

ORDINANCE NO. 1521

SEWAGE RATE ORDINANCE

AN ORDINANCE REPLACING ORDINANCE NO. 1431 IN ITS ENTIRETY, AND ESTABLISHING A SCHEDULE OF RATES AND CHARGES TO BE COLLECTED BY THE CITY OF NAPPANEE FROM THE OWNERS OF PROPERTY SERVED BY THE SEWAGE WORKS OF SAID CITY, AND OTHER MATTERS CONNECTED THEREWITH

WHEREAS, the City has heretofore constructed and has in operation a Sewage Works for the purpose of collecting and disposing of the sewage of the City in a sanitary manner, and proposes to construct improvements thereto; and

WHEREAS, the City of Nappanee has caused a financial study of the municipal Sewage Works to be made by H. J. Umbaugh & Associates, Certified Public Accountants, LLP, Mishawaka, Indiana; and

WHEREAS, such study prepared by such firm indicates that the rates and charges are not sufficient to meet the reasonable financial requirements of the Sewage Works and that said rates and charges should be increased; and

WHEREAS, it is necessary to establish a new schedule of rates and charges so as to produce sufficient revenue to pay expenses of maintenance and operation, and to provide funds for necessary replacements and improvements to the Sewage Works, and to pay the principal and interest on the outstanding and proposed revenue bonds in accordance with the applicable bond ordinances, all in a manner in accordance with the provisions of IC 36-9-23 and the guidelines of the U. S. Environmental Protection Agency; now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF NAPPANEE, INDIANA:

SECTION 1. Unless the context specifically indicates otherwise, the meaning of terms used in this Ordinance shall be as follows:

- (a) "Board" shall mean the Board of Public Works and Safety of Nappanee, Indiana, or any duly authorized officials acting on its behalf.

- (b) "BOD₅" (or five-day Biochemical Oxygen Demand) shall have the same meanings as defined in the Sewer Use Ordinance.
- (c) "City" shall mean the City of Nappanee, Indiana.
- (d) "Debt Service Costs" shall mean the average annual principal and interest payments on all outstanding revenue bonds or other long-term capital debt.
- (e) "Excessive Strength Surcharge" shall mean an additional charge which is billed to users for treating sewage wastes with an average strength in excess of "normal domestic sewage".
- (f) "Industrial Wastes" shall mean the wastewater discharge from industrial, trade, or business processes as distinct from employee wastes or wastes from sanitary conveniences.
- (g) "NPDES (National Pollutant Discharge Elimination System) Permit" shall have the same meanings as defined in the Sewer Use Ordinance.
- (h) "Normal Domestic Sewage" (for the purpose of determining surcharges) shall mean wastewater or sewage having an average daily concentration as follows:
 - BOD₅ not more than 200 mg/l
 - Total Suspended Solids not more than 240 mg/l
 - Ammonia not more than 20 mg/l
 - Phosphorus not more than 10 mg/l

As defined by origin, wastewaters from segregated domestic and/or sanitary conveniences as distinct from wastes from industrial processes.
- (i) "Operation and Maintenance Costs" include all costs, direct and indirect, necessary to provide adequate wastewater collection, transport, and treatment on a continuing basis, and produce discharges to receiving waters that conform with all related Federal, State, and Local requirements. (These costs include replacement.)
- (j) "Other Service Charges" shall mean tap charges, connection charges, area charges, and other identifiable charges other than user charges, debt service charges, and excessive strength surcharges.
- (k) "Person" shall mean any and all persons, natural or artificial, including any individual, firm, company, municipal, or private corporation, association, society, institution, enterprise, governmental agency, or other entity.
- (l) "Replacement Costs" shall mean the expenditures for obtaining and installing equipment, accessories, or appurtenances which are necessary during the useful life of the Sewage Works equipment to maintain the capacity and performance for which such works were designed and constructed.

- (m) "T.S.S." (or total suspended solids) shall have the same meaning as defined in the Sewer Use Ordinance.
- (n) "Shall" is mandatory; "May" is permissive.
- (o) "Sewage" shall have the same meaning as defined in the Sewer Use Ordinance.
- (p) "Sewer Use Ordinance" shall mean Ordinance No. 1516 enacted by the Common Council of the City of Nappanee, as amended and/or replaced from time to time, and which regulates the connection to and use of public and private sewers.
- (q) "User Charge" shall mean a charge levied on users of the wastewater treatment works for the cost of operation and maintenance of such works pursuant to Section 204(b) of Public Law 92-500.
- (r) "User Class" shall mean the division of wastewater treatment customers by source, function, waste characteristics, and process or discharge similarities (i.e., residential, commercial, industrial, institutional, and governmental).

