

ORDINANCE NO. 2002-3

An ordinance amending the schedule of sewage rates and charges to be collected by Jennings Northwest Regional Utilities from the owners of property served by the sewage works thereof and other matters connected therewith.

WHEREAS, Jennings Northwest Regional Utilities, a regional district under IC 13-26 ("District"), has heretofore constructed and has in operation a sewage works for the purpose of collecting and disposing of sewage in a sanitary manner pursuant to IC 13-26 ("Act"), and other applicable laws; and

WHEREAS, the District has, pursuant to Ordinance No. 98-4, adopted by the Board of Trustees of the District on September 10, 1998, established the rates and charges for the sewage works of the District; and

WHEREAS, the District has previously issued its sewage works bond anticipation notes to finance the costs of constructing additions and improvements to the sewage works of the District ("BANs"); and

WHEREAS, the District has determined that it is necessary to issue its sewage works revenue bonds to provide for the payment of the BANs which BANs will be due on September 1, 2002; and

WHEREAS, the Act requires that the Board of Trustees shall, by ordinance, establish just and equitable rates and charges for the use of and service rendered by the sewage works, payable by the owner of each lot, parcel of land, or building that is connected with and uses the sewage works, or that in any way uses or is served by the works; and

WHEREAS, just and equitable rates and charges are those that produce sufficient revenue to pay all expenses incident to the operation of the works, including maintenance costs, operating charges, upkeep, repairs, and interest charges on bonds or other obligations; provide the sinking fund for the liquidation of bonds or other evidence of indebtedness and reserves against default in the payment of interest and principal on bonds; and provide adequate funds to be used as working capital, as well as funds for making improvements, additions, extensions and replacements; and

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

WHEREAS, based upon the advice of its financial advisor, the Board of Trustees finds that the current rates and charges of the sewage works are not sufficient to enable the District to meet the requirements of the Act and that the rates and charges for the use of and service rendered by the sewage works of the District should be increased to enable the District to meet the requirements of the Act; and

WHEREAS, the Act requires that the rates and charges to be collected shall be fixed by ordinance after due notice and public hearing, which notice and hearing have been properly

conducted; therefore, said Board of Trustees hereby authorizes the establishment and collection of the rates and charges as set forth in this ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF JENNINGS NORTHWEST REGIONAL UTILITIES:

Section 1. Section 2B of Ordinance No. 98-4 is hereby amended and restated as follows:

B. Monthly Sewer Service

Monthly Sewer Rates Based on Metered Water Usage:

(Rate per thousand gallons as measured by metered water usage)

First 2,000 Gallons	\$10.05
Next 5,000 Gallons	7.05
Over 7,000 Gallons	5.05

Minimum Monthly Sewer Rate Charge:

Minimum rate (2,000 gallons allowed)	\$20.10
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Monthly Sewer Rates When Water Usage is Unmetered:

If water usage is unmetered, flat rate (assuming 3,650 gallons per month)	\$31.75
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Debt Service Surcharge (per month):

In addition to all other metered and unmetered sewer rates and charges	<u>Phase 1</u> \$14.85	<u>Phase 2</u> \$24.60
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The Phase 1 debt service surcharge shall be in effect until August 1, 2007; thereafter the Phase 2 debt service surcharge shall be in effect.

Section 2. All provisions of Ordinance No. 98-4 not amended by this ordinance shall remain in full force and effect.

Section 3. The invalidity of any section, 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.

Section 4. This ordinance shall be in full force and effect from and after its date of passage and the rates and charges set forth herein shall apply to the next billing period of the District following adoption of this ordinance.

Passed and adopted by the Board of Trustees of Jennings Northwest Regional Utilities on
the 1st day of August, 2002.

BOARD OF TRUSTEES

Ed Whitaker

Thomas H. Kowalski

William P. Collins

David A. Banker

Karl [Signature]

Mary K. [Signature]

Attest:

Mary K. [Signature]
Secretary