

ORDINANCE NO. 18, 2022

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF LAWRENCE,
INDIANA ADOPTING A NEW SCHEDULE OF SEWER UTILITY RATES AND
CHARGES

WHEREAS, the City of Lawrence, Indiana ("City") owns and operates its own sewer utility ("Sewer Utility"), which is controlled, operated, and supervised by the City's Utility Service Board ("USB") established pursuant to Ind. Code § 8-1.5-3;

WHEREAS, the Sewer Utility operates the City's sewage works and provides sanitary sewer services to the City's citizens;

WHEREAS, pursuant to Ind. Code § 36-9-23-1 *et. seq.*, the City of Lawrence, Indiana Common Council ("Common Council") shall, by ordinance, establish just and equitable fees for the services rendered by the sewage works, and provide the dates on which the fees are due;

WHEREAS, Ind. Code § 36-9-23-25(b) provides that just and equitable fees are the fees required to maintain the sewage works in the sound physical and financial condition necessary to render adequate and efficient service;

WHEREAS, the fees must be sufficient to: (1) pay all expenses incidental to the operation of the works, including legal expenses, maintenance costs, operating charges, repairs, lease rentals, and interest charges on bonds or other obligations; (2) provide the sinking fund required by Ind. Code § 36-9-23-21; (3) provide adequate money to be used as working capital; and (4) provide adequate money for improving and replacing the sewage works;

WHEREAS, the EPA issued a new Administrative Order on Consent due to the failure of the Sewer Utility to meet the provisions of the original Agreed Order issued in 2008 with respect to eliminating Sanitary Sewer Overflows;

WHEREAS, the City's sewage treatment costs are increasing annually through 2029 pursuant to the provisions of the Special Contract approved in 2017;

WHEREAS, as the City has not adjusted Sewer Utility rates since 2009, the USB engaged Baker Tilly Municipal Advisors, LLC ("Baker Tilly") to prepare a report on the sufficiency of the existing rates and charges and the operations, capital needs, and necessary revenues required to support the costs of the Sewer Utility ("Rate Report");

WHEREAS, the Rate Report indicates that the existing rates and charges for the Sewer Utility are too low and insufficient to enable the City to properly operate its sewage works, cover debt service levels, fund necessary capital improvement projects, and comply with orders of the Environmental Protection Agency; and that the existing Sewer Utility rates and charges should therefore be increased;

WHEREAS, Baker Tilly provided a calculation of rates and charges sufficient to provide the necessary revenue to operate and maintain the Sewer Utility in accordance with statute, as set forth in Exhibit A ("Sewer Utility Rates and Charges");

WHEREAS, on June 14, 2022, the USB adopted Resolution No. 6, 2022, which requested and recommended that the Common Council approve the schedule of rates and charges attached hereto as Exhibit A (Sewer Utility Rates and Charges) as a Rate Ordinance;

WHEREAS; the Common Council desires to maintain the sewage works in the sound physical and financial condition necessary to render adequate and efficient service;

WHEREAS, the Common Council has, after publication and notice therefore as required by Indiana law, held a public hearing on the 6th day of September, 2022, with regard to the Sewer Utility Rates and Charges (Exhibit A); and

WHEREAS, based upon the recommendations of the USB and Baker Tilly, the Common Council desires to adopt a new schedule of rates and charges for the City's Sewer Utility.

NOW THEREFORE, BE IT ORDAINED by the Common Council of the City of Lawrence, Indiana that:

SECTION 1. The above recitals are incorporated herein by reference.

SECTION 2. The Sewer Utility Rates and Charges (Exhibit A) provide for just and equitable fees as required to maintain the sewage works in the sound physical and financial condition necessary to render adequate and efficient service.

SECTION 3. The Sewer Utility Rates and Charges (Exhibit A) are sufficient to: (1) pay all expenses incidental to the operation of the works, including legal expenses, maintenance costs, operating charges, repairs, lease rentals, and interest charges on bonds or other obligations; (2) provide the sinking fund required by Ind. Code § 36-9-23-21; (3) provide adequate money to be used as working capital; and (4) provide adequate money for improving and replacing the sewage works.

SECTION 4. The Sewer Utility rates and charges attached hereto as Exhibit A are hereby approved and adopted by the Common Council.

SECTION 5. 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, and in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision will be added as a part of this Ordinance that is as similar to the illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

SECTION 6. Prior Ordinances and sections of the Code are repealed only to the extent inconsistent with the terms of this Ordinance. Provisions consistent with this Ordinance and not repealed remain in full force and effect.

SECTION 7. This Ordinance shall be in full force and effect from and after its adoption by the Common Council, approval by the Mayor, and publication as required by law.

ADOPTED this 6th day of September, 2022.

Attest: Kathleen A. Walton
Kathleen A. Walton,
City Clerk

[Signature]
Lisa Chavis,
Presiding Officer

Presented by me to the Mayor of the City of Lawrence, Indiana, this 6th day of September, 2022.

Kathleen A. Walton
Kathleen A. Walton, City Clerk

Presented to me and signed this 6th day of September, 2022.

[Signature]
Steven K. Collier, Mayor

LAWRENCE (INDIANA) MUNICIPAL SEWAGE WORKS

SCHEDULE OF PRESENT AND PROPOSED RATES AND CHARGES

	Monthly Metered Rate per 1,000 gallons		Present Rates		Proposed - Phases				
			Present Rates*	Current Tracker**	Including Tracker	I II III IV			
						(1)	(2)	(3)	(4)
First	4,300 gallons	\$6.19	\$0.10	\$6.29	\$8.29	\$10.46	\$11.35	\$12.26	
Next	15,700 gallons	5.43	0.10	5.53	7.29	9.20	9.98	10.78	
Next	20,000 gallons	5.31	0.10	5.41	7.13	9.00	9.77	10.55	
Next	60,000 gallons	5.11	0.10	5.21	6.87	8.67	9.41	10.16	
Next	100,000 gallons	4.96	0.10	5.06	6.67	8.41	9.13	9.86	
Over	200,000 gallons	4.78	0.10	4.88	6.43	8.11	8.80	9.50	
		Gallons Allowed							
Minimum Monthly Charge - Metered Customers (Low Vol 1)	1,200				27.05	27.05	27.05	27.05	
Minimum Monthly Charge - Metered Customers (Low Vol 2)	1,201 - 2,000				30.98	30.98	30.98	30.98	
Minimum Monthly Charge - Metered Customers	2,001 - 4,300	26.60		27.05	35.65	44.98	48.81	52.72	
Minimum Monthly Charge - Non-Metered Customer		35.54		36.13	47.62	60.09	65.20	70.43	

* Rates and charges were adopted September 8, 2009.

** Per Resolution No. 6, 2016, a rate tracking factor of \$0.10 per 1,000 gallons is applicable

- (1) Effective October 1, 2022.
- (2) Effective April 1, 2023.
- (3) Effective April 1, 2024.
- (4) Effective April 1, 2025.