
2018-42 (2ND READING): AN ORDINANCE TO AMEND THE SCHEDULE OF WATER AND SEWER USER CHARGES OF THE MYRTLE BEACH WATERWORKS & SEWER SYSTEM TO INCREASE WATER TAP FEES CONSISTENT WITH THE COSTS OF IMPLEMENTING SMART METERS.

Applicant/Purpose: Staff/ to increase the water tap fee by \$250 to cover the costs of equipping meters to work w/ the Smart Meter Program.

Brief:

- City will implement a Smart Meter program beginning in the new fiscal year.
- New meters will cost an additional \$250 each for equipment, handling & installation of equipment to render new meters capable of communicating w/ the radio infrastructure associated w/ this program.

Issues:

- Tap fees offset the cost of meters & related equipment, carrying costs, handling, & installation.
- The tap fee is not an impact fee.
- The impact fee will be the subject of study in a comprehensive rate analysis to be conducted early in 2019.

Public Notification: Normal meeting notification.

Alternatives: Deny resolution resulting in greater investment of utility fund equity to retrofit meters after installation as the 3 phases of the Smart Meter program are implemented.

Financial Impact: No impact on existing rate payers. The \$250 increase in this one-time fee will apply to new taps authorized after July 1, 2018.

Manager's Recommendation:

- I recommend 1st reading (6/12/18).
- I recommend 2nd reading & adoption (6/26/18)

Attachment(s): Proposed ordinance.

CITY OF MYRTLE BEACH)
COUNTY OF HORRY)
STATE OF SOUTH CAROLINA)

**AN ORDINANCE TO AMEND THE SCHEDULE
OF WATER AND SEWER USER CHARGES OF
THE MYRTLE BEACH WATERWORKS &
SEWER SYSTEM TO INCREASE WATER TAP
FEES CONSISTENT WITH THE COSTS OF
IMPLEMENTING SMART METERS.**

WHEREAS, the Code of Ordinances (the "Code") of the City provides in Section 21-2 that the City may furnish water and sewer services to persons for reasonable compensation and that the charges may be fixed from time to time by the Council; and

WHEREAS, Section 21-3 of the City Code provides that water and sewer rates shall be established by the City Council (the "Council ") and shall be subject to change at the discretion of the Council; and,

WHEREAS, the Council now desires to implement an increase in water tap fees to cover the costs of outfitting new meters with the equipment necessary to make them compatible with the Advanced Meter Infrastructure ("AMI") Smart Meter program;

NOW, THEREFORE, BE IT ORDAINED by the governing body of the City of Myrtle Beach, in Council duly assembled, and by the authority of the same, that Section 21-7 is hereby amended in order to modify the water tap charge as hereinafter provided.

Sec. 1. Amendments to Tap Fee Schedules

Section 21-7 (b) of the City Code is hereby amended with respect to water tap fees:

For fire suppression system taps, a person, corporation or other legal entity shall pay tap charges according to the following schedules:

<u>Line Size</u>	<u>TapCharge</u>
< 6"	500
6"	1,750
8"	2,250
10"	3,050
12"	3,750

2. Subsection (d) is hereby amended to read in its entirety as follows:

" (d) For each new water connection to the system, a person, corporation or other legal entity shall, in addition to the connection fee, pay a tap charge under the following schedule:

<u>Meter Size</u>	<u>FY 2018</u>
5/8" to 3/4"	1,125
1"	1,429
1.5"	2,144
2"	2,480
3"	8,486

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4"	9,461
6"	11,931

Sec. 2. Validity of the ordinance. If, for any reason, any sentence, clause, or provision of this ordinance shall be declared invalid, such declaration shall not affect the remaining provisions thereof.

Sec. 3. Conflicts with preceding ordinances. Should conflicts arise between this and any preceding ordinances, this ordinance shall prevail with respect to the conflicting sections.

This ordinance shall become effective on July 1, 2018.

Brenda Bethune, Mayor

Attest:

Jennifer Stanford, Interim City Clerk

First Reading: 6-12-18
Second Reading: 6-26-18