

FINAL Approved
Copy

ORDINANCE NO. 2018-A

**KOONTZ LAKE REGIONAL SEWER DISTRICT
SEWER RATE ORDINANCE**

Statement of Purpose and Intent

The Koontz Lake Regional Sewer District has been established to construct and provide a sewage works for the purpose of collecting and disposing of the sewage of users within the District in a sanitary manner. It is necessary to establish a schedule of rates and charges for the sewage works in order to produce sufficient revenues to pay the expenses of operation and maintenance, debt service requirements, and to provide funds for necessary replacements and improvements to the system. The occasion for the adoption of this new Ordinance is the District's extension of services to Swan Lake Resort under a separate agreement. The purpose and intent of this Ordinance is to establish such rates and charges for Swan Lake Resort and all other users of the sewage works.

**THE BOARD OF TRUSTEES OF THE KOONTZ LAKE REGIONAL SEWER DISTRICT,
KOONTZ LAKE, INDIANA, THEREFORE ORDAINS AS FOLLOWS:**

ARTICLE 1

GENERAL PROVISIONS

1.1 Definitions

Unless otherwise defined herein, terms shall be as adopted in the latest edition of Standard Methods for the Examination of Water and Wastewater, published by the American Public Health Association, and American Water Works Association, and the Water Pollution Control Federation and as set forth in 40 CFR 136. Waste Constituents and characteristics shall be measured by the "Standard Methods" unless a mutually agreed upon acceptable alternative method is adopted, or by such other method established by state or federal regulatory agencies. Monitoring and metering will be carried out by customarily accepted methods.

1.1.1 "Ammonia" (or NH₃-N) – Ammonia Nitrogen measured in Nitrogen. The Laboratory determinations shall be made in accordance with procedures set forth in "Standards Methods."

1.1.2 "Board" – The Board of Trustees of the Koontz Lake Regional Sewer District, or any duly authorized officials acting in its behalf.

1.1.3 "Campground" – A facility with one or more campsites as defined herein. No other definition of campground shall apply in this Ordinance.

1.1.4 "Campsite" – An area established on a property intended to accommodate a recreational vehicle.

1.1.5 "CBOD" – (Carbonaceous Biochemical Oxygen Demand) – a quantitative measure of the amount of dissolved oxygen required for the biological oxidation of carbon-

containing compounds in a sample. For the purposes of the District's Sewer Use Ordinance, it shall be defined as written in the latest edition of Standard Methods for the Examination of Water and Wastewater ("Standard Methods").

1.1.6 "COD" (Chemical Oxygen Demand) – a measure of the oxygen equivalent of that portion of the organic matter in a sample that is susceptible to oxidation by a strong chemical oxidant. The laboratory determination shall be made in accordance with procedures set forth in "Standard Methods."

1.1.7 "Connection Charge" – Charge for connection to sewer after conclusion of initial public construction; this charge shall include accumulated debt service not to exceed \$1,500.00.

1.1.8 "District" – The Koontz Lake Regional Sewer District acting by and through the Board of Trustees.

1.1.9 "Debt Service Costs" – The average annual principal and interest payments on all proposed revenue bonds or other capital debt.

1.1.10 "Dwelling Unit" – A room or rooms, or any other space or spaces, in which cooking and/or sleeping facilities are provided.

1.1.11 "Industrial Wastes" – Any solid, liquid, or gaseous substance or form of energy discharged, permitted to flow into or enter the sewer system or ground from an industrial, manufacturing, commercial, or business process or from the development, recovery, or processing of any natural resource carried on by any person and shall further mean any waste from an industrial user, but not including sanitary sewage or storm water.

1.1.12 "May" – The act referred to is both permissible and approved.

1.1.13 "Mixed Use Property" – A property that accommodates more than one user type, such as a property that has both a mobile home park and a campground.

1.1.14 "NPDES Permit" (National Pollutant Discharge Elimination System Permit) – The permit setting forth conditions for the discharge of any pollutant or combination of pollutants to the navigable waters of the United States pursuant to section 402 of Public Law 95-217.

1.1.15 "Operation and Maintenance Costs" – All costs, direct and indirect, necessary to provide adequate wastewater collection, transport and treatment on a continuing basis and produce discharges to receiving waters that conform with all related Federal, State, and local requirements.

1.1.16 "Other Service Charges" – Tap charges, connections charges, area charges, and other identifiable charges.

