



CITY OF SOUTH BEND PETE BUTTIGIEG, MAYOR
DEPARTMENT OF PUBLIC WORKS

Eric Horvath, Director

September 7, 2016

Mr. Tim Scott
President, South Bend Common Council
4th Floor, County-City Building
South Bend, IN 46601

Re: AN ORDINANCE OF THE CITY OF SOUTH BEND COMMON
COUNCIL IMPLEMENTING SYSTEM DEVELOPMENT CHARGES
AND REPEALING COMPACT FEES AND ASSESSMENTS

Dear President Scott:

The application of assessment fees and compact fees has been inconsistent and cumbersome. The attached ordinance attempts to remedy that by eliminating compact fees for sewer and water service altogether, and in place of compact fees for sewer service, the City should instead recover a 14% outside City surcharge for sewer service.

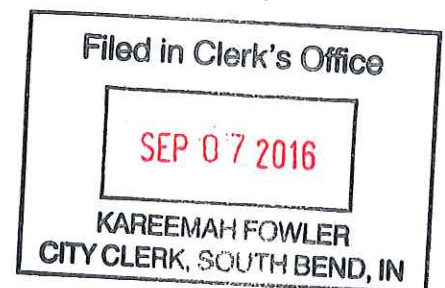
The ordinance also eliminates assessment fees and establishes system development charges for both water and sewer service which have been computed using what is known as the "Equity Method."

I look forward to discussing this ordinance at the Council's Committee meeting and at the public hearing. If you have any further questions or need additional information, please let me know.

As always, thank you for your consideration.

Sincerely,

Eric C. Horvath
City of South Bend
Executive Director Public Works



OK
[Handwritten initials]

ORDINANCE NO. _____

**AN ORDINANCE OF THE COMMON COUNCIL OF THE
CITY OF SOUTH BEND, INDIANA REPEALING CERTAIN
SECTIONS OF CHAPTER 17, ARTICLE 10 REGARDING
COMPACT FEES AND ASSESSMENTS AND REPLACING
SUCH FEES AND ASSESSMENTS WITH SYSTEM
DEVELOPMENT CHARGES**

STATEMENT OF PURPOSE AND INTENT

The City of South Bend owns and operates a water and sewer utility. The South Bend City Code has contained, for many years provisions, which would impose compact fees and assessments for water and/or sewer utility service. The application of said compact fees and assessments has been inconsistent.

This Council has caused to be prepared a study which recommends system development charges to be imposed upon connection of new customers to its water or sewer utility and to new uses by existing customers that would materially change the demands on the water and/or sewer utility.

The City has determined that in place of compact fees for sewer service, the City should instead, recover an outside City surcharge for sewer service. Further, the City has determined that it is appropriate to implement system development charges for both water and sewer service which have been computed using what is known as the "Equity Method." It is appropriate to exempt connections to new structures which replace an older structure of similar use located on the same property.

Section I. Chapter 17, Article 10, Section 17-79 of the South Bend Municipal Code shall be repealed in its entirety and amended to read as follows:

17-79. Equivalent residential unit; sewer system development charge for new connections and for certain existing connections.

1. For purposes of this section "ERU" shall be defined as an equivalent residential unit which means a single family residence. For purposes of customers that are not single family residences, one ERU shall equal estimated wastewater flows of 310 gallons per day. No customer will be less than one ERU.

2. Except as provided in Subsections 5 and 6 of this Section, for every new connection to the South Bend Municipal Sewer Works, a system development charge of \$1,145 shall be collected per ERU and additional portion thereof to be connected. All charges shall be paid to the City at the time the application for connection is filed.

3. System development charges per ERU shall also be collected from existing customers undertaking activities producing a permanent increase in wastewater flow of greater than 150 gallons per day.

4. For multifamily structures (e.g., apartments, condominiums, mobile home communities), each individual unit shall be one ERU. For all other types of structures, the ERU calculation shall be based upon the ratio of Average Daily Flow as computed pursuant to 327 IAC 3-6-11 in relationship to 310 gallons per day. For structures not listed in 327 IAC 3-6-11, the ERU shall be calculated as the relationship between the Average Daily Flow reported in the sewer capacity certification for the structure and 310 gallons per day.

