



WMU Water/Sewer Rate Information

Thank you for giving us the opportunity to explain to you why Whitestown water/sewer rates are higher than surrounding communities. Please know that the rates charged by Whitestown are directly linked to the cost of providing the actual utility service. Whitestown does not make a profit from its utility.

WE'RE GROWING:

Whitestown is the fastest growing community in the state of Indiana, and the town had to plan for future growth, both for the comfort and safety of our residents and businesses. Water supply, good water pressure and adequate wastewater treatment capacity are vital to ensuring future.

Larger utilities, like Citizens Energy Group in Indianapolis, have a significantly larger customer base to spread its costs, which has helped keep its costs per customer lower. Whitestown is in a good position to grow because we have made the investments short term that are necessary to ensure growth long term. The WMU does not want to burden our customers with high rates long term and it is our hope that rates will come down soon due to the rapid growth in the area. We will continue to do rate studies every couple of years to see if there is an opportunity to lower rates.

OUR WATER/SEWER FACILITIES ARE BRAND NEW:

The town of Whitestown has proactively replaced about 90% of the water/sewer system. Recent upgrades include many new lift stations, a new 2.5 million gallon water tower and a state-of-the-art water pump station. WMU is currently in the process of building a new, state of the art waste water treatment plant. Whitestown likely has the most up to date sewer/water system/infrastructure in the state, and the town is in a position to ensure long term capacity in both sewer and water. All of these short term investments were necessary to continue to provide the customer with clean drinking water, ensure adequate sewer capacity, comply with new IDEM/EPA standards, and be prepared for future growth. The investments the town has made allow for future growth and future growth will likely help drive down rates.

This is something that other communities across the state will need to do soon due to outdated, failing water/sewer systems. This investment by the WMU has caused a short term burden on the rate payer but it will allow the community and the utility to grow. As the community and utility grows, this will bring in more customers to pay for the improvements and will in turn provide an opportunity to potentially *lower* rates. Other communities will not be so lucky. Indianapolis is about to be faced with some major rate increases.

It is believed that most communities have not upgraded their water/sewer infrastructure for 40 years or more. Many communities still have low rates, but their water and sewer infrastructure/mechanical systems are failing. The city of Indianapolis is currently dealing with major water main break issues (700 in 2014 and many more in 2015). Citizens, for example, has an old combined sewer and storm water system that causes frequent sewer overflows into creeks and rivers. They will likely be required to replace/upgrade their systems in the near future, which will cause their rates to continue to increase significantly over the next 15 years. Citizens will have to pay for billions of dollars of improvements to their aging system. It is likely only a matter of time before the Indianapolis sewer rate approaches that of Whitestown and other surrounding communities.

Here is a link to a story about the coming issues facing Citizens Energy Group customers - Indianapolis Rate Increases: <http://fox59.com/2015/01/14/utility-officials-broad-ripple-sink-hole-highlights-aging-infrastructure/>

Links to news stories about failing water/sewer infrastructure and rate increases:

Indianapolis Rate Increases: <http://fox59.com/2015/01/14/utility-officials-broad-ripple-sink-hole-highlights-aging-infrastructure/>

Muncie Sanitary Sewer Issues - <http://fox59.com/2014/11/25/muncie-leaders-say-160m-sewer-project-is-vital-to-growth-keeping-natural-resources-safe/>

Indianapolis Water Main Issues (Citizens Energy Group) <http://fox59.com/2014/11/25/aging-indy-infrastructure-to-blame-for-burst-broad-ripple-water-main/>

Indianapolis Water Main Break - <http://wishtv.com/2014/11/12/water-main-break-closes-post-road/>

Indianapolis Water Main Break - <http://fox59.com/2014/01/07/50-homes-without-water-after-main-break/>

Speedway Rate Increase - <http://www.townofspeedway.org/departments/division.php?structureid=119>

Anderson Indiana Rate Increase - http://www.heraldbulletin.com/news/local_news/anderson-s-water-rate-hike-moving-forward/article_f10541e9-333f-5355-8ca2-241bc8a2348b.html?mode=jqm

Citizens Water Rate Increase - <http://www.citizensenergygroup.com/Our-Company/News-Financials/News-Releases/Citizens-Seeks-Water-Rate-Increase>

Evansville Rate Increases - <http://www.14news.com/story/24388430/evansville-water-sewer-customers-to-see-new-charges-on-bills>

City of Mitchell - <http://www.wbiw.com/local/archive/2015/03/mitchell-residents-could-see-sewer-rate-increase.php>

THE COST OF PROVIDING WATER/SEWER SERVICE IS INCREASING ALL OVER THE STATE:

The following is a lists of costs associated with current water and sewer rates:

- Cost to run the pipes from Indianapolis to Whitestown, and have the flow where it needs to be for fire and potable uses (new pump station, water town, lines, etc...)
- Interest costs on paying to run those pipes
- Debt service (from upgrades and the debt of the former Boone County Utilities)
- Costs to maintain the pipes in the ground up to par to provide the water on demand
- Energy costs and chemical costs are rising
- Health care costs for labor

Please know that our staff is working hard to research peer communities, gathering specific comparisons and accurate descriptions of the water/sewer infrastructure associated with each comparable community's rates. We will make this information public once it is completed. The days of cheap water and sewer service are rapidly coming to an end. According to the Indiana accounting firm of Umbaugh and Associates, water and sewer rates across the state have increased 25 and 30 percent respectively over last few years. A number of communities have not adjusted rates in the last few years which may indicate future pressure for additional rate increase. 52 Indiana communities are using the same rates as were in place prior to year 2000. By delaying prudent and incremental rate adjustments, customers may suffer "sticker shock" when large rate increases, to maintain the systems integrity, become essential. Oppositely, with all our investments up front, Whitestown utility customers will likely see decreases, as surrounding communities experience increases in monthly rates. The Town is currently about \$25.00 a month higher than the average sewer charge for a 4,000 gallon customer for a town of similar population.

Click the links below to view the 2008 Sewer Rate Ordinance, 2013 Water Rate Study and the 2013 Water Rate Ordinance.

2008 Sewer Rate Ordinance: http://www.whitestown.in.gov/vertical/sites/%7BB8BE8AC3-9DE8-4247-BCB0-1173F48CC7C3%7D/uploads/Sewer_Ordinance_2008.pdf

2013 Water Rate Study: http://www.whitestown.in.gov/vertical/sites/%7BB8BE8AC3-9DE8-4247-BCB0-1173F48CC7C3%7D/uploads/WMU_Water_Rate_Study_05_14_2013.pdf

2013 Water Rate Ordinance: http://www.whitestown.in.gov/vertical/sites/%7BB8BE8AC3-9DE8-4247-BCB0-1173F48CC7C3%7D/uploads/Rate_ordinance_2013.pdf

Once again we hope this helps to answer some of your questions and present you with facts.