

ORDINANCE NO. 2016-1

SEWER RATE ORDINANCE

An Ordinance amending a schedule of rates and charges to be collected by the Damon Run Conservancy District from the owners of property Inside District Boundaries served by the Sewage Works of said District and other matters connected therewith.

WHEREAS, the District owns and operates a Sewage Works; and

WHEREAS, it is necessary to amend a schedule of rates and charges so as to produce sufficient revenue to pay expenses of operation and maintenance, debt service requirements, and to provide funds for necessary replacements and improvements to the Sewage Works; and

WHEREAS, such rates set forth below are sufficient to maintain this Sewage Works in a sound physical and financial condition and to render adequate and sufficient services, and which rates and charges are consistent with the revenue requirements; and

WHEREAS, this Ordinance is intended to and shall replace all other prior adopted sewer rate ordinances of the District with respect to customers Inside District Boundaries, including Ordinance No. 2015-1.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE DAMON RUN CONSERVANCY DISTRICT, PORTER COUNTY, INDIANA:

Section 1. Unless the context specifically indicates otherwise, the meaning of terms used in this Ordinance shall be as follows:

- (a) "Board" shall mean the Board of Directors of the Damon Run Conservancy District, or any duly authorized officials acting in its behalf.
- (b) "Debt Service Costs" shall mean the average annual principal and interest payments on all proposed bonds or other long-term capital debt.
- (c) "Industrial Wastes" shall mean the wastewater discharges from industrial, trade or business processes as distinct from employee wastes or wastes from sanitary conveniences.
- (d) "NPDES (National Pollutant Discharge Elimination System) Permit" shall have the same meaning as defined in the Sewer Use Ordinance.
- (e) "Operation and Maintenance Cost" include all costs, direct and indirect, necessary to provide adequate wastewater collection, transport and treatment on a continuing basis and produce discharges to receiving waters that conform with all related Federal, State and local requirements.

- (f) "Other Service Charges" shall mean tap charges, system development charges, connections charges, area charges, and other identifiable charges other than excessive strength surcharges.
- (g) "Person" shall mean any and all persons, natural or artificial, including any individual, firm, company, municipal or private corporation, association, society, institution, enterprise, governmental agency or other entity.
- (h) "Replacement Costs" shall mean the expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the useful life of the treatment works to maintain the capacity and performance for which such works were designed and constructed.
- (i) "Shall" is mandatory; "May" is permissive.
- (j) "Sewer Use Ordinance" shall mean a separate and companion enactment to this Ordinance, which regulates the connection to the use of public and private sewers.
- (k) "District" shall mean the Damon Run Conservancy District acting by and through the Board of Directors.
- (l) "User Class" shall mean the division of wastewater treatment customers by source, function, waste characteristics, and process or discharge similarities.

Residential User - shall mean a user of the treatment works whose premises or building is used primarily as a residence for one or more persons, including all dwelling units, etc.

Commercial User - shall mean any establishment involved in a commercial enterprise, business or service, which based on a determination by the District discharges primarily segregated domestic wastes or wastes from sanitary conveniences.

Institutional User - shall mean any establishment involved in a social, charitable, religious, and/or educational function, which, based on a determination by the District discharges primarily segregated domestic wastes or wastes from sanitary conveniences.

Governmental User - shall mean any Federal, State or local governmental user of the wastewater treatment works.

Industrial User - shall mean any manufacturing or processing facility that discharges industrial waste to a wastewater treatment works.

Section 2. Every person whose premises are served by said Sewage Works shall be charged for the service provided. These charges are established for each user class, as defined, in order that the Sewage Works shall recover, from each user and user class, revenue, which is proportional to its use of the treatment works in terms of peak requirements, volume, and load. User charges shall be uniform in magnitude within a user class.

The various classes of users of the treatment works for the purpose of this Ordinance shall be as follows:

Class I - Residential
Commercial
Governmental
Institutional
Industrial

Section 3. For the use of the service rendered by Sewage Works, rates and charges shall be collected from the owners of each and every lot, parcel of real estate or building that is connected with the District sanitary system or otherwise discharges sanitary sewage, industrial wastes, water or other liquids, either directly or indirectly, into the sanitary sewage system of the Damon Run Conservancy District. Such rates and charges include user charges, debt service costs, excessive strength surcharges and other service charges, which rates and charges shall be payable as hereinafter provided and shall be in an amount determined as follows:

- (a) Except as herein otherwise provided, the sewage rates and charges shall be based on the quantity of water used or shall be based on the quantity of sewage flow on or in the property or premises subject to such rates and charges as the same is determined by the water meter or sewage flow meter thereby used. **In addition to the treatment rate, each user shall pay an additional usage charge based on the cost of the wholesale sewage treatment tracking factor calculation as shown on Appendix A.** Sewage service bills shall be rendered once each month (or period equaling a month).
- (b) The schedule on which said rates and charges shall be determined is as follows:

Treatment rate per 1,000 gallons:

All Class I Users – Inside District Boundaries \$5.22 (1)
All Class I Users – Outside District Boundaries *See Ordinance No. 2015-1*

(1) Subject to the wholesale sewage treatment tracking factor on Appendix A.

