**Ordinance No. 2022 - \_\_\_\_\_\_\_\_**

**AN ORDINANCE OF THE COMMON COUNCIL OF THE**

**CITY OF MADISON, INDIANA TO REPEAL AND REPLACE SECTIONS 52.20, 52.21, 52.22, 52.23, 52.24, 52.25 AND 52.26 OF THE CITY OF MADISON CODE OF ORDINANCES ESTABLISHING THE RATES AND CHARGES FOR THE USE OF AND SERVICES RENDERED BY THE WATERWORKS SYSTEM OF THE CITY OF MADISON, INDIANA**

**WHEREAS,** the City of Madison, Indiana owns, operates and maintains a municipal water utility commonly known as The City of Madison Water Utilities; and

**WHEREAS,** The City of Madison Water Utilities has caused studies to be performed by independent rate experts analyzing its financial condition and rate design; and

**WHEREAS,** those studies conclude that the existing rates and charges need to be revised to produce additional revenues and to better reflect costs of service and recommend that the Common Council of the City of Madison, Indiana adopt a revised schedule of rates and charges for services in compliance with I.C.8-1.5-3-8; and

**WHEREAS,** the existing rates and charges for water service rendered by The City of Madison Water Utilities were placed into effect in 2008; that existing rates and charges for the use of and services rendered by the City of Madison Water Utilities do not produce revenues sufficient to provide for the cost of service and other expenses incident to the operation of The City of Madison Water Utilities and are not sufficient to produce an income sufficient to maintain such utility property in a sound physical and financial condition to render adequate and efficient service; and

**WHEREAS,** House Enrolled Act 1002 authorized the repeal of the Utility Receipts Tax effective July 1, 2022; and

**WHEREAS,** the Common Council of The City of Madison, Indiana now finds that new rates and charges as set forth below be established, which are reasonably expected to provide sufficient revenue to pay the necessary expenses incident to the operation of The City of Madison Water Utilities, including maintenance costs, operating charges, repairs, depreciation and interest charges on its proposed and currently outstanding indebtedness and other obligations; to provide a sinking fund for liquidation of its outstanding bonds and other evidence of indebtedness; to provide adequate funds for making extensions and replacements, and to provide funds for payment of any taxes that may be assessed against the waterworks, including payments in lieu of property taxes which may be transferred to the City’s General Fund; and complying with House Enrolled Act 1002 by removing the collection of the Utility Receipts Tax; and

**WHEREAS,** the Common Council of the City of Madison, Indiana has determined that said proposed rates and charges are reasonable and just charges within the meaning of I.C.8-1.5-

3-8 and are necessary to provide for the continued operation of said The City of Madison Water

Utilities; and

**WHEREAS,** the Clerk-Treasurer of the City has given notice of the public hearing on proposed rates as provided for in the Act; and

**WHEREAS,** the public hearing was held before this Council on May 17, 2022, at which time testimony from interested persons was received, after introduction of this ordinance and as provided for in the Act.

**NOW THEREFORE BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MADISON, INDIANA, as follows:**

**Section 1.** Sections 52.20, 52.21, 52.22, 52.23, 52.24, 52.25 and 52.26 of the City of Madison Code of Ordinances are amended to provide in their entirety as follows:

RATES AND CHARGES

***§ 52.20 CHARGE TO BE PAID FOR ALL SERVICES RENDERED.***

1. The city shall establish, maintain and collect just and equitable rates or charges for the facilities and service afforded by its waterworks system which shall be sufficient at all times to pay reasonable and proper costs of maintenance and operation of the system, to provide a proper and reasonable depreciation account, and to pay the principal and interest on the bonds as the same become due.
2. All persons receiving city water service shall pay such rates, fees and charges as are established by the city in the manner prescribed by it. All persons desiring water service shall pay such applicable fees, deposits and other fees as are required by the city.
3. Each customer shall pay a minimum monthly charge in accordance with the size of the water meter installed, and for which said customer shall be entitled to a minimum quantity of water per month. Usage of water in excess of the minimum monthly gallons allowed will result in the customer being billed for the excess usage utilizing the rates and charges as established by ordinance.
4. Billing Adjustments: Adjustments for water leaks are only given for the wastewater portion of the bill, according to the following rules:
5. Adjustments are only available if the excess water did not enter the wastewater collection system to be treated.
6. Adjustments will not be given below the average usage.
7. The **Application for Adjustment** must be received within six (6) months of the occurrence and include all required information and attachments.
8. If the adjustment totals over $1,000.00, then the customer will be required to attend a Board of Public Works meeting to receive the adjustment.
9. No adjustments are available for watering your lawn, watering your garden, watering your flowers or filling your pool. We do, however, offer the choice of a second water meter, installed at the customer’s expense, for irrigation and water uses that do not include wastewater charges.
10. Exceptional Circumstances: It is impossible to foresee all circumstances in which an adjustment to a customer’s bill may or may not be adjusted. In circumstances which are not specifically addressed by this ordinance, the Utility Manager shall determine, in conformity with the Board of Public Work’s general policy objectives and business practices, whether or not to make a billing adjustment.
11. No water service will be furnished to any customer without charge.

