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Auburn, IN

**ORDINANCE NO. 2017-09**

**AN ORDINANCE OF THE CITY OF AUBURN, INDIANA  
ADOPTING A NEW SCHEDULE OF  
RATES AND CHARGES FOR SERVICES RENDERED  
BY AUBURN MUNICIPAL WATER DEPARTMENT**

**SUMMARY**

This Ordinance establishes that the City of Auburn, Indiana, owns and operates a municipal water utility known as the Auburn Municipal Water Department (the "Utility") for the purpose of providing water service to residential, commercial and industrial customers within the City of Auburn, Indiana and contiguous areas in DeKalb County. The Utility's existing rates and charges for services were placed into effect on January 1, 2000, following (i) the Indiana Utility Regulatory Commission's ("Commission") approval thereof in Cause No. 41414 on September 22, 1999, and (ii) adoption of an Ordinance by the Common Council of the City of Auburn. The Utility intends to file with the Commission a verified petition seeking approval of a new schedule of rates and charges that would reflect "reasonable and just rates and charges for services" within the meaning of Ind. Code § 8-1.5-3-8 and for the issuance of bonds to fund proposed projects and future capital improvements in accordance with Ind. Code § 8-1.5-2-19.

_____ Recorder's Office	<u>8/25/17</u> Publish Public Hearing
_____ Auditor's Office	<u>September 5, 2017 @ 6:00pm</u>
_____ Clerk's Office	<u>x</u> Publish O/R after adoption
_____ Clerk-Treasurer	
<u>x</u> Web-Site	
<u>x</u> City Code (web based)	

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ADOPTING A NEW SCHEDULE OF  
RATES AND CHARGES FOR SERVICES RENDERED  
BY AUBURN MUNICIPAL WATER DEPARTMENT**

IT IS HEREBY ESTABLISHED AND ORDAINED by the Common Council of the City of Auburn, Indiana, that:

WHEREAS, the City of Auburn, Indiana, owns and operates a municipal water utility known as the Auburn Municipal Water Department (the “Utility”) for the purpose of providing water service to residential, commercial and industrial customers within the City of Auburn, Indiana and contiguous areas in DeKalb County; and

WHEREAS, the Utility’s existing rates and charges for services were placed into effect on January 1, 2000 following (i) the Indiana Utility Regulatory Commission’s (“Commission”) approval thereof in Cause No. 41414 on September 22, 1999, and (ii) adoption of an Ordinance by the Common Council of the City of Auburn; and

WHEREAS, the Utility intends to file with the Commission a verified petition seeking approval of a new schedule of rates and charges that would reflect “reasonable and just rates and charges for services” within the meaning of Ind. Code § 8-1.5-3-8 and for the issuance of bonds to fund proposed projects and future capital improvements in accordance with Ind. Code § 8-1.5-2-19; and

WHEREAS, the Board of Public Works of the City of Auburn, Indiana, adopted a Resolution on August 10, 2017, which: (i) approved a new schedule of rates and charges for water service provided by the Utility for customers located within and outside the City based upon a

study of the Utility's revenue requirements under Ind. Code § 8-1.5-3-8, and (ii) recommended said rates and charges to the Common Council for its review and approval; and

WHEREAS, the Common Council of the City of Auburn now finds: (i) the existing water rates and charges do not produce an income sufficient to maintain the utility property in a sound physical and financial condition to render adequate and efficient service; (ii) the Utility's existing rates and charges do not produce revenues sufficient to provide for all the legal and other necessary expenses incident to the operation of the Utility and, therefore, such current rates and charges are not "reasonable and just charges" within the meaning of Ind. Code § 8-1.5-3-8 and need to be increased; (iii) Financial Solutions Group, Inc., in consultation with the Utility's management has determined that the cost of providing service to customers located outside the City exceeds the cost to provide service to customers located inside the City and that a 15% surcharge should be added to the rates and charges applicable to customers located outside the City to recognize these cost differences and the fact that customers within the City are essentially owner customers who bear the risks and responsibilities of ownership in the Utility; and (iv) the proposed rates and charges attached hereto as Exhibit "A" for customers located within and outside the City are designed so that they are nondiscriminatory, "reasonable and just charges" for services within the meaning of Code § 8-1.5-3-8.

**NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF AUBURN, INDIANA, THAT:**

Section 1. The schedule of rates and charges attached hereto as Exhibit “A” is hereby adopted as and for the rates and charges to be utilized by Auburn Municipal Water Department when charging customers for water service, effective as set forth below.

Section 2. All Ordinances and parts of Ordinances in conflict herewith are hereby repealed; provided, however, that the Utility’s existing schedule of water rates and charges shall remain in full force and effect until the schedule of rates and charges fixed by this Ordinance shall be approved by the Indiana Utility Regulatory Commission, and until such time as the Order of said Commission approving said new rates and charges shall direct.

Section 3. This Ordinance shall be in full force and effect from and after its passage; provided, however, that the schedule of rates and charges herein adopted shall not become effective unless and until approved by the Indiana Utility Regulatory Commission or until such time as said Commission shall direct.

Adopted and passed by the Common Council of the City of Auburn, Indiana, this 5th day of September, 2017.

\_\_\_\_\_  
Councilman James Finchum

ATTEST:

\_\_\_\_\_  
Patricia M. Miller, Auburn Clerk-Treasurer

Presented by me to the Mayor of the City of Auburn, Indiana, this 5th day of September, 2017.

\_\_\_\_\_  
PATRICIA M. MILLER, Auburn Clerk-Treasurer

APPROVED AND SIGNED by me this 5th day of September 2017.

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NORMAN E. YODER, Mayor

VOTING:

AYE

NAY

Wayne Madden

Kevin Webb

Matthew Kruse

Mike Watson

Michael Walter

James Finchum

Denny Ketzenberger

**EXHIBIT “A”**

**AUBURN MUNICIPAL WATER UTILITY**  
 Auburn, Indiana

Schedule of Proposed Rates and Charges – 15-Year Bonds (Reflects 50% Rate Increase)

Monthly Metered Rates per 1,000 Gallons Applicable to Residential, Commercial, Industrial and Institutional Meter Classes

<u>Monthly Usage</u>	<u>Proposed Inside City Monthly Rates</u>	<u>Proposed Outside City Monthly Rates</u>
	Rate per 1,000 Gallons	
First 15,000 Gallons	\$3.74	\$4.30
Next 185,000 Gallons	3.63	4.17
Next 300,000 Gallons	3.45	3.97
Over 500,000 Gallons	2.96	3.40

Monthly Service Charge in Addition to Monthly Meter Rates Applicable to Residential, Commercial, Industrial and Institutional Meter Classes

<u>Meter Size</u>	<u>Charge</u>	
5/8 - 3/4 Inch Meter	\$4.71	\$5.42
1 Inch Meter	9.23	10.61
1-1/2 Inch Meter	18.47	21.23
2 Inch Meter	31.43	36.14
3 Inch Meter	68.42	78.68
4 Inch Meter	120.20	138.22
6 Inch Meter	268.17	308.40
8 Inch Meter	475.32	546.62
10 Inch Meter	741.66	852.91
12 Inch Meter	1,067.19	1,227.27

Monthly Fire Protection Surcharge in Addition to Monthly Meter Rates and Service Charge Applicable to Residential, Commercial, Industrial and Institutional Meter Classes

<u>Meter Size</u>	<u>Charge</u>	
5/8 - 3/4 Inch Meter	\$10.08	\$11.59
1 Inch Meter	25.80	29.67
1-1/2 Inch Meter	58.07	66.77
2 Inch Meter	103.22	118.70
3 Inch Meter	232.25	267.08
4 Inch Meter	412.88	474.81
6 Inch Meter	928.98	1,068.33
8 Inch Meter	1,651.50	1,899.23
10 Inch Meter	2,580.48	2,967.55
12 Inch Meter	3,715.92	4,273.31

