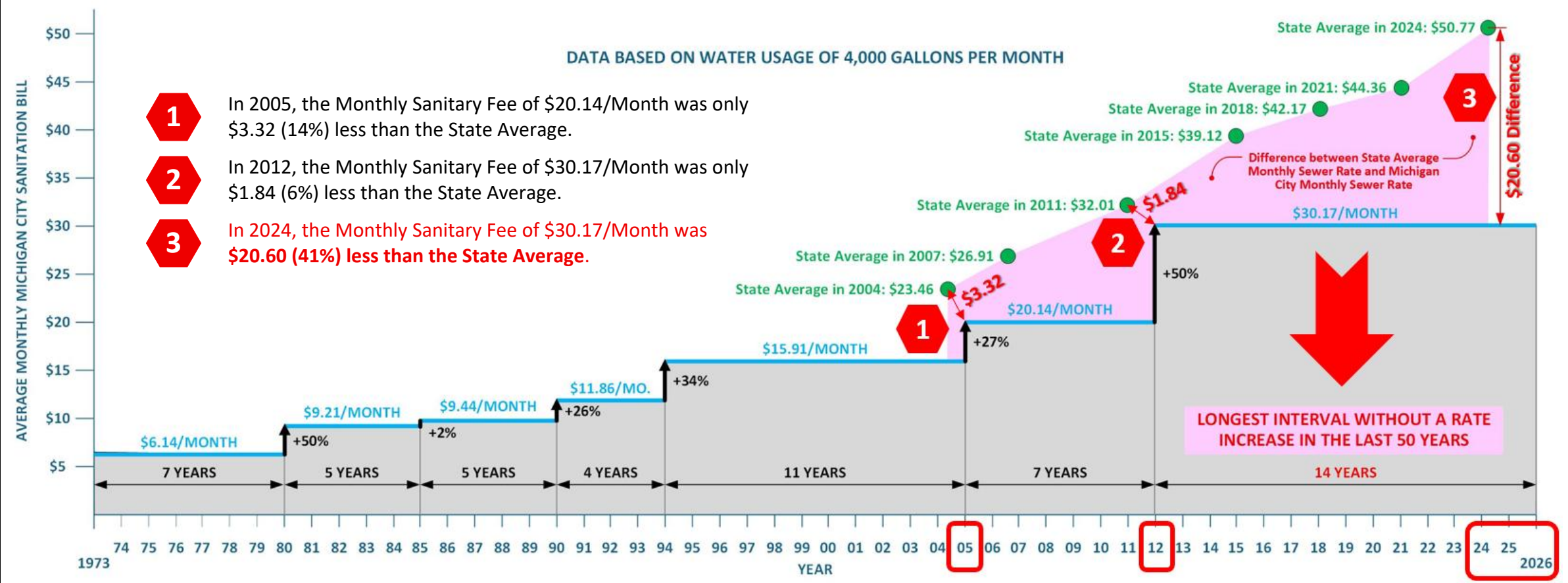


1.0 Summary of Michigan City's Monthly Sanitary Fee from 1973 to Present



2.0 Mandated Local Rate Review:

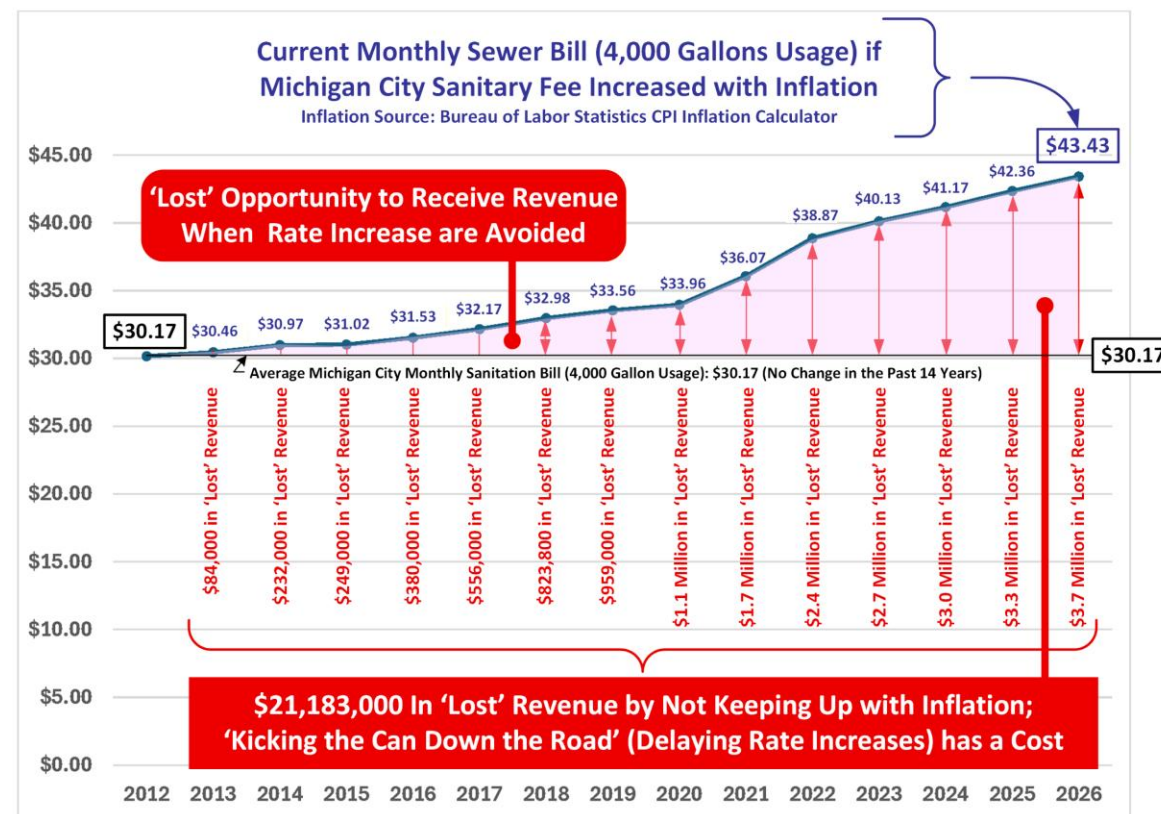
Michigan City Municipal Code Section 98-356. - Review and revision.
 (a) The sanitary district of the city shall review, **not less often than every two years**, the wastewater contribution of users and user classes, the total costs of operation and maintenance of the treatment works, and its approved user charge system.

After taking office on January 1, 2024, Mayor Angie Nelson Deutch initiated the bi-annual Sanitary District Rate Review in the Fall of 2025. The results of that analysis are as follows.

For the Financial Health Check "Test Year" of 2024, major indicators are flashing red:

- \$700,000 Cash Flow Deficit from Sewer Operations
- Cash Operating Fund in the Red
- Not Funding "Depreciation"
- Based on current financial status, the District is not in a healthy enough position to be able to issue Bonds to pay for needed projects
- There was a lack of a viable Asset Inventory & Management Plan

3.0 The Cost of 'Kicking the can Down the Road' (Delaying Rate Increases)



The "State of the District" June 2026
 Where We've Been,
 Where We Are;
 What We Have Done;
 Where We Need To Be

