

CITY OF LEXINGTON, NC
BUDGET ORDINANCE NO. 06 - 44

BUDGET ORDINANCE FOR THE CITY OF LEXINGTON GENERAL, SPECIAL REVENUE, AND ENTERPRISE FUNDS FOR FISCAL YEAR JULY 1, 2006 THROUGH JUNE 30, 2007.

BE IT ORDAINED by the City Council of the City of Lexington, North Carolina;

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of the City government and its activities for the fiscal year beginning July 1, 2006, and ending June 30, 2007, in accordance with the chart of accounts heretofore established for this City:

Governing Board	\$ 122,861
City Manager	480,139
General Administration	2,454,506
Finance	629,503
Legal	53,612
Human Resources	176,526
Information Technologies	975,490
Public Buildings	304,273
Police	4,928,598
Fire	2,956,616
Community Development	540,413
Engineering	341,792
Street	1,291,692
Sanitation	1,915,176
Recreation	614,944
Public Grounds	621,112
Debt Service	866,833
Other Financing Uses	<u>1,058,803</u>
Total Appropriations	<u>\$20,332,889</u>

Section 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Ad Valorem Taxes – Current	\$ 6,860,692
Ad Valorem Taxes – Prior/Other	132,000
Other Taxes	477,300
Unrestricted Intergovernmental	5,217,859
Restricted Intergovernmental	775,105
Permits & Fees	155,500
Sales & Services	906,150
Administrative Charges	1,618,913
Interest	333,271
Miscellaneous	54,980
Other Financing Sources	<u>3,801,119</u>
Total Estimated Revenues	<u>\$20,332,889</u>

Section 3. The following amounts are hereby appropriated in the Special Revenue Fund – Controlled Substance Tax for the fiscal year beginning July 1, 2006, and ending June 30, 2007, in accordance with the chart of accounts heretofore established for this City:

Controlled Substance	\$ 112,305
Total Appropriations	<u>\$ 112,305</u>

Section 4. It is estimated that the following revenues will be available for the Special Revenue Fund – Controlled Substance Tax for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Other Financing Sources	\$ 112,305
Total Estimated Revenues	<u>\$ 112,305</u>

Section 5. The following amounts are hereby appropriated in the Special Revenue Fund - Special Tax District for the fiscal year beginning July 1, 2006, and ending June 30, 2007, in accordance with the chart of accounts heretofore established for this City:

Special Tax District	\$ 179,315
Total Appropriations	<u>\$ 179,315</u>

Section 6. It is estimated that the following revenues will be available for the Special Revenue Fund - Special Tax District for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Ad Valorem Taxes - Current	\$ 73,000
Sales & Services	12,800
Interest	200
Miscellaneous	39,000
Other Financing Sources	<u>54,315</u>
Total Estimated Revenues	<u>\$ 179,315</u>

Section 7. The following amounts are hereby appropriated in the Electric Fund for the operation of the electric system for the fiscal year beginning July 1, 2006, and ending June 30, 2007, in accordance with the chart of accounts heretofore established for this City:

Electric	\$43,169,460
Total Appropriations	<u>\$43,169,460</u>

Section 8. It is estimated that the following revenues will be available in the Electric Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Sales & Services	\$42,642,825
Other Revenues	499,500
Other Financing Sources	<u>27,135</u>
Total Estimated Revenues	<u>\$43,169,460</u>

Section 9. The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer system for the fiscal year beginning July 1, 2006, and ending June 30, 2007, in accordance with the chart of accounts heretofore established for this City:

Water and Sewer Administration	\$ 3,130,897
Water Plant	1,413,552
Waste Treatment Plant	1,675,123
Public Works Maintenance and Construction	<u>1,105,827</u>
Total Appropriations	<u>\$ 7,325,399</u>

Section 10. It is estimated that the following revenues will be available in the Water and Sewer Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Sales & Services	\$ 7,002,796
Other Revenues	250,000
Other Financing Sources	<u>72,603</u>
Total Estimated Revenues	<u>\$ 7,325,399</u>

Section 11. The following amounts are hereby appropriated in the Natural Gas Fund for the operation of the natural gas system for the fiscal year beginning July 1, 2006, and ending June 30, 2007, in accordance with the chart of accounts heretofore established for this City:

Natural Gas	<u>\$27,919,218</u>
Total Appropriations	<u>\$27,919,218</u>

Section 12. It is estimated that the following revenues will be available in the Natural Gas Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Sales & Services	\$27,662,218
Other Revenues	157,000
Other Financing Sources	<u>100,000</u>
Total Estimated Revenues	<u>\$27,919,218</u>

Section 13. The following amounts are hereby appropriated in the Golf Fund for the operation of the golf course for the fiscal year beginning July 1, 2006, and ending June 30, 2007, in accordance with the chart of accounts heretofore established for this City:

Golf	<u>\$ 949,020</u>
Total Appropriations	<u>\$ 949,020</u>

Section 14. It is estimated that the following revenues will be available in the Golf Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Sales & Services	\$ 741,556
Other Revenues	1,464
Other Financing Sources	<u>206,000</u>
Total Estimated Revenues	<u>\$ 949,020</u>

Section 15. There is hereby levied a tax at the rate of fifty-four and a half cents (\$.545) per one hundred dollars (\$100) assessed valuation of property as listed for taxes as of January 1, 2006, for the purpose of raising the revenue listed as "Ad Valorem Taxes - Current" in the General Fund in Section 2 of this ordinance.

This rate is based on a total valuation of property for the purposes of taxation of \$1,304,500,000 and an estimated rate of collection of 96.500%. The estimated rate of collection is slightly lower than the fiscal year 2004-05 collection rate of 97.030%.

