



City of Bloomington Common Council

Legislative Packet – 3rd Addendum

Issued on Wednesday, 06 April 2022

Wednesday, 06 April 2022

Regular Session at 6:30 pm



MEMO FROM COUNCIL OFFICE ON:

Ordinance 22-12 – To Amend Title 9 of the Bloomington Municipal Code Entitled “Water” (Rate Adjustment)

Synopsis

This ordinance amends the rates and charges in Title 9 of the Bloomington Municipal Code, entitled “Water”, to reflect the repeal of the utilities receipt tax in compliance with I.C. 8-1-2-4.2.

Relevant Materials

- Ordinance 22-12
- Redline version of Ord 22-12 showing current and proposed rates and charges within Municipal Code
- Memo from Chris Wheeler, Assistant City Attorney
- I.C. 8-1-2-4.2
- Utility Service Board Resolution 2022-02
- Crowe, LLP - Water Rates and Charges Adjustment – HEA 1002 Memo
- Crowe, LLP – Bloomington Municipal Water Utility Schedule of Rates and Charges

Summary

Ordinance 22-12 amends Title 9 of the Bloomington Municipal Code to reflect the repeal of the utilities receipt tax in compliance with House Enrolled Act 1002-2022 (“HEA 1002”), which was signed into law on Tuesday, March 15, 2022. Prior to January 1, 2022, the utility receipts tax was 1.4% of retail receipts; effective January 1, 2022, the utility receipt tax increased to 1.46%. The repeal of utilities receipt tax requires the utility to adjust its rates and charges to reflect the repeal of the utility receipts tax.

Repeal of this tax by the state legislature means that all utilities that are (1) subject to this tax and (2) under the jurisdiction of the Indiana Utilities Regulatory Commission (“IURC”), must file a rate adjustment that adjusts the water utility’s rates and charges to reflect the repeal of the tax not later than May 1, 2022.

This rate adjustment will not have any implications for the budget. The utilities receipt tax was a pass-through tax, which was collected by the utility and forwarded to the state. The repeal of this tax means that the state is no longer collecting the tax from the utility and the utility will no longer collect it from rate payers.

Rate payers will notice a slight decrease in their bill, which will be communicated in their bills for the next two billing cycles.



City of Bloomington Indiana

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Ordinance 22-12 provides:

1. that the Council, based upon the facts detailed in the ordinance and supporting materials, finds that the rates should be decreased to reflect the repeal of the utility receipts tax (I.C. 6-2-3, before its repeal) in HEA 1002-2022;
2. that the rates will decrease based on the calculations prepared by Crowe, LLP and approved by the Utility Service Board;
3. that the Council finds the proposed rates and charges nondiscriminatory, reasonable, and just, and in compliance with I.C. 8-1-2-4.2.

Contact

Vic Kelson, Utilities Director, kelsonv@bloomington.in.gov, 812-349-3650

Chris Wheeler, Assistant City Attorney, wheelech@bloomington.in.gov, 812-349-3426

ORDINANCE 22-12

**TO AMEND TITLE 9
OF THE BLOOMINGTON MUNICIPAL CODE ENTITLED “WATER”
(Rate Adjustment)**

WHEREAS, the City of Bloomington, Indiana (“City”) owns and operates a waterworks system, through its Utilities Service Board, pursuant to I.C. 8-1.5-2 and I.C. 8-1.5-3, as amended (“Act”), and is subject to the jurisdiction of the Indiana Utility Regulatory Commission (“Commission”); and,

WHEREAS, the current rates and charges of the waterworks system of the City were established by Order of the Commission under Cause No. 45533 on the 22nd Day of December 2021, and effective January 1, 2022; and,

WHEREAS, pursuant to I.C. 8-1-2-4.2, the City is required to file a rate adjustment with the Commission not later than May 1, 2022, that adjusts the waterworks rates and charges to reflect the repeal of the utility receipts tax (I.C. 6-2.3, before its repeal) in HEA 1002-2022 by the General Assembly, independent of any other matters related to the waterworks utility’s revenue requirement. This rate adjustment shall operate on a prospective basis once approved by the Commission; and,

WHEREAS, the City, through its Utilities Service Board, engaged Crowe LLP to calculate, and Crowe LLP has calculated, a rate adjustment that reflects the repeal of the utility receipts tax in compliance with I.C. 8-1-2-4.2; and,

WHEREAS, the City, through its Utility Service Board, upon consideration of the calculations prepared by Crowe LLP, recommended that the Common Council approve a decrease in revenues of the waterworks with a 1.16 % decrease in the revenues; and,

WHEREAS, based upon the aforementioned study, and the recommendation of the Utility Service Board, the Common Council of the City finds that the rates and charges of the waterworks system of the City should be decreased as set forth herein with said adjustment, including any modifications thereto approved by the Commission, to take effect at such time as may be determined in an upcoming proceeding before the Commission; and,

WHEREAS, the Common Council of the City finds that the rates and charges set forth herein are nondiscriminatory, reasonable and just and comply with I.C. 8-1-2-4.2.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. Section 9.08.010 of the City Code of Bloomington (“Code”), entitled “Monthly rates generally” is hereby amended and restated as follows:

9.08.010 Monthly rates generally.

The following rates and charges are established for the use of and service rendered by the water utility of the City. The schedule of rates and charges for the use of the water utility as set forth in this chapter reflects the rates and charges of the water utility as adopted by ordinance of the Common Council of the City and may not necessarily reflect the actual rates and charges of the water utility, which are subject to the approval of the Indiana Utility Regulatory commission (“Commission”). The actual rates and charges of the water utility as approved by the Commission are set forth in the most recent tariff of the water utility on file with the Commission and the Clerk of the City and open for public inspection. Appropriate Indiana Sales Tax will also apply to billings for customers that are not tax-exempt. Each customer will pay a monthly charge according to the following schedule:

Monthly Usage Charge Applicable to Residential, Commercial, Governmental, Interdepartmental, Industrial, Indiana University – Master Metered, Indiana University – Non-Master Metered, and Irrigation Classes.

<u>Category</u>	<u>Rates Per 1,000 Gallons</u>
Residential	\$ 3.98
Commercial, Governmental, Interdepartmental	3.50
Industrial	3.24
Indiana University – Master Metered	2.63
Indiana University – Non-Master Metered	3.50
Irrigation	4.06

Monthly Service Charge, in Addition to Monthly Usage for the Customer Categories Listed Above.

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$ 6.10
3/4"	7.80
1"	10.51
1 1/2"	19.87
2"	27.49
3"	60.09
4"	98.80
6"	195.61
8"	292.42
10"	389.22

Monthly Surcharges for Fire Protection Service for the customer categories listed above excluding Indiana University – Master Metered.

<u>Meter Size</u>	<u>Charge</u>	
	<u>Inside City</u>	<u>Outside City</u>
5/8"	\$ 2.05	\$ 3.42
3/4"	3.05	5.15
1"	5.10	8.58
1 1/2"	10.21	17.13
2"	16.33	27.44
3"	35.73	60.02
4"	61.24	102.85
6"	127.63	214.28
8"	183.78	308.55
10"	296.03	497.13

The monthly Fire Protection Charge for Indiana University – Master Metered accounts as a group shall be \$1,463.

SECTION 2. Section 9.08.020 of the Code, entitled “Contract sales for resale” is hereby amended and restated as follows:

9.08.020 Contract sales for resale.

The rate for contract sales for resale shall be \$2.65 per one thousand gallons.

Monthly Service Charge in Addition to Monthly Usage Charge.

<u>Meter Size</u>	<u>Charge</u>
5/8”	\$ 6.10
3/4”	7.80
1”	10.51
1 1/2”	19.87
2”	27.49
3”	60.09
4”	98.80
6”	195.61
8”	292.42
10”	389.22

SECTION 3. Section 9.08.040 of the Code, entitled “Private fire connections per connection” is hereby amended and restated as follows:

9.08.040 Private fire connections per connection.

	<u>Charge</u>	
<u>Line Size</u>	<u>Monthly</u>	<u>Annually</u>
4” and under	\$ 10.29	\$ 123.48
6”	28.60	343.20
8”	58.60	703.20
10”	102.65	1,231.80
12”	161.84	1,942.08

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that the existing rates and charges of the waterworks system of the City shall remain in full force and effect until the rates and charges fixed by this ordinance shall be approved by order of the Commission and the tariff reflecting said approved rates and charges shall have been filed with and approved by the Commission.

SECTION 5. In the event the rates and charges of the waterworks system approved by the Commission shall differ from the rates and charges set forth herein, the Common Council hereby approves said rates and charges as adjusted by the Commission without further action of the Common Council. The rates and charges of the waterworks system of the City as reflected in the tariff filed with and approved by the Commission shall be filed with the Clerk of the City and be open for public inspection.

SECTION 6. If any section, sentence, or provision of this ordinance or the application thereof to any person or circumstance shall be declared invalid, such invalidity shall not affect any of the other parts of this ordinance which can be given effect without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

SECTION 7. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City and approval of the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2022.

SUSAN SANDBERG, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2022.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2022.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This ordinance amends the rates and charges in Title 9 of the Bloomington Municipal Code, entitled “Water”, to reflect the repeal of the utilities receipt tax in compliance with I.C. 8-1-2-4.2.

ORDINANCE 22-12
TO AMEND TITLE 9
OF THE BLOOMINGTON MUNICIPAL CODE ENTITLED “WATER”
(Rate Adjustment)

WHEREAS, the City of Bloomington, Indiana (“City”) owns and operates a waterworks system, through its Utilities Service Board, pursuant to IC 8-1.5-2 and IC 8-1.5-3, as amended (“Act”), and is subject to the jurisdiction of the Indiana Utility Regulatory Commission (“Commission”); and,

WHEREAS, the current rates and charges of the waterworks system of the City were established by Order of the Commission under Cause No. 45533 on the 22nd Day of December 2021, and effective January 1, 2022; and,

