Sponsored by Mayor John Dennis

ORDINANCE NO. 39-15 (Second Amended)

AN ORDINANCE OF THE CITY OF WEST LAFAYETTE, INDIANA
AMENDING THE WEST LAFAYETTE CITY CODE
RELATING TO THE RATES AND CHARGES OF THE
SEWAGE WORKS OF THE CITY

WHEREAS, the City of West Lafayette, 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, O.W. Krohn & 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 set forth in Section 30.09.3.1 of the West Lafayette City Code (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 a combined sewer overflow charge should be enacted to provide revenues necessary to assists with costs incurred by the City in undertaking projects for the sewage works to address combined sewer overflows and comply with the requirements of the Environmental Protection Agency; and

WHEREAS, the Council finds that the sunset provision with respect to stormwater service charges as set forth in the City Code should be amended in order to enable the City to properly finance and construct stormwater improvements in the City; and

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

WHEREAS, the Council finds that users of the sewage works qualifying for low income relief should be entitled to a monthly reduction in their users charges provided such reduction does not adversely affect the ability of the sewage works to meet its statutory revenue requirements; 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 West Lafayette, Indiana that:

Section 1. Section 30.09.3.1 of the City Code is hereby amended and restated in its entirety to read as follows:

"**30.09.3.1.** *Rates – General.* The water usage schedule on which the amount of rates and charges shall be determined is as follows:

Five dollars and seventy-eight cents per one thousand gallons ($5.78/1,000 gallons). This includes $3.17/1,000 gallons for operations, maintenance and replacement and $2.61/1,000 gallons for debt service. For service rendered after January 1, 2017, five dollars and ninety-five cents per one thousand gallons ($5.95/1,000 gallons). This includes $3.34/1,000 gallons for operations, maintenance and replacement and $2.61/1,000 gallons for debt service. For service rendered after January 1, 2018, six dollars and thirteen cents per one thousand gallons ($6.13/1,000 gallons). This includes $3.52/1,000 gallons for operations, maintenance and replacement and $2.61/1,000 gallons for debt service.

The water usage schedule on which the amount of rates and charges shall be determined for Purdue University is as follows:

A billing charge of $4.40 per month plus a usage charge of five dollars and fifty cents per one thousand gallons ($5.50/1,000 gallons). This includes $2.89/1,000 gallons for operations, maintenance and replacements and $2.61/1,000 gallons for debt service. For service rendered after January 1, 2017, a billing charge of $4.55 per month plus a usage charge of five dollars and sixty-seven cents per one thousand gallons ($5.67/1,000 gallons). This includes $3.06/1,000 gallons for operations, maintenance and replacements and $2.61/1,000 gallons for debt service. For service rendered after January 1, 2018, a billing charge of $4.70 per month plus a usage charge of five dollars and eighty-four cents per one thousand gallons ($5.84/1,000 gallons). This includes $3.23/1,000 gallons for operations, maintenance and replacements and $2.61/1,000 gallons for debt service.

The minimum charge for any service where the user is a metered water consumer shall be determined as provided in § 30.09.5 and shall be based on the size of the service connection, but no such charge shall be less than the charge for the minimum gallonage for such meter size.

On an annual basis commencing January 1, 2017, the Common Council will review the wastewater utility revenues, expenses and rates and take any necessary action to maintain rates as required by applicable bond ordinances as recommended by the utility's financial advisor."

Section 2. The City Code is hereby amended to add the following Section 30.09.3.3:

"**30.09.3.3. CSO Surcharge.** In addition to all other charges for the use and service rendered by the sewage works, there shall be charged to each property owner that is connected to the city's sewage works system or otherwise discharges wastewater, sanitary sewage, industrial waste, water or other liquid, either directly or indirectly into the sewage works system of the city, a monthly combined sewer overflow ("CSO") surcharge to cover costs of addressing combined sewer overflow improvements to the sewage works. The CSO surcharge shall be charged on a monthly basis per equivalent dwelling unit ("EDU"), at $4.91 per month per EDU until June 30, 2016, and at $9.82 per month per EDU commencing July 1, 2016 and thereafter, based upon the size of the water meter as follows:

Meter Size	EDUs	Monthly CSO Surcharge Effective up to 06/30/2016	Monthly CSO Surcharge Effective 07/01/2016 and thereafter
5/8 or 3/4 inch	1.0	$ 4.91	$ 9.82
1 inch	2.5	12.28	24.55
1 1/4 inch	4.0	19.64	39.28
1 1/2 inch	5.8	28.48	56.96
2 inch	10.0	49.10	98.20
3 inch	23.0	112.93	225.86
4 inch	40.0	196.40	392.80
6 inch	91.0	446.81	893.62
8 inch	161.8	794.44	1,588.88
10 inch	252.8	1,241.25	2,482.50
12 inch	364.0	1,787.24	3,574.48

With respect to multifamily residential apartments only, each individual apartment unit shall constitute .66 EDUs."

Section 3. The last sentence of Section 30.09.5 of the City Code which provides "Unmetered users shall be subject to the minimum gallonage based upon size of water connection" is hereby deleted.

Section 4. The sunset provision of the City Code pertaining to the stormwater service charge, as set forth in Section 116.901(c) of the City Code, which provides that the stormwater service charge shall cease to be collected twenty (20) years from the first collection of such charge, unless otherwise extended by action of the Common Council, is hereby amended and restated in its entirety to read as follows:

"(c) The Stormwater Service Charge shall, unless extended by Common Council action, expire and cease to be collected on December 31, 2040."

Section 5. The City Code is hereby amended to add the following Section 30.09.18:

"**30.09.18. Reduced Charges for certain Residents.** Residents of residential property in the service area may receive a fifty percent (50%) reduction in their monthly sewer charges. Requests shall be made to the Controller who shall have the authority to determine procedures to verify the eligibility of the requestor who shows that he or she:

(1) is the head of the household;
(2) is permanently and totally disabled as determined by the Social Security Administration; or

(3) has a total annual household income which is at or below 150% of the Federal Poverty Guidelines as determined by the United States Health and Human Services Guidelines.

The Controller shall have authority to suspend operation of this provision if the Controller determines, with the advice of the City's financial advisor, that continued operation of this provision would materially adversely affect the ability of the City to meet the statutory revenue requirements of the sewage works. In such case, the Controller shall cease approving any new requests for reduced charges and may cause residents who have received reduced charges to begin paying the full schedule of monthly sewer charges."

Section 6. All ordinances and parts of ordinances, and all provisions of the City Code, in conflict herewith are hereby repealed.

Section 7. 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 8. This ordinance shall be in full force and effect from and after its passage and execution by the Mayor. The rates and charges set forth herein shall become effective so as to be reflected in the first billing cycle commencing January, 2016.

INTRODUCED ON FIRST READING ON THE 9 DAY OF November, 2015.

MOTION TO ADOPT MADE BY COUNCILOR Keen, AND SECONDED BY COUNCILOR Burch.

DULY ORDAINED, PASSED, AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF WEST LAFAYETTE, INDIANA, ON THE 7 DAY OF December, 2015, HAVING BEEN PASSED BY A VOTE OF 6 IN FAVOR AND 0 OPPOSED, THE ROLL CALL VOTE BEING:

	AYE	NAY	ABSENT	ABSTAIN
Bunder	✓			
Burch		✓		
DeBoer	✓			
Dietrich	✓			
Hunt	✓			
Keen	✓			
Thomas	✓			

Presiding Officer

Attest:

Judith C. Rhodes, Clerk-Treasurer

PRESENTED BY ME TO THE MAYOR OF THE CITY OF WEST LAFAYETTE, INDIANA ON THE 9 DAY OF December, 2015, AT THE HOUR OF 1:00 P.M.

Judith C. Rhodes, Clerk-Treasurer

THIS ORDINANCE APPROVED AND SIGNED BY ME ON THE 10 DAY OF December, 2015, AT THE HOUR OF 8:30 A.M.

John R. Dennis, Mayor

Attest:

Judith C. Rhodes, Clerk-Treasurer