

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
THE TOWN OF WINFIELD, LAKE)
COUNTY, INDIANA, FOR APPROVAL OF)
A REGULATORY ORDINANCE) CAUSE NO.: 45992
ESTABLISHING A SERVICE TERRITORY)
FOR THE TOWN'S MUNICIPAL SEWER)
SYSTEM PURSUANT TO IND. CODE § 8-)
1.5-6 *ET SEQ.*)

THE CITY OF CROWN POINT, INDIANA'S SUBMISSION OF
THE VERIFIED REBUTTAL TESTIMONY AND EXHIBITS OF
GREGORY FALKOWSKI

Petitioner/Intervenor, the City of Crown Point, Indiana, by counsel, submits the Verified
Rebuttal Testimony of Gregory Falkowski in this Cause.

Respectfully submitted,

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Mark W. Cooper, an Attorney for the
City of Crown Point

/s/ Robert M. Glennon
Robert M. Glennon, Attorney for
Crown Point, Indiana

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing has been served upon the following counsel of record by electronic mail this 26th day of September 2025:

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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**IN THE MATTER OF THE PETITION OF THE)
TOWN OF WINFIELD, LAKE COUNTY,)
INDIANA, FOR APPROVAL OF A)
REGULATORY ORDINANCE ESTABLISHING) CAUSE NO. 45992
A SERVICE TERRITORY FOR THE TOWN'S)
MUNICIPAL SEWER SYSTEM PURSUANT TO)
IND. CODE § 8-1.5-6 ET SEQ)**

**VERIFIED REBUTTAL TESTIMONY
of
GREGORY FALKOWSKI**

**On Behalf of Petitioner
The City of Crown Point, Indiana**

Crown Point's Exhibit No. 9

1 **INTRODUCTION**

2 **Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A1. My name is Gregory Falkowski. 101 North East Street, Crown Point, Indiana 46307

4 **Q2. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

5 A2. I am the Economic Development Director for the City of Crown Point, Indiana ("Crown
6 Point").

7 **Q3. ARE YOU THE SAME GREG FALKOWSKI WHO PRE-FILED DIRECT AND**
8 **RESPONSIVE TESTIMONY IN THIS CAUSE?**

9 A3. Yes.

10 **Q4. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**
11 **PROCEEDING?**

12 A4. The purpose of my testimony is to respond to certain statements in the responsive
13 testimony of the Town of Winfield, Indiana's ("Winfield") witness Zach Beaver,
14 Winfield Exhibit 23, regarding economic development, my testimony about economic
15 development by Crown Point and in the Disputed Area, as well as remarks made by
16 Winfield witness Jennifer Wilson specific to economic development.

17 **RESPONSE TO WINFIELD TESTIMONY ON ECONOMIC DEVELOPMENT**

18 **Q5. MR. BEAVER TESTIFIES AT P. 20 OF HIS RESPONSIVE TESTIMONY THAT**
19 **YOUR DIRECT TESTIMONY REGARDING CROWN POINT'S ECONOMIC**
20 **DEVELOPMENT "IS INAPPROPRIATE AND MISPLACED" AND THAT THE**
21 **COMMISSION SHOULD IGNORE IT. HOW DO YOU RESPOND?**

22 A5. I disagree with Mr. Beaver. Winfield is requesting to be exclusive provider of service in
23 the Disputed Area. One of the five statutory criteria that the Commission is to consider

1 before granting a municipality the exclusive right to regulate a territory is “[t]he effect of
2 the commission’s order on present and future economic development in the regulated
3 territory.” Ind. Code § 8-1.5-6-8(g)(3). As my Direct and Responsive testimonies
4 establish, Crown Point has many years of substantial experience and broad success in
5 promoting economic development.

6 **Q6. WHY DO YOU THINK MR. BEAVER WANTS THE COMMISSION TO**
7 **IGNORE ECONOMIC DEVELOPMENT NOTWITHSTANDING THE**
8 **REQUIREMENT IN INDIANA CODE SECTION 8-1.5-6-8 THAT THE**
9 **COMMISSION “SHALL CONSIDER” THE “EFFECT OF THE COMMISSION'S**
10 **ORDER ON PRESENT AND FUTURE ECONOMIC DEVELOPMENT IN THE**
11 **REGULATED TERRITORY”?**

12 A6. Winfield needs the Commission to ignore this statutory criterion because as detailed by
13 Mr. Stong and Mr. Guerrettaz its proposal in this case is so costly and impractically
14 designed that it will completely prevent future economic development in the Winfield
15 Requested Territory. Crown Point’s superior economic development experience, our past
16 successes, our dedicated economic staff, and the efforts we have already made in
17 providing the opportunity for economic development in the Disputed Area through the
18 availability of sewer service are appropriate, reasonable considerations for the
19 Commission to decide which municipal utility will have the more positive effect on
20 “present and future economic development.”

