

**AN ORDINANCE OF THE TOWN OF LEXINGTON, SOUTH CAROLINA TO ADJUST WATER AND SEWER MONTHLY BASE AND VOLUME CHARGES, ANCILLARY CHARGES, CAPITAL CONTRIBUTION FEES, AND TO ESTABLISH A FEE IN LIEU OF FRANCHISE FEE FOR THE COMBINED WATER AND SEWER SYTEM**

**WHEREAS**, the Town operates a combined waterworks and wastewater utility (the “System”); and,

**WHEREAS**, operation of the System necessitates providing for operations and maintenance and adequate capital reserves; and,

**WHEREAS**, the System has made capital investments requiring issuance of bonded debt; and,

**WHEREAS**, the System’s Capital Improvement Plan (the “Plan”) for the next five (5) years includes approximately \$65 Million in projects; and,

**WHEREAS**, the Town anticipates the issuance of bonds to fund portions of the Plan; and,

**WHEREAS**, the Town must comply with various covenants related to bonded debt; and,

**WHEREAS**, the Town charges various ancillary fees to provide services directly to customers; and,

**WHEREAS**, the Town charges Capital Contribution Fees for the purpose of recovering capital investment costs from new development; and,

**WHEREAS**, the Town allocates costs to the extent possible to reflect the full cost of service; and,

**WHEREAS**, not all costs of providing service are readily allocable to the System; and,

**WHEREAS**, the Town imposes Franchise Fees on private utilities for use of rights of way; and,

**WHEREAS**, a fee in lieu of a Franchise Fee charged to the System would in part provide for the recovery of unallocated System costs and be consistent with fees charged to private utilities; and,

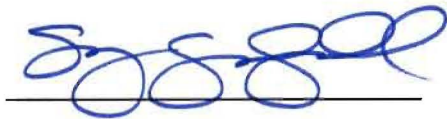
**WHEREAS**, rates and charges should recover the underlying costs of service; and,

**WHEREAS**, the Town engaged Stantec Consulting Services, Inc. (“Stantec”) to determine the rates and charges required to meet the System’s financial obligations and properly recover costs of service; and,

**WHEREAS**, Stantec made certain recommendations for rates and charges to provide for operations & maintenance, compliance with bond covenants, provision of adequate reserves, funding of capital improvements and related capital contribution fees, ancillary charges and a fee in lieu of franchise fee; and


**WHEREAS**, the Town Council finds Stantec's recommendations to be in the best interest of the System and should be implemented; therefore,

**BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LEXINGTON, SOUTH CAROLINA, IN COUNCIL ASSEMBLED AND BY THE AUTHORITY THEREOF** that recurring water and sewer charges, ancillary charges and capital contribution fees are adjusted effective July 1, 2021, as indicated on the revised Water and Sewer Rate Schedule, incorporated herein as Attachment A; that on July 1, 2022 recurring rates and charges for water and sewer shall increase five and one half percent (5.5%) and on July 1 of the succeeding three (3) years by three and one half percent (3.5%); and, that the System shall be charged a fee in lieu of franchise fee of three percent (3%) phased in by six-tenths of a percent (0.6%) of recurring water and sewer charges (base and volume) over five (5) years annually beginning July 1, 2021.



Steve MacDougall, Mayor

ATTEST:



Becky Hildebrand, Municipal Clerk

First Reading: April 5, 2021

Public Hearing: May 3, 2021

Second Reading: May 3, 2021



Rates Effective July 1, 2021

## Water Rates

Monthly Customer Service Charges / Meter			
Meter size		Inside Town	Outside Town
3/4"	\$	8.19	\$ 14.73
1"	\$	15.15	\$ 27.25
1-1/2"	\$	20.47	\$ 36.83
2"	\$	40.93	\$ 73.65
3"	\$	106.42	\$ 191.50
4"	\$	196.47	\$ 353.54
6"	\$	257.88	\$ 464.04

Volume Charges / Thousand Gallons			
		Inside Town	Outside Town
Residential	\$	4.57	\$ 8.23
Commercial	\$	4.26	\$ 7.67
Industrial	\$	4.26	\$ 7.67

## Sewer Rates

Monthly Customer Service Charges / Meter			
		Inside Town	Outside Town
	\$	8.48	\$ 14.42
Flat Rate (Non-Metered)	\$	43.76	\$ 74.44

I-20 and Watergate Service Areas - Monthly Sewer Rates			Outside Town
Residential Flat Rate		\$	74.44
Mobile Home Flat Rate (75% of Residential Flat Rate)		\$	55.83
Commercial Flat Rate per REU*		\$	74.44
Treatment only-Bulk Flat per REU*		\$	34.48
*REU: Residential Equivalent Unit.			

Volume Charges / Thousand Gallons			
		Inside Town	Outside Town
	\$	5.89	\$ 10.00
(Maximum of 10,000 gallon / mo. for residential customers)			

Fire Protection Charges			
		Inside Town	Outside Town
Sprinkler minimum (\$ / mo.)	\$	5.53	\$ 11.05
Additional over 60 heads (\$ / head / mo.)	\$	0.11	\$ 0.22
Commercial Fire Hydrant	\$	11.51	\$ 22.98

## Water and Sewer Connection Fees

### Tap Fees - residential only

Water Tap Fee - same side of road	\$ 570.00
Water Tap Fee - opposite side of road	\$ 1,185.00
Sewer Tap Fee - up to 5 ft	\$ 600.00
Sewer Tap Fee - deeper than 5 ft	\$ 1,085.00

- Sewer Tap Fees are for gravity lines that are adjacent to the property to receive service.
- Utilities Director may adjust fee when tap costs are substantially greater than for typical installations.

### Water Meter Fees

3/4"	\$ 445.00
1"	\$ 575.00
1-1/2"	\$ 850.00
2"	\$ 865.00
3"	\$ 1,500.00
4"	\$ 1,970.00
6"	\$ 3,775.00
> 6"	request a quote

- Utilities Director may adjust fee when costs are substantially greater than for typical installations.

### Water Service for Residential Irrigation - established domestic water service

	Existing (T tie-in)	New Tap (same side)	New Tap (opposite side)
3/4" Service	\$ 763.00	\$ 1,015.00	\$1,630.00

### Capital Contribution Fees (per ERU)

	Inside Town	Outside Town
Water Capital Contribution Fee	\$ 1,250.00	\$ 2,225.00
Sewer Capital Contribution Fee	\$ 2,700.00	\$ 5,265.00

## Ancillary Charges Related to Water and Sewer

New Account Charge	\$ 27.00
Plan Review and Inspection Fee (1% of utility construction cost)	
Minimum	\$ 155.00
Maximum	\$ 6,800.00
Sewer Inspection Fee	\$ 100.00
Sewer Re-Inspection Fee	\$ 75.00