Residential User – shall mean a user of the treatment works whose premises or building is used primarily as a residence for one or more persons, including all dwelling units, etc.

Commercial User – shall mean any establishment involved in a commercial enterprise, business, or service which, based on a determination by the City, discharges primarily segregated domestic wastes or wastes from sanitary conveniences.

Institutional User – shall mean any establishment involved in a social, charitable, religious, and/or educational function which, based on a determination by the City, discharges primarily segregated domestic wastes or wastes from sanitary conveniences.

Governmental User – shall mean any Federal, State, or local governmental user of the wastewater treatment works.

Industrial User – shall mean any manufacturing or processing facility that discharges industrial waste to a publicly owned treatment works.

- (s) "Utility Manager" shall have the same meaning as defined in the Sewer Use Ordinance.

SECTION 2. Every person whose premises are served by said Sewage Works shall be charged for the service provided. These charges are established for each user class, as defined, in order that the Sewage Works shall recover from each user and user class revenue which is proportional to its use of the treatment works in terms of volume and load. User charges are levied

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to defray the cost of operation and maintenance (including replacement) of the treatment works.
User charges shall be uniform in magnitude with a user class.

- (a) User charges are subject to the rules and regulations adopted by the U. S. Environmental Protection Agency, published in the Federal Register February 17, 1984 (40 CFR 35. 2140). Replacement costs, which are recovered through the system of user charges, shall be based upon the expected useful life of the Sewage Works equipment.
- (b) The various classes of users of the treatment works for the purpose of this Ordinance shall be as follows:

Class I - Residential
 Commercial
 Governmental
 Institutional
 Industrial

SECTION 3. For the use of the service rendered by the Sewage Works, rates and charges shall be collected from the owners 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 of Nappanee. For purposes of this Ordinance, such rates and charges shall also be collected from parties who are duly authorized by the City's Board of Public Works and Safety to discharge sanitary sewage, industrial wastes, water, or other liquids, either directly or indirectly, into the sanitary sewage system of the City of Nappanee, even though such materials may not be directly associated with a particular lot, parcel of real estate, or building, all as defined and referenced as subsection (e) of this Section. 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. For the purpose of billing and collecting the charges for sewage service, the water meters shall be read monthly and the users shall be billed each month (or period equaling a month). The water usage schedule on which rates and charges are determined shall be as follows:

All Class I Users

- (1) Treatment rate per 100 cubic feet of usage per month:

User	Debt	
<u>Charge</u>	<u>Service</u>	<u>Total</u>
\$4.62	\$2.42	\$7.04

Plus

500

(2) Base rate per month:

	<u>User Charge</u>	<u>Debt Service</u>	<u>Total</u>
5/8" - 3/4" water meter	\$ 17.80	\$ 6.32	\$ 24.12
1" water meter	35.52	16.09	51.61
1-1/2" water meter	74.76	37.16	111.92
2" water meter	124.60	63.88	188.48
3" water meter	278.97	147.03	426.00
4" water meter	492.83	262.00	754.83
6" water meter	1,098.33	588.00	1,686.33
8" water meter	2,881.40	1,025.20	3,906.60

(b) For users of the Sewage Works that are unmetered water users or accurate meter readings are not available, the monthly charge shall be determined by equivalent single family dwelling units; except as herein provided. Sewage service bills shall be rendered once each month (or period equaling a month). The schedule on which said rates and charges shall be determined is as follows:

	<u>Monthly Rate</u>		
	<u>User Charge</u>	<u>Debt Service</u>	<u>Total</u>
Residential:			
Single family residence/unit	\$45.20	\$20.99	\$66.19

(c) For the service rendered to the City of Nappanee, said City shall be subject to the same rates and charges hereinabove provided, or to charges and rates established in harmony therewith.

(d) In order to recover the cost of monitoring industrial wastes or wastes described in sub-section (e) of this Section, the City shall charge the user not less than \$40.00 per sampling event plus the actual cost for collecting and analyzing the sample(s) as determined by the City or by an independent laboratory. This charge will be reviewed on the same basis as all other rates and charges in this Ordinance.