WHEREAS, pursuant to 8-1-2-4.2 the City is required to file a rate adjustment with the Commission not later than May 1, 2022, that adjusts the waterworks rates and charges to reflect the repeal of the utility receipts tax (I.C. 6-2.3, before its repeal) in HEA 1002-2022 by the general assembly, independent of any other matters related to the waterworks utility’s revenue requirement. This rate adjustment shall operate on a prospective basis; and,

WHEREAS, the City, through its Utilities Service Board, engaged Crowe LLP to calculate, and Crowe LLP has calculated, a rate adjustment that reflects the repeal of the utility receipts tax in compliance with I.C. 8-1-2-4.2; and,

WHEREAS, the City, through its Utility Service Board, upon consideration of the calculations prepared by Crowe LLP, recommends that the Common Council approve a decrease in revenues of the waterworks with a 1.16 % decrease in the revenues; and,

WHEREAS, based upon the aforementioned studies, and the recommendations of the Utility Service Board, the Common Council of the City finds that the rates and charges of the waterworks system of the City should be decreased as set forth herein with said adjustment to take effect at such time as may be determined in an upcoming proceeding before the Indiana Utility Regulatory Commission; and,

WHEREAS, the Common Council of the City finds that the rates and charges set forth herein are nondiscriminatory, reasonable and just and comply with I.C. 8-1-2-4.2.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. Section 9.08.010 of the City Code of Bloomington (“Code”), entitled “Monthly rates generally” is hereby amended and restated as follows:

9.08.010 Monthly rates generally.

The following rates and charges are established for the use of and service rendered by the water utility of the city. The schedule of rates and charges for the use of the water utility as set forth in this chapter reflects the rates and charges of the water utility as adopted by ordinance of the common council of the city and may not necessarily reflect the actual rates and charges of the water utility, which are subject to the approval of the Indiana Utility Regulatory commission (“commission”). The actual rates and charges of the water utility as approved by the commission are set forth in the most recent tariff of the water utility on file with the commission and the clerk of the city and open for public inspection. Appropriate Indiana Sales Tax will also apply to billings for customers that are not tax-exempt. Each customer will pay a monthly charge according to the following schedule:

Monthly Usage Charge Applicable to Residential, Commercial, Governmental, Interdepartmental, Industrial, Indiana University – Master Metered, Indiana University – Non-Master Metered, and Irrigation Classes.

<u>Category</u>	<u>Rates Per 1,000 Gallons</u>
Residential	\$ 4.03 <u>3.98</u>
Commercial, Governmental, Interdepartmental	3.54 <u>50</u>
Industrial	3.28 <u>24</u>
Indiana University – Master Metered	2.66 <u>63</u>
Indiana University – Non-Master Metered	3.54 <u>50</u>
Irrigation	4.11 <u>06</u>

Monthly Service Charge, in Addition to Monthly Usage for the Customer Categories Listed Above.

<u>Meter Size</u>	<u>Charge</u>
5/8”	\$ 6.17 <u>10</u>
3/4”	7.89 <u>80</u>
1”	10.63 <u>51</u>
1 ½”	20.10 <u>19.87</u>
2”	27.84 <u>49</u>
3”	60.79 <u>09</u>
4”	99.96 <u>8.80</u>
6”	197.90 <u>5.61</u>
8”	295.84 <u>2.42</u>
10”	393.77 <u>89.22</u>

Monthly Surcharges for Fire Protection Service for the customer categories listed above excluding Indiana University – Master Metered.

<u>Meter Size</u>	<u>Charge</u>	
	<u>Inside City</u>	<u>Outside City</u>
5/8"	\$ 2.07 <u>05</u>	\$ 3.46 <u>42</u>
3/4"	3.09 <u>05</u>	5.24 <u>45</u>
1"	5.46 <u>10</u>	8.68 <u>58</u>
1 1/2"	10.33 <u>21</u>	17.33 <u>13</u>
2"	16.52 <u>33</u>	27.76 <u>44</u>
3"	36.15 <u>5.73</u>	60.72 <u>02</u>
4"	61.96 <u>24</u>	104.05 <u>2.85</u>
6"	129.42 <u>7.63</u>	216.79 <u>4.28</u>
8"	185.92 <u>3.78</u>	342.15 <u>08.55</u>
10"	299.54 <u>6.03</u>	502.94 <u>497.13</u>

The monthly Fire Protection Charge for Indiana University – Master Metered accounts as a group shall be \$1,480 63.

SECTION 2. Section 9.08.020 of the Code, entitled “Contract sales for resale” is hereby amended and restated as follows:

9.08.020 Contract sales for resale.

The rate for contract sales for resale shall be \$2.68 5 per one thousand gallons.

Monthly Service Charge in Addition to Monthly Usage Charge.

