

CITY OF HOBART SANITARY DISTRICT BOARD OF COMMISSIONERS

Resolution No. 2016-04

A Resolution Proposing Modifications to the System of User Rates and Charges for the Support of the Operation and Maintenance of the Hobart Sanitary District and Setting Public Hearing Upon Same

WHEREAS, the Board of Commissioners (“Board”) of the Hobart Sanitary District (“District”) which is comprised of persons who are also the members of the Board of Commissioners of the Hobart Storm Water Management District Board of Directors pursuant to I.C. §8-1.5-5-4 (g), has determined that it is necessary to secure additional funds for the operation and maintenance of the District’s wastewater collection and disposal system; and

WHEREAS, the Board, being mindful of the City’s significant and varied water resources, and the need to protect and enhance the ability of the City to safely and efficiently collect and discharge its wastewater for treatment, has carefully considered the need to improve, reconstruct, replace or upgrade the City’s wastewater collection system in order to provide an environmentally responsible, healthful, efficient and effective means of wastewater management, all as required by the laws of the United States and the State of Indiana; and

WHEREAS, I.C. §36-9-25-11 provides that the Board of Sanitary Commissioners fix fees for the treatment and disposal of sewage and other waste discharged into the sewerage collection system, it further authorizes the Board to amend those fees from time to time and the statute requires that such fees must at all times be sufficient to produce revenue sufficient to pay operation, maintenance, and administrative expenses, to pay the principal and interest on bonds as they become due and payable, and to provide money for the revolving fund authorized by statute; and

WHEREAS, the Board has commissioned and compiled a Rate Study through H. J. Umbaugh & Associates, Certified Public Accountants, LLP, analyzing the costs, both in the recent past and for anticipated future years of providing the minimum amount of funds necessary for the operation and maintenance of the District wastewater operations and maintenance together with anticipated capital, debt service and related needs; and

WHEREAS, the Board has, in light of said study, carefully considered the adoption of a system of new and updated user fees and charges which justly and equitably distribute the cost for the collection and disposal of sewage and other waste discharged into the sewerage system of the District among the various classes of users within the boundaries of the District and otherwise served by the District, all as required by I.C. §36-9-25-11 (a); and

WHEREAS, the Board determines that it is desirable to establish such new user charges in three (3) phases: Phase I would be effective upon approval of the proposed new rate system by the Common Council of the City. Phase II would be established, effective January 1, 2018, and Phase III would be established effective January 1, 2019; and

WHEREAS, the Board, having considered all of the matters referenced above, now proposes the adoption of the new user fee system of rates and charges which is attached hereto and made a part hereof as Exhibit "A," such new rates and charges to supersede and supplant those rates and charges now in effect previously adopted by City Ordinance; and

WHEREAS, the Board desires to make said system of fees and charges effective in the City by obtaining the adoption of same in the manner specified by §36-9-25-11, which requires the Board to conduct a public hearing upon same after due notice to the public is published in the manner required by I.C. §5-3-1-1, *et seq.*, and then, after adopting its confirmatory resolution placing said system of fees into effect, to obtain the approval of such system of fees and charges by the Common Council ("Council") of the City by ordinance duly passed; and

WHEREAS, the Board now desires to authorize these actions and to spread same upon the public record.

THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Hobart Sanitary District that:

1. The Updated Cost of Service-Rate Study Report of H. J. Umbaugh & Associates, Certified Public Accountants, LLP dated November 8, 2016 is approved as the proposal of the Board.

2. The User Fee System of Rates and Charges for the District effective January 1, 2017, and remaining in effect until further notice and action by the Board and City Council, which is attached hereto as Exhibit "A", is approved as the proposal of the Board, and shall be a subject of the public hearing to be held as directed in paragraph 3 of this Resolution, below.

3. Public hearing upon said matters is hereby scheduled to be held at a special meeting of the Board on Tuesday, November 29, 2016 at 6:00 p.m. at the Council Chamber, Hobart City Hall, 414 Main Street, Hobart, Indiana, 46342. The Board directs the Secretary of the Board to give notice of said public hearing in the manner required by §5-3-1-2(b), by publishing notice in two newspapers of general circulation in the City one time, not less than ten (10) days prior to the date of said hearing.

ALL OF WHICH is adopted as the Resolution of the Board of Commissioners of the City of Hobart Sanitary District on this 10th day of August, 2016.