Section 16. There is hereby levied an uptown tax at the rate of twenty cents (\$.20) per one hundred dollars (\$100) assessed valuation of property as listed for taxes in the Uptown District as of January 1, 2006, for the purpose of raising the revenue listed as "Ad Valorem Taxes - Current" in the Special Revenue Fund - Special Tax District in Section 6 of this ordinance.

This rate is based on a total valuation of property in the Uptown District for the purposes of taxation of \$37,452,475 and an estimated rate of collection of 97.457%. The estimated rate of collection is slightly lower than the fiscal year 2004-05 collection rate of 98.900%.


Section 17. The 2006-2007 Budget Ordinance may be adjusted during the year for Revenue and Expenditure or for policy that has not been determined. All changes will be approved by City Council.

Section 18. Pursuant to authority granted to the Budget Officer by North Carolina General Statute 159-15, the Budget Officer is authorized to transfer funds within this budget subject to the following limitations:

1. The total expenditures of any department do not exceed the original appropriation or any amended amount approved by the City Council;
2. No transfer can take place between departments in a fund or between funds without prior City Council action;
3. No transfer can grant a salary increase or create a position not duly authorized by existing personnel policy or City Council action;
4. No transfer can authorize the purchase of a capital outlay item \$10,000 or greater that has not been previously approved by the City Council;
5. No transfer from a contingency line item in any fund can be made without prior City Council approval, except in an emergency as defined in N.C. General Statute 159-13.

Section 19. The City Council incorporates the budget on file with the City Clerk within this ordinance.

Section 20. This ordinance is effective upon its adoption. This the 1st day of June, 2006.


Richard L. Thomas, Mayor


Sara S. Lanier, CMC
City Clerk



CITY OF LEXINGTON, NC
BUDGET ORDINANCE NO. 06 - 45

FINANCIAL PLAN FOR THE CITY OF LEXINGTON INTERNAL SERVICE FUNDS FOR
FISCAL YEAR JULY 1, 2006 THROUGH JUNE 30, 2007.

BE IT ORDAINED by the City Council of the City of Lexington, North Carolina;

Section 1. The following amounts are estimated Revenues and Expenditures for the Internal Service Funds: Garage Fund, Group Insurance Fund, Risk Management Fund and Utility Administration Fund for the Fiscal Year beginning July 1, 2006, and ending June 30, 2007.

GARAGE FUND

Appropriations Authorized	\$ 1,388,563
Anticipated Revenues	\$ 1,388,563

GROUP INSURANCE FUND

Appropriations Authorized	\$ 3,988,188
Anticipated Revenues	\$ 3,988,188

RISK MANAGEMENT FUND

Appropriations Authorized	\$ 1,446,401
Anticipated Revenues	\$ 1,446,401

UTILITY ADMINISTRATION FUND

Appropriations Authorized	\$ 2,796,081
Anticipated Revenues	\$ 2,796,081

Section 2. The 2006-2007 Budget Ordinance may be adjusted during the year for Revenue and Expenditure or for policy that has not been determined. All changes will be approved by City Council.

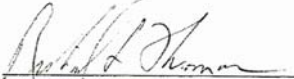
Section 3. Pursuant to authority granted to the Budget Officer by North Carolina General Statute 159-15, the Budget Officer is authorized to transfer funds within this budget subject to the following limitations:

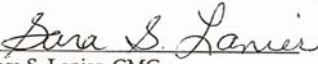
1. The total expenditures of any department do not exceed the original appropriation or any amended amount approved by the City Council;
2. No transfer can take place between departments in a fund or between funds without prior City Council action;
3. No transfer can grant a salary increase or create a position not duly authorized by existing personnel policy or City Council action;


4. No transfer can authorize the purchase of a capital outlay item \$10,000 or greater that has not been previously approved by the City Council;
5. No transfer from a contingency line item in any fund can be made without prior City Council approval, except in an emergency as defined in N.C. General Statute 159-13.

Section 4. The City Council incorporates the financial plan on file with the City Clerk within this ordinance.

Section 5. This ordinance is effective upon its adoption. This the 1st day of June, 2006.


Richard L. Thomas, Mayor


Sara S. Lanier, CMC
City Clerk



CITY OF LEXINGTON, NC
BUDGET ORDINANCE NO. 06 - 46

BUDGET ORDINANCE FOR THE CITY OF LEXINGTON CAPITAL PROJECT FUNDS
FOR FISCAL YEAR JULY 1, 2006 THROUGH JUNE 30, 2007.

BE IT ORDAINED by the City Council of the City of Lexington, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. Three General Capital projects are authorized with this ordinance. The first project authorized is the implementation of the Geographic Information System to be financed by reserves from the General, Electric, Water and Sewer, Natural Gas, and Utility Administration Funds. The second project authorized is Phase I of the West Bypass Extension Project to be financed by reserves from the General Fund. The third project authorized is the Depot District Renovations to be financed by reserves from the General Fund.

The Natural Gas Construction in Progress project authorized is architectural design for a Natural Gas Operations Complex to be financed by reserves from the Natural Gas Fund.

The Utility Administration Construction in Progress project authorized is the implementation of Automated Meter Reading to be financed by a transfer from the Utility Administration Fund consisting of reserves from the Electric, Water and Sewer, and Natural Gas Funds.

Section 2. The officers of this unit are hereby directed to proceed with the capital projects within the terms of the budget contained herein.