Prepared By:

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Information contained within this "State of the District" May 2026 handout was presented to the Michigan City Common Council during Workshops held on:

- May 20, 2026
- June 9, 2026

For more information or to comment on the Sanitary District's plans, go to the City website and navigate to the Sanitary District page.
<https://michigancityin.gov>



4.0 PROPOSED RATE PLAN TO ADDRESS FINANCIAL WARNING SIGNS

Water Use Flow (That Goes Into Sanitary Sewers)	2012 to Present		Phase 1 Plan (2026-2027)		Phase 2 Plan (2028-2029)	
	Within Michigan City	Outside Michigan City	Within Michigan City	Outside Michigan City	Within Michigan City	Outside Michigan City
4,000 Gallons per Month (Value used for Rate Comparisons In Indiana)	\$30.00/Month	\$32.20/Month	\$40.00/Month	\$42.85/Month	\$50.00/Month	\$53.50/Month
	Phase 1 +\$10		Phase 2 +\$10			
3,100 Gallons per Month (Average Water Use per Michigan City Customer)	\$27.00/Month	\$28.50/Month	\$35.80/Month	\$38.00/Month	\$44.70/Month	\$47.30/Month
	Phase 1 +\$8.80		Phase 2 +\$8.90			
2,000 Gallons per Month (Average Water Use for Single Adult Household)	\$23.00/Month	\$24.00/Month	\$30.60/Month	\$32.00/Month	\$38.20/Month	\$39.90/Month
	Phase 1 +\$7.60		Phase 2 +\$7.60			