- (c) In addition to the treatment rate each user shall pay a District user fee determined by equivalent single-family dwelling unit (“ESFDU”). The user fees shall be as follows:

All Class I Users – Inside District Boundaries

	Monthly Rate	
	<u>Equivalent Factor</u>	<u>User Fee</u>
Residential:		
Single-family residence/unit	1.00	\$12.00
Apartments, condominiums and townhouses/unit	1.00	12.00
Mobile homes court/space available for rent	0.75	9.00
Duplexes/unit	1.00	12.00
Commercial:		
Retail establishments:		
First 3 employees	1.00	12.00
Each additional employee	0.25	3.00
Professional offices:		
First 3 employees	1.00	12.00
Each additional employee	0.25	3.00
Restaurants, drive-ins, bars, and organizations with eating and/or drinking facilities:		
Per current seating capacity	0.11	1.32
Service stations/auto repair:		
Without car wash:		
First 3 employees	1.00	12.00
Each additional employee	0.25	3.00
With car wash:		
Per car wash bay	2.50	30.00
Recreational Areas:		
Parks	1.00	12.00
Institutional:		
Schools per pupil enrolled (5-day school week)	0.08	0.96
Churches and other religious organizations without eating and/or drinking facilities		
For each 200 members or fraction thereof	1.00	12.00
Governmental:		
Community center	1.00	12.00
Offices:		
First 3 employees	1.00	12.00
Each additional employee	0.25	3.00
Post-office:		
First 3 employees	1.00	12.00
Each additional employee	0.25	3.00
Fire department	1.00	12.00

All Class I Users – Outside District Boundaries (1)

Monthly User Fee per ESFDU	Various (2)	\$76.13
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(1) As approved per IURC Tariff 44146 on June 19, 2013.

(2) ESFDU calculation for outside District boundary customers is defined in the customer agreement with the District.

- (d) The monthly rates and charges provided herein shall be applied throughout the year based upon the maximum sewage service required in any month in any calendar year. For example, the user charges based upon employment shall be applied throughout the year based upon the maximum employment of the user for such single maximum employment month, and such maximum usage shall be applied through the year.
- (e) **Nonrecurring Charges:**
Bad (Non-Sufficient Funds) Check Charge \$ 20.00
- (f) In order that the domestic and residential users of sewage service shall not be penalized for sprinkling lawns during the summer months, the billing for sewage service for such users shall be based upon the average water usage of the last previous calendar months of November, December, January and February. In the case of domestic and residential users who do not have a billing history for November, December, January and February, their rate will be based on a District-wide average from residential customers from the months of November, December, January and February.
- (1) In the event water usage for the months of May, June, July, and August is greater than the average water used by such user for the previous months of November, December, January and February, then the billing for sewage service shall be computed on the average water use for the last previous months of November, December, January and February.
 - (2) In the event water usage is less in the months of May, June, July, and August, then billing shall be based upon the actual water used in said month.
 - (3) Domestic and/or residential sewage services as applicable to the sprinkling rate shall apply to each lot, parcel of real estate, or building which is occupied and used as a residence. Said sprinkling rate shall not apply to any premises which are partially or wholly used for commercial or industrial purposes. In the event a portion of such premises shall be used for commercial or industrial purposes, the owner shall have the privilege of separating the water service so that the residential portion of the premises is served through a separate water meter, and in such case, the water usage as registered by the water meter service portion of the premises used for residential purposes would qualify under the sprinkling rate.
- (g) **Swimming Pool Billing.** A person may receive credit one time for filling of a new swimming pool provided that the following information is delivered to the District.
- (1) Copy of receipt of swimming pool purchase.
 - (2) Manufacturer information showing size of swimming pool and total gallons needed to fill the swimming pool.

- (3) Copy of building permit issued approving the installation of the swimming pool.
- (4) Date of intended or actual filling of swimming pool.

Section 4. District Connection Charge

A District Connection Charge per equivalent single-family dwelling unit ("ESFDU") will be collected from new customers of the Sewage System in accordance with the following schedule:

	Class I Inside District <u>Boundaries</u>	Class I Outside District <u>Boundaries</u>
Portage Connection Charge	\$ 2,200	\$ 2,200
Damon Run Connection Charge	<u>2,500</u>	
Total charge per ESFDU	<u>\$ 4,700</u>	<u>\$ 2,200</u>

Section 5. Such rates and charges shall be prepared, billed and collected by the District in the manner provided by law and ordinance.

- (a) The rates and charges for all users shall be prepared and billed monthly.
- (b) The rates and charges may be billed to the tenant or tenants occupying the properties served, unless otherwise requested in writing by the owner, but such billing shall in no way relieve the owner from the liability in the event payment is not made as herein required.