1<sup>st</sup> Reading \_\_\_\_\_  
 2<sup>nd</sup> Reading \_\_\_\_\_

	<b>Proposed Inside City Annual Rates</b>	<b>Proposed Inside City Monthly Rates</b>	<b>Proposed Outside City Annual Rates</b>	<b>Proposed Outside City Monthly Rates</b>
<b>Private Fire Hydrants</b>	\$1,141.25	\$88.13	\$1,312.44	\$101.35

**Private Sprinklers - per Annum - per Connection**

<b><u>Connection Size</u></b>	<b><u>Charge</u></b>			
2 Inch Connection	\$126.77	\$9.79	\$145.79	\$11.26
3 Inch Connection	285.28	22.03	328.07	25.33
4 Inch Connection	507.10	39.16	583.17	45.03
6 Inch Connection	1,141.25	88.13	1,312.44	101.35
8 Inch Connection	2,028.82	156.67	2,333.14	180.17
10 Inch Connection	3,170.20	244.81	3,645.73	281.53
12 Inch Connection	4,564.75	352.50	5,249.46	405.38

**Miscellaneous**

Public Drinking Fountain per Annum	\$104.63	\$8.08	\$120.32	\$9.29
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**Water Meter and Set Fee**

The following charge applies when all necessary connection parts except for the utility provided meter is installed.

<u>Meter Size</u>	(Set Fee) <u>Proposed</u>	<u>Meter</u>
3/4 Inch Meter	\$75.00	Actual Cost*
1 Inch Meter	75.00	Actual Cost*

\*All meters will be charged at actual cost for the following: meter with remote, meter yoke, transportation and labor.

**Water Service Attachments**

All applications for service attachments to the water distribution for the purpose of introducing water into any premise, as well as applications for the use of water, must be made at the Department of Building, Planning and Development Office by the owner of the premise into which water is proposed to be introduced. The application shall be upon forms prescribed by the Department and signed by the applicant or his authorized agent.

The applicant shall pay in advance the following water tap charges, which shall include a corporation stop, curb stop, service box, copper tubing, backhoe, operator service and labor:

<b><u>Tap Size</u></b>	<b><u>Short Run Proposed Rates</u></b>	<b><u>Long Run Proposed Rates</u></b>
3/4 Inch Tap	\$738.45	\$1,649.00
1 Inch Tap	810.43	1,719.71
1-1/2 Inch Tap	1,032.00	1,995.00
2 Inch Tap	1,311.00	2,275.00
4 Inch Tap	1,549.00	N/A
6 Inch Tap	1,719.00	N/A
8 Inch Tap	2,281.00	N/A
10 Inch Meter	3,455.00	N/A
12 Inch Meter	4,385.00	N/A

In addition, the customer will pay to the utility the actual cost of the meter.

**Non-Recurring Charges**

The following non-recurring charges shall be made for the transaction and/or services as specifically set forth:

	<b><u>Proposed Rates</u></b>
Remote Installation Charge	<b>\$27.80</b>
Frozen Meter Installation Charge	<b>100.00 *</b>

**\* In addition, the customer will pay to the utility the actual cost of the meter.**

**Temporary User**

Water furnished to temporary users, such as contractors, etc... shall be charged on the basis of the above gallonage rates as estimated by the Waterworks Superintendent. When a meter is installed for such purposes, the regular water rates and service charges shall apply and the temporary user shall pay for the installation and removal of the meter.

**Collection and Deferred Payment Charges**

All bills for water services not paid within seventeen (17) days from the due date thereof, as stated in such bills, shall be subject to a collection or deferred payments charge of 10% on the first \$3.00 and 3% on the excess over \$3.00.