



Valparaiso City Utilities

205 Billings Street
Valparaiso, Indiana 46383-3699

"Water is our Most Valuable Natural Resource"

AMENDED RESOLUTION NO. 2009-10 OF THE UTILITY BOARD OF THE CITY OF VALPARAISO, INDIANA

A RESOLUTION OF THE UTILITY BOARD APPROVING FOR PRESENTATION TO THE CITY OF VALPARAISO, INDIANA, BY AND THROUGH ITS COMMON COUNCIL, A SYSTEM OF RATES AND CHARGES FOR THE WATER UTILITY.

WHEREAS, the Common Council has established a Water Utility that is managed by the Utility Management Board; and

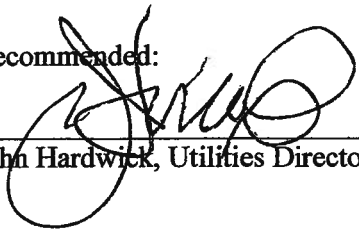
WHEREAS, one of the responsibilities of the Utility Board is to make recommendations to the Common Council regarding the setting of Water Utility rates; and

WHEREAS, the Board, with the assistance of its financial advisors, has determined that the revenues from the existing water rates and charges established by Ordinance No. 26-2002 are insufficient to enable the City to properly operate its Water Utility and make payment of and provision for the expenses of said Water Utility;

NOW, THEREFORE, be it resolved by the Utility Board of the City of Valparaiso, Indiana, that:

1. The Utility Board recommends that the Water Utility rates be amended from the rates, as adopted by Ordinance No. 26-2002 as described in Exhibit A.
2. That this Resolution is effective upon passage.

PASSED BY THE UTILITY MANAGEMENT BOARD OF THE CITY OF VALPARAISO, INDIANA, by a 3 vote of 3 members present on this 19th day of Nov., 2009.

Recommended:

John Hardwick, Utilities Director

absent
Brad Dolezal, President


David Bengs


Kathy Luther

ATTEST:

Lori Ferngren, Secretary


Lori Ferngren

absent
Mike Sur

Private Fire Protection Charge – Automatic Sprinkler System

<u>Size of Connection</u>	<u>Annual Service Charge</u>
2"	\$ 58.50
3"	132.97
4"	234.05
5"	462.77
6"	531.92
8"	946.82
10"	1,478.74

Additional Charges:

Service Fee:	\$ 30.00
Overtime Fee:	\$ 75.00
NSF Fee:	\$ 40.00

Phase II – Effective January 1, 2011:
Metered Rates and Charges

<u>Consumption Per Month</u>		<u>Rate Per 100 Cubic Feet</u>
First	2,000 Cubic Feet	\$ 2.34
Next	8,000 Cubic Feet	1.90
Over	10,000 Cubic Feet	1.49

Monthly Service Charge (Including Public Fire Protection Charge)

<u>Meter Size</u>	<u>Customer Service Charge</u>	<u>Public Fire Protection</u>	<u>Total Monthly Service Charge</u>
5/8"	\$ 6.56	\$ 2.89	\$ 9.45
3/4"	6.56	2.89	9.45
1"	8.17	7.39	15.56
1 1/2"	11.47	16.51	27.98
2"	16.09	29.32	45.41
3"	29.34	66.01	95.35
4"	47.88	117.34	165.22
5"	88.06	228.60	316.66
6"	100.79	263.87	364.66
8"	174.93	469.24	644.17
10"	270.23	733.11	1,003.34

Monthly Minimum Charge Per Customer

<u>Meter Size</u>	<u>Cubic Feet Allowed</u>	<u>Minimum Charge</u>
5/8"	300	\$ 16.47
3/4"	300	16.47
1"	800	34.29
1 1/2"	1,700	67.77
2"	3,000	111.18
3"	6,800	233.23
4"	12,200	396.39
5"	23,700	718.03
6"	27,400	820.80
8"	48,600	1,414.08
10"	76,000	2,178.77

Private Fire Protection Charge – Automatic Sprinkler System

<u>Size of Connection</u>	<u>Annual Service Charge</u>
2"	\$ 64.35
3"	146.27
4"	257.46
5"	509.05
6"	585.11
8"	1,041.50
10"	1,626.61

VALPARAISO CITY UTILITIES
CUSTOMER SERVICE DEPARTMENT

DATE: NOVEMBER 13, 2009
TO: JOHN HARDWICK, UTILITIES DIRECTOR
CC:
FROM: SHAUN SHIFFLET, CUSTOMER SERVICE MANAGER
RE: RATE CHANGES FOR SERVICES

SUMMARY:

As the revised schedule for rates and charges for the Water Department have been considered, the following analysis has been completed to determine the additional fees to provide services to our customers. Consideration was made on the average time spent on the types of service calls. The following criteria was evaluated:

1. The Utility evaluated the labor to respond and to perform the certain types of service calls during normal work hours and during on-call over-time hours.
2. The Utility evaluated the cost of utilizing a Utility Vehicle which includes (gas, insurance and maintenance).

Fees include labor and vehicle during business hours:

<u>Description</u>	<u>Labor Rate</u>	<u>Vehicle Rate</u>	<u>Total Fee</u>	<u>Overtime Fee</u>
Temporary Turn On	\$10.00	\$20.00	\$30.00	\$75.00
Temporary Turn Off	\$10.00	\$20.00	\$30.00	\$75.00
Shut Off's (non-payment)	\$10.00	\$20.00	\$30.00	\$75.00
Home Inspection	\$10.00	\$20.00	\$30.00	\$75.00
3 rd trip for New Construction	\$10.00	\$20.00	\$30.00	\$75.00
NSF, ACH, Return Check			\$40.00	

* The above rates are based on ½ hr labor and ½ hr vehicle use during business hours.