***§ 52.21 TAPPING/INSPECTION FEES.***

1. All costs and expenses incident to establishing water service, including the installation of and connection of a building to the distribution system, shall be borne by the property owner. The owner shall indemnify the city from any loss or damage that may directly or indirectly be occasioned by establishing water service.
2. The city shall maintain and repair at its expense the Waterworks from the main up to and including the service valve, meter pit, or curb stop for a user.
3. The user shall maintain at its own expense the service pipes beginning outside of the service valve, meter pit, or curb stop into a building serviced by the Waterworks, together with all service pipes contained within the building.
4. In the event that an inside meter setting is permitted, the following shall apply:
5. User shall maintain at its expense all piping beginning at the service connection; and
6. City shall only be responsible for maintenance of the meter.
7. If an inside meter setting is vacated by establishing an outside meter setting, the meter previously used for the inside setting shall convert to being part of the piping and the user's responsibility.
8. The city shall inspect and approve of the work prior to initiation of service to the customer, and shall assess a fee.
9. The fee shall be $450 for residential and other users within the city limits, and $600 for residential and other users outside the city limits.
10. Mobile home and trailer parks shall pay a fee of $125 per space.
11. NOTIFICATION WHEN WATER SERVICE READY FOR INSPECTION.

The applicant for establishing water service shall notify the Department 24 hours in advance of commencing work on establishing water service. The applicant shall then notify the Department when the water service connection is ready for inspection. No backfill shall be placed until the work has been inspected.

1. All excavations for water line or service installation shall be adequately guarded with barricades and lights so as to protect the public from hazard.  Streets, sidewalks, parkways, and other public property disturbed in the course of work shall be restored in a manner satisfactory to the city.
2. The installation of service pipes shall meet the current recommended practices as established by the American Water Works Association ("AWWA") and the local specifications adopted by the Board of Public Works. In the absence of applicable AWWA standards or local specifications, the ten state standards shall apply.
3. Official workers of the city shall have free access at all reasonable hours to all parts of the premises to which water is supplied to make necessary examinations and inspections.

***§ 52.22 USER CLASSES AND BILLING METHODS; WATER SERVICE RATES AND CHARGES; MINIMUM CHARGES; FIRE PROTECTION CHARGES AND FEES.***

1. Definitions of user classes.  For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.
2. “RESIDENTIAL USER.”  A user who demands normal domestic usage from a single-family dwelling and where the quantity of water usage is measured by a single meter.
3. “MULTIPLE USER.”
4. “MULTIPLE-USER DWELLING.”  A user who demands normal domestic usage from multiple-family dwellings or users, such as duplexes, apartments, trailer parks, hotels, motels and others providing transient lodging, and where the quantity of water usage is measured by a single meter.
5. “OTHER USER.”  A user, including commercial, governmental and industrial, where usage is measured by a single meter, and where the property does not qualify as a residential or multiple user, being further defined as:
6. “COMMERCIAL USER.” Retail and wholesale establishments, or places engaged in providing merchandise for personal, household or industrial consumption, and/or rendering service to others.
7. “INDUSTRIAL USER.”  Any establishment or place engaged in the processing or production of merchandise for personal, household or industrial consumption, and/or rendering service to others.
8. “GOVERNMENTAL USER.”  A user engaged in legislative, judicial or administrative activities of federal, state and local governments, such as courthouses, police and fire stations, city halls, similar governmental users and Water Reseller companies.
9. Billing methods.
10. Residential and other users.  Actual monthly usage shall be billed in accordance with the rates and charges prescribed in division (C).
11. Multiple users.  Actual monthly usage shall be utilized in calculating the monthly bill for customers which are multi-user or multi-family establishments by using the following formula:

**MULTI-USER BILL CALCULATION**

“Number of Equivalent Users” = EU [For multi-user accounts)

EU = Total Gallons used for month / Average monthly usage (average monthly usage per data from State= 4000 gallons)

Water Bill for Month = (EU) X (Water Charge of resident using 4000 gallons)

The water charge for 4000 gallons shall be calculated by applying the rates and charges as prescribed in the “Rates and Charges” section of the Madison City Code of Ordinances.

1. Temporary users.  Water furnished to temporary users, such as contractors, festivals, circuses, and the like, shall be charged for in accordance with division (C).  Unmetered usage shall be estimated by the Utility Manager, the water supervisor or the Utility Billing Office.
2. Water service rates and charges.  There shall be and are hereby established for the use of, and the service rendered by, The City of Madison Water Utilities, the following rates and charges, based on the use of water supplied by the waterworks system and the user classes defined in division (A):
3. Rates for metered usage per month.

