

RESOLUTION NO.: R-2013-045

Repealing Resolution R-93-61 Adopting Policy on Water and Sewer Fund Transfers to General Fund and Setting a Policy that the City of Columbia will not Exceed Five (5%) of the Gross Revenue of the Water and Sewer System

WHEREAS, the City of Columbia (the "City") and her citizens purchased the Columbia Waterworks and Sewer System (the "System") in 1835; and,

WHEREAS, the City, on behalf of the people of Columbia, has made a substantial capital investment in the System over the past 178 years; and,

WHEREAS, the System has grown to include the Columbia Canal and Lake Murray Waterworks water treatment facilities which produce an average of 65 million gallons of water every day, the Columbia Metropolitan Wastewater Plant rated to treat up to 60 million gallons of wastewater, as well as more than 3,600 miles of water and sewer main serving over 142,000 households and businesses throughout the Greater Metropolitan Columbia area; and,

WHEREAS the City is the proud home of the state capitol, a number of state and federal government offices, the nation's flagship Army Training Institute at Fort Jackson and the Carnegie Research 1 University of South Carolina yet recognizes that these institutions and others like them, while a point of pride and economic benefit, pay no property taxes to the City in order to support vital City services like public safety; and,

WHEREAS roughly two thirds of the City's water and sewer customers are located outside the city and therefore enjoy the full benefits of the City's System without paying property taxes to the City; and,

WHEREAS adopting a policy of Net Revenue Transfers from the Water and Sewer Fund to the General Fund benefits the City residents who own the System by allowing the City to appropriate modest funds generated from customers who do not pay City taxes and therefore keep City taxes low; and,

WHEREAS, the citizens of the City of Columbia deserve a return on their investment and a policy of Net Revenue Transfers from the Water and Sewer Fund to the General Fund provides that return; and,

WHEREAS, water and sewer rates in the City are among the lowest in the State of South Carolina; and,

WHEREAS, the average City resident can expect to pay \$6.00 less a month than in Greenville, SC; \$17.00 less a month than in Lexington, SC and \$35.00 less a month than in Charleston, SC; and,

WHEREAS, the City firmly believes that reinvesting in the System is key to the economic development and environmental preservation of the City and the entire Midlands Region; and,

WHEREAS, by Resolution R-93-61 approved on October 27, 1993, the City adopted a policy on water and sewer fund transfers to the general fund; NOW THEREFORE,

BE IT RESOLVED by the Mayor and Council this 26th day of March, 2013, that Resolution R-93-61 is hereby repealed in its entirety and that the following general policy is hereby adopted:

1. No transfer of Net Revenues from the Water and Sewer Fund to the General Fund shall be made if such transfer would impair the ability of the City to: (a) operate and maintain the System in a sound and businesslike manner; (b) satisfy the covenants under the Bond Ordinances under which the system debt is

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issued and to make payment of any required debt service; or, (c) maintain all financial and capital reserves at their required levels;

2. The City shall not make transfers of Net Revenues from the Water and Sewer Fund to the General Fund if such transfers shall constitute a disproportionately large portion of General Fund revenues thereby lessening the creditworthiness of the City's General Obligation Bonds;

3. In no event shall the City directly transfer Revenues from the Water and Sewer Fund to the General Fund in any fiscal year an amount greater than 5% of the Gross Revenues of the Water & Sewer System of the budget revenues for the current fiscal year.

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Requested by:

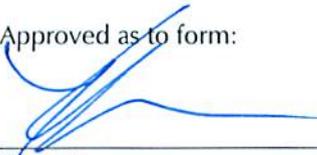
Mayor Benjamin


MAYOR

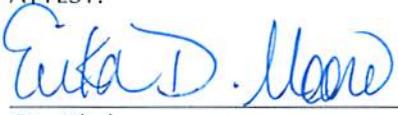
Approved by:


City Manager

Approved as to form:


City Attorney

ATTEST:


City Clerk

Introduced: 3/26/2013

Final Reading: 3/26/2013