pages (*i.e.*, tariff pages 1 and 2), attached as Attachment 3 hereto, depict the agreed rates resulting from the agreed revenue requirement and cost of service allocation; that the proposed tariff pages set forth rates that are reasonable, just and non-discriminatory; and that the proposed tariff pages should be approved. The Parties agree that no changes are proposed to page 3 of Bloomington's tariff, and the charges reflected on page 3 shall remain in effect and unchanged.

4. **Informational Meetings**. Bloomington agrees to hold meetings, no less frequently than annually, with the Consumer Parties and any other wholesale customers or large users during the period that the rates contemplated herein are in effect. The Parties agree that Bloomington's provision of notice of the meeting to the Consumer Parties and actually holding the meeting satisfies this provision such that the participation of a specific Party or any other customer is not required to satisfy this term. Bloomington will provide 30 days' written notice of any meeting via email to counsel of record in this proceeding and to any designated person in the employ of a Consumer Party, and will provide an option for virtual attendance. At each meeting,

Bloomington will be prepared to address capital projects and planning, plans for rate adjustments (including when the next rate adjustment can be expected), and any other subjects related to the operation of the utility. Bloomington will provide time for questions and answers at each meeting. The Parties desire that the meetings will involve the exchange of information between and among all or any combination of Parties with respect to issues which may impact their respective operations. As such, the Parties and other attendees are encouraged to raise and discuss issues occurring within their respective systems so that other Parties have advance notice of such issues and the ability to prepare for those issues. However, failure to raise and discuss issues occurring within a party's system shall in no way be construed as a waiver of any position that may otherwise be taken by that party in a subsequent proceeding.

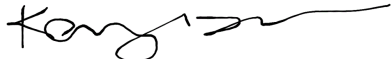
5. **Submission of Evidence.** The Parties stipulate to the admission into evidence in this Cause of the testimony each previously filed (each Party's case-in-chief, each Consumer Party's cross-answering testimony, and Bloomington's rebuttal testimony, as agreed to be amended herein), and of the testimony in support of this Settlement offered by any Party. Further, each Party waives cross-examination of every other Party's witnesses with respect to all such testimony. The Parties agree that Bloomington shall amend its Exhibit 8 (Verified Rebuttal Testimony of Andrew J. Burnham) to remove the text from page 7, line 10 to page 8, line 2 (*i.e.*, question and answer 15) and renumber subsequent questions to reflect the deletion of question and answer 15. The Parties shall not offer any further testimony or evidence in this proceeding, other than this Settlement and the above-identified testimony and exhibits. If the Commission should request additional evidence to support the Settlement, the Parties shall cooperate to provide such requested additional evidence.
6. **Settlement Fair and Reasonable; Proposed Final Order.** The Parties stipulate and agree that the terms of this Settlement represent a fair, reasonable, and just resolution of all the issues in this Cause, provided they are approved by the Commission in their entirety without material change, except as provided in Paragraph 8 hereof. The Parties agree to cooperate on the preparation and submission to the Commission of a proposed order that reflects the terms of this Settlement and the settlement testimony submitted pursuant to Paragraph 5 hereof.

7. **Sufficiency of Evidence.** The Parties stipulate and agree that the evidentiary material identified immediately above constitutes a sufficient evidentiary basis for the issuance of a final order by the Commission adopting the terms of this Settlement, and granting the relief as requested herein by Bloomington and agreed to by the Parties.
8. **Commission Alteration of Agreement.** The concurrence of the Parties with the terms of this Settlement is expressly predicated upon the Commission's approval of this Settlement. If the Commission alters this Settlement in any material way, unless that alteration is unanimously and explicitly consented to by the Parties, this Settlement shall be deemed withdrawn.
9. **Authorization.** The undersigned represent that they are fully authorized to execute this Settlement on behalf of their respective clients or Parties, who will be bound thereby.
10. **Non-Precedential Nature of Settlement.** The Parties stipulate and agree that this Settlement shall not be cited as precedent against any Party in any subsequent proceeding or deemed an admission by any Party in any other proceeding, except as necessary to enforce the terms of this Settlement or the final order to be issued in this Cause before the Commission or any court of competent jurisdiction on these particular issues and in this particular matter. This Settlement is solely the result of compromise in the settlement process and, as provided herein, is without prejudice to and shall not constitute a waiver of any position that any Party may take with respect to any or all of the items resolved herein in any future regulatory or other proceeding, and, failing approval by the Commission, shall not be admissible in any subsequent proceeding.
11. **Counterparts.** This Settlement may be executed in one or more counterparts (or upon separate signature pages bound together into one or more counterparts), all of which taken together shall constitute one agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Settlement on the dates set forth below.

City of Bloomington, Indiana

By: 
Kerry Thomson, Mayor

Dated: 5/14/2026

Indiana Office of the Utility Consumer Counselor

By: Daniel Le Vay
Daniel M. Le Vay
Senior Deputy Consumer Counselor

Dated: 5/14/2026

City of Bloomington Customer Group

By: Joseph Kompala
Joseph P. Kompala
Emily R. Vlasak
LEWIS & KAPPES P.C.
One American Square, Suite 2500
Indianapolis, Indiana 46282-0002

Dated: 5/14/2026

Washington Township Water Authority

By: _____
Mark Schmitter
General Manager

Dated: _____

IN WITNESS WHEREOF, the Parties have executed this Settlement on the dates set forth below.

