

April 4, 2024

Rate Increase Summary – Water Utility

The purpose of the cost of service study and proposed rate adjustment was to look at all of Bristol Water Utility needs and propose a rate structure that proportionately allocates costs across customer classes.

Summary Key Notes:

- Adjustment of rates to replace existing phased rate increases adopted on June 15, 2023 as part of the initial increase for the anticipated Water Project. Proposed rates derived from the cost of service study would be phased in during years 2024 and 2025 with assumed collections related to rate increases beginning in July of each year. See rate table on page 2.
- Primary driver of rate adjustments:
 - Inflationary increases
 - Total treatment system upgrades and expansion project costs of \$15,709,000 million
- Monthly average residential rates based on 4,000 gallons of usage increasing \$14.25 compared to existing rates in phase I. Phase 2 proposed rates account for a \$7.12 increase per month for the average residential user as compared to phase I.
- The proposed rates will remain sufficient to pay for normal operating and capital disbursements annually, debt service related to the 2024 Bond and allow for debt service coverage to be at least 125% per SRF requirements.

Average Monthly Residential Bill Summary					
Year	Sewer	Water*	Total Bill	Net Change	% Change
Current	\$29.60	\$22.31	\$51.91		
2024	\$53.72	\$36.56	\$90.28	\$38.37	73.92%
2025	\$65.78	\$43.68	\$109.46	\$19.18	21.25%
2026	\$71.80	\$43.68	\$115.48	\$6.02	5.50%

*Excludes sales tax

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

2024 - Phase I

AVERAGE CUSTOMER BILL IMPACT

	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Change</u>	<u>% Change</u>
Residential - 5/8" Meter - 2,000 Gallon Flow	<u>\$11.15</u>	<u>\$18.28</u>	<u>\$7.13</u>	<u>64%</u>
Residential - 5/8" Meter - 4,000 Gallon Flow	<u>\$22.31</u>	<u>\$36.56</u>	<u>\$14.25</u>	<u>64%</u>
Multi-Family - 5/8" Meter - 10,000 Gallon Flow	<u>\$55.77</u>	<u>\$91.40</u>	<u>\$35.63</u>	<u>64%</u>
Commercial - 1" Meter - 60,000 Gallon Flow	<u>\$321.47</u>	<u>\$540.75</u>	<u>\$219.28</u>	<u>68%</u>
Industrial - 2" Meter - 200,000 Gallon Flow	<u>\$952.17</u>	<u>\$1,570.15</u>	<u>\$617.98</u>	<u>65%</u>
Educational - 4" Meter - 50,000 Gallon Flow	<u>\$268.62</u>	<u>\$451.05</u>	<u>\$182.43</u>	<u>68%</u>

