

BILL NO. G-13-04-20 (AS AMENDED)

GENERAL ORDINANCE NO. _____

**AN ORDINANCE AMENDING CHAPTER 52:
WATER AND WATERCOURCES
CITY OF FORT WAYNE, CODE OF ORDINANCES**

WHEREAS, the Common Council of the City of Fort Wayne, Indiana approved water rate adjustments on December 18, 2012 via General Ordinance G-38-12 to reflect rates approved by the Indiana Utility Regulatory Commission (IURC) on October 17, 2012, Cause No. 44162, to be implemented by City Utilities in three phases effective on January 1, 2013, 2014 and 2015 respectively; and

WHEREAS, in making its ruling the IURC stipulated that Fort Wayne City Utilities should conduct a water Cost of Service Study (COSS) and should submit for review further revisions to rates to be implemented in phases II and III; and

WHEREAS, revised rates contained herein are based on the Cost of Service Study and will still fully fund the previously developed Capital Improvements Plan (CIP) allowing the Water Utility to continue to provide its customers with safe, reliable and affordable drinking water through sustainable levels of capital spending on treatment facilities' parts and equipment, field maintenance equipment, water main replacement and other structures and facilities positioned throughout the service territory; and

WHEREAS, the City of Fort Wayne (CITY) currently funds the Utility's cost to provide water-based fire protection services with fees recovered by the CITY through property taxes and is now seeking budget relief by moving the costs for water based fire protection services to all Utility customers;

**NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE
CITY OF FORT WAYNE, INDIANA:**

SECTION 1. This Ordinance repeals and replaces Ordinance G-38-12 in its entirety. The following sections of Chapter 52 of the Fort Wayne Code of Ordinances are hereby amended per Attachment A hereto to adjust the rates and charges assessed to

Fort Wayne Water Utility customers subject to review and approval by the IURC with Phase II to become effective on January 1, 2014 and Phase III to become effective on January 1, 2015.

SECTION 3. Except for the foregoing amendments, the remaining sections of Chapter 52 of the City of Fort Wayne, Indiana, Code of Ordinances shall remain in full force and effect.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed, and the existing schedule of water rates and charges shall remain in full force and effect until the schedule of rates and charges fixed by this ordinance shall be approved by the Indiana Utility Regulatory Commission, and until such time as the order of said Commission approving said new rates and charges shall direct.

SECTION 5. This Ordinance shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor and due legal publication thereof; provided however, the schedule of rates and charges herein set out in Attachment A shall not become effective unless approved by the Indiana Utility Regulatory Commission, or until such time as said Commission shall direct.

Council Member

Approved as to form and legality



Carol Helton, City Attorney

**BOARD OF PUBLIC WORKS
CITY OF FORT WAYNE, INDIANA**

RESOLUTION NO. #100-4-24-13-1

WHEREAS, the Board of Public Works (BOW) of the City of Fort Wayne, Indiana (City) last recommended to the Common Council, an across the board three phase water rate increase in January 2012, which was approved as Ordinance G-4-12 on February 21, 2012 by the Common Council in the recommended three phases, with phases to become effective as of January 1, 2013, 2014 and 2015 respectively; and,

WHEREAS, the Fort Wayne Water Utility (Utility) petitioned the Indiana Utility Regulatory Commission (IURC) for approval of its rate plan on February 24, 2012 as IURC Cause No. 44162; and,

WHEREAS, the IURC made adjustments to the three year rate plan and issued its order on October 17, 2012, after which the Common Council adopted the IURC-approved three year rate plan on December 18, 2012 as Ordinance G-38-12; and,

WHEREAS, as a condition of the settlement agreement between the Utility, Interveners, and the Office of the Utility Consumer Counselor (OUCC) on Cause No 44162, the Utility agreed to prepare a COSS and petition the IURC for approval of revised cost-based rates for Phase II and Phase III; and,

WHEREAS, the City of Fort Wayne (CITY) currently funds the Utility's cost to provide water based fire protection services with fees recovered by the CITY through property taxes and is now seeking budget relief by moving the costs for water based fire protection services to all Utility customers; and,

WHEREAS, rate consultants were hired by the Utility to develop revised rates to become effective January 1, 2014 based on the COSS prepared in compliance with the settlement agreement of Cause No 44162 adding the fees to pay for water based fire protection services from the CITY to all Utility customers; and,

WHEREAS, the rates approved for Phase II and Phase III under Ordinance G-38-12 are sufficient to satisfy the requirements of I.C. 8-1.5-3-8 thus meeting the fiscal needs of the Utility including:

- (A) Payment of all of the legal and other necessary expenses incident to the operation of the utility;
 - (B) Provision of a sinking fund, a debt service reserve, adequate money for working capital and making extensions and replacements to the extent not provided for through depreciation;
 - (C) Provision of money for the payment of any taxes that may be assessed against the utility; and
 - (D) Meeting the financial obligations of the Utility's Capital Improvement Plan;
- and,

WHEREAS, the rate consultants determined that the rates developed by the COSS, including funding of the water based fire protection fees for Phases II and III generate the same revenues as the rates established under G-38-12 and such rates are therefore also sufficient to meet the fiscal needs of the Water Utility.