1.1.17 "Person" – Any and all persons, natural or artificial, including any individual, firm, company, municipal or private corporation, association, society, institution,

enterprise, governmental agency or other legal entity, or their legal representatives, agents or assigns.

1.1.18 “Phosphorus” – The chemical element phosphorus. The laboratory determinations shall be made in accordance with procedures set forth in “Standard Methods.”

1.1.19 “Recreational Vehicle” – Vehicles used for recreational purposes that have vehicle licenses valid for the current year.

1.1.20 “Replacement Costs” – The expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the useful life of the treatment works to maintain the capacity and performance for which such works were designed and constructed.

1.1.21 “Sanitary Sewage” – Sewage such as, and having the characteristics of, normal domestic sewage from dwellings (including apartment houses and hotels), office buildings, factories, or institutions, or institutions, free from storm and surface water and industrial wastes.

1.1.22 “Sewer Use Ordinance” – A separate and companion enactment to this Ordinance that regulates the connection to and use of public and private sewers.

1.1.23 “Shall” – The act referred to is mandatory.

1.1.24 “Standard Methods” – The laboratory procedures set forth in the latest edition, at the time of analysis, of “Standard Methods for Examination of Water and Wastewater” prepared and published jointly by the American Public Health Association, the American Water Works Association, and the Water Pollution Control Federation.

1.1.25 “Suspended Solids” – Solids which either float on the surface of or are in suspension in water, sewage or other liquids and which are removed by laboratory filtration. Their concentration shall be expressed in milligrams per liter. Quantitative determinations shall be made in accordance with procedures set forth in “Standard Methods.”

1.1.26 “User Classes” – The classification of wastewater treatment customers by source, function, waste characteristics, and process or discharge similarities.

1.1.26.1 “Residential User” – A user who introduces only normal domestic sewage from a single family or multifamily dwelling into the sewer system.

1.1.26.2 “Commercial User” – Transit lodging, retail and wholesale establishments or places engaged in providing merchandise for personal, household or industrial consumption and or rendering services to others.

1.1.26.3 “Institutional User” – A public or privately-owned school, hospital, nursing home, prison, or other similar institution whose wastes are segregated domestic wastes.

1.1.26.4 “Governmental User” – A user engaged in legislative, judicial, or administrative activities of Federal, State, or local governments, such as court houses, police and fire stations, town halls, and similar governmental users.

1.1.26.5 “Industrial User” – Any user who discharges industrial wastes, as defined in Section 1.1.11 of this Ordinance.

ARTICLE 2

RATES AND FEES

2.1 User Classifications

Every person whose premises are served by said sewage works shall be charged for the service 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 that is proportional to its use of the treatment works in terms of peak requirements, volume, and load. User charges are levied to defray the costs of operation, maintenance, and debt service costs, and to provide funds for necessary replacements and improvements to the treatment works. User charges shall be uniform in magnitude within a user class.

The classifications of users of the treatment works for the purpose of this Ordinance shall be as follows:

Class I –	Residential Commercial Governmental Institutional Industrial
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2.2 Rate Schedules

For the use of the service rendered by sewage works, rates, charges and fees shall be collected from the owners of each and every lot, parcel of real estate or building that is connected to or otherwise discharges sanitary sewage, industrial wastes, water or other liquids, either directly or indirectly, into the public sewer system of the Koontz Lake Regional Sewer District. Such rates, charges, and fees include user charges, inspection fees, debt service, costs, surcharges, and other charges and fees which shall be payable as hereinafter provided and shall be in an amount determined as follows:

2.2.1 The rate structure shall be based on an Equivalent Dwelling Unit, or EDU. All customers shall be rated using the methodology presented in **Schedule of Residential and Non-Residential Equivalent Factors**:

Schedule of Residential and Non-Residential Equivalent Factors

<u>Types of Users</u> ¹	<u>EDU</u> ²
Residential:	
Single Family Dwelling Unit	1.0 per dwelling unit
Apartments	1.0 per apartment
Mobile Home Parks	1.0 per lot
Multi-Family	1.0 per dwelling unit
Gatehouse or Garage Apartment	1.0 per unit
Non-Residential	
Assembly/Community Bldg.	0.01 per seat
Beauty Shop, Barber Shop, Styling Salon	0.33 per basin
Bowling Alley (No Food Service)	0.25 per lane
Fire Station	1.0 per unit
Church	0.01 per sanctuary seat
School	0.05 per pupil
Institution (Residential)	0.50 per resident
Laundry	1 EDU + 0.25 per machine
Motels	0.50 per room
Office Building	0.12 per employee
Camps	0.30 per tent site
Restaurant, Not 24-Hour	0.08 per seat
Retail Store	0.10 per employee
Grocery Store & Supermarket	1.45 per unit
Mini Mart/Gas Station	1.45 per unit
Tavern (Very Little Food Service)	0.08 per seat
Funeral Home	1.5 per unit
Library	1.0 per unit
Repair Service Shop	1.0 per unit

