

RESOLUTION NO. 2017-1024-1
TRI-COUNTY CONSERVANCY DISTRICT

A RESOLUTION AMENDING AND RESTATING
TRI-COUNTY CONSERVANCY DISTRICT'S
SCHEDULE OF RATES AND CHARGES TO BE
COLLECTED BY THE TRI-COUNTY CONSERVANCY DISTRICT,
FROM THE USERS OF THE SEWAGE WORKS OF SAID CONSERVANCY
DISTRICT, AND OTHER MATTERS CONNECTED THEREWITH

WHEREAS, the Board of Directors of the Tri-County Conservancy District ("District") adopted Resolution No. 02-0716-1 entitled "**A RESOLUTION AMENDING AND RESTATING TRI-COUNTY CONSERVANCY DISTRICT'S SCHEDULE OF RATES AND CHARGES TO BE COLLECTED BY THE TRI-COUNTY CONSERVANCY DISTRICT, FROM THE USERS OF THE SEWAGE WORKS OF SAID CONSERVANCY DISTRICT, AND OTHER MATTERS CONNECTED THEREWITH**" ("Rate Resolution") on August 14, 2002; and

WHEREAS, the Board of Directors of the Tri-County Conservancy District adopted Resolution 08-0109-1 entitled **A RESOLUTION AMENDING AND RESTATING TRI-COUNTY CONSERVANCY DISTRICT'S SCHEDULE OF RATES AND CHARGES TO BE COLLECTED BY THE TRI-COUNTY CONSERVANCY DISTRICT, FROM THE USERS OF THE SEWAGE WORKS OF SAID CONSERVANCY DISTRICT, AND OTHER MATTERS CONNECTED THEREWITH** on February 26, 2008; and

WHEREAS, the Board of Directors of the Tri-County Conservancy District adopted Resolution 09-1110-1 entitled **A RESOLUTION AMENDING AND RESTATING TRI-COUNTY CONSERVANCY DISTRICT'S SCHEDULE OF RATES AND CHARGES TO BE COLLECTED BY THE TRI-COUNTY CONSERVANCY DISTRICT, FROM THE USERS OF THE SEWAGE WORKS OF SAID CONSERVANCY DISTRICT, AND OTHER MATTERS CONNECTED THEREWITH** on December 8, 2009; and

WHEREAS, the Board of Directors, based on the improved financial conditions of the District as a result of the refinancing of the Special Program Bonds Series 2008 suspended the rate increase contained in Resolution 09-1110-1 that was to be effective July 1, 2010; and

WHEREAS, the Board of Directors of Tri-County Conservancy District adopted Resolution 2015-0626-1 entitled **“A RESOLUTION AMENDING AND RESTATING TRI-COUNTY CONSERVANCY DISTRICT’S SCHEDULE OF RATES AND CHARGES TO BE COLLECTED BY THE TRI-COUNTY CONSERVANCY DISTRICT, FROM THE USERS OF THE SEWAGE WORKS OF SAID CONSERVANCY DISTRICT, AND OTHER MATTERS CONNECTED THEREWITH”** on August 11, 2015; and

WHEREAS, the Board of Directors of Tri-County Conservancy District adopted Resolution 2016-1011-1 entitled **“A RESOLUTION AMENDING AND RESTATING TRI-COUNTY CONSERVANCY DISTRICT’S SCHEDULE OF RATES AND CHARGES TO BE COLLECTED BY THE TRI-COUNTY CONSERVANCY DISTRICT, FROM THE USERS OF THE SEWAGE WORKS OF SAID CONSERVANCY DISTRICT, AND OTHER MATTERS CONNECTED THEREWITH”** on October 25, 2016; and

WHEREAS, the Indiana Utility Regulatory Commission (“IURC”) established a sub docket for all satellite customers of CWA Authority, Inc. (“CWA”). The order entered in Cause No. 446855-S-1 reduced the treatment charge to Tri-County Conservancy District (“District”), terminated the District’s contract with CWA, and subjected the District to future rate cases before the IURC; and