Section 3. The following amounts are appropriated for the General Capital Projects Fund:

Geographic Information System (GIS)	\$ 441,699
West Bypass Extension	580,147
Depot District Renovations	<u>59,750</u>
Total Appropriations	<u>\$ 1,081,596</u>

Section 4. The following revenues are anticipated to be available for the General Capital Projects Fund:

Transfer In – General Fund (GIS)	\$ 172,406
Transfer In – General Fund (West Bypass Extension)	580,147
Transfer In – General Fund (Depot District Renovations)	59,750
Transfer In – Electric Fund	142,483
Transfer In – Water and Sewer Fund	62,844
Transfer In – Natural Gas Fund	40,885
Transfer In – Utility Administration Fund	<u>23,081</u>
Total Estimated Revenues	<u>\$ 1,081,596</u>

Section 5. The following amounts are appropriated for the Natural Gas Construction in Progress Fund:

Natural Gas Operations Complex	\$ 100,000
Total Appropriations	<u>\$ 100,000</u>

Section 6. The following revenues are anticipated to be available for the Natural Gas Construction in Progress Fund:

Transfer In – Natural Gas Fund	\$ 100,000
Total Estimated Revenues	<u>\$ 100,000</u>

Section 7. The following amounts are appropriated for the Utility Administration Construction in Progress Fund:

Automated Meter Reading	\$ 284,563
Total Appropriations	<u>\$ 284,563</u>

Section 8. The following revenues are anticipated to be available for the Utility Administration Construction in Progress Fund:

Transfer In – Utility Administration Fund	\$ 284,563
Total Estimated Revenues	<u>\$ 284,563</u>

Section 9. The Finance Officer is hereby directed to maintain within these funds sufficient specific detailed accounting records.


Section 10. Copies of this capital project ordinance shall be furnished to the Clerk, to the City Council, and to the Budget Officer and to the Finance Officer for direction in carrying out this project.


Section 11. The Budget Officer is hereby authorized to transfer funds from one line item to another line item within each project without further approval by the City Council.

Section 12. The 2006-2007 Budget Ordinance may be adjusted during the year for Revenue and Expenditure or for policy that has not been determined. All changes will be approved by City Council.

Section 13. The City Council incorporates the budget on file with the City Clerk within this ordinance.

Section 14. This ordinance is effective upon its adoption. This the 1st day of June, 2006.


Richard L. Thomas, Mayor


Sara S. Lanier, CMC
City Clerk



CITY OF LEXINGTON, NC
BUDGET ORDINANCE NO. 06 - 47

ORDINANCE AMENDING THE ESTABLISHMENT AND MAINTENANCE OF THE
CAPITAL RESERVE FUND FOR FISCAL YEAR JULY 1, 2006 THROUGH JUNE 30, 2007.

BE IT ORDAINED by the City Council of the City of Lexington, North Carolina,

Section 1. Whereas, the City of Lexington owns and operates a municipal electric system, water and sewer system, natural gas system and golf course collectively known as the Enterprise Funds; as well as a Garage Internal Service Fund which accounts for activities related to maintaining the City's fleet of vehicles and equipment; and

Section 2. Whereas, the continued operation of the Enterprise Funds and the Garage Fund requires significant capital expenditures to maintain a high degree of quality and service; and

Section 3. Whereas, the City of Lexington has established a Capital Reserve Fund for the purpose of future acquisition and/or construction of capital assets and infrastructure; and

Section 4. Whereas, the Capital Reserve Fund will remain operational until such time it is no longer practical; and

Section 5. Whereas, the Capital Reserve Fund should accumulate funds sufficient to provide for at least one year's average capital acquisition and construction expenditures; the reserves accumulated will be used for planned improvements, economic development opportunities, emergency expenditures, and vehicle and equipment purchases; and

Section 6. Whereas, the Enterprise Funds will make transfers to the Capital Reserve Fund when financially feasible and as City Council approves; these transfers will be restricted for future use by each respective enterprise fund; and

Section 7. Whereas, the Capital Reserve Fund will also derive funds from the collection of water and sewer capital recovery fees for the purpose of future water and sewer capacity expenditures; these funds will be restricted for future use by the Water and Sewer Enterprise Fund; and

Section 8. Whereas, the Garage Fund will make transfers to the Capital Reserve Fund when funds are received by the Garage Fund from other City departments for the replacement of vehicles and equipment rented out to these respective departments and as City Council approves; these transfers will be restricted for future use by the Garage Fund; and

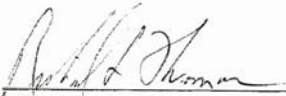
Section 9. Whereas, for the City of Lexington to have available funds for future capital assets and infrastructure needs, and in accordance with N.C. General Statute 159 Section 18-22, the following amounts are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2006 and ending June 30, 2007, in accordance with the chart of accounts heretofore established for this City:


Transfer Out – Natural Gas	\$100,000
Capital Reserve – Water and Sewer	\$275,000
Capital Reserve – Garage	<u>\$107,915</u>
Total Appropriations	<u>\$482,915</u>

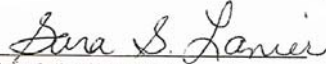
Section 10. It is estimated that the following revenues will be available in the Capital Reserve Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Other Financing Sources	<u>\$482,915</u>
Total Estimated Revenues	<u>\$482,915</u>

ADOPTED this the 1st day of June, 2006.


Richard L. Thomas, Mayor




Sara S. Lanier, CMC
City Clerk

CITY OF LEXINGTON, NC
RESOLUTION NO. 34 - 06

RESOLUTION APPROVING FEE AND RATE CHANGES FOR THE SANITATION,
WATER, WASTE, NATURAL GAS, AND GOLF DEPARTMENTS.

WHEREAS, the City of Lexington City Council has reviewed the fees and rates for the Sanitation, Water, Waste, Natural Gas, and Golf Departments and in an effort to provide sufficient revenues to meet budgetary demands, the Lexington City Council finds it necessary to make the following revisions to the City's Fee and Rate Schedules; and

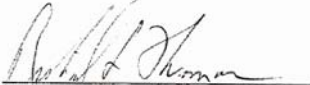
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lexington that:

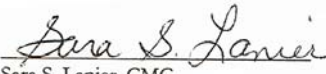
1. The amendments to the fee and rate schedules are attached hereto and incorporated by reference as:


Attachment A – Sanitation Fees
Attachment B – Water Fees
Attachment C – Sewer Fees
Attachment D – Natural Gas Fees
Attachment E – Golf Fees
Attachment F – Water and Wastewater Rates
Attachment G – Natural Gas Rates

2. The fees and rates will be amended effective with the dates denoted on each Attachment.

ADOPTED this the 1st day of June, 2006.


