

ORDINANCE NO. 1975-11

An Ordinance providing for a system of industrial cost recovery relating to industrial users of the sewage works of the Town of Cloverdale, Indiana, and a Federal Grant from the United States Government and other matters connected therewith.

WHEREAS, the Town of Cloverdale has heretofore constructed and has in operation a sewage works, and;

WHEREAS, certain improvements and additions to the Town's sewage works are being constructed in part from the proceeds of a grant offer made by the United States Government acting through the Environmental Protection Agency, and;

WHEREAS, in order to comply with certain regulations of the Environmental Protection Agency, the Town desires to establish an industrial cost recovery system;

NOW THEREFORE, BE IT ORDAINED by the Board of Trustees of the Town of Cloverdale, Indiana:

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

- (a) "Sewage works" shall mean all facilities for collecting, pumping, treating, and disposing of sewage.
- (b) "Sewage treatment plant" shall mean any arrangement of devices and structures used for treating sewage.
- (c) "Normal domestic sewage" shall mean wastes such as are normally discharged from individual residences and other housing units. Normal domestic sewage shall not include any waste containing a loading in excess of 200 milligrams per liter (mg/l) BOD and 250 mg/l suspended solids. However, on a case by case basis, the waste from an industrial user may be classified as normal domestic sewage in accordance with the definition in Section 1(c).
- (d) "Industrial waste" shall mean any waste other than normal domestic sewage.

(e) "Industrial user" shall mean any non-governmental user of the sewage works identified in the Standard Industrial Classification Manual, 1972, Office of Management and Budget, as amended and supplemented, under the following divisions;

- (1) Division A - Agriculture, Forestry, and Fishing.
- (2) Division B - Mining
- (3) Division D - Manufacturing
- (4) Division E - Transportation, Communications, Electric, gas, and Sanitary Services.
- (5) Division I - Services.

As stated in Section 1(c), a user in the Divisions listed may be excluded if it is determined that it will introduce primarily normal domestic sewage. At the time of the adoption of this Ordinance, by definition, there are no industrial users of the sewage works.

(f) "BOD" (denoting Biochemical Oxygen Demand) shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20 degrees C., expressed in parts per million by weight.

(g) "Suspended solids (SS)" shall mean solids that either float on the surface of, or are in suspension in water, sewage, or other liquids, and which are removable by laboratory filtering.

(h) "Flow" shall mean the quantity of liquid waste emanating from a user of the sewage works.

(i) "Non-industrial user class" shall mean that type of user who produces normal domestic wastes or wastes from sanitary conveniences.

(j) "Industrial user class" shall mean all users who are not classified as non-industrial.

Section 2. Industrial cost recovery shall be based on the following factors:

(a) Each year during the industrial cost recovery period, each industrial user of the treatment works shall pay its share of the total grant amount divided by the recovery period.

(b) The industrial cost recovery period shall be 30 years.

(c) Payments shall be made by industrial users no less often than annually.

The first payment by an industrial user shall be made not later than one (1) year after such user begins use of the treatment works.

(d) An industrial user's share shall be based on all factors which significantly influence the cost of the treatment works. Factors such as strength, volume, and delivery flow rate characteristics shall be considered and included to insure a proportional distribution of the grant amount allocable to industrial use to all industrial users of the treatment works. As a minimum, an industry's share shall be based on its flow versus treatment works capacity except in unusual cases.

(e) If there is a substantial change in the strength, volume, or delivery flow rate characteristics introduced into the treatment works by an industrial user, such user's share shall be adjusted accordingly.

(f) If there is an expansion or upgrading of the treatment works, each existing industrial user's share shall be adjusted accordingly.

(g) An industrial user's share shall not include any portion of the grant amount allocable to unused or unreserved capacity.

(h) An industrial user's share shall include any firm commitment to the Town of increased use by such user.

(i) An industrial user's share shall not include an interest component.

(j) The Town shall retain 50 per cent of the amounts recovered from industrial users. The remainder, together with any interest earned thereon, shall be returned to the U.S. Treasury on an annual basis.

A minimum of 80 per cent of the retained amounts, together with interest earned thereon, shall be used solely for the eligible costs of the expansion of reconstruction of treatment works associated with the project and necessary to meet the requirement of the Environmental Protection Agency. The Town shall obtain the written approval of the Regional Administrator of the Environmental Protection Agency prior to commitment of the retained amounts for any expansion and reconstruction. The remainder of the retained amounts may be used as the Town sees fit.

