



SILVER CREEK

WATER SYSTEM SALE

SELLERSBURG, IN

Sale of water system to Indiana American Water leads to improved service and member satisfaction.

Benefits of Selling a Member-Owned Utility

When Scott Peyton moved to the neighborhood of Southern Estates in Sellersburg, he encountered an unexpected process while signing up for water service. The water service provider at the time, Silver Creek Water Corporation (Silver Creek), required him to become a member of the utility and pay a \$350 fee to set up service.



“They gave me a really nice certificate when I first signed up for water service. I knew I was a member of Silver Creek Water Corporation, but I had no idea that I was an ‘owner.’”

Scott Peyton
Former Silver Creek Member

In fact, many members of Silver Creek learned they were owners when Indiana American Water and Silver Creek entered into an asset purchase agreement for Indiana American Water to acquire the utility assets for \$45 million in 2023.

Earlier this year, Peyton received a check for \$3,000, with a second distribution of nearly \$1,500 expected later in the year as part of a phased payout structure. “My accountant told me I’ll have to pay taxes on it. But even so, that amount still buys a lot of water in the years ahead,” Peyton said.

Resident Matt Zicher’s experience with Silver Creek was a little different. When moving to his new residence, he reviewed the bylaws before becoming a member.

Now that he’s an Indiana American Water customer, one of the things he values most are the conveniences of his MyWater account, which offers 24/7 online access to manage water service, including viewing and paying bills, signing up for Auto Pay and Paperless Billing, tracking water usage history and more.

“As a millennial with a full-time job, my wife with a full-time job, two kids that are running a million miles an hour and other commitments, we have very busy schedules. I enjoy being able to take care of things online instead of having to stop by the office or send my water bill payment through the mail,” Zicher said. “Something like paying your water bill is something that could be easily overlooked and we don’t have to worry about it now because it’s just reoccurring, it happens, it’s done. It’s one thing that is just off my plate.”



Matt Prine, Former President, Indiana American Water, and Chris Snyder, Board Vice President, Silver Creek Water Corp., at the sale signing.

