

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF NEW CASTLE, INDIANA
AMENDING SECTION 50.112 OF THE CITY'S
CODE OF ORDINANCES RELATING TO THE RATES AND CHARGES
OF THE SEWAGE WORKS OF THE CITY

WHEREAS, the City of New Castle, Indiana (the "City") has established, acquired, and financed its sewage works pursuant to Indiana Code 36-9-23, as amended (the "Act"), for the purpose of providing for the collection, treatment and disposal of sewage from inhabitants in and around the City; and

WHEREAS, H.J. Umbaugh & Associates, LLP, financial advisor to the City, has prepared a rate report concerning the current rates and charges of the sewage works (the "Report"); and

WHEREAS, based upon the Report, the Common Council of the City (the "Council") finds that the current rates and charges for the use of and service rendered by the sewage works do not produce sufficient revenues to pay all the legal and necessary expenses incident to the operation of such sewage works, including legal expenses, maintenance costs, operating charges, repairs, lease rentals and interest charges on bonds or other obligations of the sewage works, to provide a sinking fund for the liquidation of indebtedness, and to provide adequate funds to be used as working capital and funds for making extensions and replacements and to make payments in lieu of taxes; and

WHEREAS, based upon the Report, the Council finds that the current rates and charges of the sewage works as enacted by Ordinance No. 3454, adopted by the Council on December 19, 2005 (the "2005 Rate Ordinance") and as set forth in Section 50.112 of the City's Code of Ordinances (the "City Code"), do not produce an income sufficient to maintain the sewage works property in a sound physical and financial condition to render adequate and efficient service; and

WHEREAS, the Council finds that the current rates and charges for the use of and service rendered by the sewage works must be increased in order to provide sufficient revenue to meet such requirements; and

WHEREAS, the Council finds that the rates and charges of the sewage works should be increased in three phases as herein provided; and

WHEREAS, the Council finds that the rates and charges set forth herein are based upon the cost of providing service to the customers of the sewage works and will enable the City to meet its legal revenue requirements for the sewage works; and

WHEREAS, the Council has caused notice of a public hearing on the rates and charges set forth herein to be duly advertised and mailed, and has held a public hearing thereon, all pursuant to the Act;

NOW THEREFORE, be it ordained by the Common Council of the City of New Castle, Indiana that:

Section 1. Section 50.112 of the City Code is hereby amended and restated to read as follows:

“§ 50.112 SCHEDULE.

For the use of and the service rendered by the sewage facility of the city, rates and charges to be collected from the owner of each and every lot, parcel of real estate, or building that is connected with the city sanitary system or otherwise discharges sanitary sewage, industrial wastes, water, or other liquids, either directly or indirectly, into the sanitary sewage system of the city. Such rates and charges include user charges, debt service costs, excessive strength surcharges, and other service charges, which rates and charges shall be payable as hereinafter provided and shall be in an amount determinable as follows:

(A) The sewage rates and charges shall be based on the quantity of water used on or in the property or premises subject to such rates and charges, as the same is measured by the water meter there in use, plus a base charge based on the size of the water meter installed, except as herein otherwise provided. Water meters will be read once each month, and sewage service bills shall be rendered once each month (or period equaling a month). The water usage schedule on which the amount of the rates and charges shall be determined is as follows for each user class and which rates and charges shall be implemented in three phases as follows:

- Phase I** – commencing June 16, 2014 through and including December 31, 2014;
- Phase II** – commencing January 1, 2015 through and including December 31, 2015; and
- Phase III** – commencing January 1, 2016 and continuing thereafter.

(1) Treatment rate as follows:

<i>User Class</i>	<i>Per 100 Cu. Ft User Charge</i>		
	<i>Phase I</i>	<i>Phase II</i>	<i>Phase III</i>
Class I Residential	\$2.78	\$2.92	\$3.07
Class II Commercial, Governmental, Institutional	\$2.57	\$2.70	\$2.84
Class III Industrial	\$2.52	\$2.65	\$2.78

(2) Base rate as follows for Classes I, II, and III:

<i>Size of Meter</i>	<i>Monthly Base Rates User Charge</i>		
	<i>Phase I</i>	<i>Phase II</i>	<i>Phase III</i>
5/8-inch water meter	\$17.25	\$18.11	\$19.02
3/4-inch water meter	17.25	18.11	19.02
1-inch water meter	42.90	45.05	47.30
1 ¼-inch water meter	68.37	71.79	75.38