Metered Consumption Per Month Monthly Rate Per 1,000 Gallons

Proposed Rate

First 5,000 Gallons $ 4.21

Next 15,000 Gallons $ 3.64

Next 30,000 Gallons $ 3.11

Over 50,000 Gallons $ 2.84

1. Minimum monthly charge.  Each user shall pay a minimum monthly charge in accordance with the following applicable size of meter installed, for which the user will be entitled to the quantity of water set out in the metered usage per month schedule of rates:

Minimum Charge per Meter Size Allowance Per Month

5/8 or ¾ Inch Meter 3,000 Gallons $ 12.63

1 Inch Meter 7,500 Gallons $ 30.15

1 ½ Inch Meter 17,400 Gallons $ 66.19

2 Inch Meter 30,000 Gallons $ 106.75

3 Inch Meter 69,000 Gallons $ 222.91

4 Inch Meter 123,000 Gallons $ 376.27

6 Inch Meter 276,000 Gallons $ 810.79

1. Public Fire Protection Surcharge Outside Corporate Limits.

In addition to the charges for water used in accordance with the above rates, there shall be a surcharge to each metered user located outside the corporate limits who is afforded fire protection from a public fire hydrant.

Metered Service Surcharge Per Month

5/8 or ¾ Inch Meter $ 3.61

1 Inch Meter $ 8.99

1 ½ Inch Meter $ 20.88

2 Inch Meter $ 35.99

3 Inch Meter $ 82.76

4 Inch Meter $ 147.52

6 Inch Meter $ 331.03

8 Inch Meter $ 590.10

1. Public Fire Protection Surcharge Inside Corporate Limits.

In addition to the charges for water used in accordance with the above rates, there shall be a surcharge to each metered user located inside the corporate limits who is afforded fire protection from a public fire hydrant.

Metered Service Surcharge Per Month

5/8 or ¾ Inch Meter $ 2.56

1 Inch Meter $ 6.42

1 ½ Inch Meter $ 14.86

2 Inch Meter $ 25.61

3 Inch Meter $ 58.91

4 Inch Meter $ 105.01

6 Inch Meter $ 235.61

8 Inch Meter $ 420.01

1. Fire hydrant rental fee.
2. A private fire hydrant fee shall be assessed only in the event that a customer has no sprinkler system.
3. Unmetered Private Fire Hydrants, per hydrant $679.12/year / $56.93/month.

      (6)   Monthly charges for private fire protection using automatic sprinklers.

Private Fire Protection (Automatic Sprinklers) Per Month

Service through 3” Line $ 28.70

Service through 4” Line $ 56.99

Service through 6” Line $ 94.90

Service through 8” Line $ 170.91

Service through 10” Line $ 284.79

Service through 12” Line $ 426.09

Permanent fire protection systems and permanent fire protection apparatus, including standpipe and sprinkler connections, owned and maintained by an entity other than the city may be connected to the water distribution system where compatible, and are to be used only for fire protection and in extinguishing fires, except as otherwise expressly authorized by the city's ordinances or the Board of Public Works. Those connections shall be made only with prior express written consent of the Water Department, and they shall be assessed and pay an annual availability charge, based on the size of the connection to the Waterworks, in addition to charges for water supplied by the Waterworks, which shall be charged per rates as established by city ordinance.

***§ 52.23  METER DEPOSIT.***

1. A meter deposit of $150 shall be required of each new customer who is a tenant of the

premises to which water service is to be provided.

1. Meter deposits shall be held by the utility until such time as service to the customer is discontinued either by the customer or the utility. Upon discontinuance of service, the utility shall apply all or any part of the customer’s meter deposit to payment of any outstanding water charges, including any delinquencies, with the renter’s meter deposit being first applied to the payment of water charges. The remaining balance of the meter deposit shall then be applied to any unpaid sanitation fees, then to any unpaid sewer fees and if the total of all the balances due are less than the deposit, a check will be sent to the customer for the remainder of the deposit.

