

**MUNCIE SANITARY DISTRICT
RESOLUTION NO. 2016-10**

A RESOLUTION AMENDING AND FIXING THE SCHEDULE OF SEWER RATES AND CHARGES TO BE COLLECTED BY THE MUNCIE SANITARY DISTRICT FROM THE OWNERS OF PROPERTY SERVED BY THE SEWAGE WORKS OF THE DISTRICT

WHEREAS, the Board of Sanitary Commissioners (the "Board") has heretofore fixed and established sewer charges and surcharges to be collected by the Muncie Sanitary District (the "District") from the owners of property served by the District's sewage works; and

WHEREAS, the existing rates and surcharges are set forth in the District's Confirmatory Resolution adopted on September 28, 1993, as amended by Resolution No. 17-98 adopted on December 1, 1998, as amended by Resolution No. 09-00 adopted on June 13, 2000 as amended by Resolution No. 2008-15 on December 2, 2008, as amended by Resolution No. 2012-03 adopted on March 6, 2012; and

WHEREAS, the District has caused a financial study of District's sewage works to be made by its financial advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP; and

WHEREAS, based upon the advice of the financial advisor, the Board finds that it is necessary to increase the rates and charges of the sewage works to provide sufficient monies to pay operating expenses, replacements and improvements and debt service on outstanding bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SANITARY COMMISSIONERS OF THE MUNCIE SANITARY DISTRICT:

That the resolution of the Board of District, fixing a new schedule of rates and charges to be collected by the District, is hereby amended and confirmed and reads in its entirety as follows:

Section 1. Unless the context specifically indicates otherwise, the meaning of terms used herein shall be as follows:

EXHIBIT 3a

- (a) "Operation and maintenance costs" shall mean the expenditures for day-to-day costs (which includes wages, supplies, fuel, insurance, services, etc.) plus the costs of normal repairs, routine maintenance, and replacements of plant and equipment.
- (b) "Replacement costs" shall mean the expenditures for obtaining and installing equipment, accessories for appurtenances which are necessary during the service life of the treatment works to maintain the capacity and performance for which such works were designed and constructed.
- (c) "Useful or service life" shall mean a period of 15 years for equipment, 50 years for treatment plant structures, and 100 years for public sewers.
- (d) "Depreciation of real property" shall mean a system of expense accounting which aims to distribute the original cost of real property over the useful life of the property.
- (e) "Normal strength sewage" (for the purpose of determining industrial surcharges) shall mean wastewater or sewage having an average daily suspended solids concentration of not more than 250 mg/l and average daily BOD requirements of not more than 250 mg/l.
- (f) "BOD (denoting Biochemical Oxygen Demand) and suspended solids" shall have the same meaning as defined in the Sewer Use Ordinance.
- (g) "Sewer Use Ordinance" shall mean separate and companion enactment hereto, which regulates the connection to and use of public and private sewers.
- (h) "Classes of Users", for the purpose of "user charges" (as defined), shall mean the division of wastewater treatment customers by waste characteristics and process or discharge similarities.

Residential Class – shall be confined to those customers whose wastes originate from residential domestic activities and the strength of such wastes does not exceed normal strength limitation, as defined.

Commercial Class – shall be confined to those customers involved in a commercial enterprise, business or service whose wastes originate from sanitation activities and the strength of such wastes does not exceed normal strength limitations, as defined.

Institutional Class – shall be confined to those customers involved in social, charitable, religious, educational or other special purpose activities whose wastes originate from sanitation activities, and the strength of such wastes does not exceed normal strength limitations, as defined.

Governmental Class – shall be confined to those customers involved in federal, state, or local government activities whose wastes originate from sanitation activities, and the strength of such wastes does not exceed normal strength limitations, as defined. **Except that in the instance where such governmental unit is involved in providing services as a waste water district the District may enter into a separate User Agreement with that Governmental Unit which Agreement shall then establish the rates and charges that apply to that governmental unit without consideration to the rates and charges established herein.**

Industrial Class – shall include all customers involved in manufacturing or processing activities and all other customers whose wastes originate from activities other than sanitation activities.

