



Valparaiso City Utilities

205 Billings Street
Valparaiso, Indiana 46383

"Water is our Most Valuable Natural Resource"

Dear Damon Run Resident:

The City of Valparaiso through its Valparaiso City Utilities (VCU) Board of Directors are in the final stages of transferring the Damon Run Conservancy District's (DR) sanitary sewer assets to Valparaiso. The VCU has conducted (3) three public meetings to help educate all stakeholders regarding the VCU utilities master plan, DR sanitary sewer asset transfer transaction, DR finalized sewer rates and charges and the other important details regarding VCU. Additionally, all Damon Run customers should have received a notice in the mail last week regarding the public hearing that is scheduled on October 28, 2019 at the Valparaiso City Council Chambers at 7:00 pm. In addition to this notice, a FACT sheet was attached that provided DR customers with a summary and responses to frequently asked questions. This fact sheet was also circulated during the public meetings in conjunction with the public presentation. The public notice also provided you the following DR sanitary sewer rates and charges information:

Definition - (EDU) – Equivalent Dwelling Unit or in general one single family residential household.

1. \$7.77/1000 gallons - This is the sewer flow rate per every 1000 gallons consumed that a DR customer will be charged based upon their water consumption which will continue to be metered by the Indiana American Water Company.
2. \$60.78 fixed rate - This is the monthly fixed rate that will pay off the new 20-year sewer bond that will transfer the sanitary sewer assets to VCU and pay for other capital needs.
3. \$2,700 connection or capacity fee – This is a one-time connection/capacity fee that will be charged directly to "new" sanitary sewer connections to the DR sanitary sewer system. For example, a newly constructed home or an existing home that has a failing septic system that would like to connect to the DR sanitary sewer system will be required to pay this connection/capacity fee. To further clarify, existing DR customers that are currently connected to the DR sanitary sewer system WILL NOT be required to pay this connection/capacity fee.

The blend of the VCU owning, operating and maintaining the DR sanitary sewer assets plus the new 20-year sewer bond for the sanitary sewer assets and the refinancing of the existing water debt portion by the Damon Run Conservancy District at lower interest rates will provide savings to DR customers and help stabilize your rates in the future. The majority of the savings to the DR customers will be realized within your yearly property tax bill as the Damon Run District Customers "tax" bill will be reduced due to this transaction.

Finally, to provide you up to date information and related documents regarding this transaction, please check out our website at www.valparaisoutilities.org which will be active on October 25, 2019. If you have any further questions please contact our customer service center at 219 462 6174.

Valparaiso City Utilities values customer service and it is our goal to provide the customers of Damon Run a seamless transition and surprisingly responsive customer service. We appreciate the opportunity to serve you.

Steve Poulos
Utilities Director

David Bengs
VCU Board President