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BILL NO. G-12-01-30 (AS AMENDED)

CENERAL OPPINIANCE NO	
	ERAL ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER 52: WATER AND WATERCOURCES CITY OF FORT WAYNE, CODE OF ORDINANCES

WHEREAS, the Common Council of the City of Fort Wayne, Indiana last approved a water rate adjustment in October 2005, which was approved by the Indiana Utility Regulatory Commission following a rate analysis study and became effective as of September 1, 2006; and

WHEREAS, the Fort Wayne Water Utility has developed a Capital Improvements Plan (CIP) that will allow the Water Utility to continue to provide its customers with safe, reliable and affordable drinking water through sustainable levels of capital spending on treatment facilities' parts and equipment, field maintenance equipment, water main replacement and other structures and facilities positioned throughout the service territory; and

WHEREAS, Crowe Horwath LLC was hired by Fort Wayne City Utilities to analyze the Water Utility's pro forma revenues, proposed capital improvements plan, and other projected cash flows in order to arrive at water rates that will generate sufficient funds to meet the fiscal needs of the Water Utility including:

- (A) Payment of all of the legal and other necessary expenses incident to the operation of the utility;
- (B) Provision of a sinking fund, a debt service reserve, adequate money for working capital and making extensions and replacements to the extent not provided for through depreciation;
- (C) Provision of money for the payment of any taxes that may be assessed against the utility; and
- (D) Meeting the financial obligations of the Utility's CIP.

WHEREAS, Crowe Horwath LLP has concluded that the existing rates and charges for the use of and services rendered by the Fort Wayne Water Utility do not produce sufficient revenue to satisfy the requirements of I.C. 8-1.5-3-8, including but not

limited to those costs related to the Utility's CIP and therefore recommends that the existing rates and charges should be increased in three phases accomplished 12 months apart in amounts described below.

WHEREAS, the Board of Public Works of the City of Fort Wayne, Indiana recommends that the Common Council act in accordance with I.C. 8-1.5-3-8 to find and elect that the rates and charges for water service to be paid by users of the system should be sufficient to carry out the obligations of the Water Utility as outlined above, to provide a fair and reasonable return on the Utility plant of the City and to compensate the City for taxes that would be due to the City on the Utility property were it privately owned;

NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. That the Common Council of the City of Fort Wayne, Indiana now finds and elects that the rates and charges for water service to be paid by users of the system should be sufficient to carry out the obligations of the Water Utility as outlined above, to provide a fair and reasonable return on the Utility plant of the City and to compensate the City for taxes that would be due to the City on the Utility property were it privately owned;

SECTION 2. The following sections of Chapter 52 of the Fort Wayne Code of Ordinances are hereby amended to adjust the rates and charges assessed to Fort Wayne Water Utility customers as recommended by Crowe Horwath LLP in three phases, the first phase to be effective upon approval of said rates and charges by the Indiana Utility Regulatory Commission, the second phase effective 12 months later, and the third phase effective 12 months after the second as shown below:

Sec. 52.15 Water Usage Schedule - Inside City

There shall be and hereby are established for the use of and the service rendered by the waterworks system of the City the following rates and charges based on the use of water supplied by the City Waterworks System

(A) Metered rates per month

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Metered Rates Per Month	<u>R</u>	ate Per 100 Cubi	<u>c Feet</u>
(cubic feet)	Phase I	Phase II	Phase III
First 2,500 cubic feet	\$ 1.82	\$ 1.98	\$ 2.08
Next 9,500 cubic feet	\$ 1.63	\$ 1.77	\$ 1.86
Over 12,000 cubic feet	\$ 1.52	\$ 1.65	\$ 1.73

(B) Monthly service charges. Each user shall pay a monthly service charge, in addition to usage charges calculated under the metered rate schedule, as follows:

Size of Meter (inches)		Monthly S	ervice Charges
	<u>Phase I</u>	<u>Phase II</u>	Phase III
5/8"	\$ 8.94	9.72	10.21
3/4"	\$ 8.94	9.72	10.21
1"	\$ 22.76	24.76	26.00
1 1/2"	\$ 50.99	55.46	58.24
2"	\$ 90.45	98.37	103.31
3"	\$ 203.66	221.50	232.62
4"	\$ 362.05	393.77	413.53
6"	\$ 814.21	885.53	929.98
8"	\$ 1,447.86	1,574.69	1,653.74
10"	\$ 2.262.06	2.460.22	2.583.72

Sec. 52.16 Cost for Private Fire Protection Service - Inside City.