¹ Rates for user types not listed shall be set by the District, including but not limited to Swan Lake Resort, which, to the extent the rates herein are not applicable, specific rates are set forth in Appendix A.

² 1 EDU minimum for any residential or non-residential service.

2.2.2 The monthly rates, charges, and fees provided herein shall be applied throughout the year based upon the maximum sewage service required in any month in any calendar year. For example, the user charges based upon employment shall be applied throughout the year based upon the maximum employment of the user for such single maximum employment month, and such maximum usage shall be applied through the year.

2.2.3 The owner of any lot, parcel, real estate, or building connecting to the sewage works shall, prior to being permitted to make a connection, pay an inspection fee not less than the required charges as defined in Appendix A for

each connection. The inspection fee is in addition to the costs for purchase, installation and connection of a grinder pump station, piping, electrical service, and any other necessary devices or items.

2.3 Collection of Rates, Charges, and Fees

In order to produce an amount sufficient to meet the interest on the revenue bonds and other expenses payable prior to the completion of the works, after the contract for construction of sewer system has let and the actual work commenced thereunder, the owners of each and every lot, parcel of real estate, or building to be connected with the District's sanitary sewage system shall pay each month the debt service portion of the rates and charges established above for each such connection. Beginning with the first month after the sanitary sewers are available for connection and use to any lot parcel of real estate, or building the full rates and charges shall become effective for such lot, parcel of real estate, or building.

2.3.1 Such rates, charges, and fees shall be prepared, billed, and collected by the District in the manner provided by law and ordinance. The rates and charges shall be billed to the owners of the properties served.

2.3.1.1 All users shall be billed monthly. Billings for any particular month will be sent within ten (10) days after the end of the month. Payments are due within twenty (20) days after the billing date. Any payments not received within thirty (30) days after the end of the month shall be delinquent.

2.3.1.2 A late payment penalty of 10 percent (10%) of the user charge bill will be added to each delinquent bill.

2.3.1.3 If a bank should return a check for insufficient funds, the account will be subject to an insufficient funds charge as itemized in Appendix A. If a person has two (2) checks returned for insufficient funds, the District may require all future payments to be made in cash or money order. Upon the claim of a person that the return of a check for insufficient funds was a bank error, the District may waive an insufficient funds charge and/or accept payment by check if the bank supplies adequate documentation of its error.

2.3.1.4 Any unpaid billings, together with accrued penalties, shall be, in the District's discretion, reduced to a lien upon the real property receiving sewage service, under the terms set forth in Indiana Code § 13-26-14 *et seq.*, as may be amended from time to time, and other applicable law. This part shall be in addition to all other collection remedies provided by law, including an action in a court of appropriate jurisdiction.

2.4 Rate Surcharges

In order that the rates and charges may be justly and equitably adjusted to the service rendered to users, the District shall base its charges not only on the volume, but also on strength and character of sewage and wastes which it is required to treat and dispose of. The District may require the user to determine the strength and content of all sewage and

wastes discharged, either directly or indirectly into the sanitary sewage system, in such manner, by such method and at such times as the District may deem practicable in light of the conditions and attending circumstances of the case, in order to determine the proper charge. The user shall furnish a sampling point available to the District at all times. In order to recover the cost of monitoring industrial wastes, the District shall charge the user not less than the required charges as defined in Appendix A per sampling event plus the actual cost for analyzing the sample(s) as determined by the District or by an independent laboratory. The charge will be reviewed on the same basis as all other rates and charges in this Ordinance.

2.4.1 Normal domestic sewage waste strength should not contain Suspended Solids in excess of 290 milligrams per liter of fluid, five-day Carbonaceous Biochemical Oxygen Demand (CBOD) in excess of 290 milligrams per liter of fluid, or Ammonia in excess of 40 milligrams per liter of fluid. Additional charges for treating stronger-than-normal domestic waste shall be made on the basis contained in Appendix A of this Ordinance.

