

# **Ben Davis Conservancy District PUBLIC HEARING December 17, 2018**

There are a few myths and rumors I have heard over the past few weeks and months, I would like to clarify about the Ben Davis Conservancy District (BDCD).

1.) NO. The district is not owned by a couple of guys. The property owners or "Freeholders" own the sewer lines. Back in the 1950's, some homeowners on this side of town asked the city of Indianapolis to put in lines to replace septic systems and the growing population and the waste problems they were experiencing. The city said no at the time, so the property owners took out \$13 million in bonds to pay to put in the lines.

2.) Another rumor is that back in the 50's when the lines were installed, some folks were told after the \$13 million is paid off, there will never be another charge, and this tax will be removed from the tax bill. This is false. There will always be costs associated with treatment of sewage that flows through these lines, as well as upkeep, maintenance, inspections, repairs, and replacements of collapsed lines and failed manholes, etc. Just one example, is: we inspect nearly 1,000 manholes inside the district on a regular basis, and if one is found to have failed and collapsed, etc, depending on the depth of the manhole itself the cost to replace is approx, \$11-20 thousand dollars for one that is 10ft deep.

3.) Rumor: This new monthly bill is to pay for a bunch of new staff and vehicles I see driving around. This is also false. Recent staff changes are true. Let me explain, in the past year we had one maintenance supervisor retire. He was NOT replaced. We also had a secretary retire after 34 years of service, as well as her part-time helper, we let go. They were replaced with an office secretary for less salary. We did hire in Nov. 2017 a billing clerk, to handle the invoicing and payments of the monthly user fee bills. As for the new vehicles you may see driving around this side of town, they are not new, I just happened to have the idea of lettering them. We figured since this new monthly billing system was to be put in place, the district needs to be as transparent as possible about who works here and customers can be more at ease when they see a strange red pickup truck in the neighborhood.

4.) YES. You will continue to pay a monthly user fee bill as well as an *ad valorem* property tax based on your assessments. This is something we as directors are not sure how long will continue. We expect the charge on your property taxes to be eliminated and put on your monthly bill within the next few years... maybe. I say maybe because, this is the first year to collect fees through a monthly bill, and out of approx 4,000 residential customers, a few hundred still have yet to pay at all this year. We will go into a bit further detail in a minute.

5.) NO. This rate increase is NOT going towards paying for a new treatment plant facility for the district. The rate increase is to pay for increased costs associated with Citizens Energy and their rising costs for sewage treatment and processing.

Since 2009, Citizens Energy Group (CEG) rates have increased 180%! 86% in just the past 5 years alone. Due to these increased costs, CEG has raised the districts rates by 40%.

For example, these are the estimated costs the district will need to pay in the next 7 years to CEG for processing and treating our sewage.

## **This year 2018 was: \$575,000.**

2019 - \$1,101,156 will go to Citizens for treatment.

2020 - \$1,283,000

2021 - \$1,549,000

2022 - \$1,869,000

2023 - \$2,218,000

2024 - \$2,469,000

2025 - \$2,721,000

**2026 - \$3,400,000 for treatment and processing costs alone.....**

If we continue with the current plan we have in place now, we will be forced to continue to raise rates every year to pay these rising costs, and topping out at over \$77 per month by the year 2025.

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## COMPARISON

CURRENT CITIZENS ENERGY CUSTOMERS (in Marion County)  
in 2018 Citizens Energy Customers are paying a  
**current base rate of \$43.53 per month**  
**this does NOT include ANY water usage.**

An Average Citizens customer in Marion County uses about 5,000 gallons per month of water.  
Based on usage of 5,000 gallons, the citizens customer pays on  
**average \$53.00 per month.**

### Ben Davis Rates

As of Oct. 31st, 2018 according to Zillow.com,  
the Median Home Listing Price for 46241 zip code is \$71,000.  
BD current *ad valorem* tax rate is .3572% per \$100 of assessed value.  
So, that works out to \$266.39 per year or \$22.19 per month  
Now, add the \$8.00 per month 2018 current user fee = \$30.19 per month  
And the 2019 proposed rate of an additional \$8/mo = \$38.19 per month

**So, for 2019 an average ben davis customer that has a home valued at \$71,000 will be paying \$38.19 per month or \$458 per year.**

*This sewer rate price will vary depending on your assessed property value.*

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All this brings us back to our options as a district, we have 3 choices to choose from:

1st option: We can petition the Marion Circuit Court to dissolve completely. We would become citizens energy customers and our sewer rates would become the same as the rest in Marion County.

2nd option: We can continue as we currently are, paying higher rates each year until 2025, with a monthly bill of \$77/mo. (this rate is based completely on a monthly user fee bill and no property tax bill.)

3rd option: The district can build its own treatment plant and remove itself from Citizens as a provider, and be able to provide district customers a lower monthly payment about \$50.34 per month, this payment is an all inclusive, flat-rate to all residential homeowners. This includes the approx. \$15 mil. loan to build and operate.