Fire protection service for use in extinguishing fire only, shall be as follows:

Private Hydrant Rental (monthly) Private Fire Line Connection (Quarterly	\$ <u>nase I</u> 38.09 e)	<u>Ph</u> ;	<u>ase II</u> 41.43	\$ Phase III 43.51
1" \$	12.57		13.67	14.36
2" \$	12.57		13.67	14.36
3" \$	28.57		31.07	32.63
4" \$	50.28		54.69	57.43
6" \$	114.28		124.29	130.53
8" \$	203.41		221.23	232.34
10" \$	317.68		345.51	362.86
12" \$	457.10		497.15	522.10
16" \$	812.50		883.68	928.04

Sec. 52.17 Cost for Municipal Service.

Municipal service to the City shall be \$ 38.09 for Phase I, \$ 41.43 for Phase II and \$43.51 for Phase III, per month, for each fire hydrant inside the city limits.

Sec. 52.18 Charges for Customers Outside Corporate Limits.

There shall be and hereby are established for the use of and the service rendered by the waterworks system of the City of Fort Wayne the following rated and charges based on the use of water supplied by said waterworks system:

(A) Metered rates per month.

Metered Rates Per Month		Rate Per 10	00 Cubic Feet
(cubic feet)			
	<u>Phase I</u>	<u>Phase II</u>	Phase III
First 2,500 cubic feet	\$ 2.09	\$ 2.27	\$ 2.39
Next 9,500 cubic feet	\$ 2.03	\$ 2.21	\$2.32
Over 12,000 cubic feet	\$ 1.90	\$ 2.06	\$ 2.17

(B) Monthly service charges. Each user shall pay a monthly services charge in addition to usage charges calculated under the metered rate schedule, as follows:

Size	of	<u>Meter</u>
(inch	es)

Monthly Service Charges

	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
5/8"	\$ 10.27	11.17	11.73
3/4"	\$ 10.27	11.17	11.73
1"	\$ 26.17	28.47	29.90
1 1/2"	\$ 58.64	63.77	66.97
2"	\$ 104.01	113.12	118.80
3"	\$ 234.21	254.73	267.52
4"	\$ 416.36	452.83	475.56
6"	\$ 936.33	1,018.35	1,069.48
8"	\$ 1,665.04	1,810.90	1,901.81
10"	\$ 2,601.36	2,829.24	2,971.27

(C) Fire Protection Service.

For each fire hydrant

i or odor mo mjarame				
		<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
Private Hydrant Rental (monthly)		\$ 47.62	\$ 51.79	\$ 54.39
Private Fire Line Connection (Qua	rterly C	Charge)		
2"	\$	15.71	17.09	17.95
3"	\$	35.71	38.84	40.79
4"	\$	62.85	68.36	71.79
6"	\$	142.85	155.36	163.16
8"	\$	254.26	276.54	290.42
10"	\$	397.11	431.89	453.57
12"	\$	571.38	621.43	652.63
16"	\$	1,015.63	1,104.60	1,160.05

(D) The rates and charges for water and fire protection service to the City of New Haven are as follows:

	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
Demand charge (per month)	\$8,121.43	\$8,832.87	\$9,276.28
Commodity charge (per 100 cubic feet of water metered)	\$ 1.0899	\$ 1.1854	\$ 1.2449

Monthly Service Charge

Based on in-city monthly service charge

Fire Protection Services

Based on in-city rates and charges per size of connection and number of hydrants

SECTION 3. Except for the foregoing amendments, the remaining sections of Chapter 52 of the City of Fort Wayne, Indiana, Code of Ordinances shall remain in full force and effect.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed, and the existing schedule of water rates and charges shall remain in full force and effect until the schedule of rates and charges fixed by this ordinance shall be approved by the Indiana Utility Regulatory Commission, and until such time as the order of said Commission approving said new rates and charges shall direct.