Richard L. Thomas, Mayor


Sara S. Lanier, CMC
City Clerk



SANITATION FEES

	Current Rate	Proposed Rate 7/1/2006
Residential Rollout Service*	\$7.00 per month per container	\$7.50 per month per container
Residential Rollout Container	\$45.00 deposit per container	\$50.00 deposit per container
Commercial Rollout Container	\$45.00 purchase fee per container	\$50.00 purchase fee per container
Special Pickups/Disposals	\$75.00 per hour plus tipping fee	\$125.00 per hour plus tipping fee (1 hour minimum)

*\$1.00 Recycling Credit remains available.

WATER FEES

	Current Rate	Proposed Rate 7/1/2006
Water Connection Tap Fee for Residential and Small Commercial Customers	\$605.00	\$743.00

SEWER FEES

	Current Rate	Proposed Rate 7/1/2006
Septic Hauling Fee	\$60.00 per load	\$65.00 per load
Septic Hauling Administrative Fee	\$60.00 per month	\$65.00 per month

NATURAL GAS FEES

	Proposed Rate 7/1/2006
Relocate Gas Services	\$100.00 plus \$2.00/ft
Relocate Gas Mains	\$100.00 plus actual costs (materials, labor, and equipment)
Service Line Installation	\$100.00 Tap Fee includes 500ft minimum plus an additional charge of \$10.00/ft exceeding minimum

GOLF FEES

	Current Rate	Proposed Rate 1/1/2007
Clubhouse Rental: Weekend Day (Friday, Saturday, Sunday)	\$350.00	\$400.00

WATER RATES - \$2 Base Charge Increase per Meter Equivalency

Meter Size	<i>Inside City</i>		<i>Outside City</i>	
	Current Rate	Proposed 7/1/2006	Current Rate	Proposed 7/1/2006
	Base Charge		Base Charge	
5/8"	\$ 6.28	\$ 8.28	\$ 12.57	\$ 16.56
1"	15.70	20.70	31.40	41.40
1.5"	31.40	41.40	62.81	82.80
2"	50.24	66.24	100.48	132.48
3"	94.20	124.20	188.41	248.40
4"	157.00	207.00	314.02	414.00
6"	314.00	414.00	627.97	828.00
8"	502.40	662.40	1,004.80	1,324.80

WASTEWATER RATES - \$2 Base Charge Increase per Meter Equivalency

Meter Size	<i>Inside City</i>		<i>Outside City</i>	
	Current Rate	Proposed 7/1/2006	Current Rate	Proposed 7/1/2006
	Base Charge		Base Charge	
5/8"	\$ 5.72	\$ 7.72	\$ 11.44	\$ 15.44
1"	14.30	19.30	28.60	38.60
1.5"	28.60	38.60	57.20	77.20
2"	45.76	61.76	91.52	123.52
3"	85.80	115.80	171.60	231.60
4"	143.00	193.00	286.00	386.00
6"	286.00	386.00	572.00	772.00
8"	457.60	617.60	915.20	1,235.20
10"	657.80	887.80	1,315.60	1,775.60

<i>Inside City</i>		<i>Outside City</i>	
Current Rate	Proposed 7/1/2006	Current Rate	Proposed 7/1/2006
Flat Rate WasteWater		Flat Rate WasteWater	
\$ 26.37	\$ 28.28	\$ 52.74	\$ 56.56

WASTEWATER RATES - Outside City Limits Volume Charge Increase

<i>Outside City</i>	
Current Rate	Proposed 7/1/2006
Volume Charge	
\$4.75 per CCF	\$5.14 per CCF

**CITY OF LEXINGTON, NC
LEXINGTON UTILITIES**

EFFECTIVE JULY 1, 2006

**NATURAL GAS
MEDIUM COMMERCIAL FIRM SALES RATE
SCHEDULE 6025**

APPLICABLE: To all commercial class of customers that typically use more than 250 therms and less than 500 therms per month.

MONTHLY RATE:

Customer Charge	\$30.00
All Therms	\$.4393 per Therm

Plus the applicable tariff commodity cost of gas currently in effect.

LATE PAYMENT CHARGE:

Unless bill is paid on or before 5 days after the due date as shown on bill, the account will be assessed late fees as outlined in the City's fee schedule.

SPECIAL PROVISIONS:

1. Customers will receive a one-time waiver of the service charge for initial meter turn-ons.
2. Subsequent meter turn-ons, made for seasonal heating service or other such circumstances, will require a charge of \$30.00 for restoration of service.
3. Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

RECONNECTION CHARGE:

There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with the City Code.

PURCHASED GAS ADJUSTMENT:

The charges specified in the monthly rate will be subject to a gas adjustment per therm for increases or decreases in the costs associated with purchased pipeline gas and storage or any gas used as a substitute for or supplemental to purchased pipeline gas.

**CITY OF LEXINGTON, NC
LEXINGTON UTILITIES**

EFFECTIVE JULY 1, 2006

**NATURAL GAS
LARGE COMMERCIAL AND INDUSTRIAL FIRM SALES
SCHEDULE 6030**

APPLICABLE: To all Firm Commercial and Industrial class of customers that typically use more than 500 therms per month. This tariff and rate schedule will apply to all customers without a specific contract in place.

MONTHLY RATE:

Customer Charge	\$70.00
All Therms	\$.3126 per Therm

Plus the applicable tariff commodity cost of gas currently in effect.

