

ORDINANCE 4350

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HARTSVILLE, SOUTH CAROLINA AUTHORIZING AND IMPLEMENTING A LARGE USER INDUSTRIAL RATE CLASS APPLICABLE TO THE CITY’S WATER AND SEWER SYSTEM; AND OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Hartsville, South Carolina (the “*City*”) is a municipal corporation of the State of South Carolina (the “*State*”) located in Darlington County, South Carolina, and as such possesses all general powers granted by the Constitution and statutes of the State to such public entities, including the power to operate utility systems and to furnish water and sewer operations both within and without the corporate limits of the City.

WHEREAS, the City currently operates a water and sewer utility system¹ (collectively, the “*System*”).

WHEREAS, Section 82-176 of the City’s Code of Ordinances provides that the City is authorized to prescribe monthly rates and charges of service for customers being served by the System.

WHEREAS, population in and around the City is static or declining and growth opportunities for the System are limited.

WHEREAS, the City is actively trying to engage, promote and maintain industrial use of the System since large industrial customers contribute to increased economies of scale and to a more efficient use of the System.

WHEREAS, large industrial customers are often high-volume water and sewer users with high usage and load factors, which makes such customers less costly to serve than other customers.

WHEREAS, so long as large industrial user rates are priced to cover the variable cost of providing water treatment/distribution and wastewater treatment/disposal services and to provide a reasonable contribution to the fixed cost of operating the System, the cost for water and sewer services to all customers is reduced.

NOW THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the City of Hartsville, South Carolina, in a meeting duly assembled, as follows:

Section 1 Recitals

Each finding or statement of fact set forth in the recitals hereto has been carefully examined and has been found to be in all respects true and correct.

¹ Pursuant to Ordinance No. 4307 dated October 10, 2017, the System was recently combined with the City’s waterpark enterprise.

Section 2 Large Water User Industrial Rate Class

The City hereby creates a water rate class to be known as the “Large Water User Industrial Rate Class,” which shall apply to any industrial customer of the System that maintains an account with average monthly water usage in excess of 2,000,000 gallons. Average monthly water usage shall be calculated at the end of each fiscal year by dividing the aggregate annual account water usage by twelve. No industrial user shall be eligible for the Large Water User Industrial Rate Class until they have been connected to the System for at least one-full fiscal year. The Large Water User Industrial Rate Class shall be structured as follows:

The Large Water User Industrial Rate shall consist of (1) a minimum charge, and (2) a volume charge. The minimum charge, which covers the City’s fixed costs and includes 2,000,000 gallons of monthly water usage, shall be \$7,466.38. The volume charge (which is payable per 1,000 gallons of flow above the initial 2,000,000 of monthly flow) shall be \$3.48 per thousand gallons, which equals the amount currently charged to a customer residing within the City limits under the City’s standard rate schedule.

Section 3 Large Sewer User Industrial Rate Class

The City hereby creates a sewer rate class for to be known as the “Large Sewer User Industrial Rate Class,” which shall apply to any industrial customer of the System with (i) an average monthly water usage in excess of 2,000,000 gallons; (ii) a discharge point not associated with a water meter; and (iii) with no permanent sewer flow meter. Average monthly water usage shall be calculated at the end of each fiscal year by dividing the industry’s aggregate annual water usage by twelve. No industrial user shall be eligible for the Large Sewer User Industrial Rate Class until they have been connected to the System for at least one-full fiscal year. The Large Sewer User Industrial Rate Class shall be structured as follows:

The Large Sewer User shall be charged a flat fee of \$1,385 per month.

Section 4 Termination of Existing Agreements

To the extent the City has individual agreements with customers of the System regarding rates or charges that do not correspond to the City’s standard water and sewer rates for the System, the City Council of the City of Hartsville, the governing body of the City (the “**Council**”) authorizes the City Manager of City (the “**Manager**”), in consultation with the City’s legal counsel, to take all actions necessary to terminate such agreements.

Section 5 Adjustments

A. The rates established in Section 2 above shall not be static but rather shall be subject to the water rate adjustments applicable to City users as they may be amended by the Council from time to time.

B. Upon the identification of a corresponding water meter or the installation by the

City of a permanent flow meter, the flat rate established in Section 3 above shall no longer be applicable and such user shall be charged in accordance with the City's standard rate schedule applicable to all other sewer users.

Section 6 Severability

If any one or more of the provisions this Ordinance should be contrary to law, then such provision shall be deemed severable from the remaining provisions, and shall in no way affect the validity of the other provisions of this Ordinance.

Section 7 Repealer

Nothing in this Ordinance shall be construed to affect any suit or proceeding impending in any court, or any rights acquired or liability incurred, or any cause of action acquired or existing, under any act or Ordinance hereby repealed; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this Ordinance.

Section 8 Inconsistency.

All ordinances, resolutions or parts of any ordinances or resolutions inconsistent or in conflict with the provisions of this Ordinance are hereby repealed to the extent of the conflict or inconsistency.

Section 9 Effect

This Ordinance, which includes the rate schedules and other authorizations hereunder, shall be enacted and binding upon second reading by the Council.

DONE AND ORDAINED IN COUNCIL ASSEMBLED, this __th day of _____, 2018.

CITY OF HARTSVILLE,
SOUTH CAROLINA

(SEAL)

Carl M. (Mel) Pennington IV, Mayor

Attest:

Sherron L. Skipper, City Clerk

First Reading: September 11, 2018
Public Hearing:
Second Reading: