

ORDINANCE NO. 25-2019

**AN ORDINANCE ESTABLISHING RATES AND CHARGES FOR THE
USE OF AND SERVICES RENDERED BY THE SEWAGE WORKS UTILITY
IN THE DAMON RUN SERVICE AREA**

WHEREAS, Valparaiso City Utilities (the "VCU") and the City of Valparaiso, Indiana (the "City"), anticipates acquiring on December 2, 2019, the sewage works currently owned and operated by the Damon Run Conservancy District ("Damon Run") (the "Damon Run System"); and

WHEREAS, after closing, VCU will provide sewer utility service to the customers connected to the Damon Run System located both inside and outside of Damon Run's service territory (the "Damon Run Area"); and

WHEREAS, the City is required under Ind. Code § 36-9-23-25 to establish rates and charges that produce sufficient revenue to pay the following: (1) all expenses incidental to the operation of the utility, including legal expenses, maintenance costs, operating charges, repairs, lease rentals, and interest charges on bonds or other obligations; (2) provide a sinking fund for liquidation of bonds or other obligations, including leases; (3) provide adequate money for working capital; and (5) provide adequate money for improving and replacing the sewage works; and

WHEREAS, under Ind. Code § 36-9-23-25(e), the City may exercise reasonable discretion in adopting different schedules of fees based on variations in the costs, including capital expenditures, of furnishing services to various locations; and

WHEREAS, it is necessary to establish the rates and charges for sewage utility service for the Damon Run Area; and

WHEREAS, the accounting firm of Baker Tilly Municipal Advisors, LLC, a financial advisor to the City, has prepared a rate report (the "Report") recommending a schedule of sewer utility rates and charges for the Damon Run Area, and the Common Council of the City of Valparaiso, Indiana (the "Common Council"), has reviewed the Report; and

WHEREAS, the Common Council finds that the rates and charges, as recommended by the Report, and as set forth herein, are sufficient to meet the requirements set forth above and are based on the cost of providing sewer utility service to the Damon Run Area; and

WHEREAS, the Common Council has caused notice of the public hearing on the rates and charges set forth herein to be duly advertised and has held a public hearing thereon, all pursuant to Ind. Code § 36-9-23-26.

THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, that the Schedule of Sewer Rates and Charges be established for the Damon Run Area:

Section 1. Definitions. The following definitions shall apply to this Ordinance:

(A) Damon Run Area. The Damon Run Area consists of all properties and premises connected to the Damon Run System, whether located within or outside of the service territory granted to Damon Run. The term includes all properties and premises that are currently connected to the system or that are connected in the future. A map generally describing the Damon Run Area is attached as Exhibit A.

(B) Equivalent Dwelling Unit (“EDU”). The term equivalent dwelling unit or EDU means the equivalent of a single-family residential dwelling unit using 310 gallons of water per day. An illustration of EDUs for non-single family residential dwelling units is shown on Exhibit B attached hereto.

Section 2. Monthly Rates and Charges. The sewage rates and charges for the Damon Run Area shall be based on the quantity of water used on the property or premises subject to such rates, as measured by the water meter there in use, plus a base charge based on the EDU assigned to the property by VCU on the basis of usage and calculated using Exhibit B or per the terms of any applicable service agreement.

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| (A) <u>Monthly Fixed Rate per EDU</u> | \$60.78 |
| (B) <u>Metered Flow Rate (per 1,000 gallons)</u> | \$7.77 |

Section 3. Connection Fee. VCU shall impose a one-time connection or capacity fee for each new structure connecting to the Damon Run System. The amount of the connection fee shall be \$2,700 per EDU. For purposes of calculating the appropriate connection fee, EDUs will be determined consistent with the attached Exhibit B. To the extent a customer seeks to expand its existing facilities and, in turn, will discharge more wastewater into the Damon Run System, VCU and the City may impose an additional connection or capacity fee based upon the anticipated amount of the additional usage.

Section 4. Non-Recurring Charges. The customers within the Damon Run Area shall be subject to all of the City's other non-recurring charges as set forth in the City's applicable ordinances which may be amended from time to time.

Section 5. Classification of Rates and Charges. The rates and charges set forth herein will not be imposed based on whether the customer in question is inside or outside the City Limits, but rather will be based on whether the customer will be served by the distinct and separate Damon Run facilities (i.e. is located within the Damon Run Area). For a customer located within the Damon Run Area that is using 5,000 gallons of water per month, the monthly sewer rate will be \$99.63. A Valparaiso customer using 5,000 gallons of water per month will have a monthly user rate of \$47.75, a difference of \$51.88 or 108.6%.