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$ 6.17 <u>0</u>
3/4"	7.89 <u>0</u>
1"	10.63 <u>51</u>
1 1/2"	20.10 <u>19.87</u>
2"	27.81 <u>49</u>
3"	60.79 <u>09</u>
4"	99.96 <u>8.80</u>
6"	197.90 <u>5.61</u>
8"	295.84 <u>2.42</u>
10"	393.77 <u>89.22</u>

SECTION 3. Section 9.08.040 of the Code, entitled “Private fire connections per connection” is hereby amended and restated as follows:

9.08.040 Private fire connections per connection.

Charge

<u>Line Size</u>	<u>Monthly</u>	<u>Annually</u>
4" and under	\$ 10.44 29	\$ 124.92 3.48
6"	28.93 60	347.16 3.20
8"	59.29 8.60	711.48 03.20
10"	103.85 2.65	1,246.20 31.80
12"	163.73 1.84	1,964.76 42.08

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that the existing rates and charges of the waterworks system of the City shall remain in full force and effect until the rates and charges fixed by this ordinance shall be approved by order of the Commission and the tariff reflecting said approved rates and charges shall have been filed with and approved by the Commission.

SECTION 5. In the event the rates and charges of the waterworks system approved by the Commission shall differ from the rates and charges set forth herein, the Common Council hereby approves said rates and charges as adjusted by the Commission without further action of the Common Council. The rates and charges of the waterworks system of the City as reflected in the tariff filed with and approved by the Commission shall be filed with the Clerk of the City and be open for public inspection.

SECTION 6. If any section, sentence, or provision of this ordinance or the application thereof to any person or circumstance shall be declared invalid, such invalidity shall not affect any of the other parts of this ordinance which can be given effect without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

SECTION 7. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City and approval of the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2022.

 SUSAN SANDBERG, President
 Bloomington Common Council

ATTEST:

 NICOLE BOLDEN, Clerk
 City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2022.

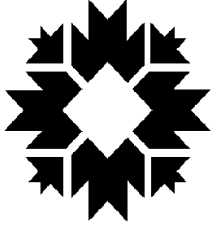
NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2022.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This ordinance amends the rates and charges in Title 9 of the Bloomington Municipal Code, entitled “Water”, to reflect the repeal of the utilities receipt tax in compliance with I.C. 8-1-2-4.2.



**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: City of Bloomington Common Council Members
FROM: Christopher J. Wheeler, Assistant City Attorney
RE: Ordinance 22-12 authorizing Waterworks Utility rate adjustment
DATE: March 25, 2021

The City of Bloomington, Indiana (“City”) owns and operates a waterworks utility through its Utilities Department (“CBU”), by and through its Utilities Service Board (“USB”), pursuant to IC 8-1.5-2 and IC 8-1.5-3, as amended. The waterworks utility is subject to the jurisdiction of the Indiana Utility Regulatory Commission (“IURC”). CBU, by and through the USB is seeking a rate adjustment to its waterworks utility. Ordinance 22-12 (“Rate Ordinance”) is before the Common Council for approval as a necessary step before CBU can file a water rate adjustment case with the Indiana Utility Regulatory Commission (“IURC”).

The Indiana State Legislature recently passed I.C. 8-1-2-4.2 (attached) which, among other things, repeals the utility receipts tax. The utility receipts tax was a tax imposed at a rate of 1.4% on gross receipts from all utility services consumed within Indiana. The repeal of this tax means that all utilities that are subject to this tax and are under the jurisdiction of the IURC (CBU meets both of those criteria) must, not later than May 1, 2022, file with the IURC a rate adjustment that adjusts the water utility’s rates and charges to reflect the repeal of the tax.

Crowe LLP was retained to conduct the calculations necessary to properly reduce all classes and categories of CBU water utility rates as a result of the utility receipts tax repeal. The Crowe calculations are attached.

The rate case will be presented to the Common Council by Vic Kelson, Director for the City of Bloomington Utilities Department. In attendance to support this presentation will be the following persons:

1. Christopher J. Wheeler, Assistant City Attorney-Utilities
2. Jennifer Wilson and Craig Lotz, Crowe LLP

I.C. 8-1-2-4.2

IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Sec. 4.2. (a) This section applies to a utility that is subject to the:

- (1) utility receipts tax under IC 6-2.3; and**
- (2) jurisdiction of the commission for the approval of rates and charges; on January 1, 2022.**

(b) Not later than May 1, 2022, a utility shall file with the commission a rate adjustment that adjusts the utility's rates and charges to reflect the repeal of the utility receipts tax (IC 6-2.3, before its repeal) in HEA 1002-2022 by the general assembly, independent of any other matters related to the utility's revenue requirement. A rate adjustment approved under this section shall operate on a prospective basis.

(c) A rate adjustment under this section:

- (1) applies to each rate or charge in effect at the time of the filing that includes recovery of the utility receipts tax; and**
- (2) shall be calculated to remove the amount of the utility receipts tax that each existing rate or charge was designed to recover based on the utility receipts tax rate in effect at the time the rate or charge was approved.**

(d) The commission shall approve a rate adjustment under this section if the commission finds that the rate adjustment has been calculated correctly under subsection (c)(2). If the rate adjustment under this section has not been calculated correctly under subsection (c)(2), the commission shall notify the utility of the defect and require the utility to correct the calculation.

(e) A rate adjustment under this section takes effect upon the effective date of the repeal of the utility receipts tax (IC 6-2.3, before its repeal) in HEA 1002-2022, pending approval of a utility's filing under this section.

