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SC Court of Appeals

STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM RICHLAND COUNTY
Court of Common Pleas for the Fifth Judicial Circuit
G. Thomas Cooper, Circuit Court Judge
J. Ernest Kinard, Jr., Circuit Court Judge

Docket No. 2011-CP-40-6705
Appellate Case No. 2014-000032

JOSEPH S. AZAR, FRANK J. CUMBERLAND, JR., AND MICHAEL A. LETTS, INDIVIDUALLY AND AS CLASS REPRESENTATIVES,

Appellants,

vs.

CITY OF COLUMBIA,

Respondent.

RECORD ON APPEAL
Volume Three

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

Capital Projects Funds

The Capital Projects Funds account for all capital improvements, except those accounted for in Proprietary Funds, financed by the City's general obligation bond issues, tax increment district property taxes, certain Federal grants and other specific receipts. These funds include:

- Tax Increment District – accounts for the construction and development of parks and infrastructure, within the Congaree Vista Redevelopment District, and is funded by tax increment district property tax revenues.
- Streetscaping – accounts for capital improvements to street landscaping.
- General Capital Projects– accounts for various capital projects funded by various funds.
- Miscellaneous Projects – accounts for various capital projects funded by the General Fund.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. This fund includes:

- Anna Dickson Park Fund – accounts for trust funds specifically intended for the income to be used for beautification of the parks. The funds are invested in an interest bearing account. The amount invested equals the fair value.

Proprietary Fund Types:

Business-type Funds

The business-type funds are used to account for operations of the City (a) that are financed and operated in a manner similar to private business, where the intent is for the cost of providing goods or services to be recovered, in whole or in part, through user charges; or (b) where the City Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. These funds include:

- Water/Sewer Facilities Fund -- accounts for water and sewer utility activities.
- Parking Facilities Fund – accounts for parking garage and parking ticket activities.
- Hydro-Electric Facilities Fund – accounts for hydro electric plant activities.
- Storm Water Facilities Fund – accounts for storm water utility activities.
- Redevelopment Programs Fund – accounts for various home rehabilitation and mortgage lending programs funded from various sources.
- Parks and Recreation Camp Fund – accounts for parks and recreation camp activities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or to other governments, on a user charge basis. These funds include:

- Fleet Management – accounts for the maintenance and repair of movable vehicles.
- Support Services – accounts for a decentralized governmental and business-type inventory system, a central supply facility, procurement functions and the City's general maintenance functions.
- Risk Management – accounts for the costs associated with self-funded liability plans for employee health, worker's compensation, unemployment, and tort liability for all City departments.

Fiduciary Funds Types (Not included in government-wide statements):

Transactions related to assets held by the City as an agent of a private organization, are accounted for in Fiduciary Fund types. These are presented separately in the statements. The City's fiduciary fund types are comprised of:

Agency Fund

This fund is used to account for assets held by the City as an agent and does not involve measurement of results of operations.

Private-Purpose Trust Funds

These funds are used to account for assets held by the City as a trustee capacity under which principal and income benefit individuals, private organizations, or other governments.

Major Funds

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The County Services Fund accounts for fire services and 911 emergency communication service provided to citizens outside the City limits and the reimbursement for expenditures from Richland County.

The government reports the following major proprietary funds:

- The Water and Sewer Facilities Fund accounts for the activities of the water and sewer facilities.
- The Parking Facilities Fund accounts for the activities of the parking facilities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets, and the unassigned fund balance is a measure of available spendable resources.

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the transaction can be identified, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are considered available if they are collected within sixty days after year-end. The City considers revenues available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of the qualifying expenditures. When the revenue recognition criteria are met and the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet, and revenue is recognized.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidelines.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

ROA-0991

CITY-0008536

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results could differ from those estimates.

D. ASSETS AND LIABILITIES

Deposits
City procedures require that all unrestricted cash belonging to the City be placed in a "Pooled Cash" account to maintain the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes, and each fund has equity in the pooled accounts.

The City considers cash and cash equivalents (including restricted cash and cash equivalents), to be: currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased.