- (i) “User Charge” shall mean a charge levied on users of the wastewater treatment works for the cost of operation and maintenance of such works pursuant to Section 204(b) of Public Law 92-500.
- (j) “Debt service costs” shall mean the annual principal and interest payments on all outstanding revenue bonds or other long-term capital debt.
- (k) “Excessive strength surcharges” shall mean an additional charge which is billed to users for treating sewage wastes with an average strength in excess of “normal strength sewage”.
- (l) “Other service charges” shall mean tap charges, connection charges, area charges, debt service charges, and excessive strength surcharges.
- (m) “Treatment, sewer and water quality charge” shall mean that portion of the user charge to recover operation and maintenance costs for treating influents received at the treatment plant and for sewer maintenance costs as a result of measured flow from all users of the sewage treatment works and allocated infiltration/inflow.
- (n) “Billing charge” shall mean that portion of the user charge to recover the operation and maintenance costs for customer billing and collecting cost which is apportioned to the various user classes on the basis of bills issued.
- (o) “Debt service charge” shall mean that portion of the rate charge to recover debt service costs which are apportioned to the various user classes.
- (p) “Sewage” shall mean the combination of the liquid and water carried wastes from residences, commercial buildings, industrial plants, and institutions (including polluted cooling water).

The three (3) most common types of sewage are:

Sanitary sewage shall mean the combination of liquid and water carried wastes discharged from toilet and other sanitary plumbing facilities.

Industrial sewage shall mean the combination of liquid and water carried wastes discharged from any industrial establishment and resulting from any trade or process carried on in that establishment. (This shall include the wastes from pretreatment facilities and polluted cooling water.)

Combined sewage shall mean wastes including sanitary sewage, industrial sewage, storm water, infiltration, and inflow carried to the wastewater treatment facilities by a combined sewer.

- (q) "NPDES (National Pollutant Discharge Elimination System) Permit" shall have the same meaning as defined in the Sewer Use Ordinance.
- (r) "District" shall mean the Sanitary District of the City of Muncie, Indiana.
- (s) "Shall" is mandatory; "May" is permissive.

Section 2. Every person whose premises are served by said sewage works shall be charged for the services provided. These charges are established for each user class, as defined, in order that the sewage works shall recover, from each user and user class, revenue which is proportional to its use of the treatment works in terms of volume and load. User charges are levied to defray the cost of operation and maintenance (including replacement) of the treatment works. User charges shall be uniform in magnitude within a user class.

- (a) User charges are subject to the rules and regulations adopted by the United States Environmental Protection Agency, published in the Federal Register August 21, 1978 (38 CFR 22523) and on February 11, 1974 (39 CFR 5252), subject to any and all amendments made thereto. Replacement costs, which are recovered through the system of user charges, shall be based upon the expected service life of the sewage works structures and equipment.
- (b) The various classes of users of the treatment works for the purpose of this Resolution shall be as follows:

Class I. Residential and commercial

Class II. Institution, governmental and industrial

Section 3. Except as provided in Section 4(f) herein, a sewage user charge is hereby levied against each improved lot, parcel of land, or premises which is connected with or served by the sewer system of the District or which may be connected with said sewer system, or which has such sewers available for connection (pursuant to I.C. 36-9-23-30), or which otherwise discharges sewage, industrial wastewater, or other liquids into the District's sewage system. Such user charges shall be calculated and billed to the owner of record of the premises or facility on a monthly or quarterly basis in an amount determinable as follows:

- (a) On all dwellings or other facilities served by a single water meter, a minimum charge as set forth below or on a basis of volume of water used, whichever is greater

	PHASE I	PHASE II	PHASE III	PHASE IV
Per Month	\$ 21.93	\$ 22.38	\$ 22.83	\$ 23.28

- (b) On all multiple dwellings or other multiple facilities with separate water meters and services, a minimum charge as set forth below or on a basis of volume of water used, whichever is greater:

	PHASE I	PHASE II	PHASE III	PHASE IV
Per Month	\$ 21.93	\$ 22.38	\$ 22.83	\$ 23.28

- (c) On all multiple dwellings or other multiple facilities served by a single water meter as set forth below, a minimum charge as set forth below for each unit served or on the basis of volume of water use, whichever is greater:

	PHASE I	PHASE II	PHASE III	PHASE IV
Per Month	\$ 21.93	\$ 22.38	\$ 22.83	\$ 23.28

- (d) The rate, per 100 cubic feet, based on volume of water used during a billing period:

Customer Class	PHASE			
PHASE	I	II	III	IV
Residential, Commercial and Institutional	\$7.31	\$7.46	\$7.61	\$7.76
Governmental and Industrial	\$6.07	\$6.19	\$6.31	\$6.44

(e) In order that the rates and charges may be justly and equitably adjusted to the service rendered to industrial users, the District shall base its charges not only on the volume, but also on the strength and character of industrial sewage and wastes which it is required to treat and dispose of. The owner or other industrial user shall furnish a central sampling point available to the District at all times. Normal domestic waste strength should not exceed a biochemical oxygen demand of 250 parts per million parts of fluid or suspended solids in excess of 250 parts per million parts of fluid. Additional charges for treating industrial waste that is stronger-than-normal strength waste shall be made on the following basis, effective on the date specified in Section 9 of this resolution.

RATE SURCHARGE BASED UPON SUSPENDED SOLIDS

There shall be an additional charge (listed below) per pound for treating effluents containing suspended solids with a strength in excess of 250 milligrams per liter of fluid.

Charge Per Pound	Date Effective
\$0.63	Phase I
\$0.64	Phase II
\$0.65	Phase III
\$0.66	Phase IV

RATE SURCHARGE BASED UPON BOD

There shall be an additional charge (listed below) per pound for treating effluents having a BOD strength of 250 milligrams per liter of fluid.

Charge Per Pound	Date Effective
\$0.63	Phase I
\$0.64	Phase II
\$0.65	Phase III
\$0.66	Phase IV

(f) For the services rendered to the City of Muncie, said City shall be subject to the rates and charges hereinabove provided or rates and charges established in harmony therewith.

(g) **The flat rate for non-metered residential customers in whose residence is three or more people will be based on an equivalent of 2,000 cubic feet and shall be per quarter as listed below:**

	PHASE I	PHASE II	PHASE III	PHASE IV
Monthly	\$48.74	\$49.74	\$50.74	\$51.74

The flat rate for non-metered residential customers in whose residence is one and two people will be based on an equivalent of 1,200 cubic feet and shall be per quarter as listed below:

	PHASE I	PHASE II	PHASE III	PHASE IV
Monthly	\$29.24	\$29.84	\$30.44	\$31.04

Section 4. The quantity of water discharged into the sanitary sewerage system and obtained from sources other than the utility that serves the District shall be determined by the District in such manner as the District shall reasonably elect, and the sewage service shall be billed at the above appropriate rates. Further, as is hereinafter provided in this section, the District may make proper allowances in determining the sewage bill for quantities of water shown on the records to be consumed, but which are also shown to the satisfaction of the District that such quantities do not enter the sanitary sewerage system.

- (a) In the event a lot, parcel of real estate or building discharging sanitary sewage, industrial wastes, water or other liquids into the District sanitary sewerage system, either directly or indirectly, is not a user of water supplied by the water utility serving the District and the water used thereon or therein is not measured by a water meter, or is measured by a water meter not acceptable to the District, then the amount of water used shall be otherwise measured or determined by the District. In order to ascertain the amount of water used, the owner or other interested party may, at his expense, install and maintain manholes, meters, weirs, volumetric measuring devices or any adequate and approved method of measurement acceptable to the District for determining of sewage discharge.
- (b) In the event a lot, parcel of real estate or building discharging sewage, industrial wastes, water or other liquids in the District's sanitary sewerage system, either directly or indirectly, is a user of water supplied by the water utility serving the District and, in addition is a user of water from another source which is not measured by a water meter or is measured by a meter not acceptable to the District, then the amount of water used shall be otherwise measured or determined by the District. In order to ascertain the amount of water used, the owner or other interested party may, at his expense, install and maintain manholes, meters, weirs, volumetric measuring devices or any adequate and approved method of measurement acceptable to the District for the determination of sewage discharge.

- (c) In the event two or more residential lots, parcels or real estate, or buildings discharging sanitary sewage, water or other liquids into the District's sanitary sewerage system, either directly or indirectly, are users of water and the quantity of water is measured by a single water meter, then in each such case, for billing purposes, the quantity of water used shall be averaged for each user, and the minimum charge and the sewage rates and charges shall apply to each of the number of residential lots, parcels or real estate or buildings served through the single water meter.
- (d) In the event two or more dwelling units such as mobile homes, apartments or housekeeping rooms discharging sanitary sewage, water or other liquids into the District's sanitary sewerage system, either directly or indirectly, are users of water and the quantity of water is measured by a single water meter, then, in such case, billing shall be for a single service in the manner set out elsewhere herein, except that the minimum bill shall not be less than the number of such dwelling units times the monthly minimum charge per month. In the case of mobile home courts, the number of dwelling units shall be computed and interpreted as the total number of mobile home spaces available for rent plus any other dwelling units served through the meter. A dwelling unit shall be interpreted as a room or rooms or any other space or spaces in which cooking facilities are provided.
- (e) In the event a lot, parcel of real estate or building discharges sanitary sewage, industrial waste, water or other liquids in the District's sanitary sewerage system, either directly or indirectly, and it can be shown to the satisfaction of the District that a portion of water as measured by the water meter or meters does not and cannot enter the sanitary sewerage system, then the owner or other interested party may, at his expense, install and maintain meters, weirs, volumetric measuring devices, or any adequate and approved method of measurement acceptable to the District for the determination of sewage discharge.

