

August 11, 2016

Indiana Utility Regulatory Commission
National City Center 101 W. Washington Street
Suite 1500 E.
Indianapolis, IN 46204

RE: Increase of Tap On Fee for Water Service
Increase of Tap On Fee for Sewer Service
Increase of Disconnection / Reconnection Fee for Water Service & Sewer Service

Mapleturn Utilities, Inc. is a non-profit water and sewer utility. The utility is currently serving approximately 614 members, and is located in the Foxcliff area of Morgan County, Indiana.

It has come to the Board of Directors attention that the rates for Tap-on fees water and sewer and the non-recurring charges for water and sewer services are lacking the appropriate revenue to meet our current needs. Therefore, the Board of Directors is making a request to the Indiana Utility Regulatory Commission to process the increased tap-on fees and reconnection fees as a 30 day filing.

Our current rates structure for water and sewer will not change; the delinquent payment rate of 10% for the first \$3.00 and 3% of the remaining outstanding balance would remain unchanged as well. Other non-recurring charges; permit fee of \$500 for water and a \$1000 for sewer, security deposit of 1/6th of the estimated annual cost of the service to be rendered and the \$25.00 meter test charge will not increase.

When new water and sewer services is connected to the Mapleturn Utilities system, the cost of labor and materials; including excavation and tapping of the main, pipe and installation of pipe from the main to the property easement and service meter (installed) is covered by a tap-on fee. Mapleturn Utilities current water Tap fee is \$595.00 and sewer is \$300. Due to increased costs on both labor and materials, the Mapleturn Board of Directors proposes to increase the water tap-on fee to \$1,150.62 and the sewer fee to \$440.55. Please see the attached breakdown of labor, material and administration cost.

When new sewer service is connected to the Mapleturn Utilities system, the cost for materials are omitted, because the sewer lateral is already at the customer's property

line. The costs associated with the sewer tap on are; Labor, Equipment, and Administration cost.

The Board of Mapleturn Utilities wishes to increase the Disconnection / Reconnection Fee for Water and Sewer Services from our current charge of \$10.00 to \$41.26. This proposed increase is due to the increased cost of labor and vehicle expense. For safety reasons, Mapleturn requires two employees be dispatched for disconnection of service. The average time is ½ hour for disconnection and subsequent reconnection of service. Please see the attached breakdown of labor equipment and administration cost.

Mapleturn Utilities, Inc.

Warren Waymire, President

Brian Stremming, Treasurer

Cc: Office of Utility Consumer Counselor
Board of Directors
File

Attachments:

Non-Recurring Water Service
Non-Recurring Sewer Service
Detailed letter with attachments for water tap calculations
Detailed letter with attachments for sewer tap calculations
Detailed letter with attachments for Disconnection of Water Service
Detailed letter with attachments for Disconnection of Sewer Service

mailed
on 8/23/16

Insert Customer Name and Address

Dear Insert customer name.

We all should be proud of our utility. There's no lead or copper problems in our lines, all of our lines are coated. We have a new water filtering system at our water pump facility. We not only remove iron but all trace metal that might be in the fresh water that we pump from our underground aquifer. On the waste treatment side we have a state of the art treatment plant that removes 99.9% of the waste before we send the water to the White river.

Our peers in the utility business rate Mapleturn as one of the best small rural utilities in Indiana. We cannot rest on our laurels; we have to prepare for the future, for our community's infrastructure. The following are three trends that we face.

- Inflation – In 1996 the rates were adjusted on the water side, now 20 years later we have the same rate, but virtually everything has increased in cost. Materials, rolling stock, wages for staff, and specialty work have all gone up in price.
- Operation Maintenance – Thirty years ago, we had less than 100 customers that we serviced with water and sewer. Now we service over 600 customers. During that time a lot of pipe has been laid. This pipe has to be maintained, coated and replaced or repaired when the pipe breaks. Excluding the Manor House the earliest pipe laid to homes in Foxcliff North was in 1969 a full forty seven years ago.
- Capital Reserve Fund – The federal and the state government like to see a Capital Reserve Fund (CRF) so if a disaster happens the utility has a reserve to run for at least six months. The utility can use these funds for non-capital expenditures, but should have a way to replenish the fund. The last two years we have borrowed from the CRF to pay our expense in running the utility.

