

AN ORDINANCE TO ADOPT RATES FOR WATER, SEWER, AND GAS
OF THE CITY OF LEXINGTON

WHEREAS, the Board of Mayor and Aldermen for the City of Lexington are responsible for the efficient management and operation of Water, Wastewater, and Gas Departments; and,

WHEREAS, to comply with Tennessee Code Annotated and provide for a financially viable water and sewer system,

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF LEXINGTON, TENNESSEE THAT:

SECTION 1: This ordinance will replace in entirety the current rate and fee schedules for water, wastewater, and gas services.

SECTION 2: The following rates and fees shall be adopted for use by Lexington Water Systems and Lexington Gas System:

WATER RATES -----

INSIDE CITY LIMITS - Customer Charge 0-1,000 gallons

	<u>Meter Charge</u>	+	<u>Maint Fee</u>	+	<u>Tech Fee</u>	+	<u>1,000 gallons @ cons. Rate</u>	=	<u>Customer Charge</u>
3/4"	\$18.41	+	\$1.60	+	\$2.00	+	\$6.50	=	\$28.51
1"	\$21.63	+	\$1.60	+	\$2.54	+	\$6.50	=	\$32.27
1.5"	\$26.03	+	\$1.60	+	\$3.28	+	\$6.50	=	\$37.41
2"	\$37.94	+	\$1.60	+	\$5.28	+	\$6.50	=	\$51.32
3"	\$125.60	+	\$1.60	+	\$20.00	+	\$6.50	=	\$153.70
4"	\$158.11	+	\$1.60	+	\$25.46	+	\$6.50	=	\$191.67
6"	\$233.86	+	\$1.60	+	\$38.18	+	\$6.50	=	\$280.14

Consumption Rate Over 1,000 gallons = \$6.50 Per 1,000 gallons

OUTSIDE CITY LIMITS - Customer Charge 0-1,000 gallons

	<u>Meter Charge</u>	+	<u>Maint Fee</u>	+	<u>Tech Fee</u>	+	<u>1,000 gallons @ cons. Rate</u>	=	<u>Customer Charge</u>
3/4"	\$27.07	+	\$1.60	+	\$2.00	+	\$6.50	=	\$37.17
1"	\$32.62	+	\$1.60	+	\$2.54	+	\$6.50	=	\$43.26
1.5"	\$40.23	+	\$1.60	+	\$3.28	+	\$6.50	=	\$51.61
2"	\$60.80	+	\$1.60	+	\$5.28	+	\$6.50	=	\$74.18
3"	\$212.20	+	\$1.60	+	\$20.00	+	\$6.50	=	\$240.30
4"	\$268.36	+	\$1.60	+	\$25.46	+	\$6.50	=	\$301.92
6"	\$399.18	+	\$1.60	+	\$38.18	+	\$6.50	=	\$445.46

Consumption Rate Over 1,000 gallons = \$6.50 Per 1,000 gallons

BULK WATER - Consumption Rate = \$6.50 Per 1,000 gallons
*Long-term use of fire hydrant rental meter shall be billed at the same monthly rate schedule as if the customer were an outside city customer.

SEWER RATES -----

LEXINGTON
Customer Charge 0-1,000 gallons

3/4"	\$27.58
1"	\$35.03
1.5"	\$45.23
2"	\$72.81
3"	\$275.80
4"	\$351.09
6"	\$526.50

PARKERS CROSSROADS
Customer Charge 0-1,000 gallons

3/4"	\$57.92
1"	\$73.56
1.5"	\$94.99
2"	\$152.91
3"	\$579.20
4"	\$737.32
6"	\$1,105.69

Usage Rate Over 1,000 gallons = \$7.00 Per 1,000 gallons

SEWER CUSTOMERS WITH WELLS (based on 5,000 gallons)

