

TOWN OF VERNON, INDIANA
SEWER RATE ORDINANCE
ORDINANCE NO. 173

**AN ORDINANCE, AMENDING ORDINANCE NO. 109, AND
ORDINANCE NO. 137 AND ORDINANCE NO. 145
ESTABLISHING A SCHEDULE OF RATES
AND CHARGES TO BE COLLECTED BY THE TOWN OF
VERNON, INDIANA FROM THE OWNERS OF PROEPRTY
SERVED BY THE SEWAGE WORKS OF SAID TOWN
AND OTHER MATTERS CONNECTED THEREWITH**

WHEREAS, the Town of Vernon, Indiana has conducted a study of its current rates and charges and determined that these rates and charges are not sufficient to pay expenses of maintenance and operation, and to provide funds for necessary replacements and improvements, and to pay existing debt service requirements; and

WHEREAS, it is necessary to establish a schedule of rates and charges for the Town so as to produce sufficient revenue to pay expenses of maintenance and operation and to provide funds for necessary replacements and improvements, and to pay the principal and interest on outstanding revenue bonds in accordance with the applicable bond ordinances.

NOW, THEREFORE,

THE TOWN COUNCIL OF THE TOWN OF VERNON, INDIANA ORDAINS AS FOLLOWS:

ARTICLE I

- 101.** "Board" shall mean the Town Council of the town of Vernon, Indiana, acting as the Municipal Works Board.
- 102.** "Town" shall mean the Town of Vernon, Indiana.
- 103.** "Debt service costs" shall mean the average annual principal and interest payments on all outstanding revenue bonds or other long-term capital debt.
- 104.** "Operation and maintenance costs" include all costs, direct and indirect, necessary to provide adequate wastewater collection and transport on a continuing basis.
- 105.** "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.
- 106.** "Person" shall mean any natural person or public or private corporation or any other entity whatever.

107. "Replacement costs" shall mean the expenditures for obtaining and installing equipment, accessories and/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.

108. "Shall" is mandatory. "May" is permissive.

109. "User Classes" shall mean the division of sewage service customers by source, function, and cost characteristics.

A. Users Within Corporate Limits. A user who introduces only normal, domestic sewage into the system. These users are located within the corporate limits of the municipal corporation and are therefore served by existing sewer facilities.

B. Users Outside Corporate Limits. A user who introduces only normal domestic sewage into the system. These users are located outside the corporate limits of the municipal corporation and will be served by new sewer collection facilities requiring additional capital outlay by the Town.

C. Other Users. A user who either introduces other than normal domestic sewage into the system or due to other factors requires the Town to expend resources in excess of the costs expended to serve another user class which they may otherwise be included within.

ARTICLE II

AUTHORITY

201. Every person whose premises are served by said sewage utility shall be charged for the services provided. These charges are established for each user class, as defined, in order that the sewer utility shall recover, from each user and user class, revenue which is proportional to its use of the system. User charges are levied to defray the cost of operation and maintenance. Debt service charges are levied to recover the capital costs of installing the system. These charges shall be uniform in magnitude within a user class. No free service shall be provided to any user including governmental. Annexation shall not be prerequisite for service.

202. User charges are subject to the rules and regulations adopted by the United States Environmental Protection Agency, published in the Federal Register, (40 CFR 35.2140). Replacement costs, which may be recovered through the system of sewer charges, shall be based upon the expected service life of the sewage works equipment.

DEFINITIONS

ARTICLE III

SCHEDULE OF RATES AND CHARGES

301. For the use of and the service rendered by said sewage utility, 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 Town sanitary system or otherwise discharges sanitary sewage, water or other liquids either directly or indirectly, into the sanitary sewage system of the Town. Such rates and charges include User Charges, Debt Service Costs and other service charges, which

rates and charges shall be payable as hereinafter provided and shall be in an amount determinable as follows (except that interim rates shall be assessed to users outside corporate limits as prescribed in Section 302):

	Rate Per 1,000 Gallons (including 12/1/13 Tracker)	Minimum Monthly Usage	Minimum Monthly Usage
<u>Users Within Corporate Limits</u>			
First 3,333 Gallons	\$ 13.37	3,000 Gallons	\$40.11
Next 6,667 Gallons	\$ 12.47		
Next 6,667 Gallons	\$ 10.64		
Next 33,333 Gallons	\$ 8.85		
Over 50,000 Gallons	\$ 7.96		
<u>Users Outside Corporate Limits</u>			
First 3,333 Gallons	\$ 15.78	3,000 Gallons	\$47.34
Next 6,667 Gallons	\$ 14.71		
Next 6,667 Gallons	\$ 12.56		
Next 33,333 Gallons	\$ 10.46		
Over 50,000 Gallons	\$ 9.38		

Other Users

At such time as users, who meet the criteria to be included in this class, as defined herein, are identified, a study of the costs to serve these users shall be made and appropriate rates shall be determined.

