



Marion Utilities **RATE INCREASE PROPOSAL**

FACT SHEET

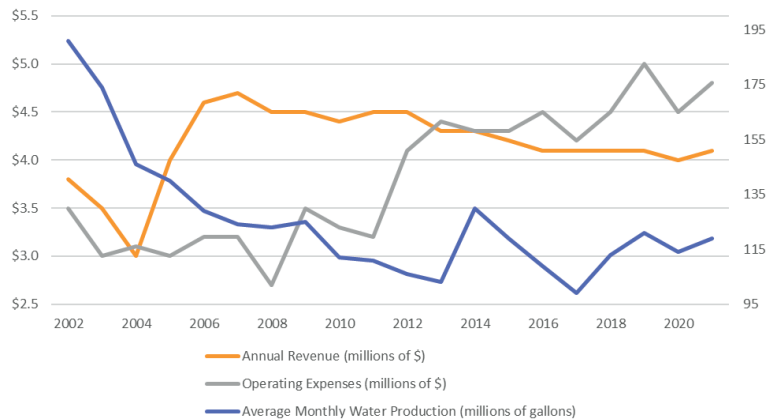


WHY DOES THE WATER UTILITY NEED A RATE INCREASE?

Our financial position is deteriorating - it's been 17 years since the water utility had a rate increase. Our assets are decreasing in value (depreciation is outpacing replacement costs). We also need funding for capital projects.

OUR LOCAL ECONOMY HAS CHANGED

Water sales have fluctuated greatly over the years (due to loss of industry, etc.). We sold 191 million gallons of water in 2002, but just 119 million gallons in 2021. Operating expenses are steadily increasing.



Our capital projects include our meter upgrade project, lead/copper abatement, overhead water storage tank rehabilitation, and water line rehabilitation & replacement.

PROJECTS ARE PLANNED TO ENSURE QUALITY AND RELIABILITY NOW & FOR THE FUTURE



THE PROPOSED RATE STRUCTURE IS MORE FAIR

Our current structure has minimum charges & doesn't give the user control over how much they spend by adjusting their water usage. It is uncommon, and can lead to inequity in charges between different types of customers. The proposed changes will eliminate minimums - everyone will pay only for what they use.

In 2027, all users will pay the same rate for every 1,000 gallons used. Some of our lowest users may actually see a decrease in their bill at first. Residential customers pay more in the early years, and less in the later years as the new rate is fully implemented.

THE INCREASE WILL BE PHASED IN OVER 5 YEARS



THIS NEW STRUCTURE WILL PROVIDE SECURITY FOR THE FUTURE

By 2027, revenues collected by each class will be essentially equal to the actual cost to serve, and will be adequate for maintaining and upgrading our system. This ensures our community will always have access to clean, safe drinking water.

BILL COMPARISON

Low usage customer
(748 gallons/month):

2022

\$14.08/month

2023

\$11.65/month

2027

\$14.46/month

Average residential customer
(3,740 gallons/month):

\$20.87/month

\$25.54/month

\$32.38/month