

ORDINANCE NO. 1998-2

AN ORDINANCE ADOPTING A POLICY GOVERNING EXTENSIONS AND IMPROVEMENTS TO THE SOUTH HENRY REGIONAL WASTE DISTRICT'S SANITARY SEWER SYSTEM AND THE ESTABLISHMENT OF CERTAIN CAPACITY AND TAP FEES FOR THE SOUTH HENRY REGIONAL WASTE DISTRICT'S SANITARY SEWER SYSTEM.

SECTION 1 - DEFINITIONS

Applicant is a person, firm, corporation, partnership or other entity, including an agent, who has the authority to act on behalf of the owner(s) or developer(s) of a new development or existing sewer service connection.

Board is the South Henry Regional Waste District's Board.

Capital Improvement is land and/or facilities for the collection, treatment or disposal of sewage or sewage byproducts.

Capital Improvement Program is the five (5) year capital improvement project list adopted by the Board. The list shall describe each project and the estimated cost of each capital improvement to be funded.

Collector Sewer is the sewer line to which sewer laterals are connected. Collector sewers lines shall be at least 8" in diameter.

Development is the construction of improvements to land which requires modification of existing sewer service connection or the construction of new sewer service connections to the South Henry Regional Waste District sanitary sewer system.

Dwelling Unit means one or more habitable rooms which are occupied or which are intended or designed to be occupied by one family with facilities for living, sleeping, cooking and eating and includes a mobile home.

Existing Sewer Service means all existing physical sewer service connections to the SHRWD sanitary sewer system.

District Manager is SHRWD's District Manager responsible for the management, operation and maintenance of the SHRWD.

Major Improvements are improvements to wastewater treatment plants, interceptor sewers, trunk sewers, or sewage pump stations which are specified in the Wastewater Master Plan.

Minor Improvements are improvements required to connect a proposed development to existing sewer system's facilities in compliance with SHRWD's Specifications.

Non-Residential Development means all development other than residential development and includes commercial and industrial development.

Residential Development means the construction of improvements to property used for the construction of a dwelling unit or dwelling units.

Residential Equivalent Unit (REU) is the basis for comparing different water and sewer customers. One (1) REU is equal to 320 gallons per day when calculating equivalency on flow basis. REU may also be calculated on a mass quality basis when flow is not representative for calculation.

Sanitary Sewer (Wastewater) System is the entire sanitary sewer (wastewater) system designed and built to collect, transport, treat and dispose of sanitary wastewater. "Sanitary Sewer System" and "Wastewater System", for the purpose of this Ordinance, are interchangeable terms.

Sewer Lateral is the sewer line that connects a building sewer to the public sanitary sewer.

Sewer System Capacity Fee is a fee charged to an applicant who is authorized to connect to the SHRWD's sanitary sewer system or who is authorized to increase the capacity of an existing sewer connection.

Sewer Service is a utility service provided by the SHRWD for a specific applicant upon approval of an application.

Sewer Service Connection is the connection between a customer's building sewer to the collector sewer including the sewer lateral pipe up to the fitting on the collector sewer to which the sewer lateral pipe connects.

South Henry Regional Waste District (also referenced as SHRWD or District) is

the agency formed under the jurisdiction of the IDEM for the purpose of providing sanitary sewer service to the service area defined in its incorporation documents.

Trunk Sewer is the sewer line to which collector sewer lines are connected. Trunk sewer lines are at least 12" in diameter.

Wastewater Master Plan is a document adopted by the Board outlining a plan for the orderly growth of wastewater services, including the collection and treatment components.

Wastewater System is any devices or systems used in the collection, pumping, storage, treatment, recycling, reclamation of domestic, commercial or industrial wastewater or wastes and any conveyances which convey wastewater or wastes to the wastewater treatment plant.

Wastewater Treatment Plant (WWTP) is the site where wastewater is collected from the sanitary sewer system and treated to acceptable standards.

