



## **WATER AND SEWER F.A.Q.S**

1. **Why is NineStar Connect getting into the water and sewer business?**

Communities that are focused on building, maintaining and improving their public infrastructure experience greater prosperity, resulting in many benefits including a larger tax base with a smaller individual tax burden. That's because well-managed infrastructure, including water and sewer, are crucial to promoting growth, especially in rural, unincorporated areas adjacent to municipal areas. In addition, current and future landowners in rural NineStar service areas will benefit from increased land value that comes from access to critical public utility infrastructure like water and sewer as well as fiber optics and state-of-the-art "smart" electric power.

NineStar Connect is invested in the prosperity of East Central Indiana. As a smart utility, we deliver the utility infrastructure for homes and businesses that drive economic development and growth for communities. Adding wet utilities will help us make East Central Indiana an even more attractive place to live and work.

2. **Where will NineStar Connect be providing water and sewer services?**

NineStar Connect is only interested in providing water and sewer services in unserved portions of the county. We will not offer these services in any area currently served or claimed by other water and sewer utility providers.

3. **Will the water/sewer territory expand to serve other areas?**

Once we receive regulatory approval, we will begin to look for rural development opportunities that allow us to invest in additional infrastructure and expand the reach of these small utilities. Initially, only a small number of customers will have access to the wet utility services; however, as with our fiber optic investments, we intend to continue to reinvest and expand the areas that will have access to this critical infrastructure.

4. **When will water and sewer service be available?**

The transfer of ownership of these utilities requires the approval of the Indiana Utility Regulatory Commission. We anticipate receiving approval for the transfer in the summer of 2016. We will begin offering water and sewer to existing customers at that time.

5. **Will homes and businesses in the water/sewer district be forced to take NineStar's service?**

NineStar Connect does not intend to require any homes or businesses to connect to its water or sewer facilities. In some instances (e.g. failing septic system), Indiana law may require residents to hook up if there are public sewer facilities nearby.

6. **Will this create competition in the market?**

No. NineStar Connect does not intend to offer water or sewer service in any area currently served by another water or sewer utility. We will only be offering these services in areas that are currently unserved.

7. **How will NineStar Connect pay for existing water and sewer utilities?**

NineStar will be utilizing a portion of its cash reserves to purchase the water and sewer assets that will allow it to expand these services into unserved areas of the county. Those cash reserves will be replenished over time from margins realized from providing water and sewer services, and eventually will be used again for capital projects that benefit NineStar members. As a water utility provider, NineStar will also have access to various rural development loan and grant programs that will allow it to expand the reach of its wet utility services at rates that are affordable for current and future residents and businesses.

8. **Will my electric and/or telecommunications bill increase?**

No. This investment will not impact rates paid by our electric and communications customers, nor will it impact any of their services. Each utility service offered by NineStar is required to be self-sustaining within their own rate structures and not be cross-subsidized by other utility services. Current NineStar Connect members and customers will see no change in their electric or telecommunications services as a result of NineStar offering water and sewer utility services.

9. **Will water or sewer rates increase for existing customers?**

Our plan is to maintain current rates as long as possible while also eventually adding smart meter capabilities that will give customers the ability to monitor their water usage. This will help the company and its customers to detect leaks early and to use their water more efficiently, which will help us reduce the need for rate increases over the long term.

10. **How can NineStar Connect provide great service for telecommunications, power and water/sewer?**

Spreading fixed overhead costs across a greater number of customers and services allows ratepayers of all services to benefit from economies of scale that allow us to efficiently and effectively deliver new services. By being a local, non-profit utility, we are able to provide the level of service that our members have come to expect in part by being able to create density through delivering multiple services. Adding additional services will allow us to further spread the fixed costs associated with operating any utility, regardless of size, over a larger customer base thus creating economies of scale even in a rural setting.

11. **Will NineStar Connect expand into even more infrastructure utilities?**

While NineStar will remain open to expanding into any utility service that benefits its members and ratepayers over the long run, we do not anticipate the need to invest in other utility infrastructures.

12. **As a current customer, why should I care that NineStar is investing in wet utility infrastructure?**

Spreading fixed overhead costs across a greater number of customers and services benefits all customers by stabilizing rates, increasing property values and promoting quality growth in our communities. High quality water and sewer utilities also contribute to improved public health and contribute to a better quality of life for those areas that are served.