2.4.1.1 There shall be an additional charge per pound of Suspended Solids received in excess of 290 milligrams per liter of fluid.

2.4.1.2 There shall be an additional charge per pound of CBOD received in excess of 290 milligrams per liter of fluid.

2.4.1.3 There shall be an additional charge per pound of Ammonia received in excess of 40 milligrams per liter of fluid.

2.4.2 The determination of Suspended Solids, five-day CBOD, and Ammonia contained in the waste shall be performed in accordance with "Standard Methods."

2.5 Review of Rates, Charges, and Fees

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 first two (2) years of operation, following the date on which this Ordinance goes into effect. Such study shall include but not be limited to, an analysis of the cost associated with the treatment of excessive strength effluents from 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 wastewater treatment systems.

Thereafter, on a biennial basis, within a reasonable period of time following the normal accounting period, the District shall cause a similar study to be made for the purpose of reviewing the fairness, equity, and proportionality of the 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. The District shall, upon completion of said

study revise and adjust rates and charges, as necessary, in accordance therewith in order to maintain the proportionality and sufficiency of the rates.

2.6 District Powers of Regulation

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 sewage system, pumping stations, and sewage treatment works, for the construction and use of house sewers and connections to the sewage treatment works, the sewage collection system and for the regulation, collection, rebating, and refunding of such rates and charges.

ARTICLE 3

EFFECTIVE DATE AND SEVERABILITY

3.1 Effective Date

The provisions of this Ordinance shall be in full force and effect upon its passage and signing by the District and upon its publication according to law.

3.2 Severability

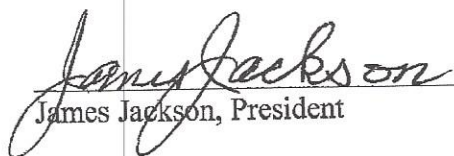
The invalidity of any action, clause, sentence, or provision of this Ordinance shall not affect the validity of any other part of this Ordinance, which can be given effect without such invalid part or parts.

3.3 Repeal of Other Ordinances

The District's prior Sewer Rate Ordinance, Ordinance No. 2010-B, and all other ordinances and parts of ordinances in conflict with this Ordinance are now repealed and replaced.

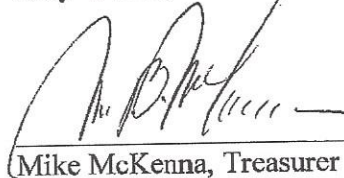
PASSED AND ADOPTED this 17th day of APRIL, 2018.

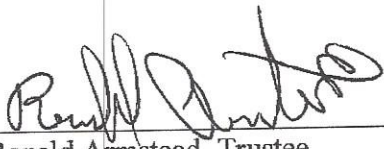
THE BOARD OF TRUSTEES OF THE KOONTZ LAKE REGIONAL SEWER DISTRICT


James Jackson, President


Jerry Weber, Vice President


Dan Pisarek, Secretary


Mike McKenna, Treasurer



Ronald Armstead, Trustee

Absent

Daniel Buchanicc, Trustee



Kristy Wilsey, Trustee

APPENDIX A

Schedule of Rates, Charges, and Fees

Monthly Sewer Rate: Per Equivalent Residential and Non-Residential Unit (EDU)

After the contract for construction of
Sewer system has let **\$35.00/month/EDU**

Beginning with the first month after
The sanitary sewers are available for connection **\$55.02/month/EDU**

Connection Charge: **Estimated debt service not to exceed \$1,500.00**
(Waived for properties connected during initial public sewer construction project)

Reconnection Fee*:

Up to 12 months beginning from date of abandonment **\$150.00**
12 months or greater **\$250.00**

* Repayment of accumulated debt service to the District in the event that service has been interrupted because of abandonment, demolition, or approved petition to the District.

Application for Building Sewer Connection Permit: **\$30.00**

Inspection Fee New Construction: **\$60.00**

Insufficient Funds Charge: **\$20.00**

Additional charges for treating stronger-than-normal domestic waste:

(1) Rate Surcharge Based Upon Suspended Solids

There shall be an additional charge of **\$0.30** per pound of suspended solids received in excess of 290 milligrams per liter of fluid.

(2) Rate Surcharge Based Upon CBOD

There shall be an additional charge of **\$0.20** per pound of CBOD received in excess of 290 milligrams per liter of fluid.

