

ORDINANCE NO. 3786

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

WHEREAS, the City has agreed to offer sewer service to one (1) subdivision and two (2) additions located outside the City limits; and

WHEREAS, in order to provide such service the City has determined that it is necessary to construct additions and improvements to its sewage works to provide service to the White Estates Subdivision, Walnut Acres Addition and South Walnut Acres Addition (collectively, "Project"); and

WHEREAS, the Project will be partially funded with a loan from the Indiana Finance Authority ("Authority") as part of its wastewater loan program established and existing pursuant to IC 5-1.2-1 through IC 5-1.2-4 and IC 5-1.2-10 ("SRF Program"); and

WHEREAS, the Authority, through its SRF Program, has requested that the loan be evidenced by a sewage works revenue bond ("Bond") and a forgivable loan as evidenced with a forgivable bond anticipation note ("BAN"); and

WHEREAS, the existing sewage rates and charges are set forth in Ordinance No. 3698, adopted by the Common Council of the City on July 7, 2014, as amended by Ordinance No. 3755, adopted on April 17, 2017 (collectively, as amended, "Rate Ordinance") and as set forth in Section 50.112 of the City's Code of Ordinances ("City Code"); and

WHEREAS, IC 36-9-23 provides that a municipal legislative body shall, by ordinance, establish just and equitable fees for the services rendered by the sewage works; and

WHEREAS, the City finds that, based upon advice of its financial advisor, existing rates and charges are insufficient to enable the City to repay the Bond for the Project and that it will be necessary to enact a debt service surcharge to be paid by all ratepayers served by the Project; and

WHEREAS, the debt service surcharge set forth below is based on an assumption that at least 95% of the homeowners in the White Estates Subdivision connect to the Project;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF NEW CASTLE, INDIANA:

Section 1. Section 50.112 of the City Code is hereby amended to implement a debt service surcharge to be paid by the ratepayers served by the Project as follows:

\$33.18 per month

The ratepayers served by the Project will also be subject to the City's schedule of sewage rates and charges now in effect in the Rate Ordinance and City Code, as amended from time to time. The debt service surcharge shall apply to all billing periods following the earlier of the completion of the Project or the date which is six (6) months prior to the first debt service payment date on the Bonds.

For ratepayers who voluntarily connect to the Project, the connection fee shall be waived. For ratepayers in which the City must take action to force connection to the Project pursuant to IC 36-9-23, the full connection fee as set forth in the City Code shall apply.

Section 2. All provisions of the Rate Ordinance, as supplemented by this ordinance, shall remain in full force and effect.

Section 3. This ordinance shall be in full force and effect upon passage and execution by the Mayor.

Passed and adopted by the Common Council of the City of New Castle, Indiana, on this the 2nd day of July, 2018.

COMMON COUNCIL, CITY OF NEW CASTLE, INDIANA

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NAY

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Attest:

Clerk-Treasurer

Presented by me to the Mayor of the City of New Castle, Indiana, on the _____ day of July, 2018, at the hour of __: __ .m.

Clerk-Treasurer

This ordinance approved and signed by me, the Mayor of the City of New Castle, Indiana, on the _____ day of _____, 2018, at the hour of __: __ .m.

Mayor