LATE PAYMENT CHARGE:

Unless bill is paid on or before 5 days after the due date as shown on bill, the account will be assessed late fees as outlined in the City's fee schedule.

SPECIAL PROVISIONS:

1. Meter turn-ons, made for seasonal heating service, will require a charge of \$240.00 for restoration of service.
2. Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.
3. All rate and tariff schedules are subject to the City's stranded costs provisions. Effective July 1, 2000, customers that switch from firm sales service to any other service or schedule is subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.

RECONNECTION CHARGE:

There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with the City Code.

PURCHASED GAS ADJUSTMENT:

The charges specified in the monthly rate will be subject to a gas adjustment per therm for increases or decreases in the costs associated with purchased pipeline gas and storage or any gas used as a substitute for or supplemental to purchased pipeline gas.

**CITY OF LEXINGTON, NC
LEXINGTON UTILITIES**

EFFECTIVE JULY 1, 2006

**NATURAL GAS
LARGE COMMERCIAL AND INDUSTRIAL HIGH LOAD FACTOR FIRM SALES
SCHEDULE 6040**

APPLICABLE: To all Firm Commercial and Industrial Class of Customers that typically use more than 400 therms per month and with a qualifying load factor. This tariff and rate schedule will apply to all customers without a specific contract in place.

MONTHLY RATE:

Customer Charge	\$65.00
All therms	\$.1850 per Therm

Plus the applicable tariff commodity cost of gas currently in effect.

LATE PAYMENT CHARGE:

Unless bill is paid on or before 5 days after the due date as shown on bill, the account will be assessed late fees as outlined in the City's fee schedule.

SPECIAL PROVISIONS:

1. Customers must demonstrate or achieve a historical load factor of 80%. This percentage is achieved upon review of the past 12 months of consumption history and where the customer's average consumption is equal to or greater than 80% of their highest month.
2. Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

PURCHASED GAS ADJUSTMENT:

The charges specified in the monthly rate will be subject to a gas adjustment per therm for increases or decreases in the costs associated with purchased pipeline gas and storage or any gas used as a substitute for or supplemental to purchased pipeline gas.

**CITY OF LEXINGTON, NC
LEXINGTON UTILITIES**

EFFECTIVE JULY 1, 2006

**NATURAL GAS
SUMMER PEAK SALES RATE
SCHEDULE 6050**

APPLICABLE: To all Commercial and Industrial Class of Customers that use more than 90% of their annual usage during the period March through November. This tariff and rate schedule will apply to all customers without a specific contract in place.

MONTHLY RATE:

Customer Charge	\$210.00
First 30,000 therms	\$.1650 per therm
Next 30,000 therms	\$.1270 per therm
Over 60,000 therms	\$.1000 per therm

Plus the applicable tariff commodity cost of gas currently in effect.

LATE PAYMENT CHARGE:

Unless bill is paid on or before 5 days after the due date as shown on bill, the account will be assessed late fees as outlined in the City's fee schedule.

SPECIAL PROVISIONS:

1. Customers must demonstrate or achieve an annual usage of 90% during the months of March through November. This percentage is achieved upon review of the past 12 months of consumption history and where the customer can demonstrate through the nature of its business that its primary usage is during the summer months.
2. Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

PURCHASED GAS ADJUSTMENT:

The charges specified in the monthly rate will be subject to a gas adjustment per therm for increases or decreases in the costs associated with purchased pipeline gas and storage or any gas used as a substitute for or supplemental to purchased pipeline gas.

**CITY OF LEXINGTON, NC
LEXINGTON UTILITIES**

EFFECTIVE JULY 1, 2006

**NATURAL GAS
LARGE INDUSTRIAL FIRM SALES RATE
SCHEDULE 6060**

APPLICABLE: To all industrial class of customers that have monthly usage of more than 75,000 dekatherms. This tariff and rate schedule will apply to all customers without a specific contract in place.

Effective July 1, 2000 and to be applied to monthly-billed customer billings rendered on and after July 1, 2000. Bi-monthly billed customer billings rendered on and after July 1, 2000 shall be prorated.

MONTHLY RATE:

Demand Charge	
April – October	\$16.00 per dekatherm of capacity
November – March	\$18.00 per dekatherm of capacity
All Therms	\$.0650 per Therm

Plus the applicable tariff commodity cost of gas currently in effect.

LATE PAYMENT CHARGE:

Unless bill is paid on or before 5 days after the due date as shown on bill, the account will be assessed late fees as outlined in the City's fee schedule.

SPECIAL PROVISIONS:

1. All rate and tariff schedules are subject to the City's stranded costs provisions. Effective July 1, 2000, customers that switch from firm sales service to any other service or schedule is subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.
2. Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

PURCHASED GAS ADJUSTMENT:

The charges specified in the monthly rate will be subject to a gas adjustment per therm for increases or decreases in the costs associated with purchased pipeline gas and storage or any gas used as a substitute for or supplemental to purchased pipeline gas.

**CITY OF LEXINGTON, NC
LEXINGTON UTILITIES**

EFFECTIVE JULY 1, 2006

**NATURAL GAS
INDUSTRIAL INTERRUPTIBLE SALES RATE
SCHEDULE 6070**

APPLICABLE:

To any industrial class of customer that have daily usage of more than 500 therms per day and who does not have a specific contract in place and is subject to the Special Provisions contained herein, where Lexington Utilities has gas delivery capacity in excess of the requirement of the customers taking service under a firm rate schedule.

CHARACTER OF SERVICE:

Natural gas, subject to curtailment or discontinuance upon one hour's notice by Lexington Utilities whenever at the sole discretion of Lexington Utilities there is a reduced supply available for delivery under this rate occasioned by cold weather, accidents or any cause whatsoever.