SECTION 2 - STATEMENT OF POLICY

- 2.0 It is the Policy of the District and its Board to provide for the orderly growth and expansion of the District's wastewater (sanitary sewer) services.
- 2.2 All improvements to the District's wastewater (sanitary sewer) service system shall be constructed in accordance with specifications adopted by the District's Board.
- 2.3 The construction of Minor Improvements shall be at the sole cost of the applicant for sewer service. The Board, at its sole discretion, may require an increase in the capacity of all or part of the improvements when such increase capacity is consistent with the adopted Wastewater Master Plan. Only the incremental cost associated with the increase capacity requirements specified by the Board shall be paid by the District. Nothing contained herein shall be construed to require the Board to increase the capacity of the proposed Minor Improvements.
- 2.4 The construction of Major Improvements shall be at the sole discretion of the Board subject to planning considerations and finance availability. Major Improvements made to the wastewater system may be paid with

revenue generated by all customers of the utility upon approval of the Board.

2.5 The SHRWD Board may approve the extension of wastewater service outside of the District's service area provided that all of the following conditions are satisfied:

- 1) The SHRWD Board has passed a resolution authorizing the extension of services outside of the District's Limits; and
- 2) The extension of services do not conflict with any established service areas for the services requested; and
- 3) Wastewater capacity fees are paid regardless of whether only one or the other service is being extended; and
- 4) The wastewater service extension does not cause the wastewater system to exceed its design or rated capacity; and
- 5) The wastewater improvements constructed to the extension area are designed and built in compliance with SHRWD's specifications and the plans are reviewed and approved by the SHRWD prior to construction; and
- 6) The proposed service area extension will be governed by the rules, regulations and ordinances that govern all SHRWD customers.

2.6 Nothing contained herein shall be construed to require the Board to approve extending wastewater service outside of the District's service area limits.

SECTION 3 - ESTABLISHMENT OF SEWER SYSTEM CAPACITY FEE

3.0 A Sewer System Capacity Fee is hereby created and is required to be paid to the District prior to the connection of any new sewer service to the District's wastewater system or the modification of an existing sewer service which would increase its capacity.

3.1 The Sewer System Capacity Fee shall be as set forth in Exhibits A and B entitled "Sewer System Capacity and Tap Fee Schedule" and attached hereto.

- 3.2 The District Manager shall review the Sewer System Capacity Fee Schedule at least once every two (2) years and report to the Board any recommended adjustments to the "Sewer System Capacity Fee Schedule".

SECTION 4 - USE OF SEWER SYSTEM CAPACITY FEE

- 4.0 The Sewer System Capacity Fee shall only be used for payment of capital project costs associated with Major Improvements or expansion of the District's wastewater sewer collection, pumping or treatment systems.
- 4.1 Capital project costs include legal fees, financing fees, engineering fees, construction costs, or any other costs directly associated with the development and/or implementation of improvements to the wastewater system.
- 4.2 Expansion of sanitary sewer collection, pumping or treatment systems is considered:
- a. The expansion of existing systems or construction of new systems in order to provide transport or treatment capacity (either hydraulic processing or waste load treatment capacity); or
 - b. The upgrade of existing system to meet federal, state or local treatment requirements.

SECTION 5 - ESTABLISHMENT OF SEWER SYSTEM CAPACITY FEE DEPOSIT ACCOUNT

- 5.0 A Sewer System Capacity Fee Deposit Account shall be established for the deposit of all Sewer System Capacity Fees collected. All interest earned on the deposits of this account shall remain in the account and may be used in the same manner as the account's deposits. The Sewer System Capacity Fee Deposit Account shall be audited and reported to the Board consistent with the auditing of other District's financial accounts.
- 5.1 Expenditure of Sewer System Capacity Fee Deposit Account funds by the District Manager shall only be upon the approval of the Board as documented by the passage of a Board Resolution authorizing the capital project, the uses of the funds being authorized, and the amount of the funds authorized for expenditure. Nothing contained herein shall require

the Board to authorize the expenditure of Sewer System Capacity Fee Account funds.

