
EDINBURGH TOWN COUNCIL

ORDINANCE NO. 2013-10**AN ORDINANCE FOR RECOVERY OF
FIRE PROTECTION COSTS**

WHEREAS, the Town of Edinburgh ("Town") owns and maintains all of the water-based fire protection services located within the Town;

WHEREAS, the Town owns and operates all utility services provided to the residence of the Town;

WHEREAS, the Town is not subject to the Indiana Utility Regulatory Commission in that it is an active and current member of the Indiana Municipal Power Agency;

WHEREAS, the Town has contracted and commissioned H.J. Umbaugh and Associates and Ladd Engineering, Inc. to perform a maintenance and cost of service study regarding the water-based fire protection services; which said study is attached hereto as **Exhibit "A"** (collectively referred to as "Studies")

WHEREAS, currently funds the cost to provide water-based fire protection services with fees received by the Town through property taxes and is now seeking budget relief by moving the costs for water based fire protection services to all of the Town's utility customers;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF EDINBURGH, INDIANA, THAT:

I. SECTION 1. RECOVERY OF COSTS

- a. Pursuant to Ind. Code § 8-1-1-103(d), the costs for the production, storage, transmission, sale, delivery, or furnishing of water for public fire protection purposes (collectively referred to as "Fire Protection Costs") shall be included in the basic rates and charges of all utility customers of the Town per the attached schedule, labeled **Exhibit "B"**, for each customer per month in the manner and to the extent permitted by statute. ("Fee")

- b. That the Fee is based on the rates recommended by the Studies as far and reasonable charges.

- c. That the amounts collected by the Fees will be primarily used for maintenance of any and all public fire protection structures and secondarily any and all infrastructure repairs and improvements for the benefit of the Town.
- d. Notwithstanding this change in recover of Fire Protection Costs, the construction costs of any new fire hydrants installed by the Town shall continue to be paid for by or on behalf of the Town.

II. **SECTION 2. REPEALER**

- a. All ordinances or parts of ordinances in conflict with provisions of this ordinance are hereby repealed.
- b. This Ordinance does not affect any other sections of the Municipal Code, or other ordinances except as herein provided and all other sections of the Municipal Code, and other ordinances shall remain the same.

III. **SECTION 3. SEVERABILITY**

- a. The sections, paragraphs, sentences, clauses, phrases and words of this Ordinance are separable, and if any word, phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional, invalid or unenforceable by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality, invalidity or unenforceability shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs and sections of this Ordinance.

IV. **SECTION 4. PUBLIC NOTICE**

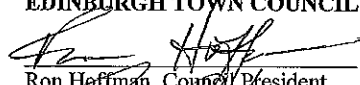
- a. In accordance with Indiana Code 36-5-2-10(b) and Indiana Code 5-3-1-2(h), this Ordinance shall be published in newspapers of general circulation in Johnson, Shelby, and Bartholomew Counties one (1) time within thirty (30) days after it is adopted by Council.

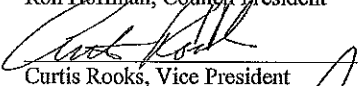
V. SECTION 5. EFFECTIVE DATE

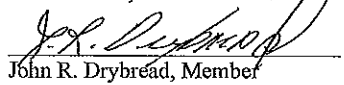
a. This ordinance shall be in full force and effect from and after its passage,

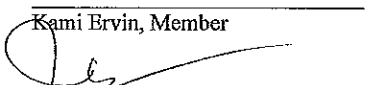
approval and publication according to law.

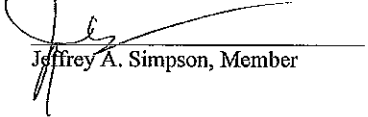
ADOPTED this 12th day of November, 2013.

EDINBURGH TOWN COUNCIL

Ron Hoffman, Council President

Curtis Rooks, Vice President

John R. Drybread, Member

Kami Ervin, Member

Jeffrey A. Simpson, MemberATTEST: _____
Scott Finley, Clerk-Treasurer

EXHIBIT "A"



H. J. Umbaugh & Associates
Certified Public Accountants, LLP
8365 Keystone Crossing
Suite 300
Indianapolis, IN 46240-2687
Phone: 317-465-1500
Fax: 317-465-1550
www.umbaugh.com

August 14, 2013

Members of the Town Council
Town of Edinburgh
Town Hall
107 South Holland Street
Edinburgh, Indiana 46124-0065

