

ORDINANCE NO. 2011- 2

SEWER RATE ORDINANCE

An Ordinance establishing a schedule of rates and charges to be collected by the St. Joseph County Regional Water & Sewer District from the owners of property served by the sewage works of said District and other matters connected therewith.

WHEREAS, the District hereby is establishing a sewer sub-district to be known as the “Granger Sub-District No. 1”, which sub-district’s boundaries are more particularly set forth in the Granger Sub-District No. 1 Map attached to this Ordinance; and

WHEREAS, the District has heretofore, approved plans, specifications and estimates and determined to establish, construct, equip, operate, and maintain the sewage works provided therein pursuant to Indiana Code 13-26, as amended; and

WHEREAS, it is necessary to establish a 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; all in accordance with Indiana Code 13-26-11 and to pay the principal and interest on proposed revenue bonds in accordance with the applicable bond ordinances; now, therefore,

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE ST. JOSEPH COUNTY REGIONAL WATER & SEWER DISTRICT, 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 St. Joseph County Regional Water & Sewer District Board, acting pursuant to IC 13-26-5 or any duly authorized officials acting on its behalf.
- (b) "District" shall mean the St. Joseph County Regional Water & Sewer District acting by and through its Board of Trustees.
- (c) "Debt Service Costs" shall mean the average annual principal and interest payments on all proposed revenue bonds or other long-term capital debt.
- (d) "Industrial Wastes" shall mean the wastewater discharges from industrial, trade or business processes as distinct from employee wastes or wastes from sanitary conveniences.
- (e) "NPDES Permit" or "National Pollutant Discharge Elimination System Permit" shall have the same meaning as used in the Sewer Use Ordinance.
- (f) "Operation and Maintenance Cost" 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.

- (g) "Other Service Charges" shall mean tap charges, connections charges, area charges, and other identifiable charges other than excessive strength surcharges.
- (h) "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.
- (i) "Replacement Costs" shall mean the expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the useful life of the treatment works to maintain the capacity and performance for which such works were designed and constructed.
- (j) "REU" or "Residential Equivalent Unit" shall mean that portion of a user's facility that has an impact on the wastewater system equivalent to a single family residence.
- (k) "Shall" is mandatory; "May" is permissive.
- (l) "Sewage" shall have the same meaning as defined in the Sewer Use Ordinance.
- (m) "Sewer Use Ordinance" shall mean a separate and companion enactment to this Ordinance, which regulates the connection to the use of public and private sewers.
- (n) "User Charge" shall mean a charge levied on users of the Wastewater Facilities for the cost of operation and maintenance of such works pursuant to Section 204(b) of Public Law 92-500.
- (o) "User Class" shall mean the division of wastewater treatment customers by source, function, waste characteristics, and process or discharge similarities as more specifically set forth in Schedule 1 to this 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 peak requirements, volume, and load. User charges are levied to defray the cost of operation and maintenance of the treatment works. User charges shall be uniform in magnitude within a user class.

The various classes of users of the treatment works for the purpose of this Ordinance shall be as follows:

“Class I” shall mean those users who initially connect to the District’s sewage system within the Granger Sub-District No. 1, which users shall pay the connection fees and other costs identified under Class I in Schedule 2 to this Ordinance.

“Class II” shall mean those users who elect to delay connection to the District’s sewage system within the Granger Sub-District No. 1 in accordance with the provisions of Section 7 (b) of this Ordinance, which users shall pay the connection fees and other costs identified under Class II in Schedule 2 to this Ordinance.

Section 3. For the use of the service rendered by 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 District sanitary system or otherwise discharges sanitary sewage, industrial wastes, water or other liquids, either directly or indirectly, into the sanitary sewage system of the District. 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 determined as follows:

- (a) The sewage rates and charges shall be determined by Residential Equivalent Unit. Property owners who are assigned more than one (1) Residential Equivalent Unit may elect to install a meter to determine the actual volume of wastewater delivered to the District’s sewage system pursuant to the provisions of Section 7 (e) below. 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 set forth in Schedule 1 attached hereto and incorporated herein by reference, and as may be amended from time to time.
- (b) The monthly rates and charges provided herein shall be applied throughout the year based upon the maximum sewage service required in any month in any calendar year.

Section 4. Rates and charges shall be prepared, billed and collected by the District in the manner provided by law and ordinance.

- (a) The rates and charges for all users shall be prepared and billed monthly
- (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 such billing shall in no way relieve the owner from the liability in the event payment is not made as herein required.
- (c) The owners or properties served, which are occupied by a tenant or tenants shall have the right to examine the collection records of the District 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.

- (d) As is provided by statute, all bills not paid within 17 days after the bill is mailed shall become delinquent and the late payment charge may be added to each delinquent bill in the amount of 10% of the first \$3.00 and 3% of the remainder of any past due balance.