(e) Any septic hauler licensed by the Indiana Department of Environmental Management wishing to discharge sanitary sewage, industrial wastes, water, or other liquids, either directly or indirectly, into the sanitary sewage system of the City of Nappanee must first make application to the City of Nappanee's Board of Public Works and Safety. Such application shall be made in such form and contain such information as shall be determined by the City's Board of Public Works and Safety. In the event such a licensed septic hauler shall receive the permission of the City of Nappanee's Board of Public Works and Safety to discharge such materials into the City's sanitary sewage system, such materials may be discharged into the sanitary sewage system only in the presence of the Utilities Manager or his or her designated representative and with such discharge to be at a specific location previously approved by the Utilities Manager or his or her designated representative and, during the regular

business hours of the City's Wastewater Treatment Plant personnel. Any discharge made pursuant to this sub-section (e) shall incur the following charges to be paid by the licensed septic hauler and be subject to any miscellaneous charges pursuant to Section 5 of this Ordinance.

Dumping/Treatment Fee - \$6.77 per 100 gallons of waste.

(f) Connection – Except as otherwise provided herein, a connection charge shall be collected from each customer prior to connecting to the Sewer System. These charges shall be based on the meter size as set forth on Exhibit A attached hereto. Connection charges for non-metered users shall be determined by the formula below, but in no event shall the charge be less than the charge for a 5/8" - 3/4" meter size.

(1) Est. maximum daily flow for proposed connection x Applicable charge for a
Est. Maximum daily flow for an Equivalent 5/8" - 3/4" meter
Single Family Dwelling Unit

(2) Inspection /Meter Charge. An inspection fee of One Hundred Dollars (\$100.00), shall be charged for the inspection of all connections to the municipal Sewage Works, including replacement of existing connections.

SECTION 4. The quantity of water discharged into the sanitary sewage system and obtained from sources other than the utility that serves the City shall be determined by the City in such manner as the City shall reasonably elect, and the sewage service shall be billed at the above appropriate rates; except as hereinafter provided in this section, the City may make proper allowances in determining the sewage bill for quantities of water shown on the records to be consumed, but which are also shown to the satisfaction of the City that such quantities do not enter the sanitary sewerage system.

(a) In the event a lot, parcel of real estate, or building discharging sanitary sewage, industrial wastes, water, or other liquids into the City's sanitary sewage system, either directly or indirectly, is not a user of water supplied by the water utility serving the City, and the water used thereon or therein is not measured by a water meter, or is measured by a water meter not acceptable to the City, then the amount of water used shall be otherwise measured or determined by the City. In order to ascertain the rate or charge provided in this Ordinance, the owner or other interested party shall, at his expense, install and maintain meters, weirs, volumetric measuring devices, or any adequate and approved method of measurement acceptable to the City for the determination of sewage discharge.

(b) In the event two or more residential lots, parcels of real estate, or buildings discharging sanitary sewage, water, or other liquids into the City's sanitary sewage system, either directly or indirectly, are users of water and the quantity of water is measured by a single water meter, then in each such case, for billing purposes, the

quantity of water used shall be averaged for each user and the base charge and the flow rates and charges shall apply to each of the number of residential lots, parcels of real estate, or buildings served through the single water meter.

- (c) In the event two or more dwelling units such as mobile homes, apartments, or housekeeping rooms discharging sanitary sewage, water, or other liquids into the City's sanitary sewage system, either directly or indirectly, are users of water and the quantity of water is measured by a single water meter, then in such case, billing shall be for a single service in the manner set out elsewhere herein, except that an additional units charge shall be added thereto, in the amount of \$2.93 per month per dwelling unit over one (1) served through the single water meter. In the case of mobile home courts, the number of dwelling units shall be computed and interpreted as the total number of mobile home spaces available for rent, plus any other dwelling units served through the meter. A dwelling unit shall be interpreted as a room or rooms or any other space or spaces in which cooking facilities are provided.
- (d) In the event a lot, parcel of real estate, or building discharges sanitary sewage, industrial wastes, water, or other liquids into the City's sanitary sewage system, either directly or indirectly, uses water in excess of 3,333 cubic feet per month, and it can be shown to the satisfaction of the City that a portion of water as measured by the water meter or meters does not and cannot enter the sanitary sewage system, then the owner or other interested party shall, at his expense, install and maintain meters, weirs, volumetric measuring devices, or any adequate and approved method of measurement acceptable to the City for the determination of sewage discharge.
- (e) In order that single family domestic and residential users of sewage services shall not be penalized for sprinkling lawns during the months of May, June, July, August, and September, the billing for sewage services for said user shall be based upon average water usage for the immediately preceding months of January, February, and March. However, in order to receive sprinkling rates, a single family domestic and residential user must be a user of the utility regardless as to whether they live in the same location during the time frame for calculation of rates and the actual months of May, June, July, August, and September, when the rates are effective. In the event the water usage for said previous period shall be less than the water usage for the summer months, then the billing shall be based upon the usage of the thirty-day period six months prior to the summer period being billed. In the event the water usage for the thirty-day period six months prior to the summer billing is greater than the water usage for said summer period, then the billing for sewage services shall be computed on the actual water used in the period for which the sewage service is being rendered. Domestic and residential sewage services as applicable to the sprinkling rate shall apply to each lot, parcel of real estate, or building which is occupied and used as a residence. Said sprinkling rate shall not apply to any premises which are partially or wholly used for multi-family, commercial, or industrial purposes. In the event a portion of such premises shall be used for commercial or industrial purposes, the owner shall have the privilege of separating the water service so that the residential portion of the premises is served through a separate water meter, and in such case, the water usage as registered by the water