The options that we have to reverse these trends are three fold:

- Loans – Mapleturn Utility could apply to the state revolving fund. This could give temporary relief but it doesn't eliminate the trends.
- Federal Grants – If grants come available we will apply for them. At present there are over 3000 utility companies in the United States that have problems with lead and copper in their lines. There are another 5000 + utilities that are having problems with failing water and sewer infrastructure. At this time we see no impetus on Capitol Hill to help these utilities with the problems of failing infrastructures.
- Rate Increase – The third option will cost each of us a few dollars, but in the long run we correct the trends that we face. The option is to petition the IURC (Indiana Utility Regulatory Commission) for a small utility rate increase.

The Mapleturn Board of Directors decided to pursue the third option at our August Board meeting.

Once we file our petition, the OUCC (Office of Utility Consumer Council), an advocate for the consumer, will send two or more people to visit the utility, go over our fiscal and financial papers, tour our facility and ask questions pertaining to our petition. Then the consumer counselor office will recommend to the IURC to accept, reject or modify our petition.

If the IURC accepts our recommendation then each Mapleturn family will be investing more in our community infrastructure. None of their investment go to management because the Mapleturn Board of Directors are all volunteers. Nor will any of this increase go to a profit corporation because each homeowner that uses our service is part owner of the utility.

This rate petition will be in two stages and we plan implementation of Phase 1 in January of 2017. On the following page you can view the past, present and proposed rate adjustments for the operations of our water and sewer system.

Mapleturn Utilities, Inc.

In 1988 the water rate was \$29. This was a flat rate – meaning - use all the water you want, for one price. The sewer rate was \$54. Knowing the utility couldn't keep giving away an unlimited amount of drinking water for \$29 and accomplished nothing toward responsible conservation of water, it was decided in 1996 to change our rate structure from a flat to a metered rate. This lowered your water bill to \$22.15, a saving of \$6.85, but we limited the amount of water usage to 7 thousand gallons before charging for additional usage. Sewer was still the same at \$54. We lowered the sewer rate twice, once in 1998 and again in the year 2000. In 2010 we clearly needed a new wastewater treatment plant. Therefore, we had to increase our sewer rate in 2010 and in 2011. As you can see, it has been many years since we've had any kind of increase and it bears repeating again, we are a not-for-profit company. Raising rates isn't what we want to do, it's what we have to do in order to continue providing you with quality water and sewer service that all of you have come to expect. A line taken from our Mission Statement reads: "We will provide our members with an ample supply of safe drinking water as well as furnish a wastewater system that will meet all of our members needs, at the lowest possible cost". To accentuate our statement, Mapleturn is doing all of the financial assessments in house with help from the IURC and OUCC. By not hiring an outside rate consultant, we estimate a net cost savings of \$30,000 to \$40,000 for our...your...utility.

The Indiana Utility Regulatory Commission annually publishes water and sewer rates of other utilities that are under their direction. The range in dollars is \$3.78 to \$104.95 per month for water. The range is comprised from over 100 water utilities. The sewer range goes from \$4 to \$100.60 monthly. As you can see, our proposed rates are in no way exorbitant. In point of fact, the water rate is in the bottom 1/3 of the range and sewer is just above middle.

Note: Some of the yearly dates were omitted to avoid unnecessary repetition.

Utility Rates

		Water	Sewer
1988	flat rate of	\$29	\$54
1996	=< 7,000 gallons - metered	\$22.15	\$54
1998	rate reduction-sewer	\$22.15	\$48.60
2000	rate reduction-sewer	\$22.15	\$41.31
2008		\$22.15	\$41.31
2010	sewer rate increase	\$22.15	\$46.45
2011	sewer rate increase	\$22.15	\$59.57
2012		\$22.15	\$59.57
2013		\$22.15	\$59.57
2014		\$22.15	\$59.57
2015		\$22.15	\$59.57
2016		\$22.15	\$59.57
2017	Phase 1	\$26.32	\$61.80
2018	Phase 2	\$30.48	\$63.76

Respectfully,

Board of Directors

Proposed Non-Recurring Fees

Mapleturn Utilities, Inc. Proposed increase in Tap On Fees and Disconnection/Reconnection is largely due to the increased cost of labor and truck expenses. For safety reasons two employees are required for Disconnection/Reconnection. The Non-Recurring Fees are not part of the monthly water and sewer rate structure.