2012 to Present

- The Michigan City Municipal Code (98-356) requires a rate review at least every two years
- Over 11 Years from 2012 to 2023, there has been no rate increase to address increased Operations, Maintenance, Inflation, or Wastewater Treatment Plant Improvements
- Mayor Angie Nelson Deutch began a review of the Sanitary District financial conditions and rate needs in the Fall of 2025 and the results are presented here as the Phase 1 (2026-2027) and Phase 2 (2028-2029) Rate Plans

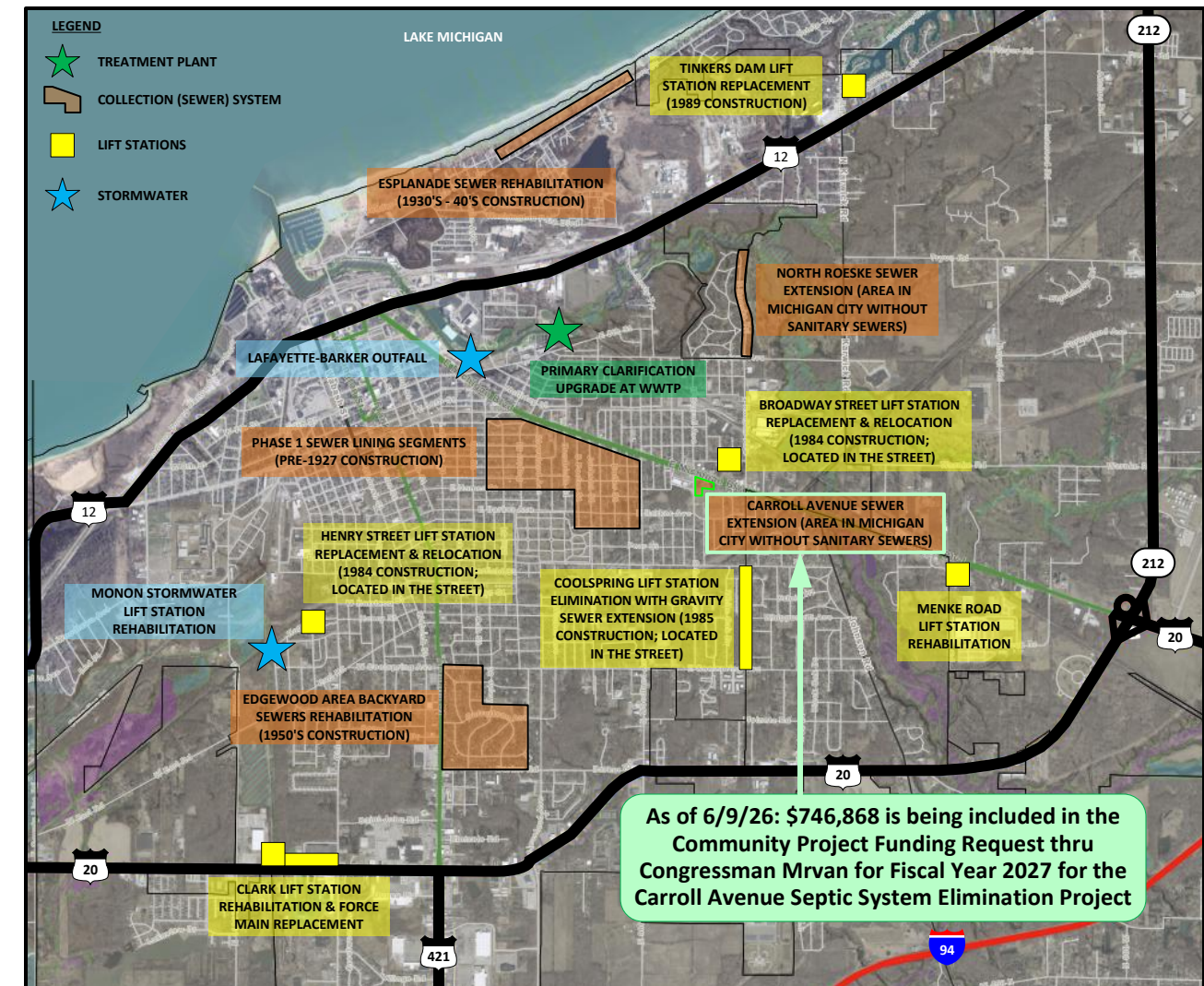
Phase 1 Plan

- Complete Lafayette-Barker Outfall Design; Bid and Begin Construction
- Engineering/Construction for Phase 1 Priority Projects (See Map at Right)
- Engineering for WWTP Upgrades