SECTION 6 - APPLICATIONS FOR SEWER SERVICE

- 6.0 The District Manager shall develop a written administrative procedure for the formal application of sewer service connections, for constructing, repairing or modifying a new or existing service connection.
- 6.1 Applications for a new sewer service connection or for the modification of an existing sewer service connection shall be filed as prescribed in a published administrative procedure for the application of sewer service connections. The application for sewer service shall, as a minimum, contain the following information:
- a. Name and address of customer or owner and the name and telephone number of the person to contact regarding the application.
 - b. Description of the property including address and lot number.
 - c. Identify the type and size of the development. State the type of service requested such as residential, commercial, industrial or institutional; the number of proposed units or number of employees; and the total expected demand for water and sanitary sewer service.
 - d. In the case of a request for service other than a single residential house, a plan shall be submitted to include the following:
 - Tract boundary and acreage
 - Proposed streets, drives and lots
 - Proposed land use and zoning designations
 - Location of existing public water and sewer mains
 - Location of requested water and sewer services
 - Adjacent existing roads
 - North arrow



SECTION 7 - ESTABLISHMENT OF TAP FEES

- 7.1 Tap Fees are hereby established and are required to be paid to the SHRWD prior to the installation or connection of any new sewer service or extensions to the public sanitary sewer system. The Sewer Tap Fee

shall be as set forth in Exhibits A and B entitled "Sewer System Capacity and Tap Fee Schedule" and attached hereto.

- 7.2 Any person connecting to the public sanitary sewer system shall, prior to being issued a permit to make a connection, pay a tap fee for each utility connection to the District in the amount set forth in the Tap Fee Schedule for each physical connection to the public water system or the sanitary sewer system.
- 7.3 The District Manager shall review the Tap Fee at least once every two (2) years and report to the Board any recommended adjustments to the Tap Fee.
- 7.4 Tap Fee revenues shall be used to cover the cost of materials, labor and the administrative management for the installation of service connections.
- 7.5 Tap Fee revenues shall be deposited into the appropriate operating revenue account. Although Tap Fee revenues maybe deposited into the appropriate operating revenue account, Tap Fee revenues shall be reported as a separate revenue source for the purpose of revenue accounting.

SECTION 8 - PAYMENT OF FEES

- 8.0 No building permit or occupancy permit shall be issued by a governmental agency having the same authority until all applicable sewer fees established by this Ordinance have been paid.
-  8.1 No sanitary sewer service connection shall be installed, made, modified or performed until all applicable District sewer fees have been paid. 
- 8.2 If the approved sanitary sewer service connection is not made within one (1) year of the date of authorization, or if the building permit is revoked or expires, the authorization for the service connection shall be considered void and terminated.
- 8.3 An applicant may make application to the SHRWD for a refund of water or sewer fees paid under the requirements of this Ordinance provided that:
 - a. 120 days have passed from the original payment of the fees; and

- b. The written authorization for the service connection is returned to the District; and
 - c. The applicant provides a written statement that no future service connection rights are retained by the applicant; and
 - d. The Applicant is not indebted to the District.
- 8.4 Upon approval of the Board, the sewer fees previously paid may be refunded.
- 8.5 The cost of special materials, equipment, or metering systems specifically order for a sewer service connection shall not be refundable to the applicant. The Board may deduct the administrative costs for processing the original application and applicant for refund from the Capacity Fee paid.

SECTION 9 - APPEALS

- 9.0 A decision made by the District Manager under this Ordinance may be appealed to the Board by submitting a written appeal within (10) days from the date of the decision. The written appeal should be address to the President of the SHRWD Board, Lewisville, Indiana, and sent by certified mail. In considering the appeal, the Board may affirm, modify, extend, or overrule the decision of the District Manager in a manner that is consistent with the provisions of this Ordinance.

