

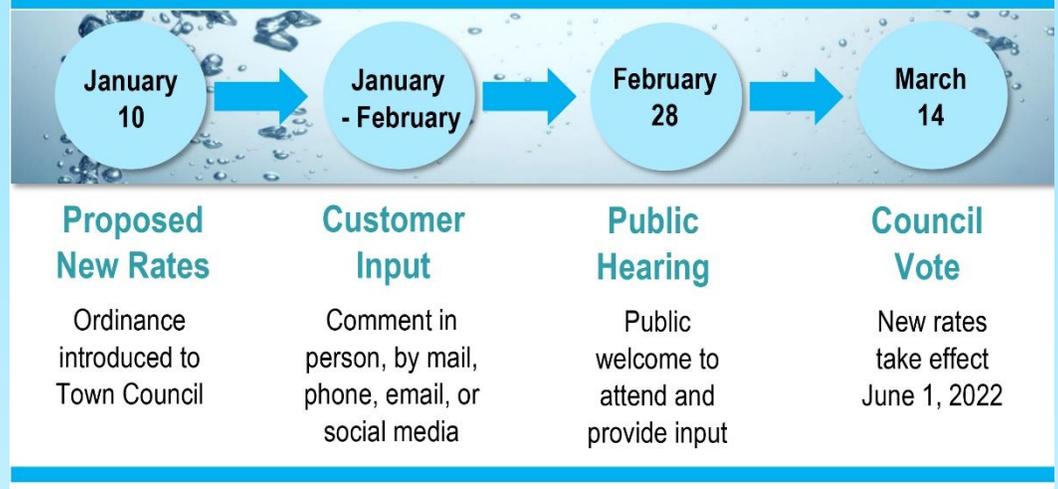
# THE WORTH OF WATER

February 2022

The Town of Speedway introduced a proposed ordinance to raise water and wastewater rates to the Town Council during its public meeting on January 10, 2022.

If approved, the rate increase would allow the Town to make needed capital improvements to our aging water and wastewater plants, while remaining current with the costs of operating the Speedway Water Works and the Speedway Wastewater Treatment Plant.

## Water & Wastewater Rate Increase



**Clean and safe water is essential, and the Town is responsible for providing safe drinking water and effective wastewater processes to the community.**

### *Why is the Town proposing a rate increase?*

Clean and safe water is essential, and the Town is responsible for providing safe drinking water and effective wastewater treatment processes to the community. We must protect our water supply sources, regularly reinvest to replace and renew aging infrastructure, and support enhanced treatment operation.

A rate increase also is necessary to make needed capital improvements and remain current with the costs of operating the water plant and sewage treatment processing facility. Speedway Water Works and Speedway Wastewater Treatment Plant are aging and obsolete. Operating costs keep rising, and we have not increased rates since 2011.

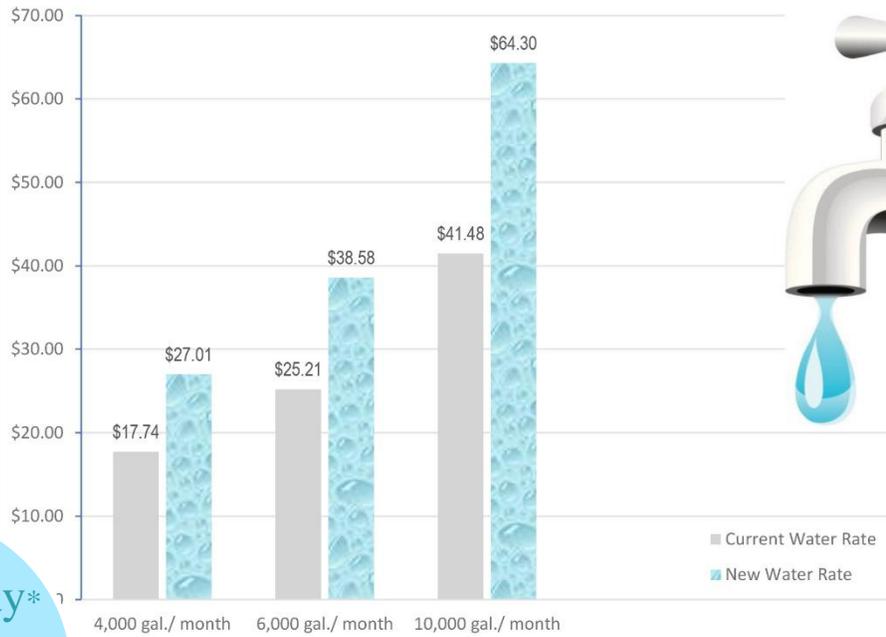
We need to make capital improvements so we can stay in compliance with new federal and state regulations. Making these improvements will ensure we maintain local control of our utilities.

### How much is the rate increase?

The proposed rate increase amounts to an additional \$14.30 per month for residential users who use \*4,000 gallons or less of water monthly. The Town is utilizing about \$2 million of its federal American Rescue Plan allocation to offset the rate increase. If approved, the rate increase would take effect June 1, and the first bill with the increase will be due in August.