WHEREAS, CWA treats all of the District’s wastewater; and

WHEREAS, the District finds that based upon the rate reduction, the Board believes it is in the best interest of the District’s freeholders to amend and restate the District’s Rate Resolution, and modify the provision of its Rate Resolution including but

not limited to the modification of the Schedule of Rates and Charges so as to produce sufficient revenues in a just and equitable manner to provide the funds necessary to pay expenses of maintenance and operation of the District, the replacement of improvements to the District's sewer system, to pay the principal and interest on Notes issued or to be issued by the District in accordance with the applicable resolutions and to pay other financing resolutions; and

WHEREAS, the Board of Directors desires to amend its Rate Resolution and Restate the Rate Resolution embodying all effective terms and conditions of the District's Rate Resolution as of the effective date of this Resolution 2017-1024-1.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Tri-County Conservancy District;

Section 1. Unless the context specifically indicates otherwise, the meaning of terms used in this Resolution shall be as follows:

(a) "Board" shall mean the Board of Directors of the Tri-County Conservancy District, or any duly authorized officials acting in its behalf.

(b) "BOD" (Biochemical Oxygen Demand) shall have the same meaning as in the Use Resolution.

(c) "District" shall mean the Tri-County Conservancy District, acting by and through the Board of Directors.

(d) "Debt Service Cost" shall mean the average annual principal and interest payments on all notes, outstanding revenue bonds or other long-term capital debt.

(e) "EDU" (Equivalent Dwelling Unit) shall mean the average daily amount of sewage flow from a normal residence unit based upon industry standards.

(f) "Excessive Strength Surcharge" shall mean an additional charge which is billed to users for treating sewage wastes with an average strength in excess of Normal Domestic Sewage (as defined herein).

(g) "Industrial Wastes" shall mean the wastewater discharges from industrial, trade or business processes as distinct from employee wastes or wastes from sanitary conveniences.

(h) NH₃N (Ammonia Nitrogen) shall have the same meaning as in the Use Resolution.

(i) "Normal Domestic Sewage" (for the purpose of determining surcharges) shall mean wastewater or sewage having an average daily concentration as follows:

B.O.D. not more than 250 mg/1

S.S. not more than 250 mg/1

NH₃N. not more than 30 mg/1

As defined by origin, wastewater from segregated domestic and or sanitary conveniences as distinct from wastes from industrial process.

(j) "NPDES Permit" (National Pollutant Discharge Elimination System) shall mean the permit issued by the Indiana Department of Environmental Management for the discharges of wastewaters to navigable waters of the United States pursuant to Section 402 of 33 U.S.C. 466.

(k) "Operation and Maintenance Costs" include all costs, direct and indirect, including but not limited to, Replacement Costs (as defined herein) necessary to provide adequate wastewater collection, transport and treatment on a continuing basis and to produce discharges to receiving waters that conform with all related federal, state and local requirements.

(l) "Other Service Charges" shall mean tap-on charges, connection charges, Facility Utilization Fees, area charges, and other identifiable charges other than User Charges, debt service charges and excessive strength surcharges.

(m) "Person" shall mean any and all persons, natural or artificial, including any individual, firm, company, municipal or private corporation, association, society, institution, enterprise, governmental agency or other entity.

(n) "Replacement Costs" shall mean the expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the useful life of the treatment works to maintain the capacity and performance for which such works were designed and constructed.

(o) "Shall" is mandatory; "May" is permissive.

(p) "Service Area" shall mean the area within the boundary of the Tri-County Conservancy District as amended from time to time and described in Morgan Circuit Court, Cause No. 55C01-9502-MI-54.

(q) "Sewage" shall mean a combination of the water carried wastes from residences, business buildings, institutions and industrial establishments.

(r) "Sewer Maintenance Costs" shall mean the costs to transport sewage and to repair the collection system.

(s) "S.S." (Suspended solids) shall have the same meaning as defined in the Use Resolution.

(t) "Sewer Use Resolution" shall mean a separate and companion enactment to this Resolution, which regulates the connection to and use of public and private sewers.