Investments
In accordance with GASB 31, investments in all funds are stated at fair value. State statutes authorize the City to invest in certificates of deposit, United States Treasury and United States Agency obligations, South Carolina and related political subdivision general obligation bonds and repurchase agreements collateralized by these obligations.

Inventory and Prepaid Assets
In the fund financial statements all governmental City inventories are recorded in the Internal Service Fund at cost or estimated historical cost on a first-in, first-out (FIFO) basis. All proprietary inventories are recorded in the respective fund at cost or estimated historical cost on a first-in, first-out (FIFO) basis. The related expenditures or expenses are recognized when inventories are consumed. Changes in the year-end inventory are reflected in expenses.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Real Estate
Real estate held for resale is recorded at the lower of cost or net realizable value.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS AND LIABILITIES (Continued)

Mortgage Notes and Notes Receivable and Allowance for Loan Losses
Mortgage notes receivable, secured by the financed property, and other notes receivable are recorded in various business-type funds and component units and are stated at unpaid principal balances net of an allowance for loan losses. An allowance for loan losses is increased by estimated uncollectible accounts, net of recoveries. Management's periodic evaluation of the adequacy of the allowance is based on past loan loss experiences, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay the loan, estimated value of any underlying collateral, and current economic conditions. Interest is accrued monthly on notes receivable and stops when the notes go into default.

Accounts Receivable and Allowance for Bad Debt
Accounts receivable are recorded in various funds and are stated net of their allowance for uncollectible accounts.

Interfund Balances
All balances between funds that are outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Capital Assets
In the government-wide financial statements, capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds during the same period.

Under the provisions of GASB 34, the City switched from the modified method to the straight line depreciation method of reporting infrastructure during the year ended June 30, 2006. To determine the historical value of the infrastructure, the City used the information provided by the Department of Utilities and Engineering on streets acquired during fiscal years 2003 through 2006. This information provided the street name and the cost or estimated cost of the street at acquisition. These amounts also included sidewalks, curbs, and gutters adjacent to the street acquired. The City determined the life of the streets to be 20 years using the "Capital Assets of Local Governments Suggested Useful Lives."

Infrastructure assets acquired prior to 1986 would have been fully depreciated and were not considered in this calculation. For those assets acquired between fiscal years 1986 and 2008, the acquisition date is assumed to have been on the last day of the fiscal year. For assets acquired after 2008, the acquisition date is the actual date of purchase. Infrastructure assets acquired during fiscal year 2008 to the present are depreciated from the date of acquisition.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS AND LIABILITIES (Continued)

Capital Assets (continued)
Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the estimated useful lives as follows:

Improvements	10-50 years
Buildings and Utility Plant	15-50 years
Infrastructure	20 years
Office Furniture and Equipment	5-15 years
Machinery	5-12 years

Capital Lease Receivable
The City leases two parking garages to the University of South Carolina under a capital lease agreement. The City receives lease payments on the garages in installments equal to the corresponding debt service requirements on the bonds used to fund the construction of the garages. Revenue related to the lease receivable is deferred in the funds until earned.

Restricted Assets
The real estate held for development is only restricted on the component unit's statements. The real estate is not restricted as to the City.

Compensated Absences
It is the City's policy to allow employees to accumulate unused vacation and sick leave benefits up to certain maximum hours. Once an employee has completed the probationary period, accumulated unused vacation and 20% of unused sick leave, as restricted below, are payable upon termination of employment with the City. An employee with service of less than ten years may receive up to a maximum of two weeks of vacation. An employee with service of ten to twenty years may receive up to a maximum of four weeks, and service of over twenty years may receive a maximum of five weeks. Maximum carryover allowed per employee is two calendar years of accrued compensated absences.

The liability for compensated absences in the government-wide, proprietary and fiduciary fund financial statements is calculated based upon recorded balances of unused leave for which the City would compensate employees if employment ended June 30, 2011. The change in this calculated amount from the previous year is expensed in current operations. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations
In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Debt is reported net of applicable premiums or discounts on the statement of net assets. Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method which does not significantly differ from the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received in debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures.