ROBERT B. FULTON, President

ATTEST: 
PHIL GRALIK, P.E., Secretary

EXHIBIT A

**Rates, Fees and Charges of the Hobart Sanitary District
Effective January 1, 2017**

The Board of Commissioners of the Sanitary District of the City of Hobart, Indiana, establishes the following user fees to be paid by any user of the District's sanitary sewer system and the owner of every parcel of real property or building that is connected with or uses the sewerage collection system of the District:

Section 1. Effective January 1, 2017:

Phase I

Billing Charge (per bill): \$6.35

Base Rates (per month):

Meter Size

(Diameter)

5/8" – 3/4" \$ 12.31

1" 12.31

1-1/2" 36.18

2" 57.07

3" 121.72

4" 206.27

6" 459.91

8" 813.51

Treatment Rate (per 1,000 gallons per month): 5.22

Unmetered Users (per month):

Single Family Home 47.78

Section 2. Effective January 1, 2018

Phase II

Billing Charge (per bill): \$6.35

Base Rates (per month):

Meter Size

(Diameter)

5/8" – 3/4" \$ 13.62

| | |
|---|----------|
| 1" | 13.62 |
| 1-1/2" | 61.36 |
| 2" | 103.14 |
| 3" | 232.44 |
| 4" | 401.54 |
| 6" | 908.82 |
| 8" | 1,616.02 |
| Treatment Rate (per 1,000 gallons per month): | \$5.13 |
| Unmetered Users (per month): | |
| Single Family Home | \$48.60 |

Section 3. Effective January 1, 2019

Phase III

Billing Charge (per bill): \$6.35

Base Rates (per month):

Meter Size

(Diameter)

| | |
|-------------|----------|
| 5/8" – 3/4" | \$ 14.92 |
| 1" | 14.92 |
| 1-1/2" | 86.54 |
| 2" | 149.20 |
| 3" | 343.16 |
| 4" | 596.80 |
| 6" | 1,357.72 |
| 8" | 2,418.53 |

Treatment Rate (per 1,000 gallons per month): \$5.04

Unmetered Users (per month):

 Single Family Home \$49.42

Section 4. Wholesale Tracking Factor

The Treatment Rate established in Sections 1, 2 and 3 will be adjusted periodically to reflect the changes in the cost of whole sewage treatment. The adjustment shall be as reflected in Appendix A, below, and made part of this Resolution.

Section 5. Multi-Unit Residential Properties

- A. Multi-unit residential properties shall include mobile home parks, apartment buildings or other multi-unit residential buildings or developments of more than four (4) units served by the District.
- B. Multi-unit residential properties shall be subject to the Billing Charge, Treatment Rate and Wholesale Tracking Factor as established in Sections 1, 2, 3, and 4 above.
- C. Multi-unit residential properties shall be subject to a Base Charge equal to the Base Charge for a 5/8-inch meter connection found in Sections 1, 2, and 3, per Equivalent Dwelling Unit (“EDU”).
- D. A connection’s Equivalent Dwelling Unit shall be determined based upon a connection’s peak daily flow measured in gallons divided by 651 gallons.
- E. Surcharge Calculation for Excess Flows - Whenever the average daily flow from a multi-unit residential property exceeds the base average daily flow determined in accordance with this section for a period of not less than five (5) consecutive days (the “qualifying period”), the multi-unit residential property shall, in addition to the total charge per month determined under Section 5, Paragraphs B, C and D above, be billed for and pay a surcharge for a period of twelve months following the month in which the excess flow qualifying period ended. A multi-unit residential property shall be subject to one surcharge per month, even if there were more than one excess flow event during qualifying periods in the preceding twelve (12) months. However, the largest surcharge shall apply in any month when there was more than one excess flow event during a qualifying period within the prior twelve (12) months.

The user’s peak daily flow shall be determined by the District and shall be deemed the base average daily flow for the multi-unit residential property. In the event the average daily flow exceeds the base average daily flow during a qualifying period, then the highest average daily flow during such period, less the base average daily flow shall constitute the excess flow for that qualifying period. This amount, divided by 651 shall yield the number of surcharge EDUs. This number shall be multiplied by the Base Charge for a 5/8-inch meter per EDU established under Paragraph C above, and the product shall constitute the monthly surcharge.

APPENDIX “A”

Wholesale Sewage Treatment Cost Adjustment

(Applicable to the Treatment Rate Charge and Unmetered Single Family User Charge)

The rate adjustment shall be on the basis of a Wholesale Sewage Treatment Cost Adjustment Tracking Factor, occasioned solely by changes in the cost of wholesale sewage treatment.

The Rate Adjustment to be added to the above-listed rates shall be \$0.000 per 1,000 gallons.

Note: The assumed monthly usage for the Unmetered Single Family user shall be 5,585 gallons.