

Town of West Terre Haute

Notice of Proposed Fiscal Year 2025-2027 Water Rate Increase

Notification to Property Owners of a Public Hearing on the Proposed Water Service Rate Increases

Basic Information:

You are receiving this notice because you are either a property owner in West Terre Haute Water District or you are a water user receiving service from the West Terre Haute Water Works Company. The West Terre Haute Water Works provides water supply and distribution services for over 1600 residential and commercial customer accounts supporting a population of approximately 2100. The West Terre Haute Water Works delivers over 77 million gallons of water each year through a water distribution system that includes many miles of pipeline, as well as water wells, storage reservoirs, treatment and transmission facilities.

The West Terre Haute Water Works system operates mainly with funds raised through water rates and service charges. Monthly water service charges are used to fund utility costs, including labor, energy, chemicals, regulatory compliance, system maintenance, rehabilitation and replacement of infrastructure, and capital improvements. By law, water rates must be calculated based on the cost to provide these services to meet State requirements. The proposed water rates and charges in accordance with (IC 13-26-13 Establishing Rates and Charges) are necessary to ensure that the West Terre Haute Water Works can continue to pay the ongoing and increasing cost of providing clean, safe, and reliable water service to you. The proposed water rates are supported by a Financial Plan and Rate Study, which determined that current water rates are insufficient to cover the West Terre Haute Water Works' ongoing operating and maintenance costs, adequately support the capital improvement program, and meet reserve policy goals. You may view the Rate Study and associated materials provided by Kleinpeter Financial Group, LLC at 500 National Avenue Water Works Utility office.

NOTICE IS HEREBY GIVEN that the West Terre Haute Water Works will hold a public hearing on Monday, August 11th, 2025, at 6:00 p.m. located at 500 National Avenue, West Terre Haute, Indiana, 47885, to consider adoption of proposed water service rate increase.

PUBLIC HEARING AND PROCEDURES: Public comments and written responses will be accepted until October 14, 2025, or in accordance with IC 13-26-13 for Establishing Rates and Charges at the public hearing(s). There will be a second reading of the proposed water rate increase on September 8, 2025, and the third and final reading on October 14, 2025, where the Board will then be asked to adopt the proposed rate increases / charges. Only written comments regarding the proposed rate increases will be taken into consideration. Written comments may be sent to the West Terre Haute Water Utility prior to the public hearing to the attention of "Town Council President" at the address shown above and must include the property address of the petitioner.

If adopted at the close of the third and final public hearing, the Board President will announce the adoption of the ordinance, and the new water rates increase will become effective on October 14, 2025.

PROPOSED INCREASES TO MONTHLY WATER SERVICE CHARGES: For Fiscal Year 2025/2027 (FY25/27) (October 14, 2025 through January 1, 2027), the West Terre Haute Water Utility is proposing a Water Service Charge (WSC) rate increase for all meter sizes, 5/8 inch meter, ¾ inch, 1 inch, 1 ¼ inch 1 ½ inch, 2 inch, 3 inch, 4 inch meter on the Base Rates illustrated below. In subsequent years 2026, and 2027, allowable gallons will change, reducing the minimum allowable water use per meter size illustrated in the table below.

To enhance rate structure fairness, the Waterworks Utility will transition to the AWWA M-1 Meter Equivalency method, which determines minimum monthly charges based on meter size. This industry standard approach aligns minimum usage allowances with meter equivalency factors, ensuring equitable volumetric rates relative to the residential meter baseline. Therefore, the transition will be in three phases, as detailed in the table below:

Phase I Adopted October 2025			Phase II January 2026			Phase III January 2027		
Proposed Gallons Allowed	Meter	Minimum	Proposed Gallons Allowed	Meter	Minimum	Proposed Gallons Allowed	Meter	Minimum
3,000.00	5/8 & 3/4 Inch Meter	\$48.65	3,000.00	5/8 & 3/4 Inch Meter	\$48.65	3,000.00	5/8 & 3/4 Inch Meter	\$48.65
6,000.00	1 Inch Meter	\$70.79	6,000.00	1 Inch Meter	\$75.94	5,000.00	1 Inch Meter	\$81.09
10,000.00	1 1/4 Inch Meter	\$104.65	9,000.00	1 1/4 Inch Meter	\$113.14	7,000.00	1 1/4 Inch Meter	\$121.64
16,000.00	1 1/2 Inch Meter	\$138.90	13,000.00	1 1/2 Inch Meter	\$150.54	10,000.00	1 1/2 Inch Meter	\$162.18
31,000.00	2 Inch Meter	\$231.95	23,000.00	2 Inch Meter	\$245.72	16,000.00	2 Inch Meter	\$259.49
51,000.00	3 Inch Meter	\$324.62	41,000.00	3 Inch Meter	\$405.58	30,000.00	3 Inch Meter	\$486.54
90,000.00	4 Inch Meter	\$535.31	70,000.00	4 Inch Meter	\$673.10	50,000.00	4 Inch Meter	\$810.90

This structured approach supports financial sustainability while aligning with best practices for equitable rate structures for all ratepayers.