



# South Harrison Water Corporation

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[www.southharrisonwater.com](http://www.southharrisonwater.com)

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Dear South Harrison Water customer,

Once again, we are sending out our annual customer newsletter this winter. Please read this newsletter carefully for information regarding South Harrison Water Corp. If you have any questions, feel free to call our office during working hours.

**On Line Bill Payment** – To meet the requests of many of our customers, we will be rolling out an online bill payment option on our web site very soon. There will be a link on our web site at [www.southharrisonwater.com](http://www.southharrisonwater.com) that says “Access My Account”. That link will take you to our bill payment portal where you can create an account, login, and view your bills online. You can also pay online with a credit card.

**E-Bills** – We also hope to offer later this year an option for our customers to opt out of receiving a paper bill in the mail and receive an e-bill notification instead. The customer would then view and pay their bill online. Details are still being worked out on this feature. Those customers wishing to receive paper bills in the mail will not need to change anything. This feature is also being provided at the request of many of our customers.

**Water Rates** – South Harrison Water Corporation (“South Harrison”) has filed a petition with the Indiana Utility Regulatory Commission (“IURC”) in Cause No. 43850, requesting approval for a new schedule of rates and charges. South Harrison last sought and received an increase from the IURC in 1991. The amount of South Harrison’s rate adjustment will vary depending on the amount of a customer’s monthly usage. A typical customer with usage of 5,000 gallons per month would experience an increase of 27% to the customer’s monthly water bill (i.e. from \$36.23 to \$46.02). In setting its proposed rate, South Harrison’s Board of Directors relied upon a financial study prepared by its professional accounting firm, Umbaugh. For more information on the nature of South Harrison’s request or with any other questions, please feel free to contact South Harrison’s office at (812) 968-3425. Also, see page three of this newsletter.

**2009 Completed Construction Projects** – We finished constructing 18,000 feet of 12” water main along SR 135 and Hillcrest DR. The new line provides fire protection sprinkler system service to Norstam Veneers and also increases fire protection service to residents in the area. This project was funded by Harrison County, Norstam Veneers, and a grant from the State of Indiana. We installed a large electrical power generator at our office headquarters / pumping station. We purchased a large portable electrical power generator and set up our major pumping stations to utilize it during extended utility power outages.

**2010 Planned Construction Projects** – We are presently installing a large electrical power generator at our well field south of Laconia. This generator will allow us to continue pumping water during extended utility power outages.

**Grant Application** – South Harrison Water is being sponsored by the Harrison County Commissioners to apply for a grant from the State of Indiana for water line construction along Lake Road and New Middletown-Elizabeth Road. The grant application is for \$1 million and will be for the upgrade of the existing 6” water main to a new 12” line. The existing line is a bottle neck in our distribution system and we experience many leaks on this line, especially during the high demand summer months. The project is in the planning stage. Construction of the project is contingent upon receiving funding. The first step is to complete an income survey of our customers to see if we qualify. We have contracted with Ball State University to complete this survey. ***You may be contacted by phone or mail to provide information to see if we qualify for this grant.*** If you have any questions, call us at our office.

**Automatic Bank Draft** – We are offering this service to our customers. This is a voluntary, no cost, program where your bill will be sent to you on the first of the month as always and will contain the words “DRAFTS ON OR ABOUT THE 15TH”. If you agree with the amount billed, do nothing, and the amount will automatically be deducted from the bank account of your choice on the 15<sup>th</sup>. You will still need to submit a meter reading to us and may do so by mail, phone, email, or the web site form. Call our office for details of signing up for this payment method.

**Fire Hydrants** – All planned fire hydrants have been installed. New hydrants will be installed as new water main projects are built. In 1997 we had a total of 9 fire hydrants in service. At the end of 2009 we had 114 fire hydrants.

**Well Head Protection Program** – South Harrison Water has an active well head protection program in place to help ensure protection of our wells and aquifer. We are very aware that clean drinking water is a valuable natural resource that should not be taken for granted. We are taking steps to ensure that our well field area is protected from contamination. These include taking our well head property out of agricultural production and limiting public access to our private property. We hope that these steps help ensure a continued supply of fresh drinking water. You can help us protect all ground water sources by disposing of house hold chemicals properly and being aware that any chemical dumped on the ground has the potential to contaminate ground water, and eventually your drinking water. Please help us keep your drinking water clean and safe.

**Memberships** – As a reminder to all our member customers, you can easily transfer your membership to another person by filling out a form available at our office or online at our web site. More than one name can be listed on a membership, but only one person will have voting rights. For example a child (or another heir) can be listed on the membership with an elderly parent. In this example when the elderly parent dies, the membership is still active in the child’s name. Since the water corporation was formed in 1972, our bylaws have always stated that a membership ceases upon the persons death, meaning that a membership cannot be transferred after a person dies. Call our office for more details if you are interested in transferring your membership, or adding more than one name to an existing membership.

**Membership & Business Meeting** – The bylaws of our corporation state that a membership meeting shall be held once a year. Our meeting is always the third Wednesday in May, at 7PM local time. The meeting has generally been rotated around our service area to encourage attendance. The meeting locations are usually South Central School, Heth Washington School, and New Middletown School. The 2010 Annual Meeting is tentatively scheduled for May 29<sup>th</sup> at South Central School. The meeting agenda includes the election of three board members and a review of 2009 business.