ROA-0994 CITY-0008539

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES AND EXPENSES

Property Tax Revenues
Real property and business personal property taxes, excluding automobile property taxes, become enforceable liens as of January 1. Real property taxes are levied in September and are payable immediately but can be paid without penalty before January 16. Automobile property taxes are levied throughout the year depending on vehicle tag expiration dates. Business personal property taxes are levied in September and are payable by January 15. Property taxes are assessed and collected by Richland and Lexington Counties under a joint billing and collection agreement. The City collects property taxes assessed in Richland and Lexington Counties on property annexed into Columbia.

That portion of General Fund property taxes allocated for payment of debt services is transferred to the Debt Service Fund.

Local Option Sales Tax Revenue
The City incorporated a Local Option Sales Tax during the year ended June 30, 2006 of 1% to offset a reduction in property taxes. In the governmental fund financial statements this revenue is included in the general fund property tax revenue. On the government wide financial statements, this revenue is reported as general revenue separate from general property taxes. The tax generated approximately $13.9 million during the year ended June 30, 2011, and was capped in order to prevent a windfall effect of taxes collected. This "cap" created deferred revenue of approximately $2.3 million in the General Fund and Statement of Net Assets as of June 30, 2011.

Investment Income
The City has a policy of allocating interest income on pooled cash and investments to appropriate funds on a monthly basis. The allocation is based on a percentage of the fund's month end balance in pooled cash and investments to the total month end balance in cash and investments.

Grant Revenue
Revenues from Federal and State grants are recognized when qualifying expenditures are made and all grant requirements have been met. Cash received by the City prior to the City making qualifying expenditures is recorded as deferred revenue on both the fund and government-wide financial statements.

Operating and Nonoperating Revenues and Expenses
Proprietary and internal service funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. The principal operating revenues of the water/sewer facilities fund and the parking facilities fund are charges to customers for sales and services. Operating revenues for internal service funds consist of charges to other funds for the services being provided by the internal service funds. Operating expenses for business-type funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES AND EXPENSES (Continued)

Expenditures/Expenses
In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Characteristic:	Current (further classified by function)
	Debt Service
	Capital Outlay
Proprietary Funds – By Operating and Nonoperating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund transfers
Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

F. FUND BALANCE

The City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The following categories of fund balance are used in the fund level financial statements of the governmental funds:

Nonspendable fund balance
The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable.

Restricted fund balance
The restricted fund balance classification includes amounts that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

CITY-0008541
ROA-0996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND BALANCE (Continued)

Committed fund balance
The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The City recognizes committed fund balances that have been approved for specific purposes by City Council before the fiscal year end.

Assigned fund balance
The assigned fund balance classification includes amounts that are constrained by the City's intent to be used for specific purposes but are not restricted or committed. The authority for making an assignment is not required to be the City's highest level of decision-making authority and as such, the nature of the actions necessary to remove or modify an assignment does not require the City's highest level of authority. Assigned fund balance amounts in the City's financial statements represent amounts approved by City Council to be transferred and spent after year end. In the special revenue fund, assigned fund balances represent amounts to be spent for specific purposes.

Unassigned fund balance
The unassigned fund balance classification includes amounts that have not been assigned to other funds and has not been restricted, committed, or assigned for specific purposes within the general fund.

Based on the City's policies regarding fund balance classifications as noted above, the City considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditure that has been designated by City Council or donors has been made. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. FUND BALANCE (Continued)

