



205 Billings Street  
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[Valparaisoutilities.org](https://valparaisoutilities.org)

October 11, 2024

Dear Valued Customer,

On December 10, 2019, Valparaiso City Utilities (VCU) successfully closed on the purchase of the Damon Run Conservancy District (DR) sanitary sewer assets. At that time, DR customers became direct sanitary sewer customers of VCU.

Since that time, you may have noticed the presence of the VCU field division staff operating and maintaining the 5 outlying pump stations and sanitary sewers within your area. VCU immediately started the process of planning, updating and rehabilitating identified capital needs of the sewer system to assure uninterrupted and efficient sewer services. Over the last 5 years, your ratepayer dollars have invested almost \$500,000 in capital upgrades which include communication equipment, new pumps/motors, controls, chemical feed equipment and rehabilitation of underground infrastructure while providing monthly utility savings to the DR customers.

In August of 2024, the VCU was notified by the City of Portage of their intent to raise sewer treatment rates of all customers including the wholesale customers within the DR. As a reminder, wastewater treatment for the DR is serviced by the City of Portage; therefore, VCU pays the City of Portage directly for these wastewater services. The City of Portage has instituted 4 phases of yearly sewer increases starting in September of 2024 and ending in January of 2027. The September 2024 increase will be 34% with a total increase of 59.5% by January of 2027.

Based on operational and capital needs today and in the future, the proposed sewer rate increases by the City of Portage cannot be fully absorbed by the current Damon Run sewer rate structure; therefore, based on VCU's internal analysis as conducted by an independent financial consultant VCU will be proposing an approximate increase of 24.7% starting in January of 2025 that will be phased over the next 3 years to accommodate the increases by the City of Portage.

VCU will be presenting the proposed DR sewer rate increases at future VCU Board of Directors and City Council meetings. These public presentations will allow the DR customers to listen to the proposed rate increases and be allowed to provide public comments. The tentative schedule of these public meetings is provided on the back of this letter and are subject to change. Additionally, DR customers can go to <https://valparaisoutilities.org/553/Damon-Run> to see further information regarding the DR including the proposed public meeting schedule and documents.

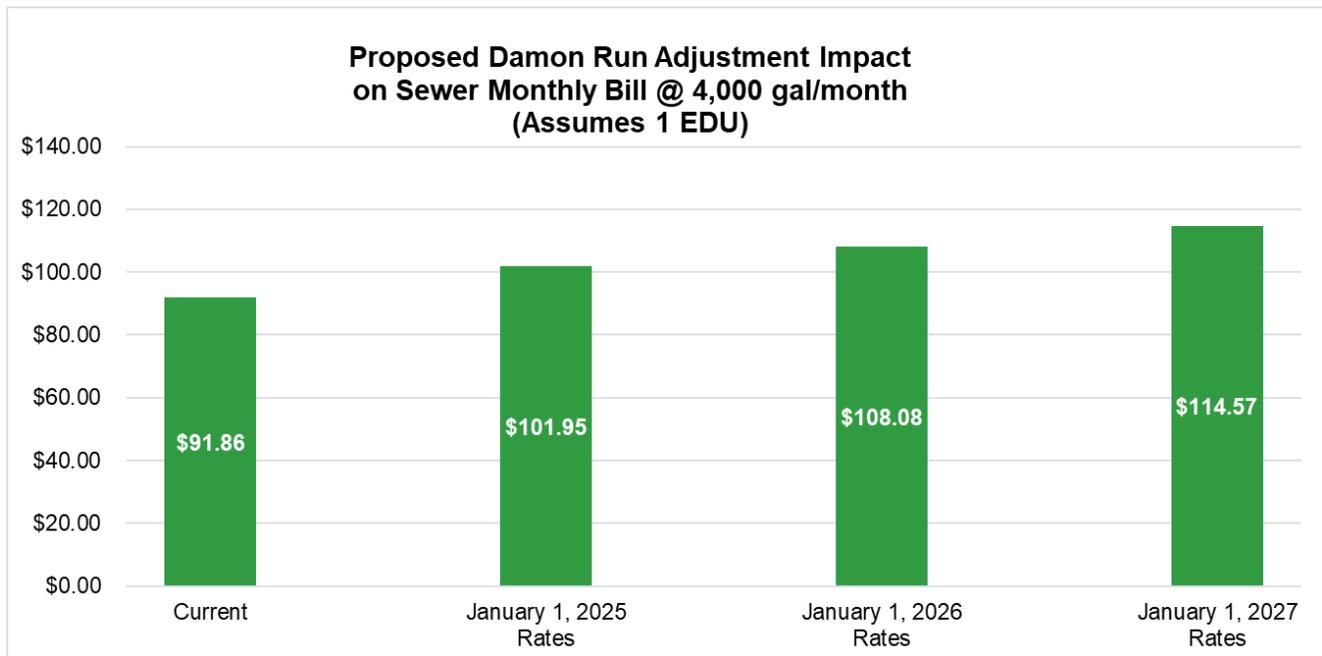
VCU is committed to continuing in delivering excellent services that support a high quality of life for our DR customers.

**Valparaiso City Utilities Board of Directors**

## TENTATIVE MILESTONES PUBLIC MEETING DATES

1. **October 11, 2024** – Letter sent via US Mail to DR Customers
2. **October 22, 2024** - Public Presentation of DR Rate Increase VCU Board of Directors Meeting 5:00 pm – Proposed Resolution
3. **October 29, 2024** – Public Hearing Notice sent via US Mail to all DR customers
4. **November 11, 2024** – City Council Introduction on DR Rates and rate ordinance 6:00 pm
5. **November 25, 2024** – City Council Public Hearing on DR rates and adoption of rate ordinance 6:00 pm
6. **January 1, 2025** – Phase I DR rates become effective
7. **January 1, 2026** – Phase II DR rates become effective
8. **January 1, 2027** – Phase III DR rates become effective

The Exhibit below illustrates the proposed average monthly sewer bill for a Damon Run residential customer that utilizes an average of 4,000 gallons per month once increases have taken effect starting January of 2025.



For more information go to <https://valparaisoutilities.org/553/Damon-Run>

For direct questions please email us at [cityservices@valpo.us](mailto:cityservices@valpo.us)