SECTION 5. This Ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor and due legal publication thereof; provided however, the schedule of rates and charges herein set out shall not become effective unless approved by the Indiana Utility Regulatory Commission, or until such time as said Commission shall direct. Council Member Approved as to form and legality Carol Helton, City Attorney

GENERAL ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER 52: WATER AND WATERCOURCES CITY OF FORT WAYNE, CODE OF ORDINANCES

WHEREAS, the Common Council of the City of Fort Wayne, Indiana last approved a water rate adjustment in October 2005, which was approved by the Indiana Utility Regulatory Commission following a rate analysis study and became effective as of September 1, 2006; and

WHEREAS, the Fort Wayne Water Utility has developed a Capital Improvements Plan (CIP) that will allow the Water Utility to continue to provide its customers with safe, reliable and affordable drinking water through sustainable levels of capital spending on treatment facilities' parts and equipment, field maintenance equipment, water main replacement and other structures and facilities positioned throughout the service territory; and

WHEREAS, Crowe Horwath LLC was hired by Fort Wayne City Utilities to analyze the Water Utility's pro forma revenues, proposed capital improvements plan, and other projected cash flows in order to arrive at water rates that will generate sufficient funds to meet the fiscal needs of the Water Utility including:

- (A) Payment of all of the legal and other necessary expenses incident to the operation of the utility;
- (B) Provision of a sinking fund, a debt service reserve, adequate money for working capital and making extensions and replacements to the extent not provided for through depreciation;
- (C) Provision of money for the payment of any taxes that may be assessed against the utility; and
- (D) Meeting the financial obligations of the Utility's CIP.

WHEREAS, Crowe Horwath LLP has concluded that the existing rates an charges for the use of and services rendered by the Fort Wayne Water Utility do not produce sufficient revenue to satisfy the requirements of I.C. 8-1.5-3-8, including but not limited to those costs related to the Utility's CIP and therefore recommends that the existing rates and charges should be increased in two-three phases accomplished 12 months apart in amounts described below.

WHEREAS, the Board of Public Works of the City of Fort Wayne, Indiana recommends that the Common Council act in accordance with I.C. 8-1.5-3-8 to find and elect that the rates and charges for water service to be paid by users of the system should be sufficient to carry out the obligations of the Water Utility as outlined above, to provide a fair and reasonable return on the Utility plant of the City and to compensate the City for taxes that would be due to the City on the Utility property were it privately owned;

NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

- 1. That the Common Council of the City of Fort Wayne, Indiana now finds and elects that the rates and charges for water service to be paid by users of the system should be sufficient to carry out the obligations of the Water Utility as outlined above, to provide a fair and reasonable return on the Utility plant of the City and to compensate the City for taxes that would be due to the City on the Utility property were it privately owned;
- 2. The following sections of Chapter 52 of the Fort Wayne Code of Ordinances are hereby amended to adjust the rates and charges assessed to Fort Wayne Water Utility customers as recommended by Crowe Horwath LLP in two-three phases, the first phase to be effective upon approval of said rates and charges by the Indiana Utility Regulatory Commission, and the second phase effective 12 months later, and the third phase effective 12 months after the second as shown below:

Sec. 52.15 Water Usage Schedule - Inside City

There shall be and hereby are established for the use of and the service rendered by the waterworks system of the City the following rates and charges based on the use of water supplied by the City Waterworks System

