

MICHIGAN CITY COMMON COUNCIL

ORDINANCE NO. _____

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, INDIANA, APPROVING THE ESTABLISHMENT OF A SEPARATE SCHEDULE OF RATES AND CHARGES BY THE CITY OF MICHIGAN CITY, INDIANA, SANITARY DISTRICT FOR OWNERS OF PROPERTY AND USERS LOCATED IN A PORTION OF THE TOWN OF LONG BEACH, INDIANA, PREVIOUSLY INCORPORATED INTO THE CITY OF MICHIGAN CITY, INDIANA, SANITARY DISTRICT

WHEREAS, pursuant to IC 36-9-25, as amended (the “Act”), the Board of Commissioners (the “Board”), governing body of the Sanitary District (the “District”) of the City of Hobart, Indiana (the “City”), has heretofore established, constructed and financed its sewage works (the “Sewage Works”), and now owns and operates said Sewage Works pursuant to the Act; and

WHEREAS, the Town Council of the Town of Long Beach, Indiana (the “Town”) previously adopted Resolution No. 2020-005 on June 30, 2020, requesting that a portion of the Town, generally located along the north and south side of Lake Shore Drive in the Town and consisting of approximately 330 properties, be incorporated into the District (the “Town of Long Beach Project Area”) for purposes of the District undertaking a project to provide sewage treatment services to the Town of Long Beach Project Area to alleviate failing septic issues in the Town of Long Beach Project Area; and

WHEREAS, the Board adopted Resolution No. 1424-20 on August 26, 2020, determining pursuant to Indiana Code 36-9-25-14(b) to incorporate the Town of Long Beach Project Area in the District; and

WHEREAS, the Board has been considering (i) the installation of approximately 12,500 lineal feet of 8-inch, 10-inch, and 12-inch diameter gravity flow sanitary sewer and associated manholes, and public side laterals; (ii) installation of three (3) new wastewater lift stations (West, Middle, and East) and associated force main; (iii) capacity improvements to the existing Shoreland Hills Lift Station; (iv) installation of a parallel force main from Shoreland Hills; and (v) associated restoration including pavement replacement and site restoration, and other related and necessary improvements to provide for the collection and transporting of wastewater generated in the Town of Long Beach Project Area (the “Project”); and

WHEREAS, the Board expects the costs of the Project will be funded by special revenue bonds issued by the District evidencing a loan the District expects to receive from the State Revolving Fund loan program (the “Bonds”) which Bonds would be payable solely from

revenues received by the District from the owners of properties and users located in the Town of Long Beach Project Area; and

WHEREAS, it is necessary to establish a schedule of rates and charges necessary to provide sufficient revenues to pay the principal of and interest on the Bonds issued by the District to pay the costs related to the completion of the Project and the issuance of said Bonds and the operation and maintenance expenses related to providing sewage services to the Town of Long Beach Project Area; and

WHEREAS, the Board has directed its municipal advisor, Cender Dalton Municipal Advisors (the “Municipal Advisor”), to complete a rate report determining the rates and charges necessary for such purposes; and

WHEREAS, the Municipal Advisor has prepared and submitted a rate report (the “Rate Report”) to the Board which sets forth the recommended rates and charges to be collected from the owners of property in the Town of Long Beach Project Area sufficient to pay the debt payments and expenses described above; and

WHEREAS, as a result of the Rate Report, the Board has determined it is necessary to adopt the schedule of rates and charges set forth at Exhibit A for the Town of Long Beach Project Area sufficient to pay operation and maintenance expenses related to providing sewage services to the Town of Long Beach Project Area (the rates and charges for such purpose being the “Operation and Maintenance Charge”) and serve as the sole source of revenues (the rates and charges for such purpose being the “Local Capital Charge” and collectively with the Operation and Maintenance Charge, the “Rates and Charges”) to pay the principal of and interest on the Bonds which may be issued to pay the costs related to the completion of the Project and the issuance of said Bonds; and

WHEREAS, the Operation and Maintenance Charge for the Town of Long Beach Project Area will be the same monthly sewer charges for current users located outside of the City of Michigan City as set forth in Ordinance No. 4212 adopted by the Common Council on December 13, 2012 (“Ordinance No. 4212”), as the same may be amended from time to time and which are set forth at Exhibit A for reference; and