LEXINGTON
Customer Charge
\$48.58 Flat Rate

PARKERS CROSSROADS
Customer Charge
\$78.92 Flat Rate

GAS RATES -----

	<u>Customer Charge</u>	<u>Base Rate</u> +	<u>PGA Rate</u>
Residential (minimum)	\$6.70		
Inside city		\$2.41 +	Current PGA = Rate/mcf
Outside city		\$3.45 +	Current PGA = Rate/mcf
Small Commercial (<500 mcf annually) (minimum)	\$7.50		
Inside city		\$3.58 +	Current PGA = Rate/mcf
Outside city		\$4.79 +	Current PGA = Rate/mcf
Medium Commercial (>500 mcf annually)			
First 1,500 cubic feet	\$24.85		
Over 1,500 cubic feet: Inside city		\$3.90 +	Current PGA = Rate/mcf
Outside city		\$5.08 +	Current PGA = Rate/mcf
Large Commercial (<1,000 mcf peak month)			
First 10,000 cubic feet	\$124.60		
Over 10,000 cubic feet: Inside city		\$4.05 +	Current PGA = Rate/mcf
Outside city		\$5.23 +	Current PGA = Rate/mcf
Industrial (>1,000 mcf peak month)			
First 10,000 cubic feet	\$144.60		
Over 10,000 cubic feet: Inside city		\$4.05 +	Current PGA = Rate/mcf
Outside city		\$5.23 +	Current PGA = Rate/mcf
Transport (Customer buys from 3rd party)		\$3.51	

* PGA (Purchased Gas Adjustment) – This rate is set monthly from calculations based on the average total costs associated with natural gas purchases. The PGA rate is reflected as the G2-Wholesale Cost on bills.

WATER FEE SCHEDULE -----

Turn-On Service	\$25.00
Turn-Off Service	\$25.00
Reconnect (non-payment)	\$50.00 + \$25.00 (if after hours)
Lock Charge	\$40.00
Meter Relocation	\$200.00
Returned Check Fee	\$30.00
Deposit-Residential Owner	\$50.00
Deposit-Residential Renter	\$100.00
Deposit-Commercial (Owner or Renter)	Equivalent to twice the highest bill at the location (Please call our office for this amount.) If a new building is built for a business, then an estimate will be made of the type of business based on like businesses.
Deposit-Industrial	Irrevocable line of credit in the amount of twice the highest estimated bill for a new industry for 5 years until we have a credit history.

Bulk Water Fire Hydrant Meter Rental

<u>Meter Size</u>	<u>Meter Deposit</u>
3/4"	\$300.00
1"	\$600.00
2"	\$1,000.00

*A non-refundable \$150.00 set/pull fee will accompany each meter rental.

Tap and Boring Fees

<u>Connection Size</u>	<u>Tap Fee</u>	<u>Boring Fee (\$/ft)</u>
3/4"	\$800.00	\$5.00
1"	\$1,400.00	\$6.10
>1"	Billed at cost (labor, materials, and overhead)	

Fire Protection Monthly Fees

Private Fire Suppression Connection	\$0.50 per sq. inch of service connection
Fire Hydrant Charge City of Lexington	\$4.45 per hydrant
Parkers Crossroads	\$7.90 per hydrant
Henderson County	\$7.90 per hydrant

WASTEWATER FEE SCHEDULE -----

Service Call - \$50.00 + \$25.00 (if after 4 pm M-F or weekends)

Tap Fees

<u>Connection Size</u>	<u>Tap Fee No Pavement Cut Required</u>	<u>Tap Fee Pavement Cut Required</u>
4"	\$1,000.00	\$1,600.00
6"	\$1,200.00	\$1,800.00
8"	Billed at cost (labor, materials, and overhead)	

Septic Dump Fees	
Yearly permit fee	\$150.00
Truck permit fee	\$50.00
Dump fee per load	The disposal fee for residential septage and food byproduct will be based on max truck load capacity (not liquid load volume) and will be billed base on the following schedule:
	<1,000 gallon \$30.00
	1,000-1,999 \$60.00
	2,000-2,999 \$120.00
	3,000-3,999 \$180.00
	4,000-4,999 \$240.00
	5,000-7,500 \$320.00
* Loaded trucks with capacity above 7,500 gallons will not be accepted without written approval by the WWTP Chief Operator, whereby a disposal fee will be provided for each specific load.	