(A) Metered rates per month

Metered Rates Per Month		Rate Per 100 Cubic	NOTATION THE PARTY OF THE PARTY	
(cubic feet)		Phase I Pha	se-II	
First 2,500 cubic feet		\$ 1.82 \$ 2.0	98	
Next 9,500 cubic feet		\$ 1.63 	37	
Over 12,000 cubic feet		\$ 1.52 \$ 1.7	74	
Metered Rates Per Month		Rate Per 100 Cubic	<u> Feet</u>	/
(cubic feet)	Phase I	Phase II	Phase III	
First 2,500 cubic feet	\$ 1.82	\$ 1.98	\$ 2.08	
Next 9,500 cubic feet	\$ 1.63	\$ 1.77	\$ 1.86	
Over 12,000 cubic feet	\$ 1.52	\$ 1.65	\$ 1.73	

(B) Monthly service charges. Each user shall pay a monthly service charge, in addition to usage charges calculated under the metered rate schedule, as follows:

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Size of Meter (inches)			Monthly (Ser	vice Charges <u>Phase II</u>
5/8"		\$	8,93	\$	10.23
3/4"		\$	8,93	\$	10.23
1"		\$	22.76	\$	26.06
1.1/2"		\$	50.99	\$	58.39
<u>2"</u>		\$	90.45	\$	103.58
<u>3"</u>		\$	203.66	\$	233.23
<u>4"</u>		\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	362.05	\$	414.62
6"		\$	814.21	\$	932.43
<u>8"</u>		\$	1,447,86	\$	1,658.09
10"		\$	2,262.06	\$	2,590.51
		Phase I	Phase II	F	Phase III
<u>5/8"</u>	\$	8.94	9.72		10.21
3/4"	\$	8.94	9.72		10.21
<u>1"</u>	<u>\$</u>	22.76	<u>24.76</u>		<u> 26.00</u>
<u>1 1/2"</u>	<u>\$</u>	<u>50.99</u>	<u>55.46</u>		<u>58.24</u>
<u>2"</u>	<u>\$</u>	90.45	98,37		<u>103.31</u>
<u>3"</u>	<u>\$</u>	203.66	<u>221.50</u>		232.62
<u>4"</u>	<u>\$</u>	<u>362.05</u>	<u>393.77</u>		<u>413.53</u>
2" 3" 4" 6" 8" 10"	ରୀ ଖ ଖ ଖ ଖ ଖ ଖ ଖ ଖ ଖ	<u>814.21</u>	<u>885.53</u>		<u>929,98</u>
<u>8"</u>	<u>\$</u>	<u>1,447.86</u>	<u>1,574.69</u>		<u>1,653.74</u>
<u>10"</u>	<u>\$</u>	2,262.06	2,460.22		2,583.72

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Sec. 52.16 Cost for Private Fire Protection Service - Inside City.

Fire protection service for use in extinguishing fire only, shall be as follows:

For each fire hydrant .	 Per Annur Phase I \$ 457.08	<u> </u>	Phase II \$523.44
1" connection	\$ 50.28	\$	57.60
2" connection	\$ 50,28	\$	57.60
3" connection	\$ 114.28	\$	130.88
4" connection	\$ 201.12	\$	230.32
6" connection	\$ 457.12	\$	523.48
8" connection	\$ 813.64	\$	931.80
10" connection	\$ 1.270.72	\$	1.455.24

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 42" connection
 \$ 1,828.40
 \$ 2,093.88

 46" connection
 \$ 3,250.00
 \$ 3,721.92

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		Phase I	Phase II	Phase III
Private Hydrant Rental (monthly)	_	\$ 38.09	\$ 41.43	\$ 43.51
Private Fire Line Connection (Quar	terly Cl	narge)		
<u>1"</u>	\$	<u>12.57</u>	<u>13.67</u>	<u>14.36</u>
2"	<u>\$</u>	<u>12.57</u>	<u>13.67</u>	<u>14.36</u>
<u>3"</u>	<u>\$</u>	<u>28.57</u>	<u>31.07</u>	<u>32.63</u>
4"	<u>\$</u>	<u>50.28</u>	<u>54.69</u>	<u>57.43</u>
<u>6"</u>	<u>\$</u>	<u>114.28</u>	<u>124.29</u>	<u>130.53</u>
<u>8"</u>	<u>\$</u>	<u>203.41</u>	<u>221.23</u>	<u>232,34</u>
<u>10"</u>	\$	<u>317.68</u>	<u>345.51</u>	<u>362.86</u>
<u>12"</u>	<u>\$</u>	<u>457.10</u>	<u>497.15</u>	<u>522.10</u>
<u>16"</u>	<u>\$</u>	<u>812.50</u>	<u>883.68</u>	<u>928.04</u>

Sec. 52.17 Cost for Municipal Service.

