

ORDINANCE NO. 14, 2025

**AN ORDINANCE AMENDING THE CAPACITY FEE
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");

WHEREAS, VCU and the City initially established rates and charges for sewer service, including a one-time amount for a capacity fee connection charge for each new structure connecting to the Damon Run Facilities, when adopting Ordinance No. 25-2019 on October 28, 2019;

WHEREAS, since closing in 2019, 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");

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

WHEREAS, Portage has recently increased its capacity fee connection charge for each new VCU customer that connects to the Damon Run Facilities;

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;

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;

WHEREAS, it is necessary to amend the amount of the capacity fee connection charge for each new VCU customer that connects to the Damon Run Facilities;

WHEREAS, the Common Council finds that the amended capacity fee connection charge forth herein is sufficient to meet the requirements set forth above and is based on the cost of setting

aside capacity and paying any and all costs to Portage for each new customer connecting to the Damon Run Facilities; and

WHEREAS, the Common Council has caused notice of the public hearing on the amendment to the capacity fee connection charge 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 to included an amended capacity fee connection charge:

Section 1. Capacity Fee. VCU shall impose a one-time capacity fee connection charge for each new structure connecting to the Damon Run Facilities. The amount of the capacity fee connection charge shall be \$4,909.00 per equivalent dwelling unit ("EDU"). For purposes of calculating the appropriate amount of the capacity fee, EDU's will be determined consistent with Exhibit B attached to Ordinance No. 25-2019. To the extent a customer seeks to expand its existing facilities and, in turn, will discharge more wastewater into the Damon Run Facilities, VCU and Portage may impose an additional capacity fee based upon the anticipated amount of additional usage.

Section 2. Classification of Charges. The capacity fee set forth herein will only apply to new connections to the Damon Run Facilities. For a customer located within the Damon Run Area, the capacity fee will be \$4,909.00 per EDU. In comparison, a new VCU customer connecting to VCU's facilities (other than the Damon Run Facilities) will have capacity fee connection charge of \$2,760.00 per EDU, a difference of \$2,149.00 or 78%.

Section 3. Only Amending Capacity Fee Connection Charge. This Ordinance is only intended to amend the one-time capacity fee for new customer customers connecting to the Damon Run Facilities. Unless specifically amended by this Ordinance, all other sewer rates, charges, and provisions related thereto shall remain in full force and effect.

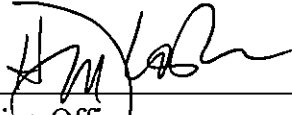
Section 4. Repeal of Prior Ordinances. All ordinances and parts of ordinances inconsistent with any provision of this ordinance are hereby repealed. The provisions of the rate ordinances not specifically amended by this ordinance shall remain in full force and effect.

Section 5. 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 6. Effective Date. This Ordinance shall be in full force and effect from and after its passage.

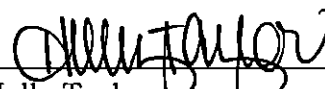
PASSED AND ADOPTED by the Common Council of the City of Valparaiso, Porter County, Indiana, by a 7 - 8 vote of all members present and voting on this 28th day of July, 2025.

By:



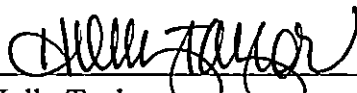
Presiding Officer
Valparaiso Common Council

Attest:



Holly Taylor
Clerk-Treasurer

PRESENTED by me to the Mayor of the City of Valparaiso, Porter County, Indiana, on the 28th day of July 2025, at the hour of 6:22 p.m.



Holly Taylor
Clerk-Treasurer

SIGNED and APPROVED by me upon this 28th day of July 2025 at the hour of 6:22 p.m.



Jon Costas, Mayor
City of Valparaiso