

ORDINANCE NO. 27-2024

**AN ORDINANCE AMENDING THE MONTHLY USER RATES AND CHARGES
IN THE DAMON RUN AREA**

WHEREAS, Valparaiso City Utilities (the "VCU") and the City of Valparaiso, Indiana (the "City"), acquired on December 2, 2019, the sewage works previously owned and operated by the Damon Run Conservancy District ("Damon Run") (the "Damon Run Facilities"); and

WHEREAS, VCU and the City initially established rates and charges for sewer service when adopting Ordinance No. 25-2019 on October 28, 2019; and

WHEREAS, since closing, VCU has provided sewer utility service to the customers connected to the Damon Run Facilities located both inside and outside of Damon Run's service territory (the "Damon Run Area"); and

WHEREAS, VCU sends all sewage collected from the Damon Run Area to the City of Portage, Indiana ("Portage"), for wholesale wastewater treatment service; and

WHEREAS, Portage has increased its wholesale wastewater treatment rates to VCU; and

WHEREAS, the City is required under Ind. Code § 36-9-23-25 to establish rates and charges that produce sufficient revenue to pay the following: (1) all expenses incidental to the operation of the utility, including legal expenses, maintenance costs, operating charges, repairs, lease rentals, and interest charges on bonds or other obligations; (2) provide a sinking fund for liquidation of bonds or other obligations, including leases; (3) provide adequate money for working capital; and (5) provide adequate money for improving and replacing the sewage works; and

WHEREAS, under Ind. Code § 36-9-23-25(e), the City may exercise reasonable discretion in adopting different schedules of fees based on variations in the costs, including capital expenditures, of furnishing services to various locations; and

WHEREAS, it is necessary to amend the monthly user rates and charges for sewage utility service for the Damon Run Area; and

WHEREAS, the Common Council finds that the rates and charges as set forth herein are sufficient to meet the requirements set forth above and are based on the cost of providing sewer utility service to the Damon Run Area; and

WHEREAS, the Common Council has caused notice of the public hearing on the rates and charges set forth herein to be duly advertised and has held a public hearing thereon, all pursuant to Ind. Code § 36-9-23-26.

THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, that the Schedule of Sewer Rates and Charges be amended for the Damon Run Area:

Section 1. Definitions. The following definitions shall apply to this Ordinance:

(A) Damon Run Area. The Damon Run Area consists of all properties and premises connected to the Damon Run Facilities, whether located within or outside of the service territory granted to Damon Run. The term includes all properties and premises that are currently connected to the system or that are connected in the future. A map generally describing the Damon Run Area is attached as Exhibit A.

(B) Equivalent Dwelling Unit ("EDU"). The term equivalent dwelling unit or EDU means the equivalent of a single-family residential dwelling unit using 310 gallons of water per day. An illustration of EDUs for non-single family residential dwelling units is shown on Exhibit B attached hereto.

Section 2. Monthly Rates and Charges. The sewage rates and charges for the Damon Run Area shall be based on the quantity of water used on the property or premises subject to such rates, as measured by the water meter there in use, plus a base charge based on the EDU's assigned to the property by VCU on the basis of usage and calculated using Exhibit B or per the terms of any applicable service agreement.

	Effective 1/1/2025	Effective 1/1/2026	Effective 1/1/2027
(A) <u>Monthly Fixed Rate per EDU</u>	\$67.47	\$71.52	\$75.81
(B) <u>Metered Flow Rate (per 1,000 gallons)</u>	\$8.62	\$9.14	\$9.69

Section 3. Classification of Rates and Charges. The rates and charges set forth herein will not be imposed based on whether the customer in question is inside or outside the City Limits, but rather will be based on whether the customer will be served by the distinct and separate Damon Run Facilities. For a customer located within the Damon Run Area that is using 5,000 gallons of water per month, the monthly sewer rate will be \$110.57 in 2025, \$117.22 in 2026 and \$124.26 in 2027. A Valparaiso Inside City customer using 5,000 gallons of water per month will have a monthly user rate of \$51.52 in January 2025, \$55.58 in January 2026, and \$59.97 in January 2027.

The percentage difference between the monthly user rate for a 5,000 gallon per month customer in the Damon Run Area and a 5,000 gallon per month Valparaiso Inside City customer is 114% in 2025, 111% in 2026, and 107% in 2027.

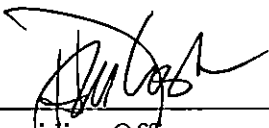
Section 4. Only Amending Monthly User Rates and Charges. This Ordinance is only intended to amend the monthly user rates and charges associated with sanitary sewer service to the Damon Run Area. Unless specifically amended by this Ordinance, all other City sewer rates, charges, and provisions related thereto shall remain in full force and effect.

Section 5. Repeal of Prior Ordinances. All ordinances and parts of ordinances inconsistent with any provision of this ordinance are hereby repealed. The provisions of the Rate Ordinances not specifically amended by this ordinance shall remain in full force and effect.

Section 6. Severability of Provisions. In the event any one or more of the provisions contained in this Ordinance should be held invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not, in any way, be affected or impaired and shall remain in full force and effect.

Section 7. Effective Date. This Ordinance shall be in full force and effect from and after its passage.

PASSED AND ADOPTED by the Common Council of the City of Valparaiso, Porter County, Indiana, on this 25th day of November, 2024.