(f) Upon a rate adjustment taking effect under subsection (e), the utility shall provide notice to all affected customers in each of the next two (2) regular billing cycles that the adjustment in rates or charges reflects the repeal of the utility receipts tax (IC 6-2.3, before its repeal) in HEA 1002-2022 by the general assembly. Notice provided under this subsection must include the amount of the adjustment reflected in the bill.

(g) This section shall not be construed to limit the commission's authority to:

**UTILITY SERVICE BOARD
OF THE CITY OF BLOOMINGTON, INDIANA
RESOLUTION NO. 2022-02**

A RESOLUTION FOR THE ADJUSTMENT OF THE RATES AND CHARGES OF THE CITY OF BLOOMINGTON WATERWORKS UTILITY, THE APPROVAL OF THE FORM OF ORDINANCE ADJUSTING THE RATES AND CHARGES FOR THE USERS OF THE WATERWORKS UTILITY AND THE RECOMMENDATION OF ITS ADOPTION TO THE CITY OF BLOOMINGTON COMMON COUNCIL

WHEREAS, the City of Bloomington, Indiana (the “City”), has previously established and constructed and now owns and operates through its Utility Service Board (the “Board”) a waterworks system for the public water supply to the City, its inhabitants, and other customers (the “Waterworks”), in accordance with the provisions of Indiana Code 8-1.5, as amended, through the City of Bloomington Utilities Department; and

WHEREAS, the current Waterworks rates and charges were established by Order of the Indiana Utility Regulatory Commission under Cause No. 45533 on the 22nd Day of December 2021, and effective January 1, 2022; and

WHEREAS, pursuant to 8-1-2-4.2 the City is required to file a rate adjustment with the Commission not later than May 1, 2022, that adjusts the waterworks rates and charges to reflect the repeal of the utility receipts tax (I.C. 6-2.3, before its repeal) in HEA 1002-2022 by the general assembly, independent of any other matters related to the waterworks utility’s revenue requirement. This rate adjustment shall operate on a prospective basis; and,

WHEREAS, the Board engaged Crowe LLP to calculate, and Crowe LLP has calculated, a rate adjustment that reflects the repeal of the utility receipts tax in compliance with I.C. 8-1-2-4.2; and

WHEREAS, the Board, upon consideration of the calculations prepared by Crowe LLP, finds that there should be a decrease in revenues of the waterworks with a 1.16 % decrease in the revenues for phase I; and,

WHEREAS, based upon the aforementioned studies, the Board finds that the rates and charges of the waterworks system of the City should be decreased as set forth herein with said adjustment taking effect at such time as may be determined in an upcoming proceeding before the Indiana Utility Regulatory Commission; and,

WHEREAS, the Board finds that the rates and charges set forth herein are nondiscriminatory, reasonable and just and comply with I.C. 8-1-2-4.2; and

WHEREAS, a proposed form of an ordinance modifying the rates and charges for the users of the Waterworks (the "Waterworks Rate Ordinance") has been duly considered by the Board and found satisfactory, a copy of which is attached hereto as **Exhibit A**; and

WHEREAS, the Board desires to recommend the adoption of the proposed Waterworks Rate Ordinance to the City of Bloomington Common Council (the "Common Council").

NOW, THEREFORE, BE IT RESOLVED BY THE UTILITY SERVICE BOARD OF THE CITY OF BLOOMINGTON, INDIANA, AS FOLLOWS:

1. The Board recommends to the Common Council that the rates and charges for the users of the Waterworks be modified as set forth in the proposed form of the Waterworks Rate Ordinance presented at this meeting, by the adoption of such Waterworks Rate Ordinance in substantially the same form as **Exhibit "A"**.
2. The Secretary of the Board is hereby directed to present a copy of this Resolution along with the attached proposed Waterworks Rate Ordinance to the Clerk of the City for presentation to the Common Council as soon as may be done.
3. This Resolution shall be in full force and effect after its adoption by the Board.

PASSED AND ADOPTED THIS 28th DAY OF MARCH, 2022

CITY OF BLOOMINGTON, INDIANA

By and Through its Utility Service Board



Jeff Ehman (Mar 30, 2022 14:47 EDT)

Jeff Ehman, President

ATTEST:



LaTreana Teague (Mar 30, 2022 14:57 EDT)

LaTreana Teague, Secretary

EXHIBIT "A"

FORM OF WATERWORKS RATE ORDINANCE

BLOOMINGTON MUNICIPAL WATER UTILITY

Bloomington, Indiana

Non-Recurring Charges

<u>Description of Charge</u>		<u>Charges</u>
1)	5/8" to 1" Connection	- with tap \$1,533.00 - without tap \$1,327.00
2)	Greater than 1" Connection	Cost of connection but not less than charge for 5/8" to 1" connection
3)	Service Call	- During hours \$45.00 - After hours \$171.00
4)	Bad Check Charge	\$25.00
5)	Late Payment Charge	3% of unpaid balance

This charge shall be paid only once and shall be based on the unpaid over-due balance.