RATE:

Customer agrees to pay Lexington Utilities for all gas delivered during the month at (1) the Regular Rate, or (2) the Competitive Fuel Rate.

1. Regular Rate:

Customer Charge	\$ 210.00
First 30,000 therms	\$.16629 per therm
Next 30,000 therms	\$.12799 per therm
Over 60,000 therms	\$.10078 per therm

Plus the applicable tariff commodity cost of gas currently in effect.

2. Competitive Fuel Rate:

It is the intent of this rate that the customer's cost of natural gas used shall be competitive with the as-fired cost of the alternative fuel that the customer would actually utilize in lieu of natural gas.

If, at any time during the term of this contract, the customer believes its monthly as-fired cost of the alternate fuel to replace natural gas will be less than the cost of natural gas at the Regular Rate, then the customer shall advise Lexington Utilities in writing with supporting documentation, by the twenty-fifth (25th) day of the month, that the cost of natural gas at the Regular Rate for the ensuing month will exceed the as-fired cost of alternate fuel.

Lexington Utilities will respond to the customer by the last day of the calendar month that Lexington Utilities will either:

- a. Lower the price of natural gas to be competitive with the as-fired cost of the alternate fuel and deliver gas; or
- b. Suspend service on a day-to-day basis for the next calendar month.

In the event Lexington Utilities elects to lower the rate to be competitive with the alternative fuel, the customer may not discontinue the purchase of natural gas hereunder for that month. In no event will the Competitive Rate of natural gas exceed the cost as determined under the Regular Rate of this schedule.

LATE PAYMENT CHARGE:

Unless bill is paid on or before 5 days after the due date as shown on bill, the account will be assessed late fees as outlined in the City's fee schedule.

SPECIAL PROVISIONS:

1. Gas purchased on this schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any schedule.
2. Customers receiving service under this schedule shall have complete standby fuel and equipment available and agree to use it or such customer shall submit a written statement to Lexington Utilities that it can cease using gas and not cause undue hardship to its employees by virtue of such gas curtailment or discontinuance.
3. In the event the customer fails to discontinue the use of gas after one hour's notice from Lexington Utilities that gas under this schedule is not available, all gas so used shall be paid for as unauthorized gas at a rate of \$2.00 per therm for the first five percent and \$2.50 per therm for all over five percent, in addition to the Industrial Interruptible Sales Rate.
4. The term of the contract shall be for a period of not less than one year.
5. All rate and tariff schedules are subject to the City's stranded costs provisions. Effective July 1, 2000, customers that switch from firm sales service to any other service or schedule is subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.

6. Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service.

RECONNECTION CHARGE:

There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with the City Code.

**CITY OF LEXINGTON, NC
LEXINGTON UTILITIES**

EFFECTIVE JULY 1, 2006

**NATURAL GAS
INDUSTRIAL INTERRUPTIBLE FIRM SALES RATE
SCHEDULE 6071**

APPLICABLE:

To any industrial class of customer that have daily usage of more than 500 therms per day and who does not have a specific contract in place and is subject to the Special Provisions contained herein, where Lexington Utilities has gas delivery capacity in excess of the requirement of the customers taking service under a firm rate schedule.

CHARACTER OF SERVICE:

Natural gas, subject to curtailment or discontinuance upon one hour's notice by Lexington Utilities whenever at the sole discretion of Lexington Utilities there is a reduced supply available for delivery under this rate occasioned by cold weather, accidents or any cause whatsoever.

RATE:

Customer agrees to pay Lexington Utilities for all gas delivered during the month at (1) the Regular Rate, or (2) the Competitive Fuel Rate.

1. Regular Rate:

Customer Charge	\$ 210.00
Demand Charge	
April – October	\$16.00 per dekatherm of capacity
November – March	\$18.00 per dekatherm of capacity
First 30,000 therms	\$.16629 per therm
Next 30,000 therms	\$.12799 per therm
Over 60,000 therms	\$.10078 per therm

Plus the applicable tariff commodity cost of gas currently in effect.

2. Competitive Fuel Rate:

It is the intent of this rate that the customer's cost of natural gas used shall be competitive with the as-fired cost of the alternative fuel that the customer would actually utilize in lieu of natural gas.

If, at any time during the term of this contract, the customer believes its monthly as-fired cost of the alternate fuel to replace natural gas will be less than the cost of natural gas at the Regular Rate, then the customer shall advise Lexington Utilities in writing with supporting documentation, by the twenty-fifth (25th) day of the month, that the cost of natural gas at the Regular Rate for the ensuing month will exceed the as-fired cost of alternate fuel.

Lexington Utilities will respond to the customer by the last day of the calendar month that Lexington Utilities will either:

- a. Lower the price of natural gas to be competitive with the as-fired cost of the alternate fuel and deliver gas; or
- b. Suspend service on a day-to-day basis for the next calendar month.

In the event Lexington Utilities elects to lower the rate to be competitive with the alternative fuel, the customer may not discontinue the purchase of natural gas hereunder for that month. In no event will the Competitive Rate of natural gas exceed the cost as determined under the Regular Rate of this schedule.

LATE PAYMENT CHARGE:

Unless bill is paid on or before 5 days after the due date as shown on bill, the account will be assessed late fees as outlined in the City's fee schedule.

SPECIAL PROVISIONS:

1. Gas purchased on this schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any schedule.
2. Customers receiving service under this schedule shall have complete standby fuel and equipment available and agree to use it or such customer shall submit a written statement to Lexington Utilities that it can cease using gas and not cause undue hardship to its employees by virtue of such gas curtailment or discontinuance.
3. In the event the customer fails to discontinue the use of gas after one hour's notice from Lexington Utilities that gas under this schedule is not available, all gas so used shall be paid for as unauthorized gas at a rate of \$2.00 per therm for the first five percent and \$2.50 per therm for all over five percent, in addition to the Industrial Interruptible Sales Rate.