Classification / Fund	Purpose	Amount
Nonspendable		
General Fund	Prepaid charges	$ 493,807
County Services	Prepaid charges	4,378
Other Grants	Prepaid charges	14,080
Dickson Trust	Nonspendable principal	5,000
Total nonspendable		517,265
Restricted		
Accommodations Tax	City promotions	173,624
Tourism Development Convention Center	Tourism	2,198,456
Hospitality Tax	City promotions	2,022,908
Confiscated Drug Program	Law enforcement	701,467
Other Programs	Community service	922,774
G.O. Bonds	Debt service	790,043
Special District Bonds	Debt service	4,150,458
Tax Increment District	Construction of parks in Congaree Vista District	9,946,758
Miscellaneous Projects	General capital projects	6,993,254
Dickson Trust	Restricted investment	578
Total restricted		27,900,320
Assigned		
General Fund	Balancing 2012 budget	2,126,479
County Services	Fire department operations	481,073
Franchise Fee	Transportation system	3,864,378
Streetscaping	Streetscaping capital projects	12,646,609
General Capital Projects	General capital improvements	3,770,992
Total assigned		22,889,531
Unassigned		
General Fund		11,424,065
Other Grants		(14,080)
Total unassigned		11,409,985
Total fund balances		$ 62,717,101

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets are classified as invested in capital assets net of related debt, restricted, and unrestricted. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net assets component as the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. ENCUMBRANCES

Encumbrance accounting represents commitments related to unperformed contracts for goods and services. These contracts record expenditures as reserves to the applicable appropriation in each fund. At year-end, encumbrances are carried forward and related appropriations are considered to be budget amendments. Certain of the encumbrances will be paid by subsequent receipt of entitlements.

B. DEFICIT FUND EQUITY

The Risk Management Internal Service Fund had a combined deficit fund balance of $8,422,877 at June 30, 2011. Revenues and transfers from other funds in subsequent years will fund this deficit.

C. RISK MANAGEMENT

The City is self-insured for medical and dental coverage. Health claims for individuals are limited to a lifetime amount of $1,000,000 with a stop-loss provision of $275,000 per year. The accrued liability for prior year claims represents estimates for medical and dental claims incurred as of June 30, 2011. Some of these claims were reported at June 30, 2011, while others may not be reported until a later date. The incurred but not reported (IBNR) is estimated by the City's independent insurance administrator based on historical results.

The City self-insures worker's compensation and general liability programs. The City accounts for the Worker's Compensation program in the Risk Management Fund (an internal service fund) by charging premiums to user departments. The stop-loss provision for Worker's Compensation is $800,000. The limits of liability for tort actions not specifically exempt by the South Carolina Government Tort Claims Act are $300,000 per person and $600,000 per occurrence.

The Risk Management Fund establishes claim liabilities (health, dental, worker's compensation and legal) based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved.

Estimated amounts of salvage, subrogation, and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Adjustments to claim liabilities are charged or credited to expense in the period in which they are made.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. RISK MANAGEMENT (Continued)

Changes in the aggregate liability for health, dental, worker's compensation and legal claims were as follows:

Fiscal Year	Beginning Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending Liability
2010	$ 14,003,940	$ 20,418,456	$ (21,411,752)	$ 13,010,644
2011	$ 13,010,644	$ 22,167,701	$ (20,709,664)	$ 14,468,681

Fiscal year 2011 aggregate liability includes the following amounts for legal claims: $7,215,890 beginning liability, $2,320,307 current year claims and changes in estimates, and $1,981,333 claims payments. The ending liability for legal claims is $7,554,864. See also Note VI. B.

Property and Boiler Coverage policies are accounted for in the Risk Management Fund, as well as other small insurance policies, such as surety bond coverage and miscellaneous floaters. Funds are charged expenditures based on premium amounts and administrative charges. The City has had no significant reductions in insurance coverage during the year and settlements have not exceeded insurance coverage for each of the past three fiscal years.

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2011, the City, excluding component units, had the following investments (in thousands):

		Investment Maturities (in Years)	
Investment Type	Fair Value	Less Than 1	Greater Than 1
Certificates of Deposit / Money Market	$ 149,705	$ 26,321	$ 123,389
Treasuries	44,845	4,242	40,595
Agencies	35,872	13,363	22,512
Municipals	315	0	315
Total	$ 230,737	$ 43,926	$ 186,811

Investment Classification
Investments are classified as current or noncurrent on the Statements of Net Assets based on the maturity date of the investment. Investments with maturity dates of less than one year from June 30, 2011 are classified as current while those with maturity dates of greater than one year from June 30, 2011 are classified as noncurrent. Investments purchased with bond proceeds that will be used to purchase capital assets are classified as noncurrent regardless of the maturity date.