Municipal service to the City shall be \$457.08 and \$523.44 per annum for Phase I and Phase II\$ 38.09 for Phase I, \$ 41.43 for Phase II and \$43.51 for Phase III, per month, respectively, for each fire hydrant inside the city limits.

Sec. 52.18 Charges for Customers Outside Corporate Limits.

There shall be and hereby are established for the use of and the service rendered by the waterworks system of the City of Fort Wayne the following rated and charges based on the use of water supplied by said waterworks system:

(A) Metered rates per month.

Metered Rates Per Month (cubic feet)		Rate Per 100 Phase I	
First 2,500 cubic feet		\$ 2.09	\$ 2.39
Next 9,500 cubic feet		-\$-2.03	\$ 2.32
Over 12,000 cubic feet		\$ 1.90	\$ 2.18
L	Phase I	Phase II	Phase III
First 2,500 cubic feet	\$ 2.09	\$ 2.27	\$ 2.39

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Next 9,500 cubic feet	\$ 2.03	\$2.21	\$2.32
Over 12,000 cubic feet	\$ 1.90	\$ 2.06	\$2.17

(B) Monthly service charges. Each user shall pay a monthly services charge in addition to usage charges calculated under the metered rate schedule, as follows:

Size of Meter (inches)	Monthly S	Serv	<u>vice Charges</u> <u>Phase II</u>
5/8"	\$ 10.27	\$	11.76
3/4"	\$ 10.27	\$	11.76
<u>1"</u>	\$ 26.17	\$	29,97
1 1/2"	\$ 58.64	\$	67.15
2"	\$ 104.01	\$	119.11
3"	\$ 234.21	\$	268.22
4 <u>"</u>	\$ 416.36	\$	476.82
<u>6"</u>	\$ 936.33	\$	1,072.29
8"	\$ 1,665.04	\$	4,906.80
10"	\$ 2,601.36	\$	2,979.08

		Phase I	Phase II	Phase III
E (0)	•	10.07	44.4-	44.70
<u>5/8"</u>	<u>\$</u>	<u>10.27</u>	<u>11.17</u>	<u>11.73</u>
<u>3/4"</u>	<u>\$</u>	<u>10.27</u>	<u>11.17</u>	<u>11.73</u>
<u>1"</u>	<u>\$</u>	<u> 26.17</u>	<u> 28.47</u>	<u> 29.90</u>
<u>1 1/2"</u>	\$	<u>58.64</u>	<u>63.77</u>	<u>66.97</u>
<u>2"</u>	<u>\$</u>	<u>104.01</u>	<u>113.12</u>	<u>118.80</u>
2" 3" 4" 6" 8"	<u>\$</u>	<u>234.21</u>	<u>254.73</u>	<u> 267.52</u>
<u>4"</u>	<u>\$</u>	<u>416.36</u>	<u>452.83</u>	<u>475.56</u>
<u>6"</u>	<u>\$</u>	<u>936.33</u>	1,018.35	1,069.48
<u>8"</u>	<u>\$</u>	<u>1,665.04</u>	<u>1.810.90</u>	<u>1,901,81</u>
<u>10"</u>	<u>\$</u>	2,601.36	2,829.24	2,971.27

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(C) Fire Protection Service.