City of Bloomington, Indiana

By: _____
Kerry Thomson, Mayor

Dated: _____

Indiana Office of the Utility Consumer Counselor

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City of Bloomington Customer Group

By: _____
Joseph P. Rompala
Emily R. Vlasak
LEWIS & KAPPES P.C.
One American Square, Suite 2500
Indianapolis, Indiana 46282-0002

Dated: _____

Washington Township Water Authority

By: 
Mark Schmitter
General Manager

Dated: 5/14/2026

This 14th day of May 2026.

Respectfully submitted,



David T. McGimpsey (21015-49)
DENTONS BINGHAM GREENEBAUM LLP
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*Attorney for the Petitioner,
City of Bloomington, Indiana*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by electronic service this 14th day of May 2026, on the following:

**Indiana Office of Utility Consumer
Counselor**

Daniel M. Le Vay, Esq.
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Customer Group

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Ellen Tennant:
ETennant@Lewis-Kappes.com

Washington Township Water Authority

Mark W. Cooper, Esq.
attymcooper@indy.rr.com



An Attorney for Petitioner,
The City of Bloomington, Indiana

Agreed Financial Schedule

	Utility Revenue Requirements	Settlement Revenue Requirements	Difference
Adjusted Operation and Maintenance Expense	\$14,425,699	\$13,869,527	\$ (556,172)
Adjusted Taxes Other Than Income Taxes	476,886	476,886	-
Current Average Annual Debt Service and Lease Payments	7,123,762	7,123,762	-
Annual Extensions and Replacements	7,118,867	6,677,717	(441,150)
Total Revenue Requirements	<u>29,145,214</u>	<u>28,147,891</u>	<u>(997,323)</u>
Less: Interest Income	<u>-</u>	<u>(177,022)</u>	<u>(177,022)</u>
Net Revenue Requirements	29,145,214	27,970,869	(1,174,345)
Less: Adjusted Operating Revenues	<u>(22,591,538)</u>	<u>(22,591,538)</u>	<u>-</u>
Deficit	6,553,676	5,379,331	(1,174,345)
Divide by: Adjustable Operating Revenues	<u>21,513,892</u>	<u>21,517,823</u>	<u>3,931</u>
Percent Rate Increase Required	<u>30.5%</u>	<u>25.00%</u>	<u>-5.50%</u>
Total Revenue Requirements, Net of Non-Adjustable Revenue	<u>\$28,067,568</u>	<u>\$26,897,154</u>	<u>\$ (1,170,414)</u>

Agreed Rate Design Allocation

Customer Class	Revenue Requirement Increase Allocation & Percentage Change	
Residential	\$ 1,368,780	13.1%
General Service	\$ 1,277,523	32.3%
Wholesale	\$ 1,015,804	28.8%
IU Master Metered	\$ 403,591	41.7%
Irrigation	\$ 832,500	108.3%
Fire Protection - Public	\$ 414,515	25.0%
Fire Protection - Private	\$ 66,619	29.1%
Total	\$ 5,379,332*	25.0%

* The \$1 difference from revenue requirement deficit shown on Attachment 1 is due to rounding.

Agreed Tariff (pages 1 and 2)

BLOOMINGTON MUNICIPAL WATER UTILITY
 Bloomington, Indiana

Schedule of Rates and Charges

Monthly usage charge applicable to Residential, General Service, Indiana University – Master Metered, and Irrigation classes

<u>Category</u>	<u>Rates Per 1,000 Gallons</u>
Residential	\$5.27
General Service	5.49
Indiana University – Master Metered	4.35
Irrigation	10.90

Monthly Service Charge, in Addition to Monthly Usage for the customer categories listed above

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$6.39
3/4"	7.51
1"	9.74
1 1/2"	15.32
2"	22.02
3"	37.65
4"	59.97
6"	115.79
8"	182.76
10"	260.90

Monthly Surcharges for Fire Protection Service for the customer categories listed above (excluding Indiana University – Master Metered)

<u>Meter Size</u>	<u>Charge</u>	
	<u>Inside City</u>	<u>Outside City</u>
5/8"	\$ 3.01	\$4.13
3/4"	4.51	6.20
1"	7.51	10.33
1 1/2"	15.03	20.66
2"	24.04	33.05
3"	45.08	61.97
4"	75.14	103.28
6"	150.27	206.57
8"	240.44	330.50
10"	345.63	475.10

The monthly Fire Protection Charge for Indiana University – Master Metered accounts as a group shall be \$1,480.

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Schedule of Rates and Charges

Contract Sales for Resale

The rate for contract sales for resale shall be \$3.92 per one thousand gallons.

Contract Sales for Resale Monthly Service Charge in Addition to Monthly Usage Charge

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$6.39
3/4"	7.51
1"	9.74
1 1/2"	15.32
2"	22.02
3"	37.65
4"	59.97
6"	115.79
8"	182.76
10"	260.90

Private fire connections per connection

Charge

<u>Line Size</u>	<u>Monthly</u>	<u>Annually</u>
4" and under	\$ 16.15	\$ 193.80
6"	39.00	468.00
8"	78.40	940.80
10"	137.67	1,652.04
12"	219.82	2,637.84