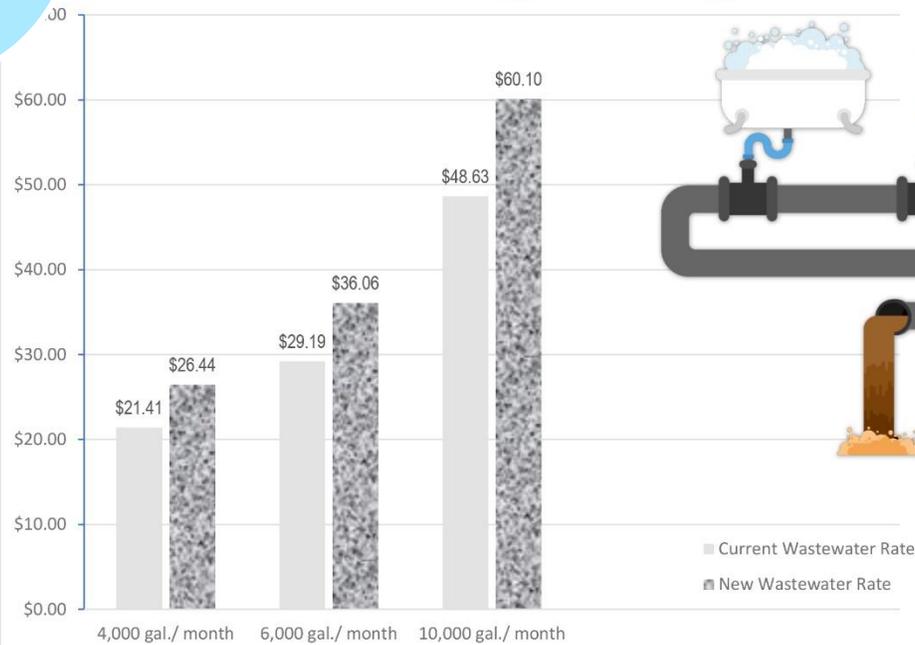
The Town has not raised rates since 2011. This proposed rate increase competitively positions the Town's water and wastewater rates with other area communities, such as Shelbyville and Lawrence.

### Water Usage & Billing Scenarios



**\$1.78/day\***  
the cost to  
have clean &  
safe water

### Wastewater Usage & Billing Scenarios





### ***My water seems fine. Why do we need a rate increase now?***

Our facilities are aging, operating with original equipment, and some of this equipment is obsolete. We must update our facilities to continue operating. Speedway Water Works was built in 1964. The Speedway Wastewater Treatment Plant was built in 1954, which means it is old enough to collect Social Security and to be on Medicare!

Additionally, the costs of operating the water plant and wastewater processing plant have increased. Rates have not increased since 2011, and the Town has not called on citizens to absorb those increased costs.



### ***How did the Town decide what improvements it will make to the water and wastewater plants?***

The Town has put careful thought and planning into determining what capital improvements are needed and how to pay for them. In 2019, the Town began thoroughly evaluating the various needs related to water issues. We engaged Wessler Engineering to design the proposed capital improvement plan, and Baker-Tilly, LLC to review the Town's financial situation and identify various rate increase scenarios that would fund the capital plan.

As a result, we have created capital improvement and asset management plans for the water and wastewater utilities. These plans are helping us prioritize what we need to fix now.

Improvements include:

- Updating outdated equipment.
- Creating more efficient treatment processes.
- Securing our capital assets, such as:
  - Protecting the raw water intake structure located near Eagle Creek. Placing fencing and a covered structure will prevent access to the intake and minimize any potential damage or outside contamination.
  - Constructing a metal storage garage at the water plant to store equipment that currently sits out in the elements. Being outside has caused major wear and tear to equipment and slows down the response of employees to water main breaks as they must clear snow and ice from equipment, warm up vehicles, and the like, before leaving to respond.
- Protecting the environment and natural resources.
- Maintaining local control of our utilities.

**Speedway Water Works was built in 1964. The Speedway Wastewater Treatment Plant was built in 1954, which means it is old enough to collect Social Security and to be on Medicare!**



## ***What specific improvements will the town make to the water and wastewater plants?***

Here is how we plan to reinvest in the **Speedway Wastewater Treatment Plant**, which was built in 1954:

- Replace boilers, pumps, meters
- Improve lift station electrical and safety measures
- Build a new lift station at Chapel Hill
- Improve safety systems
- Replace water mains, valves, meters

Here's how we plan to reinvest in **Speedway Water Works**, which was built in 1964:

- Update existing well system
- Add new wells
- Make dam improvements
- Implement chemical treatment changes
- Improve operational processes
- Update building facilities



### ***Why are state and federal regulations causing a rate increase?***

From time to time, state and federal agencies require municipalities to update various processes, and typically do not provide funding for these improvements. These state and federal mandates result in the periodic need to evaluate user fees and rates to ensure communities like Speedway have the funds needed to make those improvements. An example of the mandates we need to meet are permit standards.

Our facilities are aging and some of the equipment is obsolete. We must update our facilities to continue operating. If we do not act now, our aging water and wastewater utilities will cost the community. The Town could be fined for non-compliance, and state or federal agencies could put moratoriums on new development. We also could lose local control of our utilities.



### ***What is the process to approve a rate increase?***

The ordinance was introduced to the Town Council for consideration on January 10. The Council will hold a Public Hearing on February 28 at which time the public is welcome to attend and provide input.

If approved by the Council, the rate increase will be effective June 1, 2022.

The bills for June consumption will be received in July and will reflect the June 1 increase.

This bill will be due August 10.

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