(u) "User Charge" shall mean a charge levied on users of the wastewater treatment works for the cost of Operation and Maintenance of such works and Debt Service Costs.

(v) "User Class" shall mean the division of wastewater treatment customers by source, function, waste characteristics, and process or discharge similarities (i.e., residential, commercial, industrial, institutional, and governmental in the User Charge System).

(i) "Residential User" shall mean a user of the treatment works whose premises, unit or building is used primarily as a residence for one or more persons, including all dwelling units and which premises, unit or building is served by a 1 inch or smaller water meter.

(ii) "Commercial User" shall mean any establishment involved in a commercial enterprise, business or service which, based on a determination by the District, discharges primarily segregated domestic wastes or wastes from sanitary conveniences and is served by a water meter greater than 1 inch.

(iii) "Institutional User" shall mean any establishment involved in a social, charitable, religious, and/or educational function which, based on a determination by the District, discharges primarily segregated domestic wastes or wastes from sanitary conveniences.

(iv) "Governmental User" shall mean any federal, state, or local governmental user of the wastewater treatment works.

(v) "Industrial User" shall mean any manufacturing or processing facility that discharges industrial waste to a publicly owned treatment works.

(w) "Sanitary Sewer" shall mean a sewer which carries sewage and to which storm, surface and ground waters are not intentionally admitted.

Section 2. Every person whose premises are served by said sewage works shall be charged for the services provided. These charges are established for each User, as defined, to defray cost of Operation and Maintenance (including replacement) of the treatment works and to cover Debt Service Costs.

Section 3. For the use of and the services rendered by the sewage works, rates and charges shall be collected from the owners of each and every lot, parcel of real estate or building that is connected with the District's sanitary sewer system or otherwise discharges sewage, industrial wastes, water or other liquids, either directly or indirectly, into the sanitary sewer system of the Tri-County Conservancy District. Such rates and charges include Operation and Maintenance, User Charges, Debt Service Costs, Excessive Strength Surcharges and Other Service Charges, which rates and charges shall be payable as hereinafter provided and shall be in an amount determinable as follows:

(A) For all User Classes except Residential Users the sewage rates and charges shall be based on the quantity of water used on or in the property or premises subject to such rates and charges, as the same is measured by the water meter there in use, except as herein otherwise provided. For the purpose of billing and collecting the charges for sewage service, the water meters shall be read in accordance with the operating practice of Citizens Energy Group, the Tri-County Conservancy District or other water suppliers, as the case may be. All Users shall be billed monthly (or a period equaling a month). The water usage schedule on which the amount of said rates and charges shall be determined as follows:

I. All Users except Residential Users Minimum Monthly Meter Charge

\$39.80 per meter

II. Flow Charge (per 1,000 gallons with 1,000 minimum)

All Users except Residential Users.

\$4.03 per 1000 gallons

- III. For All Users except Residential Users of the sewage works that are unmetered water users or where accurate meter readings are not available, the monthly charge shall be determined by the sum of the Monthly Meter Charge and the Flow Charge which shall be determined by the usage based upon standards contained in the latest Indiana Board of Health Publication SE-13 or 327 IAC 3-6-11 times the Flow Rate of \$4.03 per 1,000 gallons. Sewage service bills shall be due once each month.

(B) Residential Users of the sewage works:

I. Residential Users Monthly Charge

\$64.00 per month

(C) Non-Recurring Charges and Other Service Charges

1. Facility Utilization Fee:

All Classes and Users

\$3,500.00 per EDU: EDU equivalent to be determined by District Engineer provided no connection shall be less than one EDU

2. Construction/Inspection Fee:

(a) \$100.00 per residential lot.

(b) All other development inspection costs shall be billed by District to the party doing the development at District's cost for said service.

3. Engineering Evaluation Fee:

Actual cost as charged by District Engineer.

4. Reconnection Charge:
Actual cost of disconnection and reconnection.
5. Sewer connection application and inspection fee:
\$100.00 per connection
6. Returned check or reversed Electronic Funds Transfer (EFT) charge:
\$35.00 per returned or reversed item
7. Credit Card Fee:
\$3.00 per credit card transaction

(D) In order to recover the cost of monitoring commercial, institutional and industrial wastes, the District shall charge the User the actual cost of sampling and analysis.