The proposed increase for Water and Sewer Tap On Fees and Disconnection / Reconnection Fee are as followed. Water Tap On Fee currently is \$595. The proposed increase of approximately \$ 555.62 brings the total to \$1150.62. Sewer Tap On Fee currently is \$300. The proposed increase of \$140.55 brings the total to \$440.55 The Disconnect / Reconnection Fee currently is \$10 and the proposed increase of \$31.26 brings the total to \$41.26.

LEGAL NOTICE OF PROPOSED INCREASE IN WATER AND SEWER RATES FOR CUSTOMERS
OF MAPLETURN UTILITIES, INC.

Notice is hereby given that the Mapleturn Utilities, Inc. did on August 25, 2016 file an Application with the Indiana Utility Regulatory Commission to increase the water, sewer and non-recurring charges to customers of the Mapleturn Utilities Inc.

This application was filed pursuant to Indiana Code 8-1-2-61.5 without the necessary cost of a Utility Regulatory commission hearing; however a public hearing by the Utility Regulatory Commission may be held if any public or municipal corporation, ten (10) individuals, firms, corporations or associations or ten (10) complainants of all or any of these classes affected by the proposed rate change requests a formal public hearing by filing a written, signed request with the Secretary, Utility Regulatory Commission, National City Center, 101 West Washington Street, Suite 1500 E. Indianapolis, Indiana 46204. Said request must be received by the Utility Regulatory Commission within forty (40) days after the date the application was filed with the Utility Regulatory Commission and declared complete. In addition, a public hearing may be held if the same is requested by the Utility Consumer Counselor.

The proposed increase in water rate requested by the application is in two (2) Phases. The minimum increase requested in Phase 1 is approximately \$4.17 and Phase 2 the requested amount is approximately \$4.16.

The proposed increase in sewer rate requested by the application is in two (2) phase. The increase requested amount for Phase 1 is approximately \$2.23 and Phase 2 the requested amount is approximately \$2.23.

The proposed Water and Sewer increase in Non-Recurring Charges are requested as a 30-Day Filing in Tap On Fees and Disconnect / Reconnection Fee. Water Tap On Fee currently is \$595. The proposed increase of approximately \$ 555.62 brings the total to \$1150.62 .Sewer Tap On Fee currently is \$300. The proposed increase of \$140.55 brings the total to \$440.55 The Disconnect / Reconnection Fee currently is \$10 and the proposed increase of \$31.26 brings the total to \$41.26.

In the absence of a written request as provided herein, there likely will be no hearing conducted by the Utility Regulatory Commission on this application.

2016

Mapleturn Utilities, Inc.

2001 East Mapleturn Road
Martinsville, Indiana 46151
765-342-7953 Fax 765-342-8951

Detailed Letter

Disconnection/Reconnection Fee of Water Service / Sewer Service

Mapleturn Utilities, Inc.'s proposed increase for Disconnection/Reconnection of Service is largely due to the increased cost of labor and truck expenses. For safety reasons two employees are required for Disconnect/Reconnection of Service. The average time is ½ hour for disconnection/reconnection of service. Labor cost for two employee's at 1/2 hour is \$29.12, Truck Expense is \$4.61 and Administration Cost is \$7.53. The proposed increase is from \$10 to \$41 is an increase of \$31.