NOW, THEREFORE, BE IT RESOLVED by the Board of Public Works that the revised Utility rates and charges shown in Exhibit A accomplish the following:

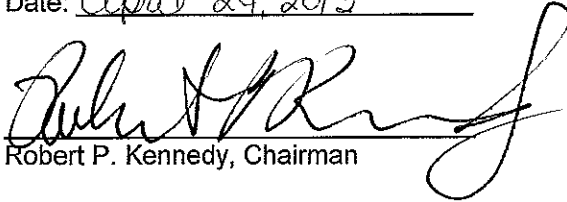
1. Satisfy the requirement of the settlement agreement under Cause No 44162 for a COSS;
2. Change the funding source for water based public fire protection from CITY fees to fees applied to all Utility customers as of January 1, 2014;
3. Provide sufficient revenue to carry out the obligations of the Water Utility as outlined above;
4. Provide a fair and reasonable return on the Utility plant of the City; and
5. Compensate the City for taxes that would be due to the City on the Utility property as if it were privately owned.

BE IT FURTHER RESOLVED that the Board of Public Works does hereby recommend that the Common Council of the City of Fort Wayne amend Chapter 52 of the Fort Wayne Code of Ordinances by adjusting the rates and charges assessed to Utility customers for Phase II and Phase III to be effective January 1, 2014 and January 31, 2015 respectively, as shown in Exhibit A and submit same to the IURC for review and approval.

Adopted and approved this 24th day of April, 2013.

City of Fort Wayne
Board of Public Works

Date: April 24, 2013


Robert P. Kennedy, Chairman


Mike Avila, Member


Kumar Menon, Member

Attest: 
Victoria Edwards, Clerk

EXHIBIT A

Chapter 52
Section

Effective Date

1/1/2014
Phase II

1/1/2015
Phase III

52.15 WATER USAGE SCHEDULE; INSIDE CITY CORPORATE LIMITS**

Page 1 of 3

There shall be and hereby are established for the use of and the service rendered by the waterworks system of the city the following rates and charges based on the use of water supplied by the City Waterworks System:

(A) Monthly Service Charges.

Each user shall pay a monthly service charge, in addition to usage charges calculated under the metered rate schedule as follows:

Size of Meter

5/8"	\$ 8.73	\$ 9.23
3/4"	8.73	9.23
1"	22.26	23.53
1 1/2"	49.87	52.71
2"	88.46	93.50
2 1/2"	88.46	93.50
3"	199.18	210.53
4"	354.09	374.27
6"	796.30	841.69
8"	1,416.01	1,496.72
10"	2,212.31	2,338.41
12"	2,212.31	2,338.41

(B) Monthly Metered Usage Rates (per hundred cubic feet)

First 25 hundred cubic feet	\$ 1.97	\$ 2.08
Next 95 hundred cubic feet	1.84	1.94
Over 120 hundred cubic feet	1.79	1.89

52.16 Fire Protection Services; Inside City

Fire protection service for use in extinguishing fire only, shall be as follows:

Public Hydrant Rental (monthly)

\$ - \$ -

Public Fire Protection Services (Monthly Charge)

Size of Meter

5/8"	\$ 2.40	\$ 2.54
3/4"	2.40	2.54
1"	6.15	6.50
1 1/2"	13.85	14.64
2"	24.61	26.01
2 1/2"	38.46	40.65
3"	55.38	58.54
4"	98.46	104.07
6"	221.53	234.16
8"	393.84	416.29
10"	615.37	650.45
12"	886.13	936.64

Private Hydrant Rental (monthly)

30.66 32.41

Private Fire Line Connection (Monthly Charge)

Size of Connection

1"	\$ 0.28	\$ 0.30
1 1/2"	0.80	0.85
2"	1.70	1.80
2 1/2"	3.07	3.24
3"	4.95	5.23
4"	10.55	11.15
6"	30.66	32.41
8"	65.33	69.05
10"	117.49	124.19
12"	189.78	200.60
16"	404.42	427.47

52.17 COST FOR MUNICIPAL SERVICE (REPEALED)

EXHIBIT A

Chapter 52
Section

Effective Date

1/1/2014
Phase II

1/1/2015
Phase III

Page 2 of 3

52.18 WATER USAGE SCHEDULE; OUTSIDE CITY CORPORATE LIMITS**

There shall be and hereby are established for the use of and the service rendered by the waterworks system of the city the following rates and charges based on the use of water supplied by the City Waterworks System:

(A) Monthly Service Charges.

