

Utility Rate Advisory Board

MEETING DATE: July 12, 2023

LOCATION: Pendleton Town Hall

100 W. State Street Pendleton, IN

TIME: 6:00 PM

ORDER OF BUSINESS

I. CALL TO ORDER

Meeting was called to order by Jenny Sisson at 6:35 PM

II. Board members in attendance were Sloan Smith-Moultrie, Kyle Eichhorn, Jenny Sisson and Tim Pritchard

A quorum was established. Individuals representing the Town were Town Manager Scott Reske and Attorney Jeff Graham.

It was noted by Jeff Graham that during the last URAB meeting when officers were elected there was no Secretary elected. The Utility Rate Advisory Board does need a **secretary** so Tim Pritchard nominated Sloan Smith-Moultrie for the position. Kyle Eichhorn seconded this motion. Sloan Smith-Moultrie will now act as **secretary** of the Utility Rate Advisory Board.

III. APPROVAL OF MEETING MINUTES

A motion to approve the minutes from the March 8, 2023 meeting was made by Kyle Eichhorn and seconded by Tim Pritchard. The motion was carried.

IV. OLD BUSINESS

No old business

V. NEW BUSINESS

Water Rate Study

- Buzz Krohn & Brandon Barthel from Krohn & Associates gave their presentation regarding the water rate study they conducted.
- Last water rate increase was in 2004
 - User based growth since 2004 has helped sustain stagnant rate structure
 - 19 years of inflations at 3% results in a 75% increase in cost
- Water utility rates have been subsidized by General Fund & TIF (Tax Increment Financing) revenues, but the town is at a point where it is important to eliminate these cost subsidies.
 - TIF program has a limited life & Town General Fund resources also limited.
 - Proposing Hydrant Charges (Public Fire Protection Capacity Fees) from a property tax supported cost to a retail user fee

- Buzz spoke regarding Indiana Code 8-1.5-3-8 Municipal Water Rates
- Brandon spoke regarding the Rate Study Process and the 3 major categories used.
 - Historical Financial Statements
 - Provides baseline financial information for future projections
 - Supplementary Information
 - Builds a rounded understanding of the utility
 - Pro Forma Financial Information
 - Creates a revenue requirement that the proposed utility rates will need to sustain financially
- Brandon discussed option 1 (operating disbursements + working capital (\$300K) = \$1,690,430).
 - Revenue adjustments would be \$22k additional revenues from removing “over 80,000 gallons” rate block & replacing yearly hydrant charges with monthly fire protection charge based on meter size
 - Average residential bill will increase \$15.93
 - Last rate increase 19 years ago (84 cents a year since 2004)
- Tim Pritchard motioned & Kyle Eichhorn seconded to adopt resolution 2023-01 to present the water rate change for option 1 to the town council. This motion was carried.

Next regular meeting August 9, 2023 6:00 PM

This meeting was adjourned at 7:35 PM by Jenny Sisson