6)	Deposit*	- Residential Not to exceed \$39.00 - Commercial Not to exceed 1/6 of estimated annual bill
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If a present residential customer has been mailed disconnect notices for two consecutive months or any three months within the preceding twelve-month period or has had service disconnected because of nonpayment within the past four years, a security deposit not to exceed one-sixth of the expected annual billing for the customer at the address at which service is rendered may be required.

7) Meter Testing

The utility shall make a free test of the accuracy of a meter upon written request by a customer and a second free test may be requested twelve months subsequent to the first test. The fee for all meter tests requested within thirty-six months after the preceding test shall be \$39.00 if the meter is found not to be at fault.

8) Inspection Charge

All inspections of new mains during normal business hours shall be free of charge. All inspections of new mains during overtime hours shall be based on the amount of time required for the inspection.

9) Temporary Service \$10.00/week

\$10.00 minimum plus a deposit equal to the cost of the meter and a charge for the water used.

10) Extension of Service

Free if estimated 3-year revenue is greater than the construction cost. Actual cost if not.

11) Unauthorized Use of Hydrants

Cost of Water billed for up to 8 hours at maximum flow rate of the hydrant for each day the hydrant is used.

*Deposit is not under the jurisdiction of the Indiana Utility Regulatory Commission (IURC).

BLOOMINGTON MUNICIPAL WATER UTILITY

Bloomington, Indiana

Schedule of Rates and Charges

Monthly usage charge applicable to Residential, Commercial, Governmental, Interdepartmental, Industrial, Indiana University – Master Metered, Indiana University – Non-Master Metered, and Irrigation classes

<u>Category</u>	<u>Rates Per 1,000 Gallons</u>
Residential	\$ <u>4.033.98</u>
Commercial, Governmental, Interdepartmental	<u>3.5450</u>
Industrial	<u>3.2824</u>
Indiana University – Master Metered	<u>2.6663</u>
Indiana University – Non-Master Metered	<u>3.5450</u>
Irrigation	<u>4.1106</u>

Monthly Service Charge, in Addition to Monthly Usage for the customer categories listed above

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$ <u>6.4710</u>
3/4"	<u>7.8980</u>
1"	<u>10.6351</u>
1 1/2"	<u>20.1019.87</u>
2"	<u>27.8149</u>
3"	<u>60.7909</u>
4"	<u>99.968.80</u>
6"	<u>197.905.61</u>
8"	<u>295.842.42</u>
10"	<u>393.7789.22</u>

Monthly Surcharges for Fire Protection Service for the customer categories listed above (excluding Indiana University – Master Metered)

<u>Meter Size</u>	<u>Charge</u>	
	<u>Inside City</u>	<u>Outside City</u>
5/8"	\$ <u>2.0705</u>	\$ <u>3.4642</u>
3/4"	<u>3.0905</u>	<u>5.2115</u>
1"	<u>5.4610</u>	<u>8.6858</u>
1 1/2"	<u>10.3321</u>	<u>17.3313</u>
2"	<u>16.5233</u>	<u>27.7644</u>
3"	<u>36.155.73</u>	<u>60.7202</u>
4"	<u>61.9624</u>	<u>104.052.85</u>
6"	<u>129.127.63</u>	<u>216.794.28</u>
8"	<u>185.923.78</u>	<u>312.1508.55</u>
10"	<u>299.516.03</u>	<u>502.94497.13</u>

The monthly Fire Protection Charge for Indiana University – Master Metered accounts as a group shall be \$1,46380.

BLOOMINGTON MUNICIPAL WATER UTILITY

Bloomington, Indiana

Schedule of Rates and Charges

Contract Sales for Resale

The rate for contract sales for resale shall be \$2.658 per one thousand gallons.

Contract Sales for Resale Monthly Service Charge in Addition to Monthly Usage Charge

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$ 6.107
3/4"	7.809
1"	10.5163
1 1/2"	19.8720.10
2"	27.8149
3"	60.7909
4"	99.968.80
6"	197.905.61
8"	295.842.42
10"	393.7789.22

Private fire connections per connection

<u>Line Size</u>	<u>Charge</u>	
	<u>Monthly</u>	<u>Annually</u>
4" and under	\$ 10.4129	\$ 124.923.48
6"	28.9360	347.163.20
8"	59.298.60	711.4803.20
10"	103.852.65	1,246.2031.80
12"	163.731.84	1,964.7642.08



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To: Vic Kelson, Director, City of Bloomington Utilities

From: Jennifer Wilson, Crowe LLP
Craig Lotz, Crowe LLP

Subject: Water Rates and Charges Adjustment - House Enrolled Act 1002-2022 ("HEA 1002")

Date: March 30, 2022

The purpose of this memo is to set forth revised rates and charges of the City of Bloomington, Indiana Municipal Water Utility (the "Utility") as adjusted for the removal of utility receipts tax.

Background

On Tuesday, March 15, 2022, Governor Eric Holcomb signed into law HEA 1002, which repeals the utility receipts tax levied on retail receipts of certain utilities, including the Utility. Prior to January 1, 2022, the utility receipts tax was 1.40% of retail receipts; effective January 1, 2022, the utility receipt tax increased to 1.46%. HEA 1002 requires the Utility to adjust its rates and charges to reflect the repeal of the utility receipts tax. The Utility's current rates and charges were established by order of the Indiana Utility Regulatory Commission (the "Commission") on December 22, 2021, with Phase I rates effective January 1, 2022.