Section 5. Such rates and charges shall be prepared, billed and collected by the District in the manner provided by law and resolution.

- (a) The rates and charges for all users shall be prepared and billed on either a monthly or quarterly basis.
- (b) The rates and charges may be billed to the tenant or tenants occupying the properties served, unless otherwise requested in writing by the owner, but such billing shall in no way relieve the owner from the liability in the event payment is not made as herein required. The owners of properties served, which are occupied by a tenant or tenants, shall have the right to examine the collection records of the District for the purpose of determining whether bills have been paid by such tenant or tenants, provided that such examination shall be made at the office at which said records are kept and during the hours that such office is open for business.

Section 6. In order that the rates and charges for sewage services may remain fair and equitable and be in proportion to the cost of providing services to the various users or user classes, the District shall cause a study to be made within a reasonable period of time following the date on which the confirming resolution goes into effect. Such study shall include, but not be limited to, an analysis of the costs associated with the treatment of excessive strength effluents from industrial users, volume and delivery flow rate characteristics attributed to the various users or user classes, the financial position of the sewage works and the adequacy of its revenue to provide reasonable funds for the operation and maintenance, replacements, debt service requirements and capital improvements to the waste treatment systems.

Thereafter, periodically, the District shall cause a similar study to be made for the purpose of reviewing and maintaining proportionate rates and charges for sewage services on a continuing basis. Said studies shall be conducted by officers or employees of the District, or by a firm of certified public accountants, or a firm of consulting engineers which firms shall have experience in such studies, or by such combination of officers, employees, certified public accountants, or engineers as the District shall determine to be best under the circumstances.

Section 7. The District shall make and enforce such by-laws and regulations as may be deemed necessary for the safe, economical and efficient management of the District's sewerage system, pumping stations and sewage treatment works, for the construction and use of house sewers and connections to the sewerage system, and for the regulation, collection, rebating and refunding of such rates and charges. The District is hereby authorized to prohibit dumping of wastes into the District's sewage system which, in its discretion, are deemed harmful to the operation of the sewage treatment works of said District, or to require methods affecting pretreatment of said wastes to comply with the pretreatment standards included in the National Pollution Discharge Elimination System (NPDES) Permit issued to the sewage works.

Section 8. All resolutions or parts of resolutions in conflict herewith are hereby repealed. The invalidity of any section, clause, sentence, or provision of this resolution shall not affect the validity of any other part of this resolution.

Section 9. The rates and charges as herein set forth shall become effective in 2016 on the first full billing period occurring after the effective date of this Resolution and thereafter on the dates as set forth below:


	PHASE I	PHASE II	PHASE III	PHASE IV
Date	2016	January 1, 2017	January 1, 2018	January 1, 2019

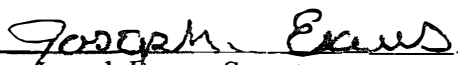
THIS RESOLUTION PASSED AND ADOPTED by the Board of Sanitary Commissioners of the Muncie Sanitary District, Muncie, Indiana this 7th day of July, 2016.

MUNCIE SANITARY DISTRICT

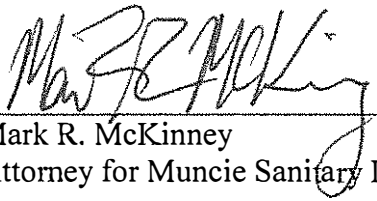
BOARD OF SANITARY COMMISSIONERS

By: 
William Smith, President

By: 
Michael Cline, P.E., Vice President

By: 
Joseph Evans, Secretary

ATTEST:


Mark R. McKinney
Attorney for Muncie Sanitary District