SECTION 10 - SEVERABILITY

- 10.0 If any Section, subsection, paragraph, clause, phase or provision of this Ordinance is for any reason held to be invalid, ineffective or unconstitutional by the final decision of any court of competent jurisdiction, the remainder thereof shall remain in force and effect, it being expressly hereby found and declared that the remainder of this Ordinance would have been adopted despite the invalidity of such section, subsection, paragraph, clause, phase or provision.

SECTION 11 - REPEAL OF CONFLICTING PROVISIONS AND ORDINANCES AND REGULATIONS

- 11.0 Any provision of an Ordinance or Regulation previously or now in

existence which may be in conflict with this Ordinance is repealed as of the date this Ordinance takes effect. Nonetheless, it is not the intent of this Ordinance to repeal, amend or modify any Ordinance or Regulation, including any definitions contained therein, unless such Ordinance or Regulation is in conflict with this Ordinance.

SECTION 12 - EFFECTIVE DATE

12.0 The provisions of this Ordinance shall be in full force and effect at the earliest date allowed by law.

DATED: 12/8/98

SOUTH HENRY REGIONAL
WASTE DISTRICT

Bill G. Lester
Bill Lester, President

Howard Newkirk
Howard Newkirk, Vice-President

Donna Tauber
Donna Tauber

Susan Werner
Susan Werner

Ralph Hollars
Ralph Hollars

Gean Criswell
Gean Criswell

Carl Gideon
Carl Gideon

ATTEST:

Connie F. Stevens
Connie Stevens
District Manager

EXHIBIT A
 SOUTH HENRY REGIONAL WASTE DISTRICT
 SEWER SYSTEM CAPACITY and TAP FEE SCHEDULE
 RATES AND FEES EFFECTIVE UNTIL DECEMBER 31, 1999

SEWER USER	CAPACITY FEE AMOUNT
Residential Users	
Single Family	\$750/unit
Multi-Family	\$750/living unit
Hotel/Motel, Lodging Houses	\$1,000 plus \$750/unit
Mobile Homes	\$750/trailer site
Commercial, Non-residential and Non-industrial Users (Domestic service use, excludes service lines used exclusively for fire suppression systems)	
Water Service Line \leq 1"	\$ 1,000
Water Service Line \leq 2"	\$ 6,000
Water Service Line \leq 4"	\$12,500
Water Service Line $>$ 4"	\$25,000 or As determined by the Board for the specific application
Industrial Users	
Building Sanitary Waste Only	
Water Service Line \leq 1"	\$ 1,000
Water Service Line \leq 2"	\$ 6,000
Water Service Line \leq 4"	\$12,500
Water Service Line $>$ 4"	\$25,000 or As determined by the Board for the specific application
Process Wastewater	As determined by the Board for the specific application but in no case less than \$8,500.

In the event there is no water service line (i.e. well water supply), the Capacity fee shall be based on REU equivalent usage of 80 gpdc.

Sewer Tap	\$250.00
-----------	----------

Sewer Tap fee includes plans review and construction inspection. All

materials and work, including installation of sewer main tap saddle, installation of lateral and restoration of excavation including paving is supplied and performed by the contractor.

EXHIBIT B
SOUTH HENRY REGIONAL WASTE DISTRICT
SEWER SYSTEM CAPACITY and TAP FEE SCHEDULE
RATES AND FEES EFFECTIVE JANUARY 1, 2000

SEWER USER	CAPACITY FEE AMOUNT
Residential Users	
Single Family	\$1,000/unit
Multi-Family	\$1,000/living unit
Hotel/Motel, Lodging Houses	\$1,000 plus \$1,000/unit
Mobile Homes	\$1,000/trailer site
Commercial, Non-residential and Non-industrial Users	
(Domestic service use, excludes service lines used exclusively for fire suppression systems)	
Water Service Line \leq 1"	\$ 1,000
Water Service Line \leq 2"	\$ 6,000
Water Service Line \leq 4"	\$12,500
Water Service Line $>$ 4"	\$25,000 or As determined by the Board for the specific application
Industrial Users	
Building Sanitary Waste Only	
Water Service Line \leq 1"	\$ 1,000
Water Service Line \leq 2"	\$ 6,000
Water Service Line \leq 4"	\$12,500
Water Service Line $>$ 4"	\$25,000 or As determined by the Board for the specific application
Process Wastewater	As determined by the Board for the specific application but in no case less than \$8,500.

