

ORDINANCE NO. 4, 2009

AN ORDINANCE OF THE CITY OF LAWRENCE COMMON
COUNCIL ADOPTING A RATE TRACKING FACTOR FOR THE
SEWAGE DEPARTMENT

WHEREAS, the City of Lawrence Utility Service Board engaged Crowe Horwath to conduct a rate review and analysis of the expenses paid to the City of Indianapolis by the municipal sewage department compared to the budget amount; and

WHEREAS, Crowe Horwath submitted an analysis to the Utility Service Board, dated January 14, 2009, which concludes that the Utility service Board incurred a budget overrun for reimbursable expenses and costs paid to the City of Indianapolis, Indiana in the amount of \$1,273,088; and

WHEREAS, the Utility Service Board has determined that a rate tracking factor to track and generate sufficient revenues to offset the operating and capital expenditures to the City of Indianapolis, Indiana should be adopted; and

WHEREAS, the Utility service Board has recommended to the Common Council a change in the sewage rate structure.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF LAWRENCE, INDIANA, AS FOLLOWS:

Section 1. The Common Council accepts and approves the rate report prepared by Crowe Horwath, dated January 14, 2009.

Section 2. The Common Council hereby determines that a rate tracking factor for sewage department rates is possible and in the best interest of the ratepayers of the City of Lawrence and the sewage department.

Section 3. The Common Council hereby amends the fees heretofore established for the sewage department by the addition of a rate tracking factor (the "Rate Tracker"), as set forth in Exhibit A, for the sewage rates of the City's sewage department and hereby amends such rates to include the Rate Tracker pursuant to Indiana statute.

Section 4. The provisions of 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 18th day of February, 2009

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

Donald Boteat
Presiding Officer

Presented by me to the Mayor of the City of Lawrence, Indiana this 18th day of February, 2009.

Kathleen A. Walton
Kathleen A. Walton, City Clerk

Presented to me and signed this 18th day of February, 2009.

Paul Ricketts
Paul Ricketts, Mayor

EXHIBIT A

RATE TRACKING FACTOR

The rate tracking factor is a pass through of those costs assessed to the City of Lawrence by the City of Indianapolis pursuant to contract or rate tariff. The rate tracking factor shall be determined as follows:

Increased costs (Assessed by City of Indianapolis)

Divided By Total Gallons Billed/1000 Gallons

Cost per 1000 Gallons

The rate tracking factor will be applied upon Notice by the City of Indianapolis of a rate increase or upon annual review in January. Any necessary increase or decrease shall be recommended by the Utility Service Board to the Common Council for approval.