meter serving such portion of the premises used for residential purposes would qualify under the sprinkling rate.

SECTION 5. In order that the rates and charges may be justly and equitably adjusted to the service rendered to users, the City shall base its charges not only on the volume, but also on strength and character of the stronger-than-normal domestic sewage and wastes which it is required to treat and dispose of. The City shall require the user to determine the strength and content of all sewage and wastes discharged, either directly or indirectly, into the sanitary sewage system in such manner, by such method, and at such times as the City may deem practicable in light of the conditions and attending circumstances of the case, in order to determine the proper charge. The user shall furnish a central sampling point available to the City at all times.

- (a) Normal sewage domestic waste strength should not exceed a biochemical oxygen demand of 200 milligrams per liter of fluid or total suspended solids in excess of 240 milligrams per liter of fluid. Additional charges for treating stronger-than-normal domestic waste shall be made on the following basis.
 - (1) Rate Surcharge Based Upon Total Suspended Solids – There shall be an additional charge of \$0.17 per pound of suspended solids for total suspended solids received in excess of 240 milligrams per liter of fluid.
 - (2) Rate Surcharge Based Upon BOD₅ – There shall be an additional charge of \$0.20 per pound of biochemical oxygen demand for BOD₅ received in excess of 200 milligrams per liter of fluid.
 - (3) Rate Surcharge Based Upon Ammonia – There shall be an additional charge of \$0.62 per pound of ammonia for ammonia received in excess of 20 milligrams per liter of fluid.
 - (4) Rate Surcharge Based Upon Phosphorus – There shall be an additional charge of \$0.32 per pound of phosphorus for phosphorus received in excess of 10 milligrams per liter of fluid.

- (b) The determination of Total Suspended Solids, five-day Biochemical Oxygen Demand (BOD₅), Ammonia, and Phosphorus contained in the waste shall be in accordance with the latest copy of "Standard Methods for the Elimination of Water, Sewage, and Industrial Wastes", as written by the American Public Health Association, the American Waterworks Association, and the Water Pollution Control Federation, and in conformance with "Guidelines Establishing Test Procedures for Analysis of Pollutants" Regulation CFR Part 136, published in the Federal Register on October 16, 1973.

SECTION 6. Such rates and charges shall be prepared, billed, and collected by the City in the manner provided by law and ordinance.

- (a) The rates and charges for all users shall be prepared and billed monthly. Annually, each user shall be notified of the portion of the total billing charged for operation, maintenance, and replacement for that user during the preceding year.
- (b) The rates and charges may be billed to the tenant or tenants occupying the properties served, unless otherwise requested in writing by the owner, but the billing shall in no way relieve the owner from the liability in the event payment is not made as herein required. The owners of properties served which are occupied by a tenant or tenants shall have the right to examine the collection records of the City for the purpose of determining whether bills have been paid by such tenant or tenants, provided that such examination shall be made at the office at which such records are kept and during the hours that such office is open for business.
- (c) As is provided by statute, all rates and charges not paid by the first day of the month following receipt are hereby declared to be delinquent and a penalty of ten percent (10%) of the amount of the rates or charges shall thereupon attach thereto.