Each user shall pay a monthly service charge, in addition to usage charges calculated under the metered rate schedule as follows:

Size of Meter

5/8"	\$ 10.05	\$ 10.62
3/4"	10.05	10.62
1"	25.60	27.06
1 1/2"	57.35	60.62
2"	101.72	107.52
2 1/2"	101.72	107.52
3"	229.06	242.12
4"	407.20	430.41
6"	915.74	967.94
8"	1,628.42	1,721.24
10"	2,544.15	2,689.17
12"	2,544.15	2,689.17

(B) Monthly Metered Usage Rates (per hundred cubic feet)

First 25 hundred cubic feet	\$ 2.27	\$ 2.40
Next 95 hundred cubic feet	2.12	2.24
Over 120 hundred cubic feet	2.06	2.18

(C) Fire Protection Services.

Public Fire Protection Services (Monthly Charge)

Size of Meter

5/8"	\$ 2.76	\$ 2.92
3/4"	2.76	2.92
1"	7.08	7.48
1 1/2"	15.92	16.83
2"	28.31	29.92
2 1/2"	44.23	46.75
3"	63.69	67.32
4"	113.23	119.68
6"	254.76	269.28
8"	452.91	478.73
10"	707.67	748.01
12"	1,019.05	1,077.14

Private Hydrant Rental (monthly)

\$ 35.26	\$ 37.27
----------	----------

Private Fire Line Connection (Monthly Charge)

Size of Connection

1"	\$ 0.32	\$ 0.34
1 1/2"	0.92	0.97
2"	1.96	2.07
2 1/2"	3.53	3.73
3"	5.70	6.02
4"	12.14	12.83
6"	35.26	37.27
8"	75.13	79.41
10"	135.11	142.81
12"	218.24	230.68
16"	465.08	491.59

EXHIBIT A

Chapter 52
Section

Effective Date

1/1/2014
Phase II

1/1/2015
Phase III

Page 3 of 3

(D) Large Industrial Customers:

Monthly Service Charge

Size of Meter. For each meter.

10"

\$ 2,544.15 \$ 2,689.17

Monthly Metered Usage Rates (per hundred cubic feet)

First 25 hundred cubic feet

\$ 2.05 \$ 2.11

Next 95 hundred cubic feet

1.99 1.95

Over 120 hundred cubic feet

1.85 1.85

Fire Protection Services

Public Fire Protection Services (Monthly Charge for each meter)

10"

\$ 707.67 \$ 748.01

Phase II Discount Only

(530.75) 0.00

Contract Customers:

(E) City of New Haven

Monthly Demand Charge

\$ 8,409.08 \$ 8,888.40

Commodity Charge per

hundred cubic feet

\$ 1.1700 \$ 1.2367

Monthly Service Charge for each meter

based on in-city monthly service charge

Fire Protection Services for each meter

based on in-city rates and charges per size of
meter connections

(F) Utility Center, Inc. (AKA - Aqua Indiana)

Monthly Demand Charge

\$ 9,140.29 \$ 9,661.28

Commodity Charge per

hundred cubic feet

\$ 1.2266 \$ 1.2965

Monthly Service Charge for each meter

based on in-city monthly service charge

Fire Protection Services for each meter

based on in-city rates and charges per size of
meter connections

** Excludes Large Industrial Customers and Contract Customers

Interoffice Memo

Date: **April 19, 2013**

To: Common Council Members

From: **Len Poehler**, Deputy Director Business Services, Fort Wayne City Utilities

RE: **Water Rate Adjustments – Phase II and Phase III revised**

The Common Council approved, subject to Indiana Utility Regulatory Commission (IURC) approval, a three phase water rate adjustment on February 21, 2012. On October 17, 2012, the IURC adjusted that rate plan and on December 18, 2012, the Common Council ratified the IURC adjusted rate plan as Ordinance G38-12.

The IURC ruling also included the requirement that the Fort Wayne City Water Utility (Utility) prepare a Cost of Service Study (COSS) and submit Phase II and III rate revisions for IURC review and approval. In compliance with this requirement, a COSS was prepared, rates were developed and those rates are included as Exhibit A to the proposed Ordinance. The revised rates for Phase II and Phase III will be effective January 1, 2014 and 2015, respectively.

In conjunction with these rate adjustments, funding for water based Public Fire Protection Services was moved from the City of Fort Wayne (CITY) to all Utility customers. The funding change will be effective January 1, 2014 and provides budget relief for the City's 2014 budget.

These rates will be subject to IURC review and approval as an extension of IURC Cause No 44162.

CC: BOW
Kumar Menon
Diane Brown