In the event there is no water service line (i.e. well water supply), the Capacity fee shall be based on REU equivalent usage of 80 gpd.

Sewer Tap **\$250.00**

Sewer Tap fee includes plans review and construction inspection. All materials and work, including installation of sewer main tap saddle, installation of lateral and restoration of excavation including paving is supplied and performed by the contractor.

SHRWD

MEMORANDUM

Date: December 3, 1998

To: SHRWD Board Members

From: Connie F. Stevens

RE: Capacity and Tap Fee Ordinance

As requested, an Ordinance establishing Capacity and Tap fees has been drafted and provided to you for your consideration. The Ordinance was developed after discussions among the District's staff, legal council, environmental consultant and sewer rate consultant. Each participant provided input into the various issues and approaches that could be used to represent the fair market value of the District's wastewater treatment plant capacity.

This Ordinance will eliminate the current \$550.00 connection fee and establish two separate fees: a Capacity Fee and a Tap Fee.

TAP FEE

The Tap Fee was developed based on SHRWD's reasonably expected administrative costs incurred with the construction of a new sewer tap. These costs include, but are not limited to, the following: administrative sewer connection applications processing, plan review, sewer tap and lateral construction inspection, record documentation, and account setup.

The Tap Fee does not include the actual construction of the sewer tap, the property lateral or any reconstruction or restoration associated with the construction since these costs are paid for by the property owner or their agent.

CAPACITY FEE

The Capacity Fee is the established price for that capacity of the wastewater treatment plant which is allocated by SHRWD to the new sewer system customer. The Capacity Fee established in the Ordinance does not pay the full cost of the capacity allocated to the new sewer customer. While it is good utility management practice to operate the sewer utility as a self-supporting enterprise, the Capacity Fee amount is recommended based on a reasonable value for the commodity and the desire to balance the recovery of costs and the promotion of growth.

The Capacity Fee was established assuming the cost of the 220,000 gallon per day wastewater treatment plant was a minimum of \$1,000,000. Therefore, the wastewater

treatment plant would conservatively have a \$4.54 per gallon cost. Given the assumption that an average house has four people and each person uses 80 gallons per day, then each house requires 320 gallons per day of wastewater treatment plant capacity. At \$4.54 per gallon, the average house would “purchase” or utilize \$1,452.80 of the wastewater treatment plant. Another approach would be to recognize that at a 220,000 gallon per day capacity and 320 gallons per day per house unit, the wastewater treatment plant could provide service for 687 residential house units.

It is important to understand the following assumptions used in the development of the Ordinance:

- 1) New sewer connection users should pay a reasonable portion of the cost for the wastewater treatment plant from which they benefit.
- 2) The average house has four individuals utilizing an estimated 80 gallons per day capacity.
- 3) Commercial and industrial users should pay at least as much as residential users. In addition, users who utilize a greater volume of the District’s wastewater treatment plant should pay for in proportion to the volume used.
- 4) Commercial and industrial users which utilize large volumes of process water or who generate a wastewater with high strength waste or non-compatible waste must be evaluated on a case by case basis.
- 5) While the goal is for each new sewer customer to pay the full cost of the wastewater treatment plant commodity that is being allocated to the new customer, the District desires to promote the growth of its customer basis and therefore is establishing a Capacity Fee which is less than the actual cost of the capacity.

If there are any questions or if additional clarification is needed, please do not hesitate to contact me.

Sincerely,

Connie F. Stevens
District Manager