The owners or properties served, which are occupied by a tenant or tenants shall have the right to examine the collection records of the District for the purpose of determining whether bills have been paid by such tenant or tenants, provided that such examination shall be made at the office at which such records are kept and during the hours that such office is open for business.

- (c) As is provided by statute, all rates and charges not paid by the 15th day of the month following receipt of billing are hereby declared to be delinquent and a penalty of ten percent (10%) of the amount of the rates and charges shall thereupon attach thereto.

Section 6. In order that the rates and charges for sewage services may remain fair and equitable and be in proportion to the cost of providing services to the various users of user classes, the District shall cause a study to be made within a reasonable period of time following the first two years of operation, following the date on which this ordinance goes into effect. Such study shall include, but not be limited to, an analysis of the cost associated with the treatment of excessive strength effluents from industrial users, volume and delivery flow rate characteristics attributed to the various users or user classes, the financial position of the Sewage Works and the adequacy of its revenue to provide reasonable funds for the operation and maintenance, replacements, debt service requirements and capital improvements to the wastewater treatment systems.

Thereafter, on a biennial basis, within a reasonable period of time following the normal accounting period, the District shall cause a similar study to be made for the purpose of reviewing the fairness, equity and proportionality of the rates and charges for sewage services on a continuing basis. Said studies shall be conducted by officers or employees of the District or by a firm of certified public accountants, or a firm of consulting engineers which firms shall have experience in such studies, or by such combination of officers, employees, certified public accountants or engineers as the District shall determine to be best under the circumstances. The District shall, upon completion of said study revise and adjust the rates and charges, as necessary, in accordance therewith in order to maintain the proportionality and sufficiency of the rates.

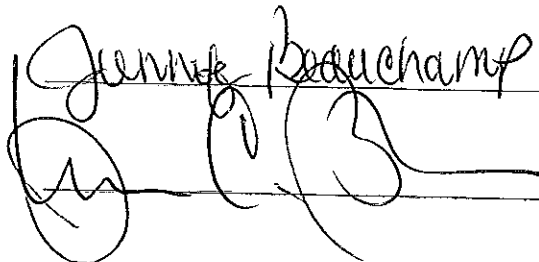
Section 7. The District shall make and enforce such by-laws and regulations as may be deemed necessary for the safe, economical and efficient management of the District's sewage system for the construction and use of house sewers and connections to the sewage collection system and for the regulations, collection and rebating and refunding of such rates and charges.

The District is hereby authorized to prohibit dumping of wastes into the District's sewage system which, in its discretion, are deemed harmful to the operation of the works of the District, or to require method affecting pretreatment of said wastes to comply with the pretreatment standards included in the National Pollutant Discharge Elimination System (NPDES) permit issued to the City of Portage or as contained in the EPA General Pretreatment Regulations, 40 CFR Part 403 and any amendments thereto or the District's Pretreatment Program Plan, if any.

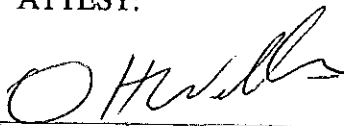
Section 8. The invalidity of any section, clause, sentence, or provision of this ordinance shall not affect the validity of any other part of this ordinance which shall be given effect without such invalid part or parts.

Section 9. This ordinance shall be in full force and effect from and after its passage.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE DAMON RUN CONSERVANCY DISTRICT ON THE 16TH DAY OF FEBRUARY, 2016.



ATTEST:



NOTICE OF HEARING ON PROPOSED RATES AND CHARGES

Property owners, rate payers and other interested parties in or served or to be served by the Sewage Works of the Damon Run Conservancy District are hereby notified that Ordinance No. 2016-1, establishing rates and charges for the services to be rendered by the Sewage Works, was introduced at a meeting of the Board of Directors held on January 20, 2016. At the meeting of the Board of Directors to be held at 5:00 p.m. (Valparaiso time) on February 16, 2016, at 103 East Jefferson Street, Valparaiso, Indiana, 46383, there will be a public hearing on the matter of the rates and charges, and consideration of adoption of said Ordinance No. 2016-1, a copy of which can be found on the District's website www.damonrunconservancy.com, and which provides in part as follows:

DAMON RUN CONSERVANCY DISTRICT Porter County, Indiana

Appendix A

Sewage Tracking Adjustment

The Damon Run Conservancy District pays for sewage treatment, at wholesale, from the Portage (Indiana) Municipal Sewage Works. To provide for coverage of costs, the Damon Run Conservancy District adopts a Sewage Tracking adjustment factor to automatically adjust sewage charges occasioned by changes made by the Portage Municipal Sewage Works. The adjustment shall be based on a Wholesale Sewage Treatment Cost Adjustment Tracking Factor, occasioned solely by changes in the cost of wholesale sewage treatment.

The Rate Adjustment to be added to the above-listed rates shall be:

Effective Upon Adoption of this Ordinance

All Class I Users – Inside District Boundaries \$0.76 per 1,000 gallons

All Class I Users – Outside District Boundaries *See Ordinance No. 2015-1*