WHEREAS, the Board, at a meeting on May 11, 2022, proposed the Rates and Charges, scheduled a public hearing on said Rates and Charges, authorized the publication of a notice of public hearing on said Rates and Charges, and the Secretary of the Board caused notice of a public hearing on the proposed Rates and Charges to be published as required by the Act and Indiana Code 5-3-1; and

WHEREAS, the Board has duly conducted said public hearing at which owners of property and users to be served by the Project and any other interested persons were given the opportunity to be heard concerning the proposed Rates and Charges described herein; and

WHEREAS, following said public hearing, the Board adopted a Resolution (the “Rate Resolution”) (i) finding the Rates and Charges to be just and equitable to pay for the operation,

maintenance, and administrative expenses related to providing sewage services to the Town of Long Beach Project Area and to pay the principal of and interest on the Bonds as they become due and payable and (ii) adopting and approving the Rates and Charges pursuant to Section 11(c) of the Act; and

WHEREAS, the Rate Resolution further recommended to the Common Council of the City (the “Common Council”) that it consider and adopt an ordinance adopting and approving such Rates and Charges; and

WHEREAS, the Common Council desires to approve said Rates and Charges, pursuant to Section 11(c) of the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MICHIGAN CITY, INDIANA THAT:

1. All of the stated “WHEREAS” clauses are incorporated herein by reference.
2. The Common Council hereby finds that the Rates and Charges, as approved by the Board, are just and equitable, and further finds that the Project will serve the public purpose of the City by reducing pollution into Lake Michigan and is in the best interests of its residents and the residents of the Town of Long Beach Project Area.
3. The Common Council hereby approves said Rates and Charges, as approved by the Board, in substantially the form provided at this meeting and attached hereto as Exhibit A. The Operation and Maintenance Charge shall be the same monthly sewer charges for current users located outside the City of Michigan City as set forth in Ordinance No. 4212, as the same may be amended from time to time and which are set forth at Exhibit A for reference.
4. This Ordinance shall be in full force and effect from and after passage by the Common Council and upon compliance with the procedures required by law.

Adopted at a meeting of the Common Council of the City of Michigan City, Indiana, held on this ____ day of _____, 2022.

Sponsored by: _____
Bryant Dabney, Member

Dahlia Zygas, Member

Don Przybylinski, Member

Passed by the Common Council of the City of Michigan City, Indiana, this ____ day of _____, 2022.

Angie Nelson Deutch, President of the Common Council

Approved by me on the ____ day of _____, 2022.

(SEAL)

Duane Parry, Mayor of
the City of Michigan City, Indiana

ATTEST:

Gale A. Neulieb, City Clerk of the City
of Michigan City, Indiana

EXHIBIT A

CITY OF MICHIGAN CITY, INDIANA, SANITARY DISTRICT

Town of Long Beach Project Area Monthly Sewer Charges

The Town of Long Beach Project Area charges are as follows:

- (a) **Operation and Maintenance Charge** (The Operation and Maintenance Charge for the Town of Long Beach Project Area will be the same monthly sewer charges for current users located outside of the City of Michigan City as set forth in Ordinance No. 4212 which monthly sewer charges may be amended by the District and the Common Council from time to time. The existing outside monthly sewer charges are set forth below for reference):

Base Charge (per month)	<u>Monthly Rate</u>
Meter Size	
5/8"	\$ 15.73
3/4"	\$ 23.60
1"	\$ 39.33
1-1/2"	\$ 91.23
2"	\$157.30

Flow Charge:

Tier I-For first 1,200 CCF, Per 100 cu. ft.:

Outside rate (Treatment rate plus debt rate times 160%)	\$ 3.08
---	---------

Minimum Charge: All customers will be subject to a minimum monthly charge composed of the applicable base charge for their respective meter size plus 300 cu. ft. usage times Tier I rate (\$3.08 per CCF). [Eg. For a customer with a 5/8" water meter it is the Base Charge (\$15.73) plus 3 times Tier I rate of \$3.08/CCF (\$9.24) equals a \$24.97 Minimum Monthly Charge].

Customers on wells without water meters: Flat Monthly Fee based on a typical Sanitary District customer with a 5/8" meter and average residential usage of 7 CCF (5.236 gallons).

Outside Customer	\$ 37.29
------------------	----------

- (b) **Local Capital Charge** (the Local Capital Charge in the Long Beach Project Area will be that amount necessary to service the debt payments to finance the Project)

Monthly per Equivalent Dwelling Unit (which means a single family residence or vacant lot with a connection point)	\$248.00
--	----------