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Dear Freeholder:

The Ben Davis Conservancy District provides sanitary sewage treatment to the freeholders for some of the lowest charges of the sewage utilities in Marion or surrounding counties. A comparison sheet is being handed out tonight that compares the Ben Davis Conservancy District's sanitary sewer charges with the charges of surrounding utilities. I am a utility financial consultant and the Ben Davis Conservancy District has hired me to make recommendations to help them with a large problem regarding rising sewage treatment costs.

The District pays CWA Authority Inc., a spinoff of Citizens' Energy, to treat its sanitary sewage (formerly the City of Indianapolis was paid to treat the District's sewage). The District does not own, operate or maintain a sanitary sewage treatment plant.

CWA Authority was given the authority, by the Indiana Utility Regulatory Commission, to increase its treatment charges to the District (and other wholesale users) each year from 2019 to 2025. These increases represent a 700 plus percent cost increase to the District.

The District Board wants to protect the freeholders from large yearly sewer increases and has hired me to recommend a plan of action. First, I recommended that the District start charging a monthly user fee and start reducing the reliance on the property tax charge. This will make the District's charges fairer to all of its customers and not give its large customers an economic reason to leave the District. Second, I recommended that the District investigate building a treatment facility. This could reduce future bills considerably.

Today I am recommending that the District charge its residential customers a monthly charge of \$8.00 per month and reduce the annual assessment rate. For the 2019 budget year this would collect 25% of the District's funding from the monthly charge and 75% from the annual assessment. In future years the monthly charge could increase while the assessment rate decreases.

If all of the District's funding were collected by a monthly user fee the current monthly user charge would be about \$28.45. However, due to the future increases in treatment costs from CWA Authority, this user charge will increase in future years. An example for variously priced properties is also being handed out that shows what will happen if the District continues to be financed solely with property taxes from today until 2025 along with the project user fee. This handout has a highlighted area for your consideration.

Today's public hearing is to inform you about the large cost increases the District is facing in the future, to let the Board hear your comments about charging a monthly user fee and to answer all of your questions. The Board will consider these matters and your comments and will make a decision on them in the near future.

I am convinced that this Board is dedicated to continuing to provide sanitary sewer service to the freeholders at the lowest cost possible.

Steven K. Brock MBA, CPA