



## **Culver Town Council Considers Water Rate Increase Following Updated Study**

At its regular meeting on Thursday, May 23, the Culver Town Council discussed a proposed increase in water rates—the first such change since 2015. The proposal follows an updated rate study conducted by the consulting firm Baker Tilly, which was commissioned to evaluate whether the town's current water and sewer rates can support the costs of maintaining and operating the systems.

### **Background on Rate Studies**

The original rate study was completed in 2021, and at that time, Baker Tilly recommended a rate increase. However, the council opted to delay any changes as the community was still recovering from the COVID-19 pandemic. In 2023, the study was updated again, but no action was taken.

Earlier this year, Clerk-Treasurer Karen Heim requested another update to reflect new revenue projections, including the impact of additional housing developments at the Dunes. Baker Tilly's latest findings show that a water rate increase is now necessary. It should be noted that factoring in the revenue from the Dunes reduced the recommended rate increase by approximately 50%.

No increase in sewer rates is recommended.

### **Proposed Rate Changes**

Below is a breakdown of the proposed changes to monthly utility bills for residential customers with a standard 5/8" meter. These bills include water, sewer, stormwater, and trash services.

<b>Water Usage (gallons)</b>	<b>Current Bill</b>	<b>Proposed Bill</b>	<b>Increase</b>
1,000	\$63.31	\$90.22	\$26.91
2,000	\$68.55	\$95.46	\$26.91
3,000	\$81.50	\$114.82	\$33.32
4,000	\$94.47	\$134.17	\$39.70
5,000	\$107.44	\$153.52	\$46.08

\*The chart shows the entire utility bill which includes water, sewer, trash, and storm water.



## **Financial Background**

The town has an outstanding water bond issued in 2015, which will be fully paid by 2036. The bond ordinance mandates that the utility maintains a minimum reserve of \$525,521. As of the end of 2024, the reserve stood at \$498,749.

Over the past five years, the town's average annual water income has been \$543,576, while expenses have averaged slightly higher at \$544,255. Rising operational costs have placed pressure on the water fund, reinforcing the need for a rate adjustment.

For those interested in more detailed financial information, income and spending reports are available on the Indiana Gateway website: [www.gateway.ifionline.org](http://www.gateway.ifionline.org).

## **Infrastructure and Regulatory Requirements**

Maintaining reserves is essential to cover routine repairs and emergency costs, such as unexpected water leaks. In addition to standard system and water tower maintenance, the Town is now obligated to replace certain water service lines.

Following the water crisis in Flint, Michigan, the Environmental Protection Agency has mandated that municipalities identify and replace lead service lines. Culver completed its lead service line inventory in 2024 and is required to replace 10% of the identified lines annually for the next decade. With approximately 180 lines to replace, the Town has already incorporated these expenses into future budgeting.

## **Council's Perspective**

"Increasing rates is not something the council takes lightly," said Council President Bill Cleavenger. "We know many of our residents are on fixed incomes and will feel the impact of any increase. However, we are committed to responsibly providing safe, reliable water service to our community."

## **Public Hearing to be Scheduled**

Any ordinance involving changes to fees or charges requires a public hearing before adoption. The public hearing is scheduled to take place during the Town Council meeting, at 6:30 p.m., Thursday, July 24, 2025.