GAS FEE SCHEDULE -----			
Inspection Fee	\$50.00		
Extension Fee	\$100.00	Plus Inspection Fee	
Connect Fee	\$25.00		
Returned Check Fee	\$30.00		
Deposit-Residential Owner	\$25.00		
Deposit-Residential Renter	\$100.00		
Deposit-Commercial (Owner or Renter)	Equivalent to twice the highest bill at the location (Please call our office for this amount.) If a new building is built for a business, then an estimate will be made of the type of business based on like businesses.		
Deposit-Industrial	Irrevocable line of credit in the amount of twice the highest estimated bill for a new industry for 5 years until we have a credit history.		
Meter Bank	\$65.00		
Reconnect Fee	\$75.00	If off over 7 days, add Inspect	
After Hour Fee (added to all services)	\$50.00		
Relights after Scheduled Time	\$25.00		
Service Lines Install >200'	Billed at Cost + 10%		
Main Line Install	Billed at Cost + 10%		
Tap Fees			
<u>Meter Size</u>	<u>Tap Fee (<200' of Service Line)</u>	<u>Meter Fee</u>	<u>Total Tap Fee</u>
250 Meter	\$425.00	+	\$180.00 = \$605.00
425 Meter	\$425.00	+	\$550.00 = \$975.00
630 Meter	\$425.00	+	\$1,300.00 = \$1,725.00
Larger Meters	Billed at cost (labor, materials, and overhead)		

SECTION 3: The above rates and fees shall go into effect with all bills and charges issued as of June 1, 2025 and thereafter.

SECTION 4: Water and Sewer Automatic Adjustment of Rates to Reflect Cost of Living. The Water Rates for Meter Charge, Maintenance Fee, Technology Fee, and Consumption Rate; and, the Sewer Rates for Customer Charge, Usage Rate, and Flat Rate shall be adjusted on an annual basis in an amount equal to the percentage increase change in the COLA (Social Security Cost-Of-Living Adjustment) for the prior calendar year. Said annual adjustment shall be effective with the bills issued in July each year, beginning July 2026. The Board of Mayor and Aldermen may reject the automatic adjustment by passage of a resolution for a specific fiscal year prior to the beginning of that year.

SECTION 5: Sewer Rate Adjustment. The customer charge for all inside city sewer customers shall increase by \$7.00 effective with all bills issued as of June 1, 2026 and thereafter.

SECTION 6: Gas Automatic Adjustment of Rates to Reflect Cost of Living. The Base Rate used in billing volume per mcf's as set out in the schedule of rates listed in Section 2 shall be adjusted on an annual basis in an amount equal to the percentage change in the COLA (Social Security Cost-Of-Living Adjustment) for the prior calendar year. Said annual adjustment shall be effective with the bills issued in July each year, beginning July 2026. The Board of Mayor and Aldermen may reject the automatic adjustment by passage of a resolution for a specific fiscal year prior to the beginning of that year.

SECTION 7: Gas Rate Adjustment. The customer charge for all residential and small commercial gas customers shall increase by \$3.30 effective with all bills issued as of June 1, 2026 and thereafter.

SECTION 8: Maintenance Fee. The Maintenance Fee shall be designated for the maintenance, operation and replacement of water storage facilities and hydrants.

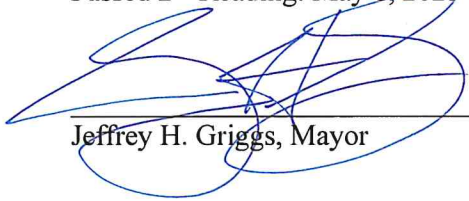
SECTION 9: Technology Fee. The Technology Fee shall be designated for the maintenance, operation and replacement of smart meters, SCADA, and other system monitoring equipment.

SECTION 10: Other Fees. Other Fees shall be adjusted only on an “as needed basis” as part of the annual budget, and with any increase being approved by ordinance of the Board of Mayor and Aldermen. Other Fees include Tap Fees, Fire Protection Fees, Septic Dump Fees, and other miscellaneous fees as listed on the above Fee Schedule.

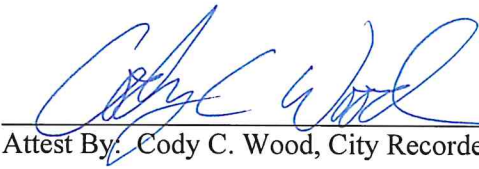
SECTION 11: This ordinance shall take effect upon final passage, the public welfare requiring it.

Passed 1st Reading: April 28, 2025

Passed 2nd Reading: May 8, 2025



Jeffrey H. Griggs, Mayor



Attest By: Cody C. Wood, City Recorder