Labor Cost @ ½ hour	\$29.12
Truck Cost @ ½ hour	\$4.61
Administration Cost @1/2 hour	<u>\$7.53</u>
Total	\$41.26

See Attachments:

Labor Breakdown
Equipment Breakdown
Administration Cost

Mapleturn Utilities, Inc.
2001 East Mapleturn Road
Martinsville, Indiana 46151

Proposed
Non-Recurring Charges for Water Service

3. Reconnection / Disconnection

Where a disconnection has been caused pursuant to the rules and regulation of this utility or the Indiana Utility Regulatory Commission, The customer shall be charged a reconnection charge in the amount of

Current \$10	Proposed	\$41.26
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4. Tap On Charge

Current \$595	Proposed	\$1,150.62
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Anyone purchasing a lot in the area covered by the Certificate of Convenience and Necessity issued to the utility shall pay \$500 permit fee to Mapleturn Utilities at the time of purchase of the lot. This fee is not part of the rate structure of this utility but a contribution by the purchaser in aid of the construction of the utility's water system. All residents must be connected to the water system as soon as completed prior to occupancy.

5. Penalty for Late Payment of Water Bills

Penalty is assessed seventeen (17) days after bill is mailed. Water penalty is 10% on the first \$3.00 and 3% on the amount above \$3.00.

6. Security Deposit

All applications for membership possessing doubtful credit histories will be assessed a deposit equal to one-sixth (1/6) of the estimated annual cost of the service to be rendered, as described in the utility's rules and regulations.

7. Meter Test Charge

The initial test is provided free of charge. Subsequent test with in thirty-six months (36) that are requested by the member will be performed for a charge of \$25 per test. This charge will be refunded if the meter is in error more than 4%.

8. Returned Check Charge

A member who makes payment to the utility with a check or thru electronic service that is returned to the utility will be charged a fee. The fee will be equal to the charge assessed to the utility, by its bank, for the returned check or electronic debt.

Mapleturn Utilities, Inc.

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Martinsville, Indiana 46151
765-342-7953 Fax 765-342-8951

Detailed Letter

Water Service

Mapleturn Utilities, Inc.'s proposed increase in Tap On Fee for **water service** is largely due to the increased cost of material and labor since our last approval in May 2000. The cost of tapping all sizes of mains has been figured and averaged and the same done for labor. The cost breakdowns such as Labor, Equipment are based on the average time of 6 hours for each tap. Using the attached cost breakdown spreadsheets we propose this increase fee average of material to be \$738.45. The labor breakdown cost is \$349.44. Equipment cost breakdown is \$83.58. Administration Cost is \$7.53. The proposed increase is from \$595 to \$1150.62, an increase of \$556.

Material Cost	\$738.45
Labor Cost @ 6 hours	\$349.44
Equipment Cost @ 6 hours	\$83.58
Admin. Cost ½ hour	<u>\$7.53</u>
Total	\$1,150.62

See Attachments:

Cost Breakdown of Materials
Labor Breakdown and Administration Cost
Equipment Breakdown / Hourly

Mapleturn Utilities, Inc.

2001 East Mapleturn Road
Martinsville, Indiana 46151
765-342-7953 Fax 765-342-8951

Detailed Letter

Sewage Service

Mapleturn Utilities, Inc.'s proposed increase in Tap On Fee for **sewage service** is largely due to the increased labor and equipment cost since our last approval in May 2000. The cost of tapping all sizes of sewage mains has not been figured, because the sewage laterals are already at the customer's property. The cost breakdowns such as Labor, Equipment are based on the average time of 6 hours for each tap. The labor breakdown cost is \$349.44. Equipment cost breakdown is \$83.58. Administration Cost is \$7.53. The proposed increase is from \$300 to \$440.55 an increase of \$141.

Labor Cost @ 6 hours	\$349.44
Equipment Cost @ 6 hours	\$83.58
Admin. Cost ½ hour	<u>\$7.53</u>
Total	\$440.55

See Attachments:

Labor Breakdown and Administration Cost
Equipment Breakdown / Hourly
Administration Cost ½ Hour

Mapleturn Utilities, Inc.