SCHEDULE OF RATES AND CHARGES

Users Within Corporate Limits

The minimum charge shall be \$40.11 for the first 3,000 gallons/month.

For all usage in excess of 3,000 gallons/month, the charge shall be computed in accordance with the prescribed tariff.

Users Outside Corporate Limits

The minimum charge shall be \$47.34 for the first 3,000 gallons per month. For all usage in excess of 3,000 gallons/month, the charge shall be computed in accordance with the prescribed schedule.

Users of Non-Metered Water

Within Corporate Limits: The monthly charge shall be a flat rate of \$52.71 per month.

Outside Corporate Limits: The monthly charge shall be a flat rate of \$66.44 per month.

302. For each new connection to the sewage system there shall be assessed to the user a connection fee of \$500.00, plus a capacity fee in accordance with Ordinance 110.

303. The sewer flow charges shall be based on the quantity of water as measured by the water meter used on or in the premises subject to such sewer charges. Charges for unmetered residential users shall be based on the average volume of metered residential users. Water meters shall be read once each month, or at the option of the Council at other intervals.

ARTICLE IV

401. A user charge system of sewage collection and disposal should accomplish two primary objectives. They are:

1.) The charges should be proportional to cost of service among user groups and within user groups. All users should pay the same except where it can be established that the cost of providing service is not the same for all users or for all classes of users.

2.) The charges should be sufficient to provide revenues adequate to pay for the operation and maintenance of the system, the retirement of debt and the establishment of reasonable reserves for contingencies.

402. The methodology will be that described in the User Charge System developed pursuant to 40 CFR 35.2140.

ARTICLE V

ADMINISTRATIVE AND BILLING

501. The quantity of water discharges into the sanitary sewer system and obtained from sources other than the utility that serves the Town shall be determined by the Board in such a manner as the Board shall reasonably elect and the sewage service shall be billed at the above appropriate rates; further, as is provided by Ordinance, the Board may make proper allowances after determining the sewage billed for quantities of water shown on the records to be consumed, but which are also shown to the satisfaction of the Town that such quantities do not enter the sanitary sewage system.

(a) In the event two or more residential lots, parcels of real estate, or buildings discharging sanitary sewage water or other liquids into the Town'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.

(b) In the event two or more dwelling units such as mobile homes, apartments or housekeeping rooms discharging sanitary sewage, water or other liquids in to the Town'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 the minimum bill shall be not less than the number

of such dwelling units times the applicable minimum bill per month, based on meter size. 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 serviced 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.

502. Such rates and charges shall be prepared, billed and collected by the Town in the manner provided by laws 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. The owners of properties served, which are occupied by a tenant or tenants, shall have the right to examine the collection records of the Town 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 said 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 when due 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. The past due date shall be the 17th day of the month after the period of service. Bills will be dated and mailed each month.

(d) The Town shall, at least annually, in conjunction with a regular billing, notify the user of the rate.

503. Any user who disputes any billing by the Town may file with the Board a written request and review of consideration within ten (10) days after such billing is received by the user, setting forth in detail the facts supporting the user's request for reconsideration. The appeal shall, if reasonably possible, be heard by the Board within thirty (30) days of the date of filing. Further appeal is available through the Circuit Court of Jennings County under appeal procedures provided under the Indiana Administrative Adjudication Act.

504. On a biennial basis, within a reasonable period of time following the normal accounting period, the Town shall cause a study to be made for the purpose of reviewing the proportionality of rates and charges for sewage services on a continuing basis.

505. For service rendered to any department or agency of the Town, the Town shall be subject to the sewer charges provided herein.

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

ARTICLE VI

SEVERABILITY

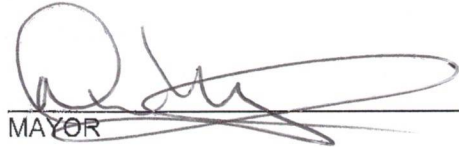
601. The invalidity of any section, clause, sentence or provision of the Ordinance shall not affect the validity of any other part of this Ordinance which can be given effect without such invalid part or parts.

ARTICLE VII

EFFECTIVE DATES

701. The rates and charges as herein set forth shall become effective on January 1, 2016.

PASSED AND ADOPTED by the Town Council of the Town of Vernon, Indiana, County of Jennings, State of Indiana, on the 3rd day of December, 2015.


MAYOR