

**To:** President and Members of the Munster Town Council

**From:** Wendy Mis  
Clerk-Treasurer

**Date:** May 16, 2022

**Re:** Ordinance 1867: Amending the Water Rates

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Ordinance 1857, adopted at the April 4, 2022 meeting, established the new water rates set to go into effect with the bills due July 20, 2022. In the most recent session of the Indiana General Assembly, IC 8-1-2-4.3 was added to the Indiana Code. This statute repeals the Utility Receipt Tax. This is a tax levied by the State of Indiana on, among other things, water provided by a municipally owned utility. The law requires the water rates be reduced by the amount that would have been collected to cover the tax.

Munster historically pays around \$50,000.00 in URT each year. Staff worked with NewGen to determine what the rates need to be in order to comply with the new law. The new rates are about 5¢ less for each volumetric tier. For a 5/8" meter minimum bill, this works out to 12¢ per month or \$1.44 per year. For a 1" meter minimum bill, this works out to 32¢ per month or \$3.84 per year. Ordinance 1867 has been drafted to adopt the new rates.

The new statute also requires that the Utility "...provide notice to all affected customers in each of the next two (2) regular billing cycles that the adjustment in rates or charges reflects the repeal of the utility receipts tax...in HEA 1002-2022 by the general assembly." This will be accomplished with a message on the bottom of the water bills due in July and August and in the News You Can Use for the same time period.

Because the rates are scheduled to go into effect with the bills due July 20, 2022, Staff requests the ordinance be adopted on first reading. The Town Attorney has been consulted on this matter.

**RECOMMENDED ACTION:**

To adopt the ordinance on first reading, there will be two separate motions with two separate votes. If Motion #1 passes with at least 4 votes, then Motion #2 can be made and acted upon.

1. By motion and roll call vote, suspend the rules and waive the readings to adopt Ordinance 1867 as presented on first reading tonight.
2. By motion and roll call vote, adopt Ordinance 1867 on first reading as presented.