4. The term of the contract shall be for a period of not less than one year.
5. All rate and tariff schedules are subject to Lexington Utilities stranded costs provisions. Effective July 1, 2000, customers that switch from firm sales service to any other service or schedule is subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.
6. Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service.

RECONNECTION CHARGE:

There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with the City Code.

**CITY OF LEXINGTON, NC
LEXINGTON UTILITIES**

EFFECTIVE JULY 1, 2006

**NATURAL GAS
INDUSTRIAL FIRM TRANSPORTATION RATE
SCHEDULE 6080**

APPLICABLE:

To any new industrial class of customer connected to Lexington Utilities' gas system and whose estimated average daily consumption is equal to or greater than 5000 therms per day:

- a. To the extent that Lexington Utilities and customer have adequate facilities and equipment available and in place for transporting and delivery of such volumes of gas;
- b. When a Customer has executed a Service Agreement with Lexington Utilities wherein Lexington Utilities agrees to transport and deliver volumes of gas received for the Customer as specified therein.

CHARACTER OF SERVICE:

Transportation of natural gas by Lexington Utilities under this rate schedule shall be on a firm basis.

MONTHLY RATE:

Customer Charge	\$300.00
First 100,000 Therms	\$.1400 per Therm
Next 50,000 Therms	\$.0800 per Therm
Over 150,000 Therms	\$.0524 per Therm

DETERMINATION OF DELIVERIES:

The volumes of gas transported pursuant to this schedule shall be the volumes delivered to Lexington Utilities by the customer at point of delivery. Firm or interruptible sales gas delivered during the same period shall be billed as the first gas through the customer's meter each month. Transportation gas delivered hereunder shall be billed as the remaining gas through the customer's meter each month.

BALANCING OF TRANSPORTATION VOLUMES:

Receipts and deliveries of gas hereunder shall be at rates of flow uniform with the customer's consumption with no significant imbalances.

Any time the customer is consistently using more or less gas than is being delivered to Lexington Utilities for the customer's account, it shall be the customer's responsibility to bring its supply and requirements into balance. For the purpose of a pre-determine allocation method, it is assumed that Lexington Utilities' system supply is the first gas through the meter during any period. Any imbalances will be allocated prorata among transportation customers.

In certain situations, and at Lexington Utilities' sole discretion, customers must balance within 10% of their daily deliveries and within 5% of their monthly deliveries in order to maintain the integrity of the system.

In instances where there is an over-delivery of supply, Lexington Utilities at its option, may cash-out this over-supply and purchase any or all of the excess volumes at a rate of 20 cents per dekatherm lower than its lowest cost of commodity supply that month.

In instances where there is an under-delivery of supply, Lexington Utilities at its option, may cash-out this under-supply and sell any or all of the deficit volumes to the customer at a rate of 20 cents per dekatherm higher than the firm sales tariff rate for that month.

In addition, the customer will also be charged imbalance penalties in instances where Lexington Utilities incurs imbalance or overrun penalties from the pipeline supplier due to overruns or under-deliveries. These charges will be based on a prorata share of the total penalty attributed to the customer.

OPERATIONAL FLOW ORDER:

Lexington Utilities reserves the right to lower the imbalance limits stated in the "Balancing of Transportation Volumes" section of this tariff or suspend transportation service entirely on any day, when in Lexington Utilities' sole opinion, its operating conditions are such that tighter tolerance limits or suspension of service is necessary.

LATE PAYMENT CHARGE:

Unless bill is paid on or before 5 days after the due date as shown on bill, the account will be assessed late fees as outlined in the City's fee schedule.

SPECIAL PROVISIONS:

1. The customer will operate within the guidelines required by Lexington Utilities' pipeline transporter. The customer, or its agent, shall inform Lexington Utilities, or its agent, by 9:00am of the working day prior to the day the gas is to be delivered, of the anticipated consumption level and the volume requested for delivery. At that time, Lexington Utilities, or its agent, shall inform the customer of any restrictions on the volume requested for delivery.
2. The customer, or its agent, is responsible for all of the necessary arrangements and notification for the scheduling of transportation on the pipeline.
3. The customer must purchase the necessary software package provided by Lexington Utilities to make possible daily monitoring of gas flows.
4. Gas transported on this schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any schedule.
5. The term of the contract shall be for a term of not less than one year.
6. All rate and tariff schedules are subject to the City's stranded costs provisions. Effective July 1, 2000, customers that switch from firm sales service to any other service or schedule is subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.
7. Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service.

RECONNECTION CHARGE:

There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with the City Code.

**CITY OF LEXINGTON, NC
LEXINGTON UTILITIES**

EFFECTIVE JULY 1, 2006

**NATURAL GAS
PUBLIC SCHOOLS - FIRM SALES
SCHEDULE 6110**

APPLICABLE: To all City of Lexington and Davidson County public schools, kindergarten through 12th grade. This tariff and rate schedule will apply to all customers without a specific contract in place.

MONTHLY RATE:

Customer Charge	\$20.00
All therms	\$.3900 per Therm

Plus the applicable tariff commodity cost of gas currently in effect.

LATE PAYMENT CHARGE:

Unless bill is paid on or before 5 days after the due date as shown on bill, the account will be assessed late fees as outlined in the City's fee schedule.

SPECIAL PROVISIONS:

1. Customer must demonstrate or prove that it is a public school. Eligibility includes public schools, kindergarten through 12th grade.
2. Customers must remain on this Tariff schedule for a period of no less than 12 months before switching tariffs or service unless it is determined by the City that the customer no longer qualifies for this service.