Interest Rate Risk
In accordance with its investment policy the City manages its exposure to declines in fair values typically by limiting the maturity of its portfolio to no more than seven years.

III. DETAIL NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk
State law and the City's investment policy limit investments to the following securities:
- Obligations of the United States and agencies thereof.
- General obligations of the State of South Carolina or any of its political subdivisions.
- Certificates of deposit where the certificates are collaterally insured by securities described above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest.
- Repurchase agreements when collateralized by securities set forth above.

Concentration of Credit Risk
The City's investment policy prohibits investing more than 10% of the total portfolio in a single holding or more than 25% in any one issuer except for United States Treasury securities and money market mutual funds.

Custodial Credit Risk - Deposits
The City's cash deposit policy requires that United States Treasury or Agency securities of a fair value equal to the bank deposits be held by a third party custodian in the City's name. At June 30, 2011 the City was in full compliance with its collateral policy.

Custodial Credit Risk - Investments
Similarly, the City uses an independent investment custodian who takes direction from the outside portfolio managers and independently settles all trades with the securities being held by the custodian on behalf of and in the name of the City.

B. RECEIVABLES

Receivables for the primary government as of year-end are shown net of allowances for uncollectible accounts. Management's estimates of uncollectible accounts at June 30, 2011 are as follows:

General Fund	$ 1,056,815
Water/Sewer Facilities	$ 2,595,962
Parking Facilities	$ 1,547,560
Nonmajor Business-type activities	$ 2,294,010

Receivables for the governmental entity Component Units consist of items totaling $952,249 and CEZ, Inc. held receivables of $8,373 at June 30, 2011 which are net of allowances for doubtful accounts. As of June 30, 2011, the allowance for doubtful accounts was approximately $903 and $18,016 for governmental entity Component Units and CEZ, Inc., respectively.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At June 30, 2011, the various components of deferred revenue in the governmental funds were as follows:

Capital lease receivable (General Fund)	$ 16,889,142
Delinquent property taxes (General Fund)	1,249,748
Amounts received but not yet expended (General Fund, Confiscated Drug Program Fund, Community Development Grants and Awards Fund, Other Grants Fund)	2,512,013
Total deferred revenue	$ 20,650,903

III. DETAIL NOTES ON ALL FUNDS (Continued)

B. RECEIVABLES (Continued)

Contractual rights and related obligations
During the year ended June 30, 2004 the City acquired the contractual right to receive approximately $1,000,000 per year for seven years in monthly installments. At the same time, the City contracted to pay $1,000,000 per year annually for seven years to an unrelated governmental entity. No interest was specified in either contract. On July 9, 2009, this agreement was amended and required that two $2,000,000 installments be made to the City. The first installment was made contemporaneously with the amendment and the second payment was paid to the Hydro-Electric Facilities Fund. Further details of the contract can be found in Note VI. C.

C. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS

The various mortgage programs involve the Community Development loan programs which are reported in the nonmajor proprietary funds and certain component units. The various types of loan programs are complex in nature and require specialized accounting methods, including the valuation of notes and mortgages receivable at the lower of cost or market.

Primary government
Mortgage notes receivable in the various Community Development Revolving Loan programs are evaluated annually and loan loss allowances are applied where appropriate. All mortgages are secured by the property. Delinquent mortgages receivable are estimated to be $2,415,512 of the total net mortgage notes receivable of $23,118,030 as of June 30, 2011.

Component units
The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of $819,300, which is net of allowance for uncollectible loans of $81,609. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs and have various interest rates and maturity dates. The CHDC is considered a real estate development corporation and revenue recognition is applied under the cost recovery method.

The Columbia Development Corporation (CDC) has mortgage notes receivable amounting to $187,338. Mortgage notes receivable consist of two loans to corporations for the purpose of community development and have various interest rates and maturity dates. The CDC is considered a community development corporation and revenue recognition is applied under the cost recovery method.