**Pressure Regulators** – As a reminder, remember that every home should have a pressure regulator installed. This device makes sure that your plumbing is not subject to our full line pressure and the pressure fluctuations caused by pumps starting and stopping. If you need a regulator, please contact a plumber as we do not install or maintain these devices for you. This device may save you money on water consumption and may also prevent expensive leaks and plumbing repairs.

**Frozen Water Meters & Customer Lines** – During these cold winter months, please take a moment to check your water meter. Make sure the lid covering the meter is securely in place and in good repair. If you need a new lid, call our office and we will take care of replacing it. As a reminder, 99% of the frozen line complaints we receive are either frozen customer lines, or the water meter is frozen where the lid has been left off. Our crews will thaw out the meter if frozen, but we do not work on private water lines from the meter to your home. You can prevent the inconvenience of a frozen meter by making sure the meter lid is on tightly!

Another tip to help prevent frozen water lines is to make sure your home’s crawl space is closed off and secure. Cold air blowing through cracks in mobile home under pinning will quickly freeze even insulated water pipes. Also make sure that there are no open areas in the under pinning around freeze proof faucets. An opening that allows cold air to blow past the freeze proof faucet will allow pipes to freeze. One final tip is to install heat tape and pipe insulation on pipes that may be exposed to cold air and freezing.

**Annual Meter Readings** – Remember that it is the customer’s responsibility to provide monthly meter readings. South Harrison Water employees will spot check (at least annually, maybe more often) all customer meter readings. If there is a discrepancy between the readings you have provided and the one taken by our personnel, we will use our reading and make the appropriate adjustment to your account.

# Rate Increase Information

- **We have not had a rate increase in nearly 20 years.** We are past due for one and probably should have looked at doing one at least 10 years ago. One of the reasons we delay doing rate increases is the cost of completing the necessary paperwork with the Indiana Utility Regulatory Commission. This rate increase will end up costing us at least \$100,000 in accounting, engineering, and legal fees. These costs are then added into the rate that we all pay for our water.
- **We have done all that we can to hold the line on rates.** We have increased efficiencies and cut expenses all that we can. We pump and store water more efficiently than ever. We reduced unaccounted for water. We cut legal, accounting, engineering, and insurance expenses. We have taken advantage of grant monies, riverboat funds, and other contributions for construction projects.
- **We did a full cost of service study to come up with the new rate.** We hired a rate accounting firm that specializes in utility rates to do the study. By doing a cost of service study, we made sure that all customers are paying their fair share for water. A full cost of service study had not been done for at least 30 years.
- **Average usage customers were subsidizing both the small and large users of water under the old rate.** It is for this reason that we did not file for an across the board rate increase. If we had done an across the board increase, the average usage customers would be subsidizing the small and large users even more.
- **The overall average rate increase that we are asking for is 28.8%.** This means some users will see a smaller increase and some a larger increase. Our average residential customer uses 5,000 gallons of water and pays \$36.23 per month. Under the new rate, their bill would increase by 27% or \$9.79 per month, without sales tax.
- **The largest users of water will see the largest rate increase.** Under the old rate our residential customers were actually subsidizing the very large users of water. By doing the cost of service study, we are ensuring that all users are paying for the water they use.
- **There will only be two rate blocks for water usage.** The old rate had seven blocks. The new rate will have two. With the old rate block very large users of water could actually purchase water at less than our cost of producing it. By having two rate usage blocks, we will no longer sell water to our large users at below cost.
- **Very small users of water will actually see a rate decrease.** Those customers that are using less than 1,000 gallons per month will actually pay less under the new rate than they are paying now. There are over 300 of these customers, but it does vary from month to month. Under the old rate, these customers were also subsidizing the larger users of water.
- **There will no longer be a 2,000 gallon minimum bill.** We have made this change to help the very small users of water who may be on a fixed income. Instead of paying for water that they are not using, they will only pay for what they actually use. With the new proposed rate structure, very small users of water will see their bill go down.
- **Instead of a minimum bill we will have a “Basic Charge”.** The basic charge covers our fixed costs and other overhead. If you use no water, you will still pay the Basic Charge. The charge varies based upon meter size. For a standard 5/8” residential water meter, the Basic Charge will be \$7.37 per month, plus tax.
- **Our expenses have increased across the board.** In the past 20 years, all of our expenses have increased. We pay far more for vehicles, transportation, electricity, chemicals, insurance, labor, and construction materials than we did 20 years ago. New federal and state environmental regulations come out every year that increases our costs. Prices for chemicals at our treatment plant are very volatile. Electrical power costs have increased and are expected to increase again.
- **The down turn in the housing market and national economy has hurt us too.** Over the past 20 years, we have used revenues from new customer growth to help offset some of our increased expenses. New housing growth has nearly stopped and this has hurt our revenue streams.
- **See [www.southharrisonwater.com](http://www.southharrisonwater.com)** for a link to more rate increase information.