

April 4, 2024

Rate Increase Summary – Sewage Works

The purpose of the cost of service study and proposed rate adjustment was to look at all of Bristol Sewer 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, 2025 and 2026 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 WWTP improvement and expansion project costs of \$28,265,000 million
- Monthly average residential rates based on 4,000 gallons of usage increasing \$24.12 compared to existing rates in phase I. Phase 2 proposed rates account for a \$12.06 increase per month for the average residential user as compared to phase I. Finally, phase 3 proposed rates increasing \$6.02 per month for the average residential user.
- 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 SEWAGE WORKS

2024 - Phase I

COMPARISON OF SELECTED MONTHLY BILLS

<u>5/8" Meter</u>		<u>Adjusted Monthly Bill</u>			
<u>Gallons</u>	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>	
0	\$22.80	\$14.80	\$8.00	54%	
2,000	22.80	14.80	8.00	54%	
4,000	53.72	29.60	24.12	81%	
5,000	69.18	37.00	32.18	87%	
10,000	146.48	74.00	72.48	98%	
20,000	301.08	148.00	153.08	103%	

<u>1" Meter</u>		<u>Adjusted Monthly Bill</u>			
<u>Gallons</u>	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>	
5,000	\$103.43	\$59.25	44.18	75%	
10,000	180.73	96.25	84.48	88%	
20,000	335.33	170.25	165.08	97%	
50,000	799.13	392.25	406.88	104%	

<u>2" Meter</u>		<u>Adjusted Monthly Bill</u>			
<u>Gallons</u>	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>	
50,000	\$970.08	\$503.20	\$466.88	93%	
100,000	1,743.08	873.20	869.88	100%	
250,000	4,062.08	1,983.20	2,078.88	105%	

<u>6" Meter</u>		<u>Adjusted Monthly Bill</u>			
<u>Gallons</u>	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>	
500,000	\$9,773.54	\$5,031.20	\$4,742.34	94%	
1,000,000	17,503.54	8,731.20	8,772.34	100%	
2,000,000	32,963.54	16,131.20	16,832.34	104%	
3,000,000	48,423.54	23,531.20	24,892.34	106%	

BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

2025 - Phase II

COMPARISON OF SELECTED MONTHLY BILLS

5/8" Meter

<u>Adjusted Monthly Bill</u>				
<u>Gallons</u>	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>
0	\$26.80	\$22.80	\$4.00	18%
2,000	26.80	22.80	4.00	18%
4,000	65.78	53.72	12.06	22%
5,000	85.27	69.18	16.09	23%
10,000	182.72	146.48	36.24	25%
20,000	377.62	301.08	76.54	25%

1" Meter

<u>Adjusted Monthly Bill</u>				
<u>Gallons</u>	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>
5,000	\$125.52	\$103.43	22.09	21%
10,000	222.97	180.73	42.24	23%
20,000	417.87	335.33	82.54	25%
50,000	1,002.57	799.13	203.44	25%

2" Meter

<u>Adjusted Monthly Bill</u>				
<u>Gallons</u>	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>
50,000	\$1,203.52	\$970.08	\$233.44	24%
100,000	2,178.02	1,743.08	434.94	25%
250,000	5,101.52	4,062.08	1,039.44	26%

6" Meter

<u>Adjusted Monthly Bill</u>				
<u>Gallons</u>	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>
500,000	\$12,144.71	\$9,773.54	\$2,371.17	24%
1,000,000	21,889.71	17,503.54	4,386.17	25%
2,000,000	41,379.71	32,963.54	8,416.17	26%
3,000,000	60,869.71	48,423.54	12,446.17	26%

BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

2026 - Phase III

COMPARISON OF SELECTED MONTHLY BILLS

5/8" Meter

<u>Gallons</u>	<u>Adjusted Monthly Bill</u>			
	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>
0	\$28.80	\$26.80	\$2.00	7%
2,000	28.80	26.80	2.00	7%
4,000	71.80	65.78	6.02	9%
5,000	93.30	85.27	8.03	9%
10,000	200.80	182.72	18.08	10%
20,000	415.80	377.62	38.18	10%

1" Meter

<u>Gallons</u>	<u>Adjusted Monthly Bill</u>			
	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>
5,000	\$136.55	\$125.52	11.03	9%
10,000	244.05	222.97	21.08	9%
20,000	459.05	417.87	41.18	10%
50,000	1,104.05	1,002.57	101.48	10%