SECTION 7. In order that the rates and charges for sewage services may remain fair and equitable and be in proportion to the cost of providing services to the various users or user classes, the City shall cause a study to be made within a reasonable period of time following the first two years of operation, following the date on which this Ordinance goes into effect. Such study shall include, but not be limited to, an analysis of the costs associated with the treatment of excessive strength effluents from industrial users, volume and delivery flow rate characteristics attributed to the various users or user classes, the financial position of the Sewage Works, and the adequacy of its revenue to provide reasonable funds for the operation and maintenance, replacements, debt service requirements, and capital improvements to the wastewater treatment systems.

Thereafter, on a biennial basis, within a reasonable period of time following the normal accounting period, the City shall cause a similar study to be made for the purpose of reviewing the fairness, equity, and proportionality of the rates and charges for sewage services on a continuing basis. Said studies shall be conducted by officers or employees of the City or by a firm of certified public accountants, or a firm of consulting engineers, which firms shall have experience in such studies, or by such combination of officers, employees, certified public accountants, or engineers as the City shall determine to be best under the circumstances.

SECTION 8. The City shall make and enforce such by-laws and regulations as may be deemed necessary for the safe, economical, and efficient management of the City's sewage system, pumping stations, and sewage treatment works, for the construction and use of house sewers and connections to the sewage treatment works, the sewage collection system, and for the regulation, collection, rebating, and refunding of such rates and charges.

SECTION 9. Any differences that may arise between users and officials of the Sewage Works that cannot be resolved at that level may be appealed to the Board of Works of the City. The invalidity of any sentence or provision of this Ordinance shall not affect the validity of any other part of this Ordinance which shall be given effect without such invalid part or parts.

SECTION 10. The Board is hereby further authorized to enter into special rate contracts with customers of the Sewage Works where clearly definable reduction in cost to the Sewage Works can be determined, and such reduction shall be limited to such reduced costs.

SECTION 11. The rates and charges as herein set forth shall become effective on the first full billing period occurring after the adoption of this Ordinance.

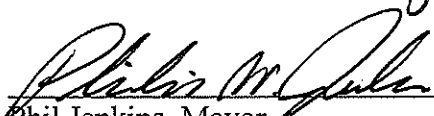
SECTION 12. This Ordinance replaces Ordinance No. 1431 in its entirety, which, after the effective date of this Ordinance, shall be of no further force and effect.

This Ordinance shall be in full force and effect from and after its passage and signing by the Mayor of the City of Nappanee, Indiana.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF NAPPANEE ON THE 8th DAY OF August, 2016.


Kathy Brown, Clerk-Treasurer

PRESENTED TO ME AND APPROVED BY ME THIS 8th DAY OF August, 2016.


Phil Jenkins, Mayor

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NAPPANEE (INDIANA) MUNICIPAL SEWAGE WORKS

EXHIBIT A

Meter Ratio	Meter Size										
	<u>5/8" - 3/4"</u>	<u>1"</u>	<u>1 1/4"</u>	<u>1 1/2"</u>	<u>2"</u>	<u>3"</u>	<u>4"</u>	<u>6"</u>	<u>8"</u>	<u>10"</u>	<u>12"</u>
	1	2.5	4	5.8	10	23	40	91	162.1	253.2	364.6
Year	Connection Fee										
2016	\$2,440	\$6,100	\$9,760	\$14,152	\$24,400	\$56,120	\$97,600	\$222,040	\$395,524	\$617,808	\$889,624
2017	2,440	6,100	9,760	14,152	24,400	56,120	97,600	222,040	395,524	617,808	889,624
2018	2,564	6,410	10,256	14,871	25,640	58,972	102,560	233,324	415,624	649,205	934,834
2019	2,688	6,720	10,752	15,590	26,880	61,824	107,520	244,608	435,725	680,602	980,045
2020	2,812	7,030	11,248	16,310	28,120	64,676	112,480	255,892	455,825	711,998	1,025,255
2021	2,936	7,340	11,744	17,029	29,360	67,528	117,440	267,176	475,926	743,395	1,070,466
2022	3,060	7,650	12,240	17,748	30,600	70,380	122,400	278,460	496,026	774,792	1,115,676
2023	3,184	7,960	12,736	18,467	31,840	72,232	127,360	289,744	516,126	806,189	1,160,886
2024	3,308	8,270	13,232	19,186	33,080	76,084	132,320	301,028	536,227	837,586	1,206,097
2025	3,432	8,580	13,728	19,906	34,320	78,936	137,280	312,312	556,327	868,982	1,251,307
2026	3,556	8,890	14,224	20,625	35,560	81,788	142,240	323,596	576,428	900,379	1,296,518