5. For customers with greater than 20 ERUs as calculated pursuant to subsection 4 of this Section, the ERU shall be adjusted based upon the Peaking Factor as computed herein. The Peaking Factor shall be calculated by dividing the Peak Daily Flow by the Average Daily Flow, both as reported in the sewer capacity certification. In no event will a Peaking Factor less than 2.0 be used for purposes of the adjustment described in this Subsection. The Peaking Factor divided by 4.0 (the Peaking Factor for residential connections) will be multiplied by the number of ERUs for purposes of computing the system development charge owed by the customer. The City Board of Works may execute a contract with the customer authorizing an increase to the initial System Development Charge based upon actual usage data that is collected after connection.

6. Where a prospective customer seeks to connect a new structure on property which replaces a prior structure of a similar use what was located on the same property and which was connected to the South Bend Municipal Sewer Works, no system development charge will be collected.

Section II. Chapter 17, Article 10, Section 17-80 of the South Bend Municipal Code shall be repealed in its entirety and amended to read as follows:

17-80. Equivalent residential unit; water system development charge for new connections and for certain existing connections.

1. For purposes of this section “ERU” shall be defined as an equivalent residential unit which means a single family residence. For purposes of customers that are not single family residences, one ERU shall equal estimated water flows of 310 gallons per day. No customer will be less than one ERU.

2. Except as provided in Subsections 5 and 6 of this Section, for every new connection to the South Bend Municipal Water Works, a system development charge of \$500 shall be collected per ERU and additional portion thereof to be connected. All charges shall be paid to the City at the time the application for connection is filed.

3. System development charges per ERU shall also be collected from existing customers undertaking activities producing a permanent increase in water flow of greater than 150 gallons per day.

4. For multifamily structures (e.g., apartments, condominiums, mobile home communities), each individual unit shall be one ERU. For all other types of structures, the ERU calculation shall be based upon the ratio of Average Daily Flow as computed pursuant to 327 IAC 3-6-11 in relationship to 310 gallons per day. For structures not listed in 327 IAC 3-6-11, the ERU shall be calculated as the relationship between the Average Daily Flow reported in the water capacity certification for the structure and 310 gallons per day.

5. For customers with greater than 20 ERUs as calculated pursuant to subsection 4 of this Section, the ERU shall be adjusted based upon the Peaking Factor as computed herein. The Peaking Factor shall be calculated by dividing the Peak Daily Flow by the Average Daily Flow, both as reported in the water capacity certification. In no event will a Peaking Factor less than 2.0 be used for purposes of the adjustment described in this Subsection. The Peaking Factor divided by 4.0 (the Peaking Factor for residential connections) will be multiplied by the number of ERUs for purposes of computing the system development charge owed by the customer. The City Board of Works may execute a contract with the customer authorizing an increase to the initial System Development Charge based upon actual usage data that is collected after connection.

6. Where a prospective customer seeks to connect a new structure on property which replaces a prior structure of a similar use what was located on the same property and which was connected to the South Bend Municipal Water Works, no system development charge will be collected.

Section III. Chapter 17, Article 10, Section 17-81 of the City Code shall be repealed in its entirety and amended to read as follows:

17-81. Wastewater charges outside city limits.

For wastewater collection service rendered to customers whose connection is located outside the corporate limits of the City of South Bend, a surcharge of 14% shall be added to the total amount billed.

Section IV. Chapter 17, Article 10, Section 17-86(b) of the City Code shall be repealed in its entirety, and subpart (a) shall remain intact and unaffected by this Amendment.

Section V. The remaining Sections (17-82, 17-83, 17-84, 17-85, 17-87 and 17-88) of Chapter 17, Article 10 of the South Bend Municipal Code shall remain intact and unaffected by this ordinance.

Section VI. The paragraphs, sentences and words of this Ordinance are severable, and if any portion hereof is declared unconstitutional, invalid or unenforceable by a court of competent jurisdiction, such declaration shall not affect the remaining portions of this Ordinance.

Section VI. This Ordinance shall take effect upon its passage by this Common Council, approval by the Mayor, and any publication required by law.

PASSED AND ADOPTED by the Common Council of the City of South Bend, Indiana this _____ day of _____, 2016.

President, Common Council of the
City of South Bend

ATTEST:

Kareemah Fowler, Clerk

Presented by me, the undersigned Clerk of the City of South Bend, to the Mayor of the City for his approval on the _____ day of _____, 2016, at _____ o'clock _____.m.

Kareemah Fowler, Clerk

Having examined the foregoing Ordinance, I do now, as the Mayor of the City of South Bend, approve said Ordinance and return the same to the Clerk of the City of South Bend this _____ day of _____, 2016.

Pete Buttigieg, Mayor

PUBLIC HEARING
3rd READING
NOT APPROVED
REFERRED
PASSED