Section 5. Non-Recurring Charges. The non-recurring rates and charges for the use and service rendered by the District's sewage works shall be as follows:

Bad Check Charge: The greater of \$25.00 or such amount is actually incurred by the District from the user's financial institution.

Section 6. 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 of user classes, the District may 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 cost 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 District may 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 District or by a firm or 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 District shall determine to be best under the circumstances. The District shall, upon completion of said study revise and adjust the rates and charges, as necessary, in accordance therewith in order to maintain the proportionality and sufficiency of the rates.

Section 7. (a) Except as set forth in Section 7 (b) and (c) below, every buildable lot or parcel of real estate located within the Sub-District shall be required to connect to the District's sewage system so long as there is an available sanitary sewer within three hundred (300) feet of the property line and after receipt of the District's certified mailed notice providing ninety (90) days notice to connect and if such lot or parcel or real estate is presently serviced by a septic tank soil absorption system and other structures, the owner shall discontinue and abandon such use in accordance with regulations or rules promulgated by the St. Joseph County Health Department ("Health Department").

(b) An owner of a lot or parcel of real estate within the Sub-District which produces sewage or similar waste is not required to discontinue the use of septic tank soil absorption system and other structures and shall not be required to connect to the District's sewage system until either:

- (i) The existing septic tank soil absorption system is not fully functioning and

substantially suitable for its current use, as such determination is made by the Health Department; or

(ii) The property owner fails to submit within sixty (60) days from the fifth anniversary date after the date of this Ordinance, and within sixty (60) days after each successive five (5) year period thereafter, a certification in accordance with the requirements of the Health Department that the existing septic tank soil absorption system is fully functioning and substantially suitable for its current use.

(c) Notwithstanding Section 7 (b) above, a property owner who fails to submit to the District a letter from the Health Department within thirty (30) days after the date of this Ordinance that the property's existing septic tank soil absorption system is fully functioning and substantially suitable for its current use shall be compelled to connect to the District's sewer system in accordance with Section 7 (a) above.

(d) An owner of a lot or parcel of real estate not zoned "R" Residential, including without limitation, vacant land, located within the Sub-District that is exempt from connecting to the District's sewage system in accordance with Subsection 7 (b) above, shall pay an "availability fee" for the benefit of having future access to the District's sewage system. Such "availability fee" shall be in the amount set forth in Schedule 1 and shall continue to be paid until such time as the lot or parcel of real estate is required to be connected to the District's sewage system in accordance with this Ordinance. An amount no greater than five (5) times the "availability fee" set forth in Schedule 1 of the Ordinance shall be assessed against any one parcel of real estate. The "availability fee" paid by an owner of a lot or parcel of real estate shall be credited against any future connection fee and other expenses charged by the District, including without limitation, the cost of required grinder pumps and capacity fee to be paid by the District to its treatment provider, for connecting to the District's sewage system at the time the lot or parcel of real estate is actually connected. The credit shall be applied to the applicable lot or parcel of real estate upon which payment of the "availability fee" was made and shall run with the land. Notwithstanding anything to the contrary herein, an "availability fee" shall only be imposed on a lot or parcel of real estate that has a main sewer line on or reasonably adjacent to such lot or parcel of real estate, including, without limitation, those lots or parcels of real estate that have access pursuant to a dedicated easement. An owner of more than one contiguous lot, each of which is zoned "R" Residential, and is occupied and used as a single residential property shall pay only one (1) "availability fee".

(e) An owner that connects to the District's sewage system and whose monthly rate is established as greater than one (1) Residential Equivalent Unit, and who is not otherwise required to meter as set forth in Schedule 1 to the Ordinance, may, but shall not be required to, install at the owner's cost and expense a meter to measure the actual sewage usage by such owner's property, which actual usage amount shall be used by the District in calculating a portion of said owner's monthly rate as it applies to only the conveyance and treatment costs attributable to such owner's property, as more specifically identified in Schedule 1 to the Ordinance. Such meter shall meet the specifications provided by the District and such owner shall be responsible for any additional cost incurred by the District in reading the meter.