PURCHASED GAS ADJUSTMENT:

The charges specified in the monthly rate will be subject to a gas adjustment per therm for increases or decreases in the costs associated with purchased pipeline gas and storage or any gas used as a substitute for or supplemental to purchased pipeline gas.

GLOSSARY OF TERMS

ADA: The commonly used acronym for the Americans with Disabilities Act.

ADOPTED BUDGET: Term used to describe revenues and expenditures for the upcoming year beginning July 1 as adopted by the City Council.

AMENDMENT: An ordinance that is adopted by City Council during the fiscal year to change the original budget appropriations or estimated revenues.

APPROPRIATION: A budgeted expenditure authorization granted by the City Council to incur obligations.

ASSESSED VALUATION: A value established by Davidson County for property in the corporate limits. The value is then used as a basis for levying property taxes at the adopted rate.

BALANCED BUDGET: Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is a requirement that the budget submitted to the City Council be balanced.

BENCHMARKS: Comparisons of a department's effectiveness or efficiency.

BOND REFERENDUM: An election in which citizens vote on whether the City will be allowed to issue debt in the form of interest-bearing bonds.

BUDGET: A comprehensive financial plan of operation for a specified period of time that matches all planned revenues and expenditures with various municipal services.

BUDGET CALENDAR: The schedule of key dates or milestones, which the City follows in the preparation and adoption of the budget.

BUDGET DOCUMENT: The official written statement prepared by the City staff reflecting the decisions made by the City Council in their deliberations.

BUDGET MESSAGE: A general discussion of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget changes from previous fiscal years, City Council goals, and the views and recommendations of the City Manager.

BUDGET ORDINANCE: The schedule of revenues and expenditures for the upcoming fiscal year by fund, which is adopted by the City Council each year.

CAPITAL CONSTRUCTION PROJECTS: Major construction for items such as buildings, parks, streets, bridges, utility distribution systems, etc.

CAPITAL IMPROVEMENTS PROGRAM (CIP): The annually updated plan or schedule of project expenditures for public facilities and infrastructure (buildings, roads, etc.), with estimated project costs, sources of funding, and timing of work over a five year period.

CAPITAL OUTLAY: Any asset which is tangible in nature and has a useful life longer than two years and which meets the following criteria in regard to value. Buildings, other improvements, machinery and equipment purchased by the City, which individually amount to a value of \$5,000 or greater are capital. Normal maintenance expenditures and expenditures for software are not capital.

CCF: Acronym for one hundred cubic feet, a measurement used for water consumption.

DEBT SERVICE: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

DEPARTMENT: A major administrative division of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

DT: Acronym for Dekatherm, a measurement used for natural gas energy usage; the quantity of heat energy that is equivalent to one million Btu (British thermal unit). One Btu is the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit.

ENCUMBRANCE ACCOUNTING: The system under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

FISCAL YEAR: The time period beginning on July 1 of a calendar year and ending on June 30 of the following calendar year. Budgeting is carried out on a fiscal year schedule.

FUNCTION: A group of related programs crossing organization (departmental) boundaries and aimed at accomplishing a broad goal or major service.

FUND BALANCE: Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina statutes dictate that a portion of fund balance is not available for appropriation in the following fiscal year.

GAAP: Acronym for Generally Accepted Accounting Principles, which are the conventions, rules, and procedures necessary to describe accepted practice at a particular time.

GENERAL OBLIGATION (G.O.) BONDS: Debt issued by the City, repayment of which is backed by full taxing power of the City.

GEOGRAPHIC INFORMATION SYSTEM (GIS): A project that will link the City to a citywide mapping system database, including hardware and software. This system is to be utilized as a planning tool by City departments.

GFOA: Acronym for Government Finance Officers Association.

GOAL: A statement of broad direction, purpose or intent based on the needs of the community.

INSTALLMENT PURCHASE: Method of financing used for acquisition of equipment or improvements to property. Title to the property transfers to the City at the end of the lease.

INTEREST EARNED ON INVESTMENTS: Revenue earned on investments with a third party. The City uses a pooled cash system, in that cash is aggregated or pooled from all funds and invested in total. The interest earned is then allocated back to the individual funds based on the average daily cash balance in each respective fund.

INTERFUND TRANSFERS: Amounts transferred from one fund to another.

KWh: An acronym that stands for kilowatt-hour. A kilowatt-hour is a measurement of electric energy usage.

MGD: Acronym for one million gallons per day.

NCDOT: Acronym for North Carolina Department of Transportation.

OBJECTIVE: A statement of specific direction, purpose or intent to be accomplished by staff within a program.

OTHER FINANCING SOURCE: Increase in current financial resources that is reported separately from the revenues to avoid distorting revenue trends. The use of other financing sources category is limited to items so classified by GAAP.

OTHER FINANCING USE: Decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the other financing uses category is limited to items so classified by GAAP.

PAY AND CLASSIFICATION PLAN OR STUDY: An inventory of positions and the worth of each position to an organization which is then assigned to classes requiring knowledge, skills, responsibilities, and duties similar enough to be assigned the same salary level.

POWELL BILL: Funding from state-shared gasoline tax, which is restricted for use on maintenance of local streets and roads.

PROPERTY TAX RATE: The rate at which real and personal property in the City is taxed in order to produce revenues sufficient to conduct necessary governmental activities.

PROPERTY TAXES (AD VALOREM TAXES): Taxes paid by those owning property in the City. These taxes are based on assessed valuation.

RESERVED FUND BALANCE: A portion of fund balance earmarked to indicate 1) that it is not available for expenditure, or 2) that it is legally segregated for a specific future use.

REVENUE: Income received from various sources used to finance government services.

REVENUE BONDS: Bonds payable from a specific source of revenue or user fees that do not pledge the full faith and credit of the City.

SERVICE LEVEL: Measurement of services provided by the City to the public.

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