2" Meter

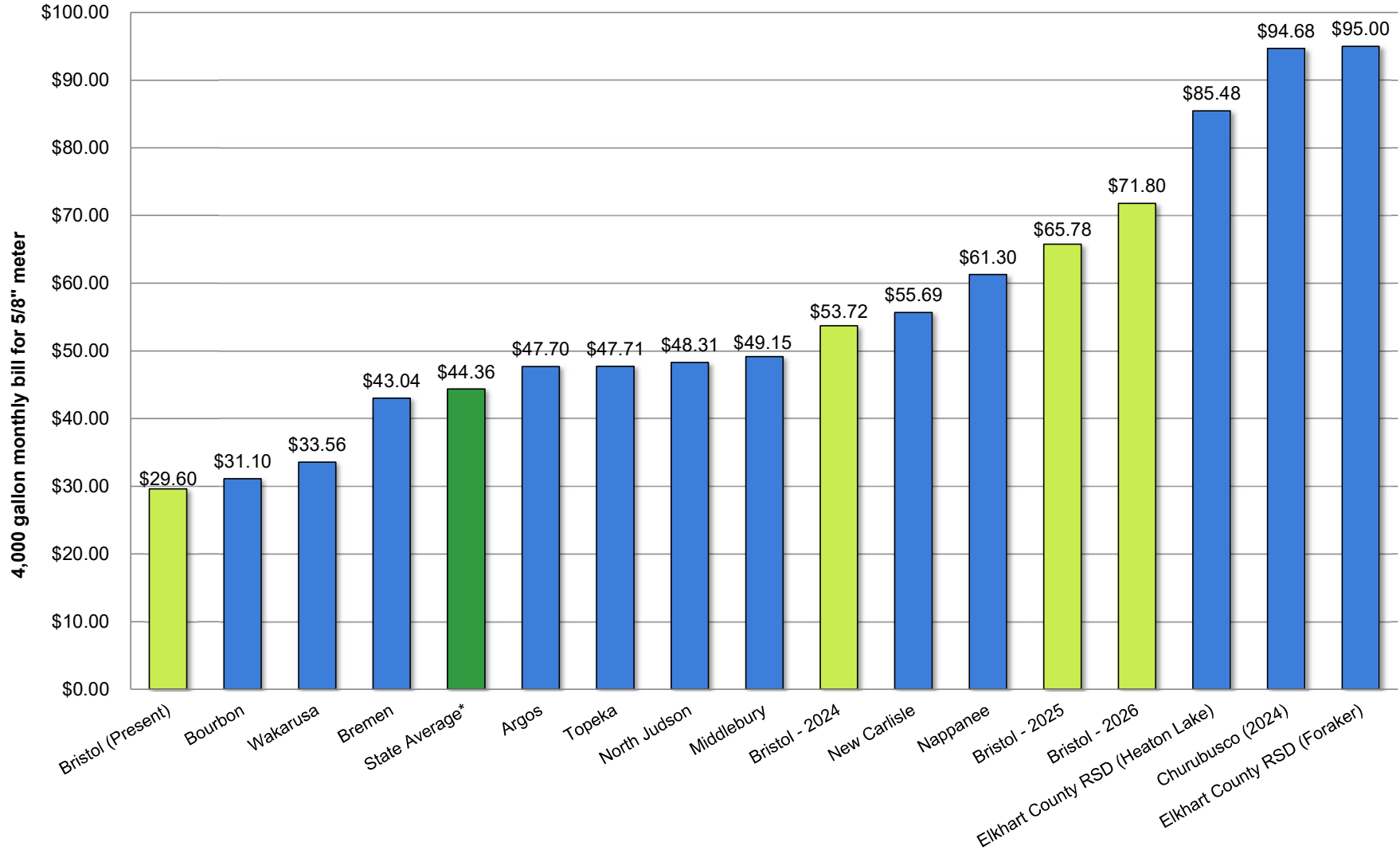
<u>Gallons</u>	<u>Adjusted Monthly Bill</u>			
	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>
50,000	\$1,320.00	\$1,203.52	\$116.48	10%
100,000	2,395.00	2,178.02	216.98	10%
250,000	5,620.00	5,101.52	518.48	10%

6" Meter

<u>Gallons</u>	<u>Adjusted Monthly Bill</u>			
	<u>Cost of Service</u>	<u>Present</u>	<u>Variance</u>	<u>%</u>
500,000	\$13,327.80	\$12,144.71	\$1,183.09	10%
1,000,000	24,077.80	21,889.71	2,188.09	10%
2,000,000	45,577.80	41,379.71	4,198.09	10%
3,000,000	67,077.80	60,869.71	6,208.09	10%

BRISTOL (INDIANA) MUNICIPAL SEWAGE WORKS

Comparison of Monthly Residential Bills with Other Indiana Communities



* For Cities/Towns with 1,000 to 3,000 population (125 in study) per the April 2022 Indiana Comparative Rate Study prepared by Baker Tilly Municipal Advisors, LLC.

Note: Comparison includes surrounding communities with less than and great than 1,000 to 3,000 in population