Section 4. Special Billing.

(a) In the event a Non-Residential User's lot, parcel of real estate or building discharging sanitary sewage, industrial wastes, water or other liquids into the District's sanitary sewage system, either directly or indirectly, is not a user of water supplied by the water utility serving the service area and the water used thereon or therein is not measured by a water meter, or is measured by a water meter not acceptable to the District, then the amount of water used shall be otherwise measured or determined by the District. In order to ascertain the rate or charge provided in this Resolution, the owner or other interested party may be at his expense, install and maintain meters, wires, volumetric measuring devices or any adequate and approved method of measurement acceptable to the District for the determining of sewage discharge.

(b) In the event a Non-Residential User's lot, parcel of real estate or building discharging sanitary sewage, industrial wastes, water or other liquids in the District's sanitary sewage system, either directly or indirectly, is a user of water supplied by the

water utility within the service area, and in addition, is a user of water from another source which is not measured by a water meter or is measured by a meter not acceptable to the District, then the amount of water used shall be otherwise measured or determined by the District. In order to ascertain the rates or charges, the owner or other interested parties may, at his expense, install and maintain meters, wires, volumetric measuring devices or any adequate and approved method of measuring acceptable to the District for the determination of sewage discharge.

(c) In the event a lot, parcel of real estate or building discharges sanitary sewage, industrial waste, water or other liquids into the District's sanitary sewage system, either directly or indirectly, and uses water in excess of 10,000 gallons per month, and it can be shown to the satisfaction of the District that a portion of water as measured by the water meter or meters does not and cannot enter the sanitary sewage system, then the owner or other interested party shall, at his expense, install and maintain meters, wires, volumetric measuring devices or any adequate and approved method of measurement acceptable to the District for the determination of sewage discharge.

(d) In the event two (2) or more dwelling units such as mobile homes, apartments or housekeeping rooms discharging sanitary sewage, water or other liquids into the District's sanitary sewage system, either directly or indirectly, are users of water and the quantity of water is measured by a single water meter, then in such case the User shall be considered a Commercial User and billing shall be for a single service in the manner set out elsewhere herein.

Section 5.

(a) In order that the rate and charges may be justly and equitably adjusted to the service rendered to users, the District shall base its charges not only on the volume, but also on strength and character of the stronger-than-Normal Domestic Sewage and

shall require the user to determine the strength and content of all sewage and wastes discharges, either directly or indirectly into the sewage system, in such manner and by such method as the District may deem practicable in light of the conditions and attending circumstances of the case, in order to determine the proper charge. The User shall furnish a control manhole suitably located which shall be available to the District at all times.

(b) Normal Domestic Sewage strength should not exceed a biochemical oxygen demand of 250 milligrams per liter of fluid or suspended solids in excess of 250 milligrams per liter of fluid or total kjehdahl nitrogen in excess of 30 milligrams per liter of fluid. Additional charges for treating stronger-than-Normal Domestic Sewage shall be made on the following basis:

(1) Rate Surcharge Based Upon Suspended Solids

There shall be an additional charge of .20 cents per pound of suspended solids for suspended solids received in excess of 250 milligrams per liter of fluid.

(2) Rate Surcharge Based Upon BOD

There shall be an additional charge of .20 cents per pound of biochemical oxygen demand for BOD received in excess of 250 milligrams per liter of fluid.

(3) Rate Surcharge Based Upon Ammonia

There shall be an additional charge of .20 cents per pound for ammonia in excess of 30 milligrams per liter of fluid.

(c) The determination of Suspended Solids and Five-day Biochemical Oxygen Demand contained in the water shall be in accordance with the latest copy of "Standard Methods for the Examination of Water, Sewage and Industrial Wastes", as written by the American Public Health Association, the American Water Works Association, and the water Pollution Control Federation, and in conformance with "Guidelines Establishing

Test Procedures for Analysis of Pollutants", Regulation CFR Part 136 published in the Federal Register on October 16, 1973.