CEZ, Inc. has loans receivable amounting to $3,127,714, which is net of allowance for uncollectible loans of $1,610,732. Mortgage notes receivable consist of loans to businesses within the Columbia Empowerment Zone and have various interest rates and maturity dates. CEZ, Inc. is a non-profit corporation and revenue recognition is applied under the accrual method.

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables and payables at June 30, 2011 are as follows:

	Interfund Receivables	Interfund Payables
Funds:		
Water/Sewer Facilities	$ 3,064,710	$ 0
Other Governmental	4,226,516	6,848,789
Internal Service	0	442,437
Total	$ 7,291,226	$ 7,291,226

CITY 0008547

ROA-1002

III. DETAIL NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

The outstanding balance between funds results primarily from one of the following time lags: (1) the dates that interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made.

The interfund transfers at June 30, 2011 are as follows:

	Transfers In	Transfers Out
General	$ 13,153,729	$ 14,900,732
County Services	0	1,538,430
Nonmajor governmental funds	15,043,580	14,781,146
Water/Sewer	1,600,000	7,908,862
Parking	0	180,489
Nonmajor proprietary funds	2,085,421	1,722,333
Internal service funds	11,096,144	1,946,882
	$ 42,978,874	$ 42,978,874

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowing to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grants programs.

E. OPERATING LEASES

The City is committed under various operating leases for real estate, office and copier equipment. Operating lease expenditures for the year ended June 30, 2011, were $1,064,859. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2012	$ 682,975
2013	254,667
2014	257,220
2015	262,327
2016	121,893
2017-2021	252,000
2022-2026	252,000
2027-2031	252,000
2032-2036	252,000
2037-2040	163,800
Total	$ 2,750,882

III. DETAIL NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, is as follows (in thousands):

Governmental activities	Balance June 30, 2010	Increases	Transfers	Decreases	Balance June 30, 2011
Capital assets, not being depreciated:					
Land	$ 32,654	$ 44	$ 0	$ (22)	$ 32,676
Construction in progress	22,348	6,612	0	(21,679)	7,281
Total capital assets, not being depreciated	55,002	6,656	0	(21,701)	39,957
Capital assets, being depreciated:					
Buildings and improvements	164,271	21,691	(54)	(1,423)	184,485
Machinery and equipment	38,999	5,120	120	(2,186)	42,053
Infrastructure	19,647	1,580	0	0	21,227
Total capital assets, being depreciated	222,917	28,391	66	(3,609)	247,765
Less accumulated depreciation:					
Buildings and improvements	(35,121)	(5,253)	17	636	(39,721)
Machinery and equipment	(28,235)	(3,454)	(81)	2,142	(29,628)
Infrastructure	(7,606)	(880)	0	0	(8,486)
Total accumulated depreciation	(70,962)	(9,587)	(64)	2,778	(77,835)
Total capital assets, being depreciated, net	151,955	18,804	2	(831)	169,930
Governmental activities capital assets, net	$ 206,957	$ 25,460	$ 2	$ (22,532)	$ 209,887

CITY-0008549

ROA-1004

III. DETAIL NOTES ON ALL FUNDS (Continued)

H. CAPITAL ASSETS (Continued)

Business-type activities	Balance June 30, 2010	Increases	Transfers	Decreases	Balance June 30, 2011
Capital assets, not being depreciated:					
Land	$ 28,330	$ 4,654	$ 0	$ (1)	$ 32,983
Construction in progress	64,367	59,596	0	(42,213)	81,750
Total capital assets, not being depreciated	92,697	64,250	0	(42,214)	114,733
Capital assets, being depreciated:					
Buildings and improvements	779,002	46,219	(754)	(1,703)	822,764
Machinery and equipment	31,072	4,232	688	(1,346)	34,646
Total capital assets, being depreciated	810,074	50,451	(66)	(3,049)	857,410
Less accumulated depreciation:					
Buildings and improvements	(283,315)	(20,819)	431	1,477	(302,226)
Machinery and equipment	(20,850)	(2,279)	(367)	1,286	(22,210)
Total accumulated depreciation	(304,165)	(23,098)	64	2,763	(324,436)
Total capital assets, being depreciated, net	505,909	27,353	(2)	(286)	532,974
Business-type activities capital assets, net	$ 598,606	$ 91,603	$ (2)	$ (42,500)	$ 647,707

