

**NOTICE OF PUBLIC HEARING ON PROPOSED WATER FEES  
BY THE CITY OF VALPARAISO, INDIANA FOR THE DAMON RUN SERVICE AREA**

Property owners, ratepayers, and other interested parties served or to be served by the waterworks of the City of Valparaiso, Indiana (“City”), are hereby notified that the City Council has introduced proposed Ordinance No. 26-2019 (“Ordinance”). Ordinance No. 26-2019 establishes the City’s fees **only for water customers connected to the Damon Run Conservancy District** but located outside of Damon Run’s service territory. The City Council will hold a public hearing on Monday, October 28, 2019, at 7:00 p.m., local time, at the City Hall, 166 Lincolnway, Valparaiso, IN 46383, in order to receive public input on the Ordinance and may consider adoption thereof at such time. **Please note that the rates and charges under the Ordinance do not apply to existing customers currently connected to Valparaiso City Utilities.** The Ordinance adopts a water fee or payment in lieu of property taxes for those properties connected to and served by the Damon Run System but located outside of the Damon Run service territory (Porter Hospital and Liberty School). **Accordingly, although existing customers of VCU may still receive notice pursuant to I.C. § 8-1.5-3-8.1(c), the rates for existing customers of VCU are not altered and remain in effect.** For further information regarding the proposed Ordinance, please contact Valparaiso City Utilities at 219-462-6174. The schedule of the rates and charges for the Damon Run Service Area, which are more fully set forth in the Ordinance, is as follows:

**VALPARAISO CITY UTILITIES  
SCHEDULE OF PROPOSED CHANGES TO CITY’S WATER FEES  
FOR THE DAMON RUN SERVICE AREA  
ORDINANCE NO. 26-2019**

DAMON RUN CONSERVANCY DISTRICT				Exhibit A (1)																																																																																											
PORTER HOSPITAL TRUE-UP CALCULATION - FOR PERIOD 7/1/18 - 6/30/19																																																																																															
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Average Residential Tax Bill (1)	\$2,275.82	\$2,253.11		Debt Service																																																																																											
Times: Actual EDUs for 12 months ended 6/30/19 (2)	197.03	197.03		Sewer	\$64.13																																																																																										
Calculated PILOT	448,404.81	443,930.26		Water	\$145.69																																																																																										
Divided by: 12 months	12	12																																																																																													
Times: Number of Months Related to Pay 2018 & Pay 2019	6	6																																																																																													
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(1) Based on the Pay 2018 and Pay 2019 residential tax bills for District customers as provided by Damon Run Conservancy District (DRCD).  
(2) Per Porter Hospital 12 Month Usage Recap report provided by District. Based on 22,294,000 annual gallons / 385 days / 310 gpd = 197.03 EDU's.  
(3) Based on \$64.13 monthly user fee per EDU per Ordinance No. 2015-1.  
(4) Based on \$145.69 monthly user fee per EDU per Ordinance No. 2013-2.

DAMON RUN CONSERVANCY DISTRICT

Exhibit A (2)

**LIBERTY SCHOOL TRUE-UP CALCULATION - FOR PERIOD 3/1/18 - 2/29/19**

Payment-in-Lieu-of-Taxes (PILOT) and True Up

Average Residential Tax Bill (pay 2018) (1)	\$2,275.82	Current District Rates (excludes sewage tracker and Portage and IAW Charges)	
Times: Actual EDUs for 2018 (2)	14.94	Debt Service	
Calculated PILOT	<u>\$34,000.75</u>	Sewer	\$64.13
		Water	\$145.69

  

Month	EDU's Billed	Actual Sewer Bill PILOT Debt Service (3)	Actual Water Bill PILOT Debt Service (4)
Mar-18	6.03	\$386.70	\$878.51
Apr-18	6.03	386.70	878.51
May-18	6.03	386.70	878.51
Jun-18	6.03	386.70	878.51
Jul-18	6.03	386.70	878.51
Aug-18	6.03	386.70	878.51
Sep-18	6.03	386.70	878.51
Oct-18	6.03	386.70	878.51
Nov-18	6.03	386.70	878.51
Dec-18	6.03	386.70	878.51
Jan-19	6.03	386.70	878.51
Feb-19	6.03	386.70	878.51
<b>Totals</b>		<u>\$4,640.40</u>	<u>\$10,542.12</u>

True-Up Calculation - Water	
Calculated PILOT	\$34,000.75
Less: Actual PILOT Bill Sewer	(4,640.40)
Less: Actual PILOT Bill Water	(10,542.12)
Payment Due from/(Credit Due to)	<u>\$18,818.23</u>

(1) Based on the Pay 2018 residential tax bills for District customers as provided by Damon Run Conservancy District (DRCD).  
 (2) Per Liberty School Use 2018 report provided by District. Based on 1,691,000 annual gallons / 365 days / 310 gpd = 14.94 EDUs.  
 (3) Based on \$64.13 monthly user fee per EDU per Ordinance No. 2015-1.  
 (4) Based on \$145.69 monthly user fee per EDU per Ordinance No. 2013-2.

I. **Effective Date:** This Ordinance shall be in full force and effect from and after its passage; however, the PILOT provided herein will not be implemented until the day that Damon Run, VCU, and the City close on the acquisition of Damon Run's system and assignment of the Service Agreements. The closing is currently scheduled for December 2, 2019.

At the October 28, 2019 meeting of the City Council and prior to final adoption of Ordinance No. 26-2019, any property owners, ratepayers, or anyone else interested in the proceedings may appear and be heard concerning the proposed fees. The hearing may be adjourned, if necessary. A complete copy of the Ordinance may be reviewed at the City Hall located at 166 Lincolnway, Valparaiso, IN 46383. I.C. § 8-1.5-3-8.1(c) requires that this notice include a statement that following adoption of the Ordinance, users of the works for service to property located outside the City's corporate boundaries may be entitled to petition the Indiana Utility Regulatory Commission under I.C. § 8-1.5-3-8.3 to review and address the rates and charges imposed on the users if a petition under I.C. § 8-1.5-3-8.2 with respect to the same rate ordinance has not been filed.

CITY OF VALPARAISO, INDIANA  
/s/ Sharon Swihart, Clerk-Treasurer  
 October 14, 2019