

Ordinance No. 2015-03

**AN ORDINANCE ESTABLISHING
A WATER SYSTEM DEVELOPMENT CHARGE
TO THE WATER FUND OF THE TOWN OF WOLCOTT**

WHEREAS, Indiana Code Section 8-1.5-3-8 requires that the Town of Wolcott (“Town”) on behalf of its Water Utility establish rates and charges which will produce an income sufficient to maintain the utility property in sound physical and financial condition to render adequate and efficient service; and

WHEREAS, said Code section requires that rates and charges shall be collected from the owners of each and every lot, parcel of real estate or building that is connected with the Town water system. Such rates and charges shall produce sufficient revenue to: (1) pay all the legal and other necessary expenses incident to the operation of the utility, including: (A) maintenance costs; (B) operating charges; (C) upkeep; (D) repairs; (E) depreciation; and (F) interest charges on bonds or other obligations, including leases; (2) provide a sinking fund for liquidation of bonds or other obligations, including leases; (3) provide a debt service reserve for bonds or other obligations, including leases, in an amount established by the municipality, not to exceed the maximum annual debt service on the bonds or obligations or the maximum annual lease rentals; (4) provide adequate money for working capital; (5) provide adequate money for making extensions and replacements to the extent not provided for through depreciation in subdivision (1); and (6) provide money for the payment of any taxes that may be assessed against the utility.

WHEREAS, the Town Council of the Town has employed H. J. Umbaugh & Associates, a certified public accounting company, to study the financial status of the town’s utilities, to

complete financial studies, and to report upon the propriety and amount of Water System Development Charge; and

WHEREAS, the Town Council of the Town wishes to establish Water System Development Charge for new users of the Town's Water system equal to the net investment of existing users in the Water System to render adequate and efficient service;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WOLCOTT, INDIANA:

Section 1.

- A) That no connection the Town's Water systems shall be allowed until a payment of a Water System Development Charge has been made to the town;
- B) That a "Water System Development Charge" is the charge to a user for a new connection to or additional water usage from an existing connection to the Town's water works system and is charged in return for the Town making available to such user the Town's water system consisting of all facilities and operation necessary to render adequate and efficient service to such user. The Water System Development Charge shall be charged in addition to the Water Connection Fee as outlined in Ordinance No. 2009-03 and any and all amended water rates and charges in future ordinances. The amount of the Water System Development Charge shall be dependent on the water meter size and shall be as established in Exhibit A of the Ordinance;

(See attached hereto and made a part hereof)

- C) That the purpose of the Water System Development Charge is to recover from New Customers a share of the equity collectively built up by the Wolcott Municipal Utilities and its existing customers, in the Water Works system and to apply the proceeds of the Water System Development Charge to support the excess capacity in the Water Works available for growth, and to thereby offset

some of the costs associated with that excess capacity that would otherwise be paid by existing customers; and,

D) That all revenue collected from a Water System Development Charge shall be deposited in the Water Depreciation/Capital Improvement Fund.

Section 2. All other provision of all other rates and charges established by the Ordinance shall remain in full force and effect.

Section 3. This ordinance shall be in full force and effect from and after its passage.

DULY ORDAINED and ADOPTED this 7th day of April, 2015, by the Town Council of the Town of Wolcott, County of White, Indiana having a vote of four in favor and none opposed.

TOWN COUNCIL, TOWN OF WOLCOTT, INDIANA

YEA

NAY

/s/ Marsha L. Mackey, President

/s/ Jon H. Evans, Vice President

/s/ Richard A. Lynn, Council Member

/s/ Fred A. Young, Council Member

/s/ Michael A. Yelton, Council Member

So Witnessed and attested to this 7th day of April, 2015:

/s/ Linda S. Bajzatt, IAMC, CMC
Clerk-Treasurer

ATTACHMENT "A"

WOLCOTT (INDIANA) MUNICIPAL WATER UTILITY
APRIL 7, 2015

WATER SYSEM DEVELOPMENT CHARGES BY METER SIZE

<u>METER SIZE</u>	SYSTEM DEVELOPMENT FEE
5/8" – 3/4"	\$ 2,783
1"	\$ 6,958
1 1/4"	\$ 11,132
1 1/2"	\$ 13,915
2"	\$ 22,264
3"	\$ 44,528
4"	\$ 69,575
6"	\$ 139,150

A meter size greater than a 6-inch meter size will be charged \$139,150 or actual cost.