Section 6. Existing Rates and Charges. This Ordinance is only intended to establish the rates and charges associated with sanitary sewer service to the Damon Run Area. Unless specifically amended by this Ordinance, all other City sewer rates, charges, and provisions related thereto shall remain in full force and effect.

Section 7. Repeal of Prior Ordinances. All ordinances and parts of ordinances inconsistent with any provision of this ordinance are hereby repealed. The provisions of the Rate Ordinances not specifically amended by this ordinance shall remain in full force and effect.

Section 8. Severability of Provisions. In the event any one or more of the provisions contained in this Ordinance should be held invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not, in any way, be affected or impaired and shall remain in full force and effect.

Section 9. Effective Date. This Ordinance shall be in full force and effect from and after its passage; however, the monthly rates and charges provided herein will not be implemented until the day Damon Run, VCU, and the City close on the sale of Damon Run's sewer system to the City.

PASSED AND ADOPTED by the Common Council of the City of Valparaiso, Porter County, Indiana, on this 28th day of October, 2019.

By: 

Presiding Officer

Valparaiso Common Council

Attest:



Sharon Swihart, Clerk-Treasurer
City of Valparaiso

PRESENTED by me to the Mayor of the City of Valparaiso, Porter County, Indiana, on
the 28th day of October, 2019, at the hour of 7, 45pm.



Clerk-Treasurer

SIGNED and APPROVED by me upon this 28th day of October, 2019.



Jon Costas, Mayor
City of Valparaiso

DAMON RUN CONSERVANCY DISTRICT

PROB J E CUSTOY IRS
 25-XXXXXXXXXX
 29-XXXXXXXXXX
 30-DOLLAR GENERAL VALPARAISO

- ANNEXED CUSTOMERS 523ACRES
- 1- EAGLE RIDGE - 1/26/06
- 2- WALLARDS POINTE - 1/25/08
- 3- TIMBERLAND - 1/26/04
- 4- TIMBERLAND FARMS- WEST - 12/8/08
- 5- TIMBERLAND FARMS- EAST - 12/8/08
- 6- ST ANDREWS - 6/11/07
- 7- PET HAVEN - 6/11/07
- 8- LUKE OIL - 6/11/07
- 9- LUKAWAKA ONE STOP - 6/11/07
- 10- MISHAWAKA ONE STOP - 6/11/07
- 11- KEITHLEY - 6/11/07
- 19- HANRAHAN PROPERTY - 1/9/12
- 24- FRITZ, MORILLAND, & WALLACE - 1/9/12
- 26- CLEVELAND PROPERTY - 9/18/15
- 27- HERBERT PROPERTY ENTERPRISES, LLC - ARBOR VIEW VETERINARY CLINIC - 9/29/15
- 28- HERBERT PROPERTY ENTERPRISES, LLC - ARBOR VIEW VETERINARY CLINIC - 9/29/15
- CONT CT CUSTO_1 172A< rfs
- 12- LIBERTY SCHOOLS 7/17/09
- 13- PORTER HOSPITAL - 10/7/10
- 14- PORTER COUNTY - SUNSET HILL FARM



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RUNELAND

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 CHEYENNE WYOMING 82004
 307.325.1100 fax: 307.325.1118
 www.runelandgroup.com

	<u>Monthly Rate</u> <u>Equivalency</u> <u>Factor</u>
Residential:	
Single family residence/unit	1.00
Apartments, condominiums & townhouses/unit	1.00
Mobile home court/space available for rent	0.75
Duplexes/unit	1.00
Commercial:	
Retail establishment:	
First 3 employees	1.00
Each additional employee	0.25
Professional offices:	
First 3 employees	1.00
Each additional employee	0.25
Restaurants, drive-ins, bars & organizations with eating and/or drinking facilities:	
Per current seating capacity	0.11
Service stations/auto repair:	
With car wash:	
First 3 employees	1.00
Each additional employee	0.25
With car wash bay:	
Per car wash bay	2.50
Recreational areas:	
Parks	1.00
Institutional:	
Schools per pupil enrolled (5-day school week)	0.08
Churches & other religious organizations without eating and/or drinking facilities:	
For each 100 members of fraction thereof	1.00
Governmental:	
Community center	1.00
Offices:	
First 3 employees	1.00
Each additional employee	0.25
Post office:	
First 3 employees	1.00
Each additional employee	0.25
Fire department	1.00

ESFDC calculation for outside District boundary customers is defined in the customer agreement with the District.