1 ½-inch water meter	99.15	104.11	109.32
2-inch water meter	170.61	179.14	188.10
3-inch water meter	391.99	411.59	432.17
4-inch water meter	698.85	733.79	770.48
6-inch water meter	1,567.80	1,646.19	1,728.50
8-inch water meter	2,826.48	2,967.80	3,116.19

(3) Unmetered charge per month –	<i>Phase I</i>	<i>Phase II</i>	<i>Phase III</i>
	\$68.80	\$72.24	\$75.85

(4) Excessive strength surcharges as follows:

<u>Excess Strength Surcharge</u>	<u>Rate Per Pound of Excess</u>		
	<i>Phase I</i>	<i>Phase II</i>	<i>Phase III</i>
Biochemical oxygen demand in excess of 200 mg/l	\$0.43	\$0.45	\$0.47
Suspended solids in excess of 250 mg/l	0.33	0.35	0.37
Phosphorus in excess of 10 mg/l	3.37	3.54	3.72
Oil and grease in excess of 100 mg/l	0.41	0.43	0.45

(5) After hours charge. In the event a customer requires service during hours other than the normal business hours (Monday through Friday, 8:00 a.m. to 4:00 p.m.) a charge shall be made to the customer of not less than \$40 or greater than \$200 for each such call. The amount is to be determined by the cost of labor to the utility for the call.

(6) Bad check charge. All checks returned to the utility due to insufficient funds in the customer's account shall result in a charge to that customer of \$30.00.

(7) Collection or deferred payment charges. All bills for sewage services not paid within two business days of the due date thereof, shall be subject to a collection or deferred payment charge of 10% on the first \$3 and 3% on the excess over \$3. The due date is 15 days after the billing date. Further, the delinquent customer shall be liable for the costs of collection, including but not limited to, reasonable attorney fees and court costs.

(8) Connection charge. A connection charge shall be made for all connections to the city wastewater collection system. The collection charge shall be \$825 for each connection.

(9) User fee. A user fee shall be charged for the reconnection of service. The charge to the individual customer for reconnection of sewage service is \$25.

(10) Septic haulers. Septic haulers shall pay the sum of \$8 for every 100 gallons or any part thereof of wastewater delivered to the city wastewater treatment plant. Travel trailers shall pay a fee of \$8 for the treatment of any water discharged at the city wastewater treatment plant regardless of volume. Examples:

- (a) One gallon to 100 gallons delivered charge: \$8.
- (b) 101 gallons to 200 gallons delivered charge: \$16.00.
- (c) 201 gallons to 300 gallons delivered charge: \$24.00.

(B) Services rendered to the city. The city shall be subject to the same rates and charges hereinabove provided, or to charges and rates established in harmony therewith.

(C) Periodic legislative rate review. In hopes of minimizing the possibility of infrequent but higher rate increases and the resulting “rate shock” to the ratepayer, the Board of Public Works shall provide the City Council with a rate study showing the financial condition of the utility and a recommendation regarding the rates charged no less than every four years. The next such study shall be provided on or before June 30, 2018. Thereafter, reports shall be reviewed by Council on the 30th day of June, every four years.”

Section 2. All ordinances and parts of ordinances, including the 2005 Rate Ordinance, in conflict herewith are hereby repealed.

Section 3. 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 parts of this ordinance which can be given effect without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

Section 4. This ordinance shall be in full force and effect upon its passage by the Common Council of the City of New Castle, Henry County, Indiana, and approval of the Mayor, and the rates and charges herein approved shall take effect immediately.

PASSED AND ADOPTED by the Common Council of the City of New Castle, Henry County, Indiana, upon this _____ day of June, 2014.

By: _____
Presiding Officer
New Castle Common Council

ATTEST:

Christy York, Clerk-Treasurer
City of New Castle

PRESENTED by me to the Mayor of the City of New Castle, Henry County, Indiana, upon this _____ day of June, 2014.

Greg York, Clerk-Treasurer
City of New Castle

SIGNED and APPROVED by me upon this _____ day of _____, 2014.

Greg York, Mayor
City of New Castle