Calculation

To calculate the revised rates and charges, Crowe LLP ("we") first determined the amount of utility receipts tax included in the Utility's Phase I revenue requirement approved by the Commission. Phase I revenue requirements included \$222,219 of utility receipts tax. Next, we allocated the utility receipts tax proportionally to each rate and charge of the Utility by the amount of anticipated revenues to be generated from each rate and charge. We relied on the revenue projections calculated by Utility Financial Solutions, LLC in its cost of service study prepared in connection with the Utility's Cause 45533 before the Commission (the "Cost of Service Study"). Revenues for each rate and charge, less the allocated reduction in utility receipts tax, were used to recalculate revised rates and charges based on anticipated units identified in the Cost of Service Study. See Appendix A – Calculations to this memo for calculations of revised rates and charges.

Effect

Removal of the utility receipts tax results in an average decrease in rates of 1.16% for Phase I. Actual percent differences vary between classes based on rounding rates to two decimal places. The reduction in rates differs somewhat from the utility receipts tax rate based on the relatively lower amount of utility receipts tax recorded in the twelve months ended March 31, 2020, which served as the test year in Cause 45533 before the Commission.

Appendix A - Calculations

Phase I Rate Revision Calculation

	Phase I Rates from Tariff	Units	Phase I Settlement Revenues	Revenues as Percentage of Total Revenue Requirement	Allocated Decrease in RR from URT	Adjusted Phase I Revenues	Revised Rate	Percent Change
Monthly Facilities Charge								
5/8" Meter	\$ 6.17	78,667.13	\$ 485,376	2.524%	\$ 5,610	\$ 479,766	\$ 6.10	-1.13%
3/4" Meter	7.89	181,418.00	1,431,388	7.444%	16,543	1,414,845	7.80	-1.14%
1" Meter	10.63	40,741.00	433,077	2.252%	5,005	428,072	10.51	-1.13%
1.5" Meter	20.10	5,769.00	115,957	0.603%	1,340	114,617	19.87	-1.14%
2" Meter	27.81	6,379.00	177,400	0.923%	2,050	175,350	27.49	-1.15%
3" Meter	60.79	1,113.00	67,659	0.352%	782	66,877	60.09	-1.15%
4" Meter	99.96	1,004.00	100,360	0.522%	1,160	99,200	98.80	-1.16%
6" Meter	197.90	836.00	165,444	0.860%	1,912	163,532	195.61	-1.16%
8" Meter	295.84	124.00	36,684	0.191%	424	36,260	292.42	-1.16%
10" Meter	393.77	36.00	14,176	0.074%	164	14,012	389.22	-1.16%
Fire Pro 5/8" Meter In	2.07	62,881.13	130,164	0.677%	1,504	128,660	2.05	-0.97%
Fire Pro 3/4" Meter In	3.09	122,842.00	379,582	1.974%	4,387	375,195	3.05	-1.29%
Fire Pro 1" Meter In	5.16	33,486.00	172,788	0.899%	1,997	170,791	5.10	-1.16%
Fire Pro 1.5" Meter In	10.33	5,149.00	53,189	0.277%	615	52,574	10.21	-1.16%
Fire Pro 2" Meter In	16.52	5,577.00	92,132	0.479%	1,065	91,067	16.33	-1.15%
Fire Pro 3" Meter In	36.15	936.00	33,836	0.176%	391	33,445	35.73	-1.16%
Fire Pro 4" Meter In	61.96	861.00	53,348	0.277%	617	52,731	61.24	-1.16%
Fire Pro 6" Meter In	129.12	740.00	95,549	0.497%	1,104	94,445	127.63	-1.15%
Fire Pro 8" Meter In	185.92	104.00	19,336	0.101%	223	19,113	183.78	-1.15%
Fire Pro 10" Meter In	299.51	36.00	10,782	0.056%	125	10,657	296.03	-1.16%
Fire Pro 5/8" Meter Out	3.46	15,786.00	54,620	0.284%	631	53,989	3.42	-1.16%
Fire Pro 3/4" Meter Out	5.21	58,576.00	305,181	1.587%	3,527	301,654	5.15	-1.15%
Fire Pro 1" Meter Out	8.68	7,255.00	62,973	0.328%	728	62,245	8.58	-1.15%
Fire Pro 1.5" Meter Out	17.33	620.00	10,745	0.056%	124	10,621	17.13	-1.15%
Fire Pro 2" Meter Out	27.76	802.00	22,264	0.116%	257	22,007	27.44	-1.15%
Fire Pro 3" Meter Out	60.72	177.00	10,747	0.056%	124	10,623	60.02	-1.15%
Fire Pro 4" Meter Out	104.05	143.00	14,879	0.077%	172	14,707	102.85	-1.15%
Fire Pro 6" Meter Out	216.79	96.00	20,812	0.108%	241	20,571	214.28	-1.16%
Fire Pro 8" Meter Out	312.15	20.00	6,243	0.032%	72	6,171	308.55	-1.15%
Fire Pro 10" Meter Out	502.94	0.00	0	0.000%	0	0	497.13	-1.16%
Private Fire 4" or Less	10.41	2,397.00	24,953	0.130%	288	24,665	10.29	-1.15%
Private Fire 6"	28.93	2,996.00	86,674	0.451%	1,002	85,672	28.60	-1.14%
Private Fire 8"	59.29	756.00	44,823	0.233%	518	44,305	58.60	-1.16%
Private Fire 10"	103.85	48.00	4,985	0.026%	58	4,927	102.65	-1.16%
Private Fire 12"	163.73	82.00	13,426	0.070%	155	13,271	161.84	-1.15%
Commodity Charge ('000 Gallons)								
Residential and Multi Family	4.03	1,619,730.45	6,527,514	33.949%	75,441	6,452,073	3.98	-1.24%
Comm, Gov, Interdept Usage	3.54	788,342.53	2,790,733	14.514%	32,253	2,758,480	3.50	-1.13%
Industrial	3.28	50,973.28	167,192	0.870%	1,932	165,260	3.24	-1.22%
Wholesale	2.68	1,037,433.10	2,780,321	14.460%	32,133	2,748,188	2.65	-1.12%
Indiana University Usage	2.66	354,483.05	942,925	4.904%	10,898	932,027	2.63	-1.13%
Irrigation Usage	4.11	112,669.11	463,070	2.408%	5,352	457,718	4.06	-1.22%
Adjustable Revenues			18,423,307	95.817%	212,924	18,210,383		
Plus: Non Adjustable (Other Operating + Rounding)			804,198	4.183%	9,295	794,903		
Total			\$ 19,227,505	100.000%	\$ 222,219	\$ 19,005,286		

