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Evansville Water and Sewer Utility submits request for water rate increase to Indiana Utility Regulatory Commission *June 4 field hearing in Evansville planned*

EVANSVILLE, Ind. – Last week, the Evansville Water and Sewer Utility submitted a case in chief to the Indiana Utility Regulatory Commission (IURC) for a three-year phased increase in water rates. The rate increase is necessary to address rising operating expenses and fund essential – and in some cases mandated – repairs as well as additions to the current infrastructure, most of which is aging and in need of significant upgrades. Filing the case in chief is the step in the IURC's process during which a utility may submit usage data and documentation supporting an increase in usage fees. The Utility began the process by filing a petition with the IURC in December 2011. The Utility will notify its customers of the proposal via mail later this month.

Evansville's monthly residential bill for 5,000 gallons of water is currently \$14.42, significantly less than many surrounding communities. If the IURC approves the water rate increase, the monthly residential bill for 5,000 gallons of water – before the fire protection surcharge is added – will increase to: \$17.19 in 2013, \$18.86 in 2014 and \$20.34 in 2015. Those amounts are still considerably less than monthly residential bills for the same water usage in nearby communities, including Indianapolis (\$27.90), Princeton (\$31.95), Mt. Vernon (\$35.20), and Newburgh and Terre Haute (\$36.38).

"The time has come for Evansville to invest in its aging infrastructure," said Allen Mounts, Evansville Water and Sewer Utility director. "We have 1,000 miles of water lines, and almost 600 miles are old, cast iron pipes, which are not durable enough to stand the test of time. The water filtration plant is more than 115 years old. Postponing much-needed capital improvement projects increases the likelihood of water main breaks and system failures."

Recently, the Utility replaced 1.9 miles of water line along Kratzville Road, which cost approximately \$1.5 million. Industry guidelines suggest replacing 1 percent of water lines each year, which would be 10 miles per year for Evansville. At a rate of \$700,000 per mile, the Utility would need more than \$21 million during the next three years to meet those conservative standards. However, over the next three years – even if the rate increase is approved – the Utility will only have funding to replace 4.5 miles of water line, far less than the recommended 30 miles.

Mounts said, “The Utility is carefully balancing the desire to keep rate increases low while addressing the need to raise enough capital to mitigate risks in the Utility’s massive infrastructure.”

June 4 field hearing open to the public

At 6 p.m. Monday, June 4, the IURC is hosting a public hearing at the Bosse High School auditorium – 1300 Washington Ave., Evansville – to allow the public to submit feedback. It will be several months before the IURC reaches a decision.

“We realize that any increase in utility rates will impact our customers,” Mounts added. “We are working to make this process as transparent as possible and encourage those who want more information to attend the IURC’s hearing.”

Evansville Water and Sewer Utility’s last water rate increase was approved by the IURC in 2007 and phased in through 2010.

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The Evansville Water and Sewer Utility provides water for more than 60,000 residential, commercial and industrial customers in Vanderburgh, Warrick and Gibson counties. Its system includes more than 1,000 miles of water mains, a water filtration plant and 6,000 fire hydrants.