21 **Q7. THE COMMISSION ALSO “SHALL CONSIDER” UNDER INDIANA CODE**
22 **SECTION 8-1.5-6-8, THE “HISTORY OF UTILITY SERVICE IN THE**
23 **REGULATED TERRITORY, INCLUDING ANY CONTRACTS FOR UTILITY**

1 **SERVICE ENTERED INTO BY THE MUNICIPALITY THAT ADOPTED THE**
2 **REGULATORY ORDINANCE AND ANY OTHER MUNICIPALITIES,**
3 **MUNICIPAL UTILITIES, OR UTILITIES.” HOW DO YOU BELIEVE THAT**
4 **FACTOR IS RELEVANT TO THIS CASE, ESPECIALLY IN LIGHT OF THE**
5 **DONATION AGREEMENT?**

6 A7. To me the factor quoted reflects a desire to not disrupt or destroy what a municipality
7 may have already achieved in accommodating or promoting economic development in a
8 rural area. Allowing a municipality's Regulated Territory request to disrupt a competing
9 municipality's existing contract to provide the availability of requested sewer service to
10 the Disputed Area that has major economic development potential would establish
11 incredibly bad precedent.

12 **Q8. MR. BEAVER ALSO ARGUES ON PAGE 20 OF HIS RESPONSIVE**
13 **TESTIMONY THAT “LAKE COUNTY, NOT CROWN POINT, WILL HAVE**
14 **EXCLUSIVE ECONOMIC DEVELOPMENT JURISDICTION OVER THE**
15 **[DISPUTED AREA].” DO YOU AGREE?**

16 A8. No, I do not agree with this conclusion. First, municipalities in Lake County should care
17 about and promote economic development in Lake County and surrounding communities.
18 Moreover, Winfield has argued repeatedly in this Cause that the Commission granting its
19 request to be the exclusive wastewater provider for the Winfield Requested Territory,
20 including the Disputed Area, would be best for economic development in that area. For
21 instance, Winfield witness Jennifer Wilson repeatedly claims that Winfield's rates will
22 better foster economic development in the Disputed Area. See, e.g, Wilson Responsive
23 Testimony, page 4, line 14. For Winfield to now argue that economic development in

1 that unincorporated Disputed Area is the sole province of Lake County is totally
2 disingenuous and, further, makes no sense.

3 In addition, Winfield makes a similar argument in Mr. Beaver's testimony and its
4 responses to Crown Point's discovery requests. In fact, Mr. Beaver later goes on to state
5 in his responsive testimony that "the Commission will focus on, among other things,
6 which provider will offer the most competitive rates and charges for the area in question
7 and be best able to provide service that meets the needs and facilities present and *future*
8 *economic development in the area*[,]” Winfield Exhibit 23 at 21, which again totally
9 contradicts Winfield's position that economic development testimony is not relevant to
10 this Cause because that's Lake counties province. In effect, Winfield is seeking to bar
11 Crown Point from testifying about economic development in the Winfield Requested
12 Territory and Disputed Area while it is permitted to do so. Winfield cannot have it both
13 ways.

14 **Q9. ARE RATES THE ONLY FACTOR TO BE CONSIDERED IN FOSTERING**
15 **ECONOMIC DEVELOPMENT?**

16 A9. No. As Mr. Guerrettaz explains, current rates can be misleading if information shows
17 they need to be materially increased. Moreover, businesses and developers want
18 certainty, reliability, and resiliency. The Donation Agreement makes certain sewer
19 service will be made available by Crown Point in the Disputed Area. If Winfield were
20 given an exclusive right to serve its proposed regulated territory, the resulting lack of
21 certainty in utility service would prevent any economic development in the area. As to
22 reliability and resiliency, as Mr. Stong explains, Crown Point has developed a plan to
23 serve the Disputed Area via highly efficient gravity mains, which Mr. Stong has indicated

1 is far more reliable and resilient than Winfield's proposed system of lift stations. As Mr.
2 Stong explains Crown Point's plan to serve the Disputed Area is also much more
3 affordable than Winfield's purported "plan," which Mr. Stong estimates could cost over
4 \$25 million to serve the disputed area and over \$139 million to serve the entire Winfield
5 Requested Territory.

6 **Q10. DO YOU BELIEVE THE LOSS OF ECONOMIC DEVELOPMENT**
7 **OPPORTUNITIES IN THE AREA OF THE AREA WOULD JUST BE A LAKE**
8 **COUNTY PROBLEM, AS MR. BEAVER SUGGESTS?**

9 A10. No. The loss of new jobs, new businesses to serve area growth, property tax revenues,
10 and income tax revenues is a broader loss for all municipalities and citizens of Lake
11 County and the northwest Indiana Calumet region. New commerce and income in Lake
12 County has the economic ripple effect of newly generated Hoosier incomes being spent
13 and in turn re-spent or invested and in turn reinvested within Indiana. The loss of
14 development opportunities in the Disputed Area would adversely impact economic
15 development in the entire region and in turn the State.

