

Cicero is under an agreed order by IDEM for the Cicero wastewater treatment plant due to non-compliances. Over the years, there has been wastewater overflows due primarily from I&I (Infiltration/Inflow) issues. The current plant expansion and upgrades will address IDEM's agreed order.

In May 2024, Cicero adopted a two-phase rate increase in preparation for the final rate increase that will be needed to support the new plant construction. The two-phase approach recognized the need for an additional rate increase, but the intention was to set a third rate when the final cost and future interest rates were determined.

Since the long-term financing related to the project will occur in approximately 2026, a bond anticipation note ("BAN") is being issued to pay for costs during the construction of the project. Cicero now has an opportunity to save approximately \$500,000 in interest by utilizing the Indiana Bond Bank as the BAN provider.

One requirement of the Indiana Bond Bank is that final rates for the long-term financing needs to be adopted, but not effective, prior to closing on the BAN. As a result, a rate ordinance has been introduced that proposes final rates that would go into effect in 2028 and 2029. These are estimates of the final rates based on the information currently available. Once the final financing occurs in approximately 2026, the final rates will be adjusted to account for the final financing package and any potential grants received.

It is anticipated that the final rates will be lower than the ones in this Ordinance as they do not reflect any grants or rate buydowns that the Town Council is seeking. In addition, these rates are calculated conservatively based upon a higher interest rate than the Town expects to obtain for the final, long-term financing.

Rate increases are never taken lightly by the council and are very tough decisions to make. The expansion and upgrades to the wastewater treatment plant are required and have started. We will continue to investigate the best opportunities to minimize rates in the future as we understand the impact to the customers of the wastewater treatment service