Section 6. Such rates and charges shall be prepared, billed and collected by the District in the manner provided by law and resolution.

(a) The Rates and Charges for all Users shall be prepared and billed monthly.

(b) Although the Rates and Charges may be billed to the tenant or tenants occupying the properties served, the owner of the property shall also be billed. Billing the tenant shall in no way relieve the owner from the liability for the Rates and Charges or any penalties incurred pursuant to this Resolution in the event payment is not made by the tenant as herein required. The owners of properties served, which are occupied by a tenant or tenants, shall have the right to examine the collection records of the District for the purpose of determining whether bills have been paid by such tenant or tenants, provided that such examination shall be made at the office at which said records are kept and during the hours that such office is open for business.

(c) As is provided by statute, all Rates and Charges not paid when due, which is 15 days after the date of the mailing of the bill, are hereby declared delinquent. A penalty of ten percent (10%) of the amount of the bill attaches to the delinquent bill if not paid within 15 days of the mailing of the bill. The amount of the Rates and Charges, the penalty, and a reasonable attorney fee made be recovered by the District in a civil action in addition to the property served being subject to a sewer lien as provided by statute.

Section 7.

(a) In order that the Rates and Charges for sewage services may remain fair and equitable and be in proportion to the costs of providing services to the various users, the District shall, when the Board deems it appropriate, cause an analysis to be made. Such analysis shall include, but not be limited to, an analysis of the costs associated with

the treatment of excessive strength effluents from Industrial Users, volume and delivery flow rate characteristics attributed to the various users, the financial position of the District and the adequacy of its revenue to provide reasonable funds for the operation and maintenance, replacements, debt service requirements and capital improvements to the waste treatment systems.

(b) Said analysis shall be conducted by officers or employees of the District, by a firm of certified public accountants, a firm of utility rate consultants and/or a firm of consulting engineers which firms shall have experience in such studies, or by such combination of officers, employees, certified public accountants, rate consultants and/or engineers as the District shall determine to be best under the circumstances.

Section 8.

(a) The District shall make and enforce such rules and regulations as may be deemed necessary for the care, economical and efficient management of the District's sewage system, pumping stations and sewage treatment works, for the construction and use of house sewers and connections to the sewage treatment works, for the construction and use of house sewers and connections to the sewage system, and for the regulation, collection, rebating and refunding of such rate and charges. No free service shall be provided to any user of the wastewater treatment facility.

(b) The District is hereby authorized to prohibit dumping of wastes into the District's sewage system which, in its discretion, are deemed harmful to the operation of the sewage treatment works of the District, or to require methods affecting pretreatment of said wastes to comply with the pretreatment standards included in the National Pollution Discharge Elimination System (NPDES) permit issued to the sewage works.

Section 9. The invalidity of any section, clause, sentence, or provision of this Resolution shall not affect the validity of any other part of this Resolution which can be given effect without such invalid part or parts.

Section 10. No statement or language in this Resolution shall be construed in any manner to conflict with any applicable statute.

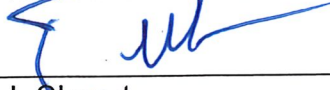
Section 11. The Board is hereby further authorized to enter into special rate contracts with customers of the sewage works where clearly definable cost to the sewage works can be determined, and such special rates shall be based on such costs notwithstanding the terms of this Resolution.

Section 12. The Rates and Charges as herein set forth shall become effective for all bills rendered on and after January 1, 2018.

Section 13. This Resolution shall be in full force and effect from and after its passage.

Passed and adopted by the Board of Directors of the Tri-County Conservancy District on the 14 day of November, 2017.

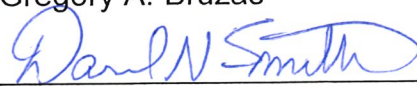
BOARD OF DIRECTORS OF THE TRI-COUNTY CONSERVANCY DISTRICT



Timmy J. Shrout



Gregory A. Bruzas



David N. Smith