Pending use, the Town shall invest the retained amounts for reconstruction and expansion in: (1) Obligations of the U.S. Government or (2) Obligations guaranteed as to principal and interest by the U.S. Government or any agency thereof or (3) Shall deposit such amounts in accounts fully collateralized by obligations of the U.S. Government or by obligations fully guaranteed as to principal and interest by the U.S. Government or any agency thereof.

Section 3. The amounts to be recovered annually from each industrial class user shall be determined in accordance with the three formulae set out below:

(a) For flow related recovery, the formula for each industrial class user shall be:

$$RF = FC \times \frac{\text{User Flow-Annually}}{\text{Design Flow-Annually}} \times \frac{1}{30 \text{ years}}$$

Definition of terms is:

RF = Industrial cost recovery based on flow

FC = Capital costs which are flow related

(b) For BOD related recovery, the formula for each industrial class user shall be:

$$RB = BC \times \frac{\text{User Loading - Pounds (based on 200 mg/l as minimum)}}{\text{Design Capacity - Pounds}} \times \frac{1}{30 \text{ years}}$$

Definition of terms is:

RB = Industrial cost recovery based on BOD loading

BC = Capital costs which are strength related

(c) For suspended solids related recovery, the formula for each industrial class user shall be:

$$RS = SC \times \frac{\text{User Loading - Pounds (based on 250 mg/l as minimum)}}{\text{Design Capacity - Pounds}} \times \frac{1}{30 \text{ years}}$$

Definition of terms is:

RS = Industrial cost recovery based on suspended solids loading

SC = Capital costs which are strength related

(d) Until such time as a unit process cost study is developed, the amounts of capital costs used in the formulae in Sec. 3(a), Sec. 3(b) and Sec. 3(c) shall be forty percent (40%) of total capital costs for flow, and thirty percent (30%) each for BOD and suspended solids.

Section 4. The facilities constructed to which industrial costs recovery is related is hereby referenced as those facilities in accordance with Division B of the plans and specifications of the construction project. For grant purposes the project is identified as Project No. C180487. The amount of the grant received by the Town from the Environmental Protection Agency is \$600,000.

Section 5. Any new industrial class user who shall in the future desire to connect to the Town's sewage works shall be subject to the industrial cost recovery provisions as set forth in Sections 2 and 3 of this Ordinance.

Section 6. Within thirty (30) days of the time a new industrial class user becomes connected to and is a user of the Town's sewage works, the Town shall notify the Environmental Protection Agency in writing of such connection.

Section 7. The Town shall maintain complete and accurate waste discharge records, including reports furnished by industrial class users and shall hold same available for inspection by representatives of the Environmental Protection Agency at all reasonable times.

Section 8. (a) The Town has been issued National Pollution Discharge Elimination System Permit No. IN0022616 by the Environmental Protection Agency governing discharge from a publicly owned treatment works. The provisions contained in this Ordinance are set forth in accordance with the conditions relative to the Permit and directives of the Environmental Protection Agency.

(b) Reference is made to two other Ordinances of the Town, Ordinance

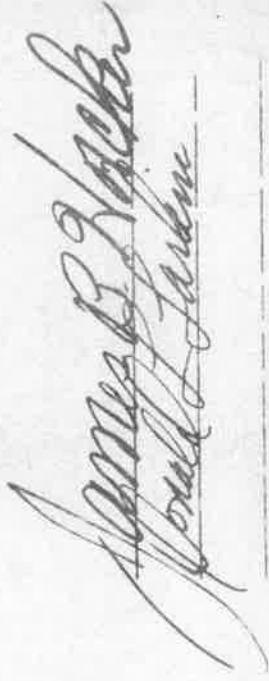
No. 12 , governing connection to and use of the Sewage Works and Ordinance No. 13 , governing user charges to be made by the Town for use of the Sewage Works.

Section 9. All ordinances or parts of ordinances in conflict herewith are hereby repealed. The invalidity of any section, clause, sentence, or provision of this ordinance shall not affect the validity of any other part of this ordinance which can be given effect without such invalid part or parts.

Section 10. This ordinance shall be in full force and effect from and after its passage and publication as provided by law.

Approved and adopted by the Board of Trustees of the Town of Cloverdale

on the 11th day of Aug , 1975.



James B. Hatcher  
Clerk-Treasurer

Attest \_\_\_\_\_  
Clerk-Treasurer