***§ 52.24  TEMPORARY USERS.***

1. Water furnished to temporary users, such as contractors, festivals, circuses, etc., shall be charged per rates as established in accordance with City Ordinances or Policies. Unmetered usage shall be estimated by the Utility Manager, Water Supervisor or the Utility Billing Office and be subject to the Fees in 52.24 (B).
2. Water Fire Hydrant Temporary Connection
3. Any person or firm desiring to utilize a fire hydrant for the purpose of purchasing water from the Madison Water Utility, shall notify the Utility Billing Office and/or the Utility Manager.
4. Upon approval by the Utility Manager or the Water Supervisor, the applicant shall pay a deposit to the Utility Billing Office in the amount listed below under Deposit Fees.
5. The person or firm applying for the hydrant permit shall be responsible for any damage or problems that may occur to the fire hydrant or hydrant meter in the course of obtaining water.
6. Upon receiving a paid receipt from the Utility Billing Office, the applicant will be issued the proper size water meter. When the meter is returned, the Water Department will notify Utility Billing Office of the amount of water used and the applicant shall be responsible for issuing payment for the amount of water used. A hydrant may only be opened by an employee of the City of Madison after issuance of a valid permit.
7. Deposit Fees*.*

The following deposit and rental/usage fees are established:

1. Deposit for hydrant meter with backflow device: $1000.00
2. The rental fee for the hydrant meter shall be $50.00 per week for each week of usage payable in advance. Any unpaid fees and/or damage to the hydrant meter or wrench shall be deducted from the deposit.
3. It shall be unlawful for any person to open a hydrant without a permit having been issued to such person as herein above provided.
4. Festival Meter Usage
5. Any person or group desiring to utilize a water meter for events recognized by the City of Madison as “festivals” shall notify the Utility Billing Office.
6. A “Festival Meter Request Form” will need to be filled out by the responsible person and/or group. Rates and charges are as shown on the “Festival Meter Request Form” on file in the Utility Billing Office.

***§ 52.25 & § 52.26  COLLECTION AND PAYMENT POLICIES, CHARGES AND DISCONNECTION***

1. Penalties for Late Payment. All bills for water consumed and not paid on or before the due date thereof, as stated in such bills, shall be subject to the collection of a late payment charge of **ten percent (10%) on the first $3.00** and **three percent (3%) on the excess over $3**.
2. Disconnect/Reconnect Charge. **$25.00**

If a delinquent bill is not paid within ten days after the “delinquent due date”, the water supply to said customer may be discontinued for nonpayment of a delinquent bill, a charge of $25.00 will be made for the disconnection and/or reconnection of water service, but such reconnection will not be made until after all delinquent bills and charges, if any, owed by the customer to the City have been paid.

1. Non-Sufficient Funds Check
2. The city shall accept personal checks as conditional payment towards sums due to the city. In the event that for some reason a check is not honored in the ordinary course of business, then the person or group issuing the check shall be subject to a return check fee of $5 plus the applicable bank charge, but in no event less than $20.
3. In the event that a person issues a second check to the city which is not honored in the-regular course of business, then the City Utility Billing Office shall not accept further personal checks from such person or group.
4. The Billing Department is authorized to add the charges to the accounts of the customer who delivers the check to the Department
5. *SERVICE FEES:*
6. Special Turn Off/On (Realtor Inspection) **$25.00**

***§ 52.28 SHUTTING OFF WATER; NOTICE. UNAUTHORIZED TURNING ON/OFF WATER SERVICES. OBSTRUCTION OF METERS; WATER METER ACCESS.***

1. The city reserves the right at any time, without notice, to shut off water in the street mains for repairs, extensions, or for any other purpose. All persons having any apparatus connected to the water system dependent on the water pressure are cautioned against danger of collapse when the supply is cut off. When circumstances permit, the consumer will be advised of a shut-off by public notice or otherwise, but in no case shall the city, the Board of Public Works, the Utility Manager or any other city employee be held responsible for damages resulting from failure from any cause to supply water to any consumer.
2. It shall be unlawful for any person to cover up, or in any way obstruct, the free access to any water meter in the service of the Madison Waterworks Department. In case of violation of this provision on the part of the owner or tenant, and failure on the part of the owner or tenant to remove such obstructions upon notice from the Waterworks Department, the water service shall be immediately shut off from the premises; the city reserves the right to examine every meter connected to the waterworks system, whether located for convenience on private property or in any public street or alley.

**Section 2.** Unless facts and circumstances dictate otherwise, it is the sense of the Common Council that a new waterworks rate study should be performed at least once every five (5) years.

**Section 3.** This Ordinance shall become effective July 15, 2022 upon its adoption by the Common Council, signature of the Mayor, enrollment in the book of Ordinances, and publication of notice as required by law.

**Section 4**. Any Ordinance in conflict with this Ordinance is hereby repealed.

Passed and adopted by the Common Council of the City of Madison, Indiana on the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2022.

Presiding Officer

Attest:

Katie M. Rampy, Clerk-Treasurer

Presented by me to the Mayor of the City of Madison, Indiana on the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2022, at the hour of \_\_\_\_\_, \_\_.m.

Katie M. Rampy, Clerk-Treasurer

This ordinance approved and signed by me on the \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_, 2022, at the hour of \_\_\_\_\_, \_\_\_.m.

Bob Courtney, Mayor