Labor Breakdown and Administration Cost

Employee Hourly with Benefits

	Offic Mgr.	Laborer 1	Laborer 2
Hourly Rate	\$13.0000	\$18.5300	\$18.5300
Payroll Tax SS + Med	\$0.9945	\$1.4175	\$1.4175
Sui / Futa	\$0.0700	\$0.0700	\$0.0700
Uniforms	\$0.0000	\$0.4500	\$0.4500
Worker's Comp	\$0.9900	\$0.9900	\$0.9900
408K Employer	\$0.0000	\$0.5300	\$0.5300
Medical Employer	\$0.0000	\$5.2100	\$5.2100
Life Employer	\$0.0000	\$0.1315	\$0.1315
Weekend on Call	\$0.0000	\$0.7907	\$0.7907
Health Savings Employer	\$0.0000	\$1.0000	\$1.0000
	\$15.0545	\$29.1197	\$29.1197

Based on 2016 Data

Labor Breakdown and Administration Cost

Admin Manager 1/2 Hour	\$7.53	
Laborer 1 and 2 per Hour	\$58.24	This is the total of both employees per hour
Laborer 1 and 2 per 1/2 Hour	\$29.12	This is the total of both employees per 1/2 hour

NOTE: Hourly Rate For Water And Sewer Are The Same

Equipment Breakdown / Hourly

Backhoe Breakdown / Hourly

Replacement @ 10 years	\$ 70,000 / 20,800hrs. = \$ 3.37 per hour
Insurance	\$450 per year / 2,080hrs. = \$0.22per hour
Diesel fuel	\$540 per year / 2,080hrs. = \$0.26 per hour
Maintenance	\$600 per year / 2,080hrs. = \$0.29_per hour
Total	<u>\$4.14</u> Per Hour

Directional Pushing Machine / Hourly

Replacement @ 10 years	\$12,000 / 20,800hrs. = \$0.58
Total	\$0.58 Per Hour

Work Truck Breakdown / Hourly

Replacement @ 5 year	\$40,000/10,400hr = \$3.85 per hour (Base on 2080hrs. Per Year)	\$3.85 Per hour	1/2 Hour	\$1.93
Insurance	\$5108 Per Year/ 2080hrs. = \$2.46 per hr.	\$2.46 Current cost 2016		\$1.23
Fuel	\$4,537 / 2080 = \$2.18 per hr.	\$2.18 Total Cost 2015		\$1.09
Maintenance	\$1500 / 2080 = \$0.72 per hr.	<u>\$0.72</u> Total Cost 2015		<u>\$0.36</u>
Total		\$9.21 Per Hour		\$4.61

Total Equipment Cost

Backhoe	\$4.14
Pusher	\$0.58
Truck	<u>\$9.21</u>
	<u>\$13.93</u> Per Hour

Maintenance Cost are Budgeted for 2016

Fuel Costs are Budgeted for 2016

Insurance Costs are from our 2016 policy

Mapleturn Utilities, Inc.

Cost Breakdown of Materials Needed for Water Meter Installation 2016

Water Main Size	Saddles	Coppersettlers	5/8by3/4 meters	1" Curb Stops	1" Corp Stops	CTS 1" water pipe 50'	Meter Pits 18x36	18" Meter Lids	meter basket	Inserts	Total
8 inch PVC	91.48	255.91	69.38	144.84	64.83	30.50	43.20	58.74	0.92	13.45	773.25
6 inch PVC	66.62	255.91	69.38	144.84	64.83	30.50	43.20	58.74	0.92	13.45	748.39
4 inch PVC	44.66	255.91	69.38	144.84	64.83	30.50	43.20	58.74	0.92	13.45	726.43
2 inch PVC	28.76	255.91	69.38	144.84	64.83	30.50	43.20	58.74	0.92	13.45	710.53
6 inch Duct	70.03	255.91	69.38	144.84	64.83	30.50	43.20	58.74	0.92	13.45	751.8
4 inch Duct	54.7	255.91	69.38	144.84	64.83	30.50	43.20	58.74	0.92	13.45	736.47
2 inch Duct	40.5	255.91	69.38	144.84	64.83	30.50	43.20	58.74	0.92	13.45	722.27
AVG											5169.14
AVG											738.45