Overtime cost:

Average cost of Overtime for Distribution personal is \$33.00 per hour.

Vehicle rate of \$42.00 per hour (this includes gas, insurance, maintenance)

\$33.00 per hr (employee) + \$42.00 per hr (vehicle) = \$75.00 per hr for overtime

Insufficient funds (NSF), Automatic Clearing House (ACH) and Check fee charges are based on the industries norm of \$40.00 per item.

CONCLUSION:

Based on the evaluation, the Utility recommends that the aforementioned fees be adjusted to cover the costs of the Utility providing these types of services.

ORDINANCE NO. 35 - 2009

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, REGARDING THE IMPLEMENTATION OF NEW RATES AND CHARGES FOR WATER UTILITY SERVICES

WHEREAS, the City of Valparaiso, Indiana (the "City"), owns and operates a municipal water system (the "Water Works") through the Valparaiso City Utilities Department of Water Works ("Department"), which is governed by its Board of Directors ("Board"), and collects rates and charges for the water utility services supplied by the Department; and

WHEREAS, the City has previously removed the Water Works from the jurisdiction of the Indiana Utility Regulatory Commission; and

WHEREAS, the Board has found that certain improvements and extensions to the Water Works are necessary for the protection of the public health and welfare of the Water Works district of the City and the safeguarding of property within such district and are of public utility and benefit (collectively, the "Project"); and

WHEREAS, a study of the revenue requirement of the Water Works under Indiana Code 8-1.5 has been performed by H. J. Umbaugh & Associates, the rate analyst and financial advisor to the Water Works, which study has indicated that the revised schedule of rate and charges delineated in Exhibit A attached hereto and made a part hereof is necessary to ensure reasonable and just rates and charges for the services of the Water Works under Indiana Code 8-1.5, taking into consideration the proposed improvements and extensions to the Water Works constituting the Project and the anticipated debt service with respect to the bonds to be issued to provide funds to finance a portion of the Project; and

WHEREAS, the Board, pursuant to a resolution adopted on November 10, 2009, has recommended to the Common Council that this Ordinance be adopted and the rates and charges for the Water Works utility services charged by the Department provided in Exhibit A hereto be established for the users of the Water Works; and

WHEREAS, the Common Council now determines that proper notice has been given as required by Indiana Code 8-1.5-3-8.1, and that a public hearing on the proposed revised schedule of rates and charges was held on _____, 2009; and

WHEREAS, the Common Council now desires to revise the rates and charges for the Water Works utility services charged by the Department as provided in Exhibit A.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, AS FOLLOWS:

1. The revised schedule of rates and charges for the Water Works utility services charged by the department attached as Exhibit A hereto is hereby approved and shall go into effect on the first full billing period occurring subsequent to the final adoption of this Ordinance.
2. This Ordinance shall be effective upon its passage by the Common Council and approval by the Mayor of the City, in accordance with procedures as required by law.

PASSED AND ADOPTED by a 6-1 vote by the Common Council of the City of Valparaiso, Indiana, this 14th day of Dec., 2009.

COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA

May
Bob Taylor

John Bowler
John Bowler

Al Eisenmenger
Al Eisenmenger

Jan Dick
Jan Dick

Joey Larr
Joey Larr

Art Elwood
Art Elwood

Kelly Ward
Kelly Ward

ATTEST:

Sharon E. Swihart
Sharon E. Swihart, Clerk-Treasurer

Presented by me to the Mayor of the City of Valparaiso on the 14th day of Dec., 2009, at 8:45 o'clock p.m.

Sharon E. Swihart
Sharon E. Swihart, Clerk-Treasurer

This Ordinance approved and signed by me on the 14th day of Dec., 2009.

Jonathon Costas
Jonathon Costas, Mayor

EXHIBIT A
REVISED SCHEDULE OF RATES AND CHARGES FOR THE
WATER WORKS OF THE CITY OF VALPARAISO, INDIANA

Phase I – Effective January 1, 2010:
Metered Rates and Charges

<u>Consumption Per Month</u>		<u>Rate Per 100 Cubic Feet</u>
First	2,000 Cubic Feet	\$ 2.13
Next	8,000 Cubic Feet	1.73
Over	10,000 Cubic Feet	1.35

Monthly Service Charge (Including Public Fire Protection Charge)

<u>Meter Size</u>	<u>Customer Service Charge</u>	<u>Public Fire Protection</u>	<u>Total Monthly Service Charge</u>
5/8"	\$ 5.96	\$ 2.63	\$ 8.59
3/4"	5.96	2.63	8.59
1"	7.43	6.72	14.15
1 1/2"	10.43	15.01	25.44
2"	14.63	26.65	41.28
3"	26.67	60.01	86.68
4"	43.53	106.67	150.20
5"	80.05	207.82	287.87
6"	91.63	239.88	331.51
8"	159.03	426.58	585.61
10"	245.66	666.46	912.12

Monthly Minimum Charge Per Customer

<u>Meter Size</u>	<u>Cubic Feet Allowed</u>	<u>Minimum Charge</u>
5/8"	300	\$ 14.97
3/4"	300	14.97
1"	800	31.17
1 1/2"	1,700	61.61
2"	3,000	101.07
3"	6,800	212.03
4"	12,200	360.35
5"	23,700	652.75
6"	27,400	746.18
8"	48,600	1,285.53
10"	76,000	1,980.70

A-1

Private Fire Protection Charge – Automatic Sprinkler System

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Additional Charges:

Service Fee:	\$ 30.00
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**Phase II – Effective January 1, 2011:
Metered Rates and Charges**

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