

AMENDED ORDINANCE NO. 7, 2017

AN ORDINANCE ESTABLISHING THE RATES AND CHARGES FOR
THE USE OF AND SERVICES RENDERED BY THE WATERWORKS
OF THE CITY OF LAWRENCE, INDIANA

WHEREAS, the City of Lawrence, Indiana ("City") now owns and operates a municipal waterworks in accordance with the provisions of I.C. 8-1.5, *et seq.*, and acts amendatory thereof and supplemental thereto (the "Act"), furnishing the public water supply to the City, its inhabitants and others in Marion County, Indiana; and

WHEREAS, on July 23, 2008, the Common Council of the City ("Common Council") adopted Ordinance No. 15-2008, as amended by Ordinance No. 24, 2009 and as further amended by Ordinance No. 12, 2012 (collectively, the "Prior Ordinance") establishing the rates and charges for the use of and service rendered by the waterworks of the City; and

WHEREAS, the City has caused a report containing rate analyses of the waterworks to be completed by the firm of H.J. Umbaugh & Associates, LLP, Indianapolis, Indiana ("Umbaugh"), pursuant to its Rate Analysis Report dated February 24, 2017 (the "Rate Report"), and based upon such Rate Report, the Utility Service Board has determined that the rates and charges established by the Prior Ordinance are not sufficient to enable the City to properly operate its waterworks plant, provide for depreciation, debt service on its bonds, and finance additions and improvements to its waterworks system; and

WHEREAS, the Common Council met as a Committee of the Whole on April 12, 2017 and reviewed an alternate rate structure developed by Umbaugh; and

WHEREAS, the Common Council has considered the alternate rate structure, amended the introduction of the Ordinance and set forth the amended rates as Exhibit A, attached hereto and incorporated herein; and

WHEREAS, the Common Council conducted a public hearing on the proposed rate change pursuant to the Act, after notice published in accordance with the Act, and each rate payer was allowed the opportunity to provide testimony and comments regarding the rate change and all testimony and comments were considered by the Common Council; and

WHEREAS, the Common Council finds that the rates and charges of the waterworks should be increased and that it is necessary to repeal the Prior Ordinance and to enact the rates and charges set forth herein; and

WHEREAS, the Common Council finds that prior to implementation of Phase II rate increases set forth in Exhibit A, the Utility Service Board shall engage financial advisors and other professionals, as needed, to conduct a cost of service study in 2018 to review the costs of delivery of services to residential, commercial and industrial customers; and

WHEREAS, the Common Council finds that the rates and charges set forth in Exhibit A are reasonable and just, based upon the aforementioned analyses and the cost of providing service to the customers of the waterworks.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF LAWRENCE, INDIANA, THAT:

Section 1. There shall be and are hereby established for the use of and services rendered by the waterworks of the City, the rates and charges, based upon the amount of water supplied by the waterworks and as otherwise set forth in Exhibit A.

Section 2. There shall be and are hereby established for the use of and the service rendered by the waterworks of the City the following non-recurring rates and charges and miscellaneous fees:

(a) Connection and Development

Fees:

Phase I

Each connection charge shall be computed on the basis of equivalent dwelling units (EDU) constituting the equivalent of 5,000 gallons per month as a single-family residence. Each proposed connection shall be assessed the proportionate multiple of EDUs as determined by the Utility Superintendent and staff in accordance with the industry standards upon review of the proposed facility to be connected.

An EDU shall be charged \$1,500.00 per EDU for purpose of determining the Connection Charge.

Meter Cost	Direct Cost + Administrative and Overhead Charges of 25% of Direct Cost
Tap and Inspection (per tap)	\$ 500.00
Plan Review Fees	\$90.00 per hour or Direct Cost + Administrative and Overhead Charge of 25%, whichever is greater
Inspection Fees	\$75.00 per hour or Direct Cost + Administrative and Overhead Charge of 25%, whichever is greater
Testing Fees	Direct Cost + Administrative and Overhead Charge of 25%, whichever is greater
Backflow Prevention Testing	\$80 per test

(b) Miscellaneous Fees:

