

To: President and Members of the Munster Town Council

From: Patricia Abbott
Controller/Interim Town Manager

Date: December 2, 2024

Re: Ordinance 1969: Water Rates

Council had first read on this ordinance at the November 7, 2024, meeting, and the public hearing is scheduled for this evening. Questions and concerns were raised at that time. Since then, Council has had the opportunity to meet with Baker Tilly who performed the rate study to get many of their questions answered.

In addition, it is important to note that at the time the 2021 NewGen study was done, and the current rates set, the Council made the decision to obligate \$2.5 million in ARPA funds to water infrastructure. This was done specifically to reduce the rates that otherwise would have been necessary. The America Rescue Plan (ARPA) funding was a one-time distribution from the federal government with specific eligible uses. There are no remaining ARPA funds to obligate.

Furthermore, the existing rates assumed a certain amount of capital projects. The current staff would like to do more work. This cannot happen without the proper rates in place. The proposed rates represent a 9.24% increase in rates over three years, meaning an approximate 3% rate increase is needed in each of the years 2026, 2027, and 2028.

Ordinance 1969 has been drafted for this purpose.

Recommendation:

Conduct a public hearing on Ordinance 1969.

Under *Old Business*:

By motion and roll call vote, adopt Ordinance 1969 on second reading as presented.