16 **Q11. MR. BEAVER STATES THAT THE COMMISSION SHOULD FOCUS ON**
17 **WHICH PROVIDER WILL OFFER THE MOST COMPETITIVE RATES AND**
18 **CHARGES RATHER THAN WHO WOULD BE BEST AT ECONOMIC**
19 **DEVELOPMENT. HOW DO YOU RESPOND?**

20 A11. Rates and charges are just one of five factors that the Commission "shall consider" in its
21 analysis under Ind. Code § 8-1.5-6-8 in this Cause. As reflected by the testimony of
22 Crown Point witness Greg Guerrettaz, Winfield's rates are artificially low because it
23 funds its wastewater utility partially through property taxes by paying rent on its own

1 municipal buildings. Further, Mr. Guerrettaz's Responsive testimony estimates that
2 Winfield's wastewater rates will quickly become very high once Winfield makes the
3 capital investments needed to service its requested regulated territory. As he explains, if
4 Winfield's wastewater rates included what it says is needed to serve its requested
5 territory, its rates would be *much* higher than Crown Point's rates. Mr. Guerrettaz also
6 indicates that, while Winfield's rates must increase, Crown Point's rates will be stable, as
7 they are adequate to cover the costs during completion of Crown Point's four-phase
8 capital improvement program. Mr. Guerrettaz indicates that Crown Point's rates may
9 even decline with fixed costs becoming spread over Crown Point's new customers.
10 Looking just at current rates and ignoring what rates will soon be is not a way to foster
11 economic opportunities.

12 **Q12. MR. BEAVER ALSO STATES ON PAGE 21 OF HIS RESPONSIVE**
13 **TESTIMONY THAT THE COMMISSION SHOULD FOCUS ON WHO IS "BEST**
14 **ABLE TO PROVIDE SERVICE THAT MEETS THE NEEDS AND FACILITIES**
15 **PRESENT AND FUTURE ECONOMIC DEVELOPMENT IN THE AREA." DO**
16 **YOU AGREE?**

17 A12. I agree that the Commission should strongly focus on who will best promote economic
18 development in the area, but I do not agree with Mr. Beaver's conclusion that Winfield is
19 best able to provide service in the Winfield Requested Territory and the Disputed Area or
20 that Winfield is the better choice to do so. Mr. Stong provides all the engineering details
21 of why Crown Point is the far better choice to serve the Disputed Area and how
22 Winfield's "plan" to serve the area is absurdly expensive and impractical.

1 As Mr. Stong explains, unlike Crown Point's low-cost, highly efficient gravity
2 flow mains, Winfield proposes a very expensive and inefficient system of lift stations and
3 forced mains to send sewage from the Disputed Area north up hill to its distant treatment
4 plant, which is at a much higher elevation above the Disputed Area and several miles
5 away. Regarding future rates, Mr. Guerrettaz testifies that the current Crown Point rates
6 are adequate to pay for the first three phases of the City's wastewater capital
7 improvements and that the final fourth Phase construction can be financed without an
8 additional rate increase.

9 **Q13. WHY DO YOU BELIEVE THAT YOUR TESTIMONY ON CROWN POINT'S**
10 **ECONOMIC DEVELOPMENT SUCCESSES, AS MR. BEAVER DESCRIBES**
11 **THEM, IS RELEVANT TO THE MATTERS BEFORE THE COMMISSION IN**
12 **THIS CAUSE?**

13 A13. My testimony on Crown Point's economic development successes and achievements
14 demonstrates its longtime commitment to economic development both in Crown Point
15 and in Lake County and is therefore relevant to the Commission's analysis of Winfield's
16 request in this Cause under Indiana Code § 8-1.5-6-8. Even casual visitors to Crown
17 Point can easily see the hundreds of millions of dollars in new industrial, commercial,
18 hospital, and other professional facilities recently built or currently under construction in
19 Crown Point. Crown Point has also demonstrated its superior ability to promote
20 economic development to implement a practical plan to provide wastewater service to the
21 Disputed Area in Lake County, all the way down to the Town of Hebron, if necessary.

22 **Q14. ON PAGE 18 OF HIS RESPONSIVE TESTIMONY, MR. BEAVER IMPLIES**
23 **THAT THE 44 ACRE SITE OF CROWN POINT'S NEW SE WWTP WAS**

1 **PURCHASED BY CROWN POINT AND SHOULD HAVE BEEN APPRAISED.**

2 **WAS THAT 44 ACRES PURCHASED?**

3 A14. No, it was donated by Edward J Hein free of charge and thus did not require an appraisal.

4 **CONCLUSION**

5 **Q15. IN SUMMARY, WHAT ACTIONS DO YOU RECOMMEND THE COMMISSION**
6 **TAKE?**

7 A15. The Commission should deny Winfield's request to be the exclusive service provider in
8 the Winfield Requested Territory, including the Disputed Area, and grant Crown Point's
9 requests in this Cause and Cause No. 46035 to be the exclusive provider of wastewater
10 and water utility services in the Crown Point Requested Territory, including the Disputed
11 Area.

12 **Q16. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

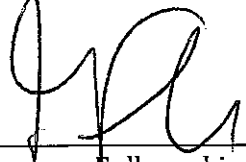
13 A16. Yes, it does.

14

15

VERIFICATION

The undersigned affirms under the penalties for perjury that the foregoing testimony is true to the best of his knowledge and belief.



Gregory Falkowski