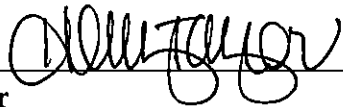
Presiding Officer
Valparaiso Common Council

Attest:



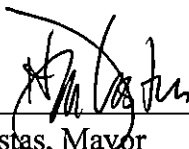
Holly Taylor, Clerk-Treasurer
City of Valparaiso

PRESENTED by me to the Mayor of the City of Valparaiso, Porter County, Indiana, on the 25th day of November, 2024, at the hour of 6:10, p.m.

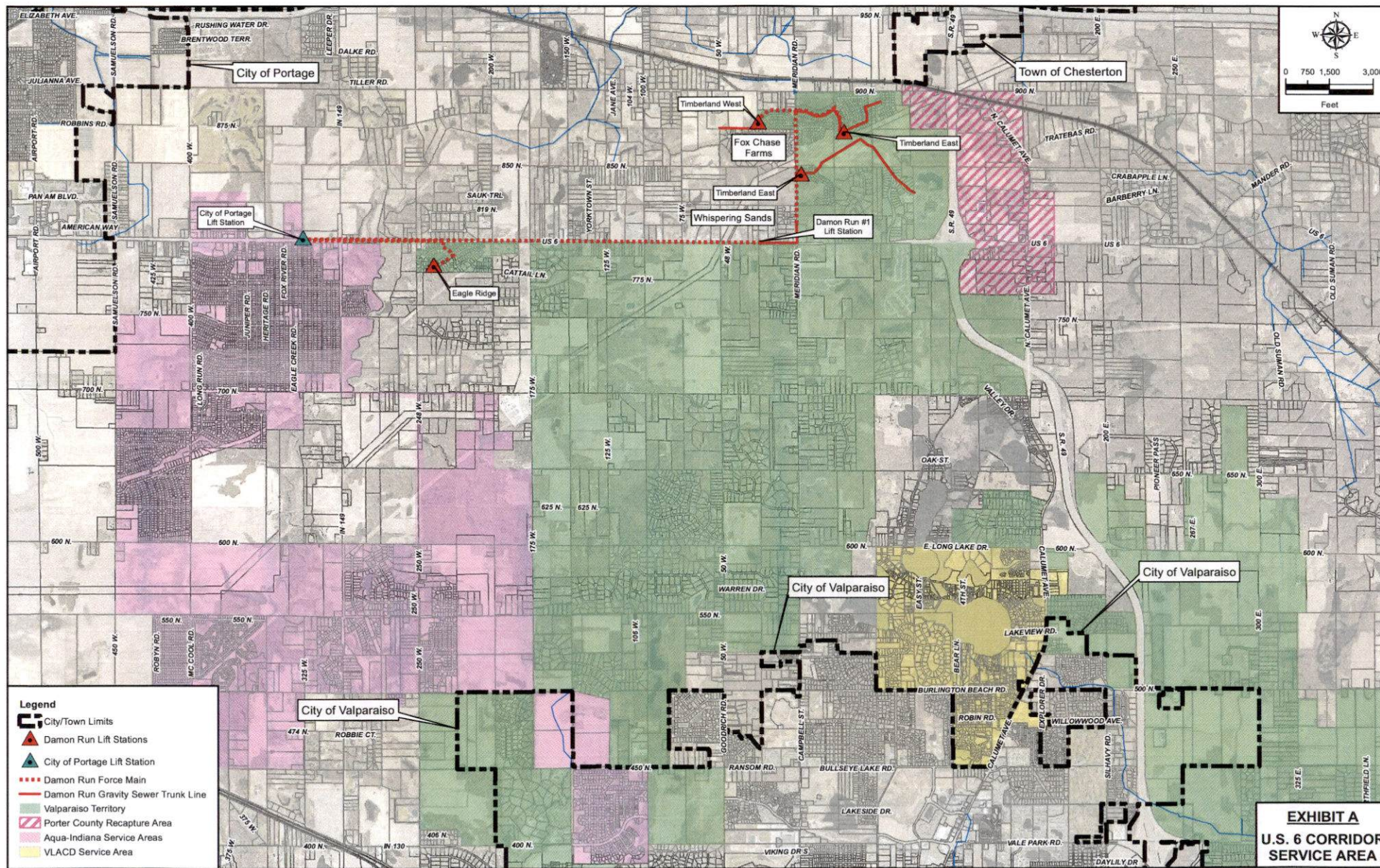


Holly Taylor
Clerk-Treasurer

SIGNED and APPROVED by me upon this 25th day of November 2024.



Jon Costas, Mayor
City of Valparaiso



8XHIBIT B

	<u>Monthly Rate</u> <u>Equivalency</u> <u>Factor</u>
Residential:	
Single family residence/unit	1.00
Apartments, condominiums & townhouses/unit	1.00
Mobile home court/space available for rent	0.75
Duplexes/unit	1.00
Commercial:	
Retail establishment:	
First 3 employees	1.00
Each additional employee	0.25
Professional offices:	
First 3 employees	1.00
Each additional employee	0.25
Restaurants, drive-ins, bars & organizations with eating and/or drinking facilities:	
Per current seating capacity	0.11
Service stations/auto repair:	
Without car wash:	
First 3 employees	1.00
Each additional employee	0.25
With car wash:	
Per car wash bay	2.50
Recreational areas:	
Parks	1.00
Institutional:	
Schools per pupil enrolled: (5-day school week)	0.08
Churches & other religious organizations without eating and/or drinking facilities For each 200 members or fraction thereof	1.00
Governmental:	
Community center	1.00
Offices:	
First 3 employees	1.00
Each additional employee	0.25
Post office:	
First 3 employees	1.00
Each additional employee	0.25
Fire department	1.00

ESFDU calculation for outside District boundary customers is defined in the customer agreement with the District.