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

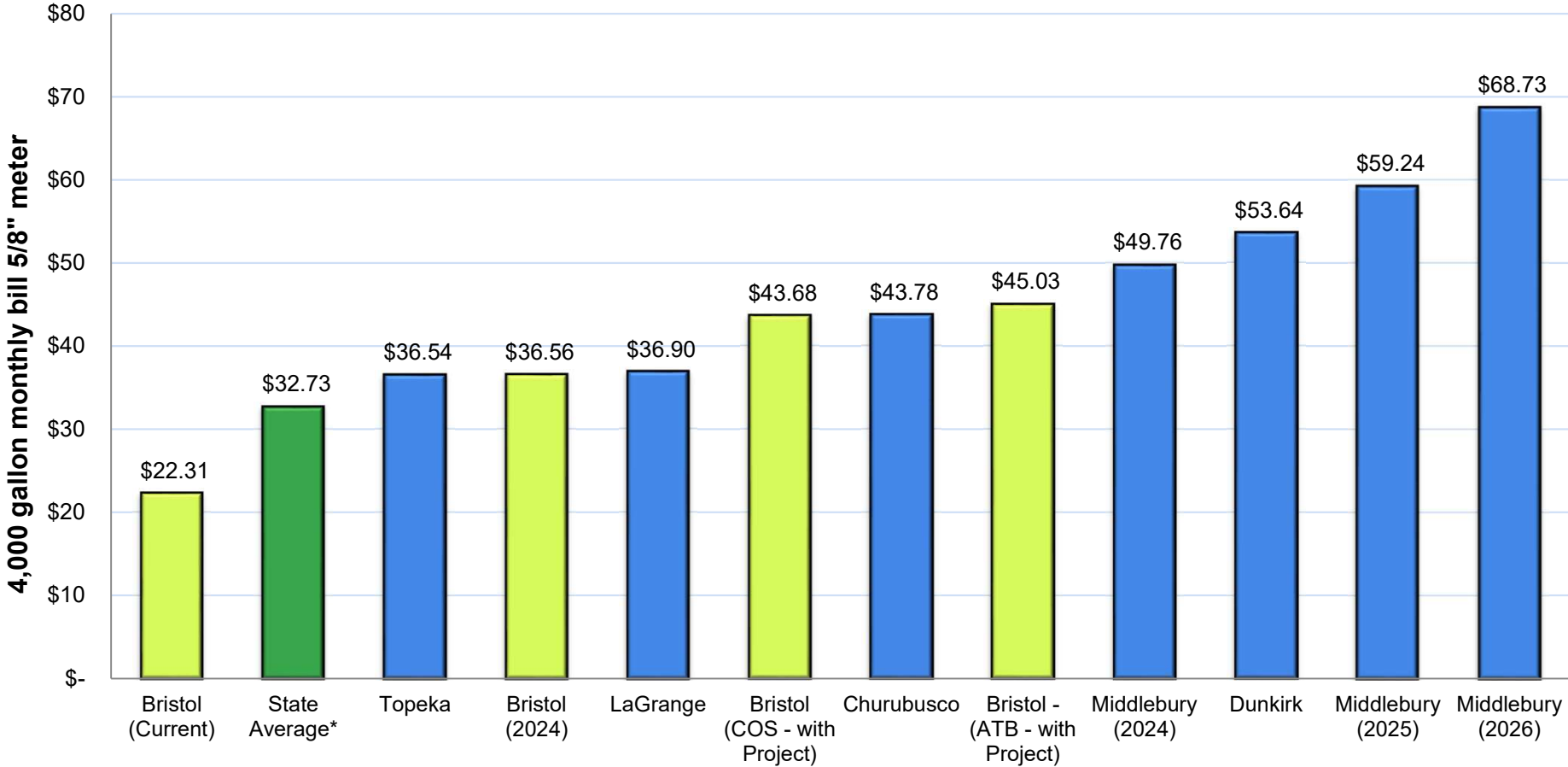
2025 - Phase II

AVERAGE CUSTOMER BILL IMPACT

	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Change</u>	<u>% Change</u>
Residential - 5/8" Meter - 2,000 Gallon Flow	<u>\$18.28</u>	<u>\$21.84</u>	<u>\$3.56</u>	<u>19%</u>
Residential - 5/8" Meter - 4,000 Gallon Flow	<u>\$36.56</u>	<u>\$43.68</u>	<u>\$7.12</u>	<u>19%</u>
Multi-Family - 5/8" Meter - 10,000 Gallon Flow	<u>\$91.40</u>	<u>\$109.20</u>	<u>\$17.80</u>	<u>19%</u>
Commercial - 1" Meter - 60,000 Gallon Flow	<u>\$540.75</u>	<u>\$650.25</u>	<u>\$109.50</u>	<u>20%</u>
Industrial - 2" Meter - 200,000 Gallon Flow	<u>\$1,570.15</u>	<u>\$1,878.85</u>	<u>\$308.70</u>	<u>20%</u>
Educational - 4" Meter - 50,000 Gallon Flow	<u>\$451.05</u>	<u>\$542.15</u>	<u>\$91.10</u>	<u>20%</u>

BRISTOL (INDIANA) MUNICIPAL WATER UTILITY

Comparison of Monthly Residential Bills with Other Indiana Communities



*For Cities/Towns with populations of 1,000-3,000 per the April 2022 Indiana Comparative Rate Study prepared by Baker Tilly Municipal Advisors, LLC.