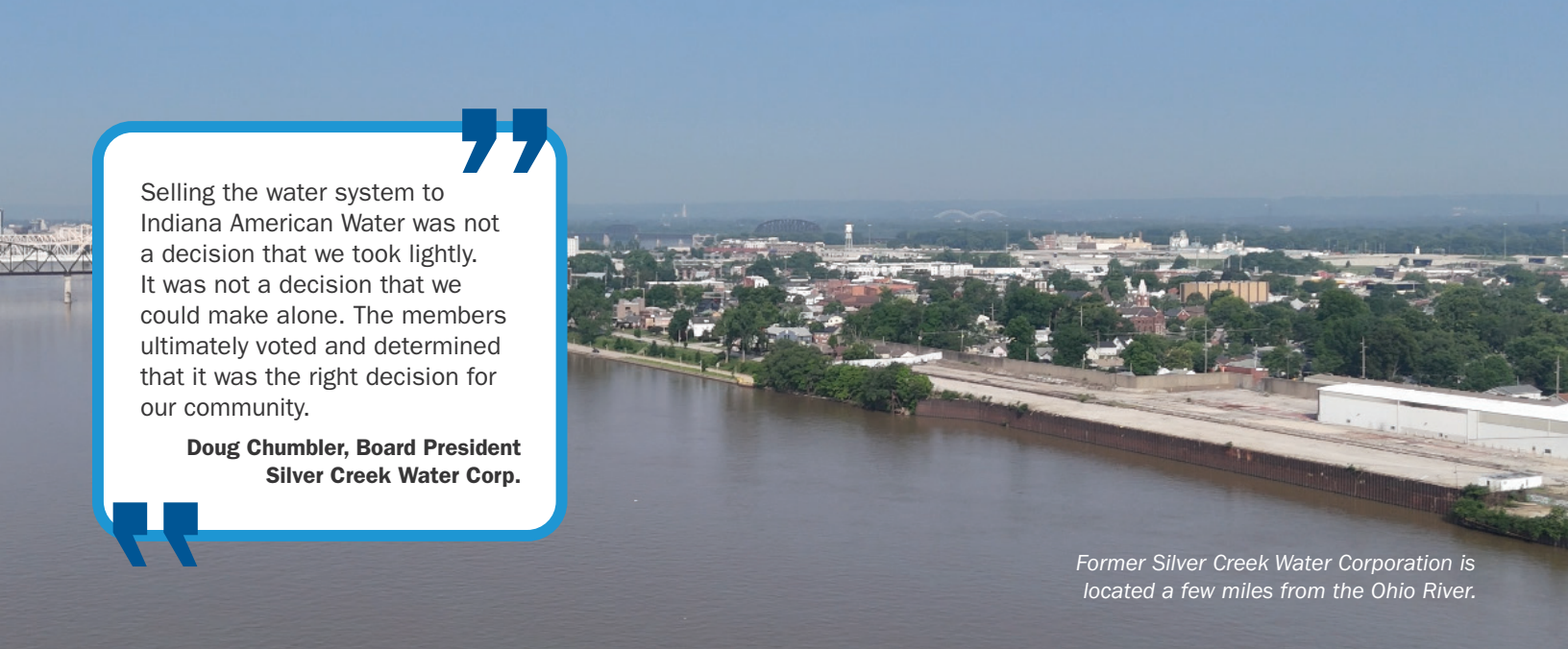
FOR MORE INFORMATION

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Selling the water system to Indiana American Water was not a decision that we took lightly. It was not a decision that we could make alone. The members ultimately voted and determined that it was the right decision for our community.

**Doug Chumbler, Board President
Silver Creek Water Corp.**

Former Silver Creek Water Corporation is located a few miles from the Ohio River.

The Solution: Silver Creek Water Corporation became part of Indiana American Water

Silver Creek Water Corporation founded in Clark and Floyd Counties began with 400 customers in the 1960s and has steadily grown by about 180 new residential customers each year. This nonprofit, member-owned water utility grew to its near-full capacity, catering to nearly 8,000 customers. Throughout its existence, the Board of Directors at Silver Creek navigated challenges common to many member-owned or municipal water systems, including:

- Retaining experienced and qualified employees to operate the utility while preparing for the transition of retiring staff.
- Staying current with ever-changing federal, state, and local regulations.
- Balancing customer affordability with critical infrastructure investment needs and operational costs.

While many utilities grapple with more complex drinking water standards and the need for water treatment plant upgrades, Silver Creek faced different challenges in this area because Silver Creek purchased wholesale water from Indiana American Water. However, at the time, the Board recognized that material increases in operating and maintenance costs necessitated the Board to consider a rate increase of at least 21%.¹

For many years, Silver Creek met with Indiana American Water to discuss the possibility of selling. Once the board decided to give it serious consideration in 2022, Silver Creek completed a detailed appraisal of its facilities, assets and land. Negotiations took place and both parties agreed upon a sale price of \$45 million and an Asset Purchase Agreement was formed.

Considering the current lack of qualified managers and certified operators, there are certainly no guarantees that Silver Creek will be able to replace its existing staff with new employees of similar skill and experience. Silver Creek was particularly concerned about its ability to replace its existing employees upon their retirement.

**Chris Snyder, Board Vice President
Silver Creek Water Corp**

Indiana Utility Regulatory Commission (IURC),
testimony (Cause No. 46023)

Before the acquisition application could be submitted to the Indiana Utility Regulatory Commission (IURC), the majority of Silver Creek's members were required to approve it, per the Board's governing by-laws. In November 2023, nearly 74% of members who voted, agreed to Indiana American Water becoming their trusted provider of water service.²

After public input and testimony, the IURC issued an order on September 4, 2024, approving the sale of Silver Creek's water system to Indiana American Water, and the transaction closed on November 6, 2024.³

With the sale finalized, Silver Creek Water Corporation became responsible for distributing the proceeds from the \$45 million purchase to its nearly 8,000 members.

¹Additional Questions and Answers by SCWC to Members, posted on Silver Creek's website

²"Silver Creek Water Utility Members Approve Sale of Member-Owned Water Utility to Indiana American Water," news release, Business Wire, November 3, 2023

³"Indiana American Water Completes Acquisition of Silver Creek Water Corporation," news release, Indiana American Water, November 6, 2024