(f) Any connection fee required to be paid in accordance with this Ordinance, as set forth in Schedule 2 hereof, is due and payable no later than ninety (90) days after the District's sewage

system is available for connection and use, or in the case of a property subject to delaying connection pursuant to Section 7 (b) hereof, no later than ninety (90) days after the existing septic tank soil absorption system on that property is no longer fully functioning and substantially suitable for its current use as determined in accordance with Section 7 (b) hereof. Failure to connect and pay all connection fees and any other expenses required by this Ordinance may result in additional civil penalties as provided for in the Sewer Use Ordinance or as may otherwise be adopted by Ordinance. An owner of a lot or parcel of real estate that also owns another lot used by the owner as an accessory use in connection with the owner's business shall pay only the connection fee associated with the primary business; *provided, however*, that such accessory lot continues to be used by such business and such accessory lot is located within 200' of the lot or parcel of real estate paying the connection fee. Examples of accessory uses include parking, storage, etc. Notwithstanding anything to the contrary herein, the Board of Trustees may, but is not required to, adopt resolutions, policies and procedures to provide for installment payment plans and pre-payment of connection fees.

Section 8. Until such time as the sewage system is available for connection and use, the District may by resolution adopt an "Interim Rate", the purpose of which shall be limited to pay any outstanding debt or interest thereon incurred by the District in connection with the construction of the Granger Sub-District No. 1 sewage system; *provided, however*, that a property owner who is either compelled or agrees to voluntarily connect to the sewage system once it becomes available for use and who pays in full to the District the connection fee associated with that property as set forth in Class I, Schedule 2 to this Ordinance, shall be relieved of paying such Interim Rate.

Section 9. The District shall make and enforce such by-laws and regulations as may be deemed necessary for the safe, economical and efficient management of the District'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 regulations, collection and rebating and refunding of such rates and charges.

The District is hereby authorized to prohibit dumping of wastes into the District's sewage system which, in its discretion, are deemed harmful to the operation of the sewage treatment works, or to require method affecting pretreatment of said wastes to comply with the pretreatment standards included in any National Pollutant Discharge Elimination System (NPDES) permit issued to the District, or as contained in the EPA General Pretreatment Regulations, 40 CFR Part 403, and any amendments thereto, or as required by the District treatment provider, or as may be required by the District's Pretreatment Program Plan, if any.

Section 10. The invalidity of any section, clause, 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 11. The rates and charges as herein set forth shall become effective once notice to proceed with construction of the works is given by the Board to the construction contractor.

Section 12. This Ordinance shall be in full force and effect from and after its passage, approval, recording a publication as provided by law.

Section 13. In an effort to assure fuller understanding of and compliance with the goals and objectives of this Ordinance, any interested party may request, in writing from the District, an interpretation or ruling on any matter covered by this Ordinance.

Section 14. All other Ordinances and parts of other Ordinances inconsistent or conflicting with any part of the Sewer Use Ordinance are hereby repealed to the extent of such inconsistency or conflict.

Section 15. This Ordinance shall be governed by and construed in accordance with the provisions of Indiana Code 13-26 concerning the Regional and Water Sewage Districts.

Section 16. All capitalized terms not otherwise defined in this Ordinance shall have the meaning ascribed to them as set forth in the Sewer Use Ordinance, as amended from time to time.

ORDAINED AND ADOPTED this 6th day of October, 2011.

ST. JOSEPH COUNTY REGIONAL
WATER & SEWER DISTRICT

By /s/ Jessica J. Clark

By /s/ Marc E. Nelson

By /s/ Michael J. Williams

By /s/ Donald M. Smessaert

By /s/ Barry E. Skalski

By /s/ Matthew T. Buczolich

ATTEST:

/s/ Stephen A. Studer

SCHEDULE I

(A) Flat Rate Per Month

Customer Category	Variable	Gallons Per Variable	REU Per Variable	User Charge	Debt Service Availability	Debt Service Other	Subtotal	Conveyance & Treatment Charge	Total
Residential									
Single Family	Dwelling Unit	310	1.000	\$ 23.54	\$ 17.38	\$ 16.11	\$ 57.03	\$ 28.78	\$ 85.81
Multi Family	Dwelling Unit	210	0.677	15.94	11.77	10.91	38.62	19.48	58.10
Non-Residential									
Office Building	Employees	20	0.065	1.53	1.13	1.05	3.71	1.87	5.58
Small Shopping Center (< 14,000 sq ft)	Employees	20	0.065	1.53	1.13	1.05	3.71	1.87	5.58
Large Shopping Center (>14,000 sq ft)	1000 Sq. Feet (or fraction thereof)	75	0.242	5.70	4.20	3.90	13.8	6.96	20.76
Campground*	Employees	20	0.065	1.53	1.13	1.05	3.71	1.87	5.58
	Site w/o Sewer hook up	10	0.032	0.75	0.56	0.52	1.83	0.92	2.75
	Site with Sewer hook up	15	0.048	1.13	0.83	0.77	2.73	1.38	4.11
Doctor's Office	Doctors	75	0.242	5.70	4.21	3.90	13.81	6.96	20.77
	Support Staff	75	0.242	5.70	4.21	3.90	13.81	6.96	20.77
Dentist's Office	Chairs	200	0.645	15.18	11.21	10.39	36.78	18.56	55.34
	Employees	75	0.242	5.70	4.21	3.90	13.81	6.96	20.77
Kennel/Vet Clinic	Animal housing units	20	0.065	1.53	1.13	1.05	3.71	1.87	5.58
Outpatient Surgery Center	Patients/day	50	0.161	3.79	2.80	2.59	9.18	4.63	13.81
Restaurant/Food service (carry out only)	Establishment	310	1.000	23.54	17.38	16.11	57.03	28.78	85.81
Restaurant/Food Service (Dine in, Not 24-Hour)	Seats	25	0.081	1.91	1.41	1.30	4.62	2.33	6.95
Restaurant/Food Service (Under 8 hours/day)*	Seats	17	0.055	1.29	0.96	0.89	3.14	1.58	4.72
Beauty Salon (full service)	Avg Daily Customers	35	0.113	2.66	1.96	1.82	6.44	3.25	9.69
Beauty Salon (Cut and wash only)	Beauty Salon Customers	10	0.032	0.75	0.56	0.52	1.83	0.92	2.75
Beauty Salon (Cut only)	Avg Daily Customers	5	0.016	0.38	0.28	0.26	0.92	0.46	1.38
Fitness Center (no showers)	Total Members	2.5	0.008	0.19	0.14	0.13	0.46	0.23	0.69
Fitness Center (with showers)	Total Members	5	0.016	0.38	0.28	0.26	0.92	0.46	1.38
Service Station (no car wash)	Bathrooms	400	1.290	30.37	22.42	20.78	73.57	37.13	110.70
Service Station (with car wash)	Car wash Bay	930	3.000	70.62	52.14	48.33	171.09	86.34	257.43
Institutional									
Fire Station	# of Bays (with drains)	310	1.000	23.54	17.38	16.11	57.03	28.78	85.81
Elementary School	Pupils	10	0.032	0.75	0.56	0.52	1.83	0.92	2.75
Adult Education Facility	Pupils	10	0.032	0.75	0.56	0.52	1.83	0.92	2.75
Worship Center (full kitchen)	seats	5	0.016	0.38	0.28	0.26	0.92	0.46	1.38
Worship Center (warming kitchen only)	seats	4	0.013	0.31	0.23	0.21	0.75	0.37	1.12
Worship Center (no kitchen)	seats	3	0.010	0.24	0.17	0.16	0.57	0.29	0.86
Industrial									
Factory (no showers)	Employee	20	0.065	1.53	1.13	1.05	3.71	1.87	5.58
Factory (with showers)	Employee	35	0.113	2.66	1.96	1.82	6.44	3.25	9.69

* requires a metered connection

Customer billings will be based upon the above table rounded to the nearest 0.5 REU with a minimum of 1.0 REU.

(B) Flow Rate Per Month

Customers may elect to have the Conveyance & Treatment Charge component of the monthly billing to be based on a metered rate of \$3.10 per 1,000 gallons of monthly usage

Class I

<u>REUs</u>	<u>Connection Fee</u>	<u>Other Expenses</u>
1 (Residential Only)	\$1,500.00	N/A
1-7 (Small Non-Residential)	\$5,000.00 ¹	N/A
7.5+ (Large Non-Residential)	\$20,000.00	N/A

Class II

<u>REUs</u>	<u>Connection Fee</u> ²	<u>Other Expenses</u>
1 (Residential Only)	\$3,000.00	3, 4
1-7 (Small Non-Residential)	\$10,000.00 ¹	3, 4
7.5 + (Large Non-Residential)	\$30,000.00	3, 4

¹ The total connection fee for any individual platted lot or parcel of real estate shall not exceed the amount paid by a Large Non-Residential User. For the purposes of this Ordinance, a building that is situated on more than one platted lot or parcel and which is part of a single, contiguous project shall be treated as one platted lot or parcel of real estate.

² The property owner is entitled to a credit to the applicable connection fee and other expenses in accordance with Section 7(d) of the Ordinance.

³ For a low pressure sewer, every user must have a grinder pump installed to pump sewage from their building into the sewer line. The owner is required to pay this cost at the time of connection. The cost of a grinder pump will vary depending on the particular property being served. The cost of a grinder pump presently ranges from \$6,000.00 to \$16,100.00, which amounts are subject to increases over time. These costs are subject to any credit the property may be entitled to pursuant to Section 7 (d) of the Ordinance. See Footnote 2 above.

⁴ The District must purchase capacity from its treatment provider at the cost of \$1,275 per REU. The owner is required to pay this cost at the time of connection. These costs are subject to any credit the property may be entitled to pursuant to Section 7 (d) of the Ordinance. See Footnote 2 above.