	<u>Phase I</u>
Disconnect Notice – Multi-family housing (per instance)	\$ 50.00
Turn on Fee (per instance of turn off)	35.00
Disconnect for Non-Payment of Bill in Excess of \$75	
Request by Customer Nights, Weekends and Holidays (per Hour)	50.00
Change Over Fee (per instance)	30.00
Temporary Hydrant Connection (per instance)	75.00
Late Reporting of Temporary Hydrant Water Usage (must report use of temporary hydrant water usage within the end of the calendar month in which usage begins and within ten (10) days after the end of usage) (per instance)	100.00
Deposit for Hydrant Meter	200.00
Penalty Charge for Tampering with a Meter or Measuring Equipment (per instance)	250.00
Unauthorized Use of Potable Water from a public or private fire hydrant (per instance)	250.00
Fee for bad check/ insufficient funds (per instance)	35.00

Repair or Replacement of a Damaged Meter
(per meter)

Direct Cost + Administrative and
Overhead Charge of 25%, whichever
is greater

	<u>Phase I</u>	<u>Phase II</u>
(c) Statement Fee (per month)	1.00	2.00

Section 3. The rates and charges set forth in Section 1 (Exhibit A - Phase I) and Section 2(a)-(c) (Phase I) shall be effective for billings the month after adoption of this Ordinance. The rates and charges set forth in Section 1 (Exhibit A - Phase II) and Section 2(c) (Phase II) shall be effective for billings beginning January 1, 2019. The rates and charges set forth in Section 1 (Exhibit A - Phase III) shall be effective for billings beginning January 1, 2020. All other ordinances and provisions of ordinances in conflict with the provisions of this ordinance are hereby repealed, including Ordinance No. 15, 2008, Ordinance No. 24, 2009 and Ordinance No. 12, 2012.

Section 4. The Common Council hereby directs the Utility Service Board, in coordination with the Mayor's office, to engage financial advisors and other professionals, as needed, to conduct a study to review the costs of delivery of water services (the "Cost of Service Study") and recommend a rate design that results in a fair allocation of costs to residential, commercial and industrial ratepayers, and conforms to the requirements of the Act. This Cost of Service Study shall be presented to the Common Council no later than August 31, 2018.

Section 5. If any section, sentence or provision of this ordinance, or the application thereof to any person or circumstance, shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

Section 6. This ordinance shall be in full force and effect from and after its passage and approval by the Mayor and publication according to law.

ADOPTED this 1st day of May, 2017.

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

Joseph Williams
Presiding Officer

Presented by me to the Mayor of Lawrence, Indiana on this 1st day of May, 2017.

Kathleen A. Walton
Kathleen A. Walton, City Clerk

Presented to me and signed this 1 day of May, 2017.

Steven K. Collier
Steven K. Collier, Mayor

Exhibit A

Schedule of Rates and Charges

(a) Monthly Service Charge:	<u>Rates</u>		
	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
5/8 inch meter	\$ 12.66	\$ 13.52	\$ 15.01
1 inch meter	16.71	17.85	19.81
1-1/2 inch meter	20.77	22.19	24.63
2 inch meter	32.34	34.55	38.35
3 inch meter	116.39	124.33	137.99
4 inch meter	147.63	157.70	175.03
6 inch meter	219.48	234.45	260.22
8 inch meter	302.27	322.88	358.36
10 inch meter	423.20	452.06	501.74
12 inch meter	592.48	632.89	702.44

(b) Monthly Consumption per 1,000 Gallons:			
First 15,000 gallons	\$ 6.25	\$ 6.68	\$ 7.41
Next 985,000 gallons	3.76	4.02	4.46
Over 1,000,000 gallons	3.13	3.34	3.71

(c) Minimum Users (Flat Charge):			
Monthly Usage (0-1,200 gallons)	\$ 14.95	\$ 14.95	\$ 14.95
Monthly Usage (1,201 – 2,000 gallons)	24.30	24.30	24.30

(d) Fire Protection Services (Per Annum):			
Private Hydrant	\$ 999.81	\$ 1,068.00	\$ 1,185.37
Sprinklers – Per Year			
4 inch line	\$ 1,133.38	\$ 1,210.68	\$ 1,343.73
6 inch line	2,466.85	2,635.09	2,924.69
8 inch line	4,333.75	4,629.31	5,138.07
10 inch line	6,667.35	7,122.06	7,904.77
12 inch line	10,001.02	10,683.09	11,857.16