(3) Rate Surcharge Based Upon Ammonia

There shall be an additional charge of **\$2.25** per pound of Ammonia received in excess of 40 milligrams per liter of fluid.

Ordinance Violation: **\$50.00/day**

Major Contributor Surveillance Survey Charge: **\$50.00/day**

Swan Lake Resort (SLR) Rates, Charges, and Fees

(Will be equal to the sum of the monthly fixed rate plus the monthly variable rate.)

Monthly Fixed Rate Is Calculated as the Sum of Five Components:

(1) Debt Service Fee

- A. Initial Charge: **\$35.00**
- B. Fixed for the term of the USDA loan (until 2050)

(2) Billing Service Fee

- A. Initial Charge: **\$24.05**
- B. Calculated as:
 - i. The *SUM* of the annual cost for Billing Services:
 - 1. Billing Service (732.7)*
 - 2. Bad Debt/Collections (770.7)
 - 3. Billing Miscellaneous (775.7)
 - ii. *DIVIDED* by the total annual number of bills generated for the entire district,
 - 1. Provided by the Billing Service Contractor
 - iii. *PLUS \$20.00/month* for extra handling of the SLR bill
- C. Adjusted annually

(3) Administrative Fee

- A. Initial Charge: **\$3.74**
- B. Calculated as:
 - i. The *SUM* of the annual costs for Administration:
 - 1. Board Compensation (701.8)
 - 2. Materials and Supplies (720.8)
 - 3. Accounting Services (732.8)
 - 4. Legal Services (733.8)
 - 5. General Liability Insurance (757.8)
 - 6. Property Insurance (758.8)
 - 7. Fidelity Bond (759.8)
 - 8. Commercial Crime Insurance (760.8)
 - 9. Miscellaneous (775.8)
 - ii. *DIVIDED* by the total number of district rate payers,
 - 1. Provided by the Billing Service Contractor
 - iii. *DIVIDED* by 12 months
- C. Adjusted annually

(4) Infrastructure Property Insurance Premium

- A. Initial Charge: **\$41.67**
- B. Calculated as:
 - i. The annual property insurance premium directly attributed to the dedicated infrastructure (7758.8)
 - ii. *DIVIDED* by 12 months
- C. Adjusted annually

(5) Infrastructure Operation and Maintenance

- A. Initial Charge: **\$933.33**
- B. Calculated as:
 - i. The *SUM* of the direct annual costs for infrastructure:
 - 1. Electricity and Gas (7715.1)
 - 2. Materials and Supplies (7720.1)

- 3. Maintenance and Repair (7725.1)
- 4. Engineering Services (7731.1)
- 5. Inspection Services (7735.1)
- 6. Operator Services (7736.1)
- 7. Locate Services (7737.1)
- 8. Back-Up Generator (included in 7725.1)
- 9. Flow Meter Calibration (included in 7725.1)
- 10. Infrastructure Miscellaneous (7775.1)

ii. *DIVIDED* by 12 months

C. Adjusted annually

Monthly Variable Rate Is Calculated as the Product of Two Components:

(1) Waste Flow (Gallons)

- A. Measured by the SLRX Flow Meter
- B. Reported by the District Operator

(2) Cost of Treatment (\$/Gallon)

A. Initially set as \$4.49 per 1,000 gallons

i. Calculated as:

1. The *SUM* of direct annual costs for Treatment Plant Operations:

- (a) Electric and Gas (715.5)
- (b) Materials and Supplies (720.5)
- (c) Maintenance and Repairs (725.5)
- (d) Sludge Disposal (728.5)
- (e) Engineering Services (731.5)
- (f) Operator Services (736.5)
- (g) NPDES Permit (737.5)
- (h) Treatment Miscellaneous (775.5)

2. *DIVIDED* by the total annual treated waste flow (gallons)

(a) Provided by the District Operator

ii. Adjusted annually

Annual Adjustment

(1) Calculations Will Be Based Upon Expenses Recorded During a Calendar Year

(2) Calculations Will Be Made by March 1st for the Prior Year

(3) New Rate Determination Will Be Communicated to SLR Officials in March

(4) SLR Officials Will Have the Right to Review Expense Accounting Used to

Determine the New Rates

(5) New Rate Will Be Effective with the April 1st Billing

(is mailed MAY 1st)

* All numbers in parenthesis refer to expense accounts/funds in the District's Transaction Journal, which may be changed in the future for accounting purposes

*Flow Reading By 1st
Bill info for Jan*