

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, the 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

A. 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 3,000,000 gallons. Average monthly water usage shall be calculated at the end of each fiscal year by dividing the aggregate annual water usage (per account) 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.

B. The Large Water User Industrial Rate shall consist of (1) a minimum charge, and (2) a volume charge. The minimum charge is structured to cover the City’s fixed costs and also includes an allocation of 3,000,000 gallons of monthly water usage. Volume charges are payable per 1000-gallons of water used.²

C. The Large Water User Industrial Rate Class for fiscal year 2018/19 shall be effective as of November 1, 2018 and the rates for fiscal years 2019/20 through 2022/23 shall become effective on July 1 of each year; the Large Water User Industrial Rate shall be implemented as follows:

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
<u>Minimum Charge</u> ³	\$7,613.05	\$9,530.10	\$10,731.51	\$11,934.86	\$13,140.19
<u>Volume Charge</u> ⁴	\$3.48	\$3.58	\$3.69	\$3.80	\$3.91

Section 3 Large Sewer User Industrial Rate Class

A. The City hereby creates a sewer rate class 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 3,000,000 gallons (ii) a discharge point not associated with a water meter, and (iii) 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.

B. The Large Sewer User Industrial Rate Class shall be structured as follows:

Each Large Sewer User shall be charged a flat fee of \$4,155 per month.

Section 4 Termination of Existing Agreements; Ratification

A. To the extent the City has individual agreements with customers of the System regarding rates or charges that do not conform to the City’s standard water and sewer rates for the System (including the rates established under the terms of this Ordinance), the City Council of the

² Volumetric rate is consistently applied to all water customers regardless of meter size or customer class. See Ordinance No. 4337 dated June 28, 2018.

³ Minimum bill; includes first 3,000,000 gallons of water used.

⁴ Volume per 1,000 gallons over 3,000,000 gallon minimum.

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. In connection with the execution and delivery of any termination documents, the Manager is additionally authorized to prepare, review, negotiate, execute, deliver, and agree to such additional agreements (to include any necessary amendments or extensions), certifications, documents, closing proofs, and undertakings as she shall deem necessary or advisable.

B. All prior actions of the Council, the Manager and any other officers of the City in furtherance of the purposes of this Ordinance are hereby ratified, approved and confirmed. All other ordinances (or parts thereof) in conflict with this Ordinance are hereby repealed to the extent of the conflict.

Section 5 Adjustments

The rates established in Sections 2 and 3 above shall not be static but rather shall be subject to the rate adjustments applicable to City users as they may be amended by the Council from time to time.

Section 6 Severability

If any one or more of the provisions of 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.

[Remainder of Page Intentionally Left Blank]

DONE AND ORDAINED IN COUNCIL ASSEMBLED, this 4th day of October, 2018.

CITY OF HARTSVILLE,
SOUTH CAROLINA

(SEAL)

Carl M. (Mel) Pennington IV, Mayor

Attest:

Sherron L. Skipper, City Clerk

First Reading: September 26, 2018

Public Hearing: October 4, 2018

Final Reading: October 4, 2018