BLOOMINGTON MUNICIPAL WATER UTILITY

Bloomington, Indiana

Schedule of Rates and Charges

Monthly usage charge applicable to Residential, Commercial, Governmental, Interdepartmental, Industrial, Indiana University – Master Metered, Indiana University – Non-Master Metered, and Irrigation classes

<u>Category</u>	<u>Rates Per 1,000 Gallons</u>
Residential	\$ <u>4.033.98</u>
Commercial, Governmental, Interdepartmental	<u>3.5450</u>
Industrial	<u>3.2824</u>
Indiana University – Master Metered	<u>2.6663</u>
Indiana University – Non-Master Metered	<u>3.5450</u>
Irrigation	<u>4.1106</u>

Monthly Service Charge, in Addition to Monthly Usage for the customer categories listed above

<u>Meter Size</u>	<u>Charge</u>
5/8"	\$ <u>6.4710</u>
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Monthly Surcharges for Fire Protection Service for the customer categories listed above (excluding Indiana University – Master Metered)

<u>Meter Size</u>	<u>Charge</u>	
	<u>Inside City</u>	<u>Outside City</u>
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The monthly Fire Protection Charge for Indiana University – Master Metered accounts as a group shall be \$1,46380.

BLOOMINGTON MUNICIPAL WATER UTILITY

Bloomington, Indiana

Schedule of Rates and Charges

Contract Sales for Resale

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Private fire connections per connection

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	<u>Monthly</u>	<u>Annually</u>
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BLOOMINGTON MUNICIPAL WATER UTILITY

Bloomington, Indiana

Non-Recurring Charges

<u>Description of Charge</u>		<u>Charges</u>
1)	5/8" to 1" Connection	- with tap \$1,533.00 - without tap \$1,327.00
2)	Greater than 1" Connection	Cost of connection but not less than charge for 5/8" to 1" connection
3)	Service Call	- During hours \$45.00 - After hours \$171.00
4)	Bad Check Charge	\$25.00
5)	Late Payment Charge	3% of unpaid balance

This charge shall be paid only once and shall be based on the unpaid over-due balance.

6)	Deposit*	- Residential Not to exceed \$39.00 - Commercial Not to exceed 1/6 of estimated annual bill
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If a present residential customer has been mailed disconnect notices for two consecutive months or any three months within the preceding twelve-month period or has had service disconnected because of nonpayment within the past four years, a security deposit not to exceed one-sixth of the expected annual billing for the customer at the address at which service is rendered may be required.

7) Meter Testing

The utility shall make a free test of the accuracy of a meter upon written request by a customer and a second free test may be requested twelve months subsequent to the first test. The fee for all meter tests requested within thirty-six months after the preceding test shall be \$39.00 if the meter is found not to be at fault.

8) Inspection Charge

All inspections of new mains during normal business hours shall be free of charge. All inspections of new mains during overtime hours shall be based on the amount of time required for the inspection.

9) Temporary Service \$10.00/week

\$10.00 minimum plus a deposit equal to the cost of the meter and a charge for the water used.

10) Extension of Service

Free if estimated 3-year revenue is greater than the construction cost. Actual cost if not.

11) Unauthorized Use of Hydrants

Cost of Water billed for up to 8 hours at maximum flow rate of the hydrant for each day the hydrant is used.

*Deposit is not under the jurisdiction of the Indiana Utility Regulatory Commission (IURC).