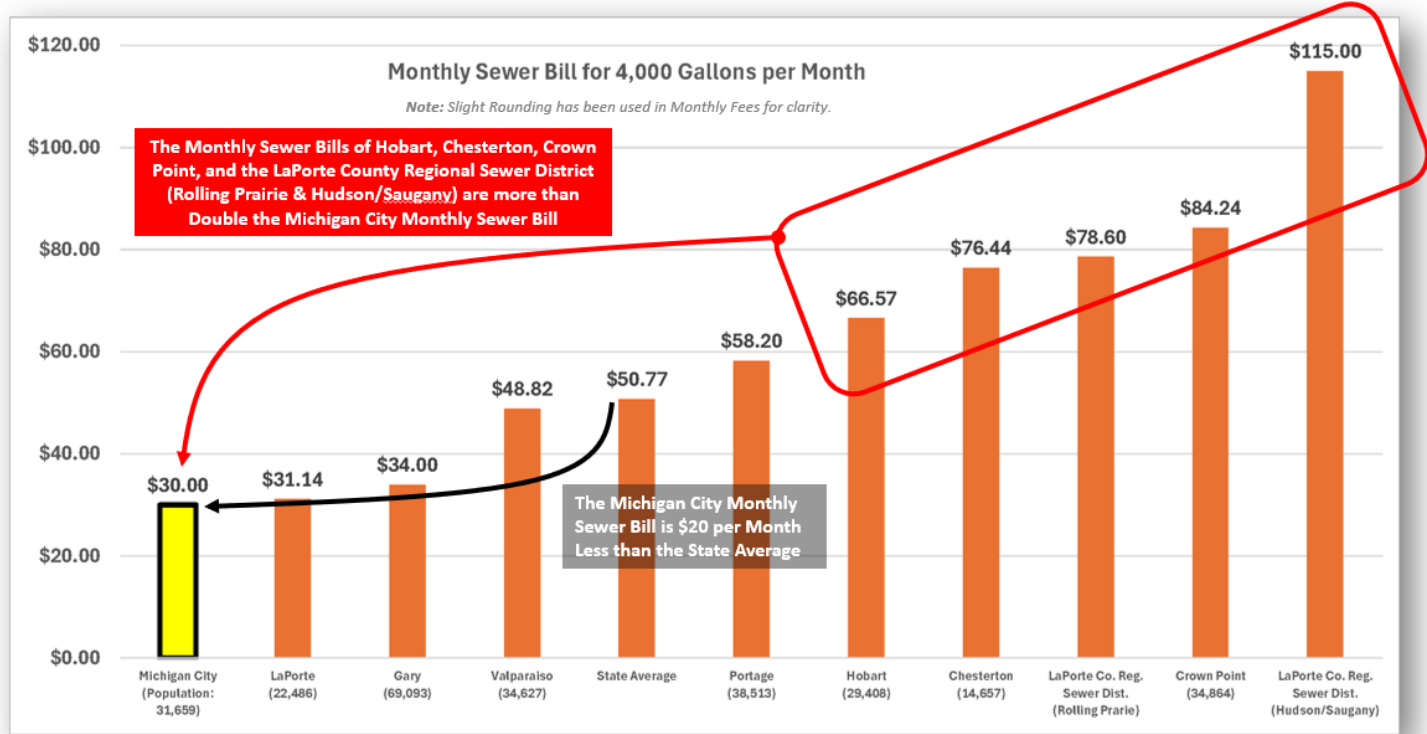
Phase 2 Plan

- Establish a rate structure that will fund:
- Working Capital
 - Depreciation
 - Debt Coverage Reserve Requirements
 - Develop Credit Worthiness to Fund WWTP Upgrades

5.0 PHASE 1 PROJECT PRIORITY MAP: ADDRESS A DECADE OF DEFERRED MAINTENANCE



6.0 COMPARISON OF CURRENT MICHIGAN CITY SEWER RATES TO NEARBY COMMUNITIES



7.0 COMPARISON OF PROPOSED (2026 & 2028) MICHIGAN CITY SEWER RATES TO NEARBY COMMUNITIES