For each fire hydrant	<u>Per Annun</u> <u>Phase I</u> \$ 571.44	<u>Phase II</u> —— \$654,36
2" connection 3" connection 4" connection 6" connection	6 4 2 5	7 1 2 6

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8" connection	4,	4
10" connection	4,	4
12" connection	2 ,	2
16" connection	4,	4
	•	

		Phase I_	Phase II	Phase III
Private Hydrant Rental (monthly)		\$ 47.62	\$ 51.79	\$ 54.39
Private Fire Line Connection (Quar	terly C	Charge)		
. <u>2"</u>	<u>\$</u>	<u>15.71</u>	<u>17.09</u>	<u> 17.95</u>
<u>3"</u>	<u>\$</u>	<u>35.71</u>	<u>38.84</u>	<u>40.79</u>
<u>4"</u>	<u>\$</u>	<u>62,85</u>	<u>68.36</u>	<u>71.79</u>
<u>6"</u>	\$	<u>142.85</u>	<u>155,36</u>	<u>163.16</u>
<u>8"</u>	<u>\$</u>	<u>254.26</u>	<u>276.54</u>	<u>290.42</u>
<u>10"</u>	<u>\$</u>	<u>397.11</u>	<u>431.89</u>	<u>453.57</u>
<u>12"</u>	\$	<u>571.38</u>	<u>621.43</u>	<u>652.63</u> '
<u>16"</u>	<u>\$</u>	<u>1.015.63</u>	<u>1,104.60</u>	<u>1.160.05</u>

(D) The rates and charges for water and fire protection service to the City of New Haven are as follows:

Demand charge (per month)	<u>Phase I</u> \$8,121.43	<u>Phase II</u> \$9,300.66	
Commodity charge			

\$1.0899

\$1,24816

Service charge (per month)

(per 100 cubic feet of water metered)

Based on Meter Size using In-City Rates and Charges

	Phase I	Phase II	Phase III
Demand charge (per month)	\$8,121.43	\$8,832.87	\$9,276.28
Commodity charge (per 100 cubic feet of water metered)	\$ 1.0899	\$ 1.1854	\$ 1.2449

Monthly Service Charge

Based on in-city monthly service charge

Fire Protection Services

Based on In-city rates and charges per size of connection and number of hydrants

SECTION 3. Except for the foregoing amendments, the remaining sections of Chapter 52 of the City of Fort Wayne, Indiana, Code of Ordinances shall remain in full force and effect.

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SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed, and the existing schedule of water rates and charges shall remain in full force and effect until the schedule of rates and charges fixed by this ordinance shall be approved by the Indiana Utility Regulatory Commission, and until such time as the order of said Commission approving said new rates and charges shall direct.

SECTION 5. This Ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor and due legal publication thereof; provided however, the schedule of rates and charges herein set out shall not become effective unless approved by the Indiana Utility Regulatory Commission, or until such time as said Commission shall direct.

	Council Member		
Approved as to form and legality			
Approved as to form and legality			

Interoffice Memo

Date:

February 15, 2012

To:

Common Council Members

From:

Len Poehler, Deputy Director Business Services, Fort Wayne City Utilities

RE:

Water Rate Adjustments

Herewith you will find an amended ordinance implementing an across the board water rate adjustment for all customers of Fort Wayne City Utilities.

The Common Council last approved a water rate increase effective September 1, 2006. Since 2006, the rapid aging of our infrastructure, double digit inflation, decreased consumption, and state and federal actions makes it necessary that we request revenue adjustments.

City Utilities has identified main replacement projects that will enable the water utility to reduce the number of main breaks; causing less inconvenience to our customers and creating efficiencies in our maintenance operations. Working with our rate consultant, we have developed a rate recommendation that will allow us to operate and maintain our water production and distribution facilities, provide a sinking fund, a debt service reserve and adequate working capital.

Following review and approval of a water rate adjustment by the Common Council, it will be necessary for the rate proposal to be presented to the Indiana Utility Regulatory Commission (IURC) for approval. The IURC process could take as long as 9-10 months to complete.

The amendment to the ordinance extends the implementation period from two phases to three. I anticipate that we would be ready to implement the first phase of the new water rates early 2013. A second phase of rates would follow 12 months later. The second phase of rates has been reduced and is supplemented by a third phase of rates which will follow the second phase by 12 months.

CC: BOW

Kumar Menon Diane Brown