Re: Edinburgh Municipal Water Utility
Hydrant Rental Charge

Dear Members of the Council:

The attached schedules (listed below) present unaudited and limited information for the purpose of discussion and consideration in the preliminary planning stage of the possible implementation of public fire protection charges by the appropriate officers, officials and advisors of the Edinburgh Municipal Water Utility. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

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| 3 | Calculation of Proposed Public Fire Protection Charge Per Equivalent Connection |
| 4 | Allocation of Annual Public Fire Protection Revenue By Meter Size |
| 5 | Summary of Proposed Monthly Public Fire Protection Charges |

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

UMBAUGH

Scott A. Miller, Partner

EDINBURGH (INDIANA) MUNICIPAL WATER UTILITY

CALCULATION OF EQUIVALENT CONNECTIONS

<u>Meter Size</u>	<u>Total Customers (1)</u>	<u>Ratio to 5/8" Meter</u>	<u>Total Equivalent Connections</u>
5/8 - 3/4"	1,665	1.0	1,665
1"	94	2.5	235
1 1/2"	33	5.0	165
2"	55	8.0	440
3"	3	15.0	45
4"	8	25.0	200
Totals	<u>1,858</u>		<u>2,750</u>

(1) As of 8/12/13.

(Subject to the comments in the attached letter dated August 14, 2013)
(Preliminary - Subject to Change)
(Internal Use Only)

EDINBURGH (INDIANA) MUNICIPAL WATER UTILITY

CALCULATION OF PROPOSED PUBLIC FIRE PROTECTION
CHARGE PER EQUIVALENT CONNECTION

	<u>At Current Rates</u>
Total number of municipal hydrants (1)	241
Times current annual charge per hydrant (2)	<u>\$1,114.10</u>
Total fire protection revenues to be recovered	268,498
Plus allowance for Utility Receipts Tax (1.4%)	<u>3,759</u>
Total amount to be recovered	272,257
Divided by total equivalent connections	<u>2,750</u>
Proposed annual charge per equivalent connection	<u>\$99.00</u>
Proposed monthly charge per equivalent connection	<u>\$8.25</u>

(1) As of 8/12/13.

(2) Approved November 27, 2006 per Ordinance No. 2006-7.

(Subject to the comments in the attached letter dated August 14, 2013)
(Preliminary - Subject to Change)
(Internal Use Only)

EDINBURGH (INDIANA) MUNICIPAL WATER UTILITY

ALLOCATION OF ANNUAL PUBLIC FIRE
PROTECTION REVENUE BY METER SIZE

Meter Size	Proposed Annual Charge Per Equivalent Connection	Equivalency Factor	Proposed Annual Charge Per Connection	Total Number Of Connections	Annual Revenues Required
5/8 - 3/4"	\$99.00	1.0	\$99.00	1,665	\$164,835
1"	99.00	2.5	247.50	94	23,265
1 1/2"	99.00	5.0	495.00	33	16,335
2"	99.00	8.0	792.00	55	43,560
3"	99.00	15.0	1,485.00	3	4,455
4"	99.00	25.0	2,475.00	8	19,800
Estimated total revenue					272,250
Total amount to be recovered (page 3)					(272,257)
Variance					(\$7)

(Subject to the comments in the attached letter dated August 14, 2013)
(Preliminary - Subject to Change)
(Internal Use Only)

EDINBURGH (INDIANA) MUNICIPAL WATER UTILITY

**SUMMARY OF PROPOSED MONTHLY PUBLIC
FIRE PROTECTION CHARGES**

<u>Meter Size</u>	<u>Proposed Annual Charge</u>	<u>Divided by 12 months</u>	<u>Proposed Monthly Charge</u>
5/8"	\$99.00	12	\$8.25
3/4"	99.00	12	8.25
1"	247.50	12	20.63
1 1/2"	495.00	12	41.25
2"	792.00	12	66.00
3"	1,485.00	12	123.75
4"	2,475.00	12	206.25

(Subject to the comments in the attached letter dated August 14, 2013)
(Preliminary - Subject to Change)
(Internal Use Only)

EXHIBIT "B"

<u>Meter Size</u>	<u>Proposed Annual Charge</u>	<u>Divided by 12 months</u>	<u>Proposed Monthly Charge</u>
5/8"	\$99.00	12	\$8.25
3/4"	99.00	12	8.25
1"	247.50	12	20.63
1 1/2"	495.00	12	41.25
2"	792.00	12	66.00
3"	1,485.00	12	123.75
4"	2,475.00	12	206.25