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	$ 5,231,321
Public safety	2,148,508
Parks and recreation	1,013,160
Public services	884,366
Judicial	50,161
Community development	28,855
General services	30,632
Non departmental	16,276
Finance department	2,188
Internal service funds	182,109
Total depreciation expense – governmental activities	$ 9,587,576
Business-type activities:	
Water/Sewer facilities	$ 21,045,247
Storm Water facilities	484,126
Parking facilities	1,244,904
Hydro electric plant	323,466
Total depreciation expense – business-type activities	$ 23,097,743

During the year ended June 30, 2011, $6,314,107 of interest expense in the Business-type activities was capitalized. Construction commitments as of June 30, 2011 totaled approximately $120,858,000.

CITY-0008550

ROA-1005

III. DETAIL NOTES ON ALL FUNDS (Continued)

F. CAPITAL ASSETS (Continued)

Capital Lease Receivable
In 2008, construction was completed on the Innovista parking garages. The parking garages and corresponding long term debt were recorded by the Columbia Parking Facilities Corporation (the Corporation), a blended component unit as noted in Note III I. The Corporation entered into an agreement with the University of South Carolina (the University) that provided the University use of the garages and, in return, the University would pay the debt service on the associated long term debt. A review of the terms of the agreement during 2010 determined that the agreement represented a capital lease with the University and therefore, the parking garages were removed from the Corporation and recorded by the University. Additionally, a lease receivable from the University was also recorded in the amount of the outstanding associated debt. See Note III. I. for details of the related debt. Total future minimum rentals to be received from the University under the capital lease agreement will be $16,889,142.

Future capital lease payments to be received from the University are as follows:

Year Ending June 30,		Amount
2012	$	845,000
2013		865,000
2014		905,000
2015		905,000
2016		945,000
2017-2021		7,914,142
2022-2026		4,495,000
2027-2031		5,215,000
Total		22,089,142
Less: Amounts representing interest		5,200,000
Total minimum future rentals	$	16,889,142

G. DEFERRED COMPENSATION PLAN

The City has two approved deferred compensation plans administered by the South Carolina Public Employees Deferred Compensation Commission. Although the City makes no contributions to either plan, employees may elect to participate under either Internal Revenue Service Section 401K or 457. The amount of the deferred compensation is expensed as salaries and a like amount is remitted to the Deferred Compensation Commission. The City owns none of the plan assets and has no liability to its employees.

H. OTHER POSTEMPLOYMENT BENEFITS

The City provides postemployment health care benefits, in accordance with City policy, to all employees who retire from the City under early or regular retirement and have been employed by the City for twenty years or more. Currently, 698 retirees meet those requirements. The City pays all Medicare supplemental insurance premiums for all qualifying retirees. For the year ended June 30, 2011 premiums totaled $1,720,235. Retirees paid dependent coverage of $618,859. Currently, the City is financing the postemployment retirement benefits on a pay-as-you-go basis and expenditures for these insurance premiums are recorded in all of the City's funds.

CITY-0008551

ROA-1006

III. DETAIL NOTES ON ALL FUNDS (Continued)

H. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following schedule reflects the costs and number of participants in the City's health care program.

	Year Ended June 30, 2011				
	2011	2010	2009	2008	2007
Participants:					
Active	2,039	2,234	2,179	2,197	2,162
Retired	702	662	589	650	610
Total Employee Claims					
Active	$11,903,954	$13,043,628	$11,714,190	$11,156,966	$10,754,287
Retired	3,557,000	5,811,854	5,219,495	5,524,277	4,909,064
% of Active Payroll:					
Active	13.47%	15.04%	12.61%	12.32%	12.73%
Retired	4.03%	6.70%	5.62%	6.10%	5.81%
Total	17.50%	21.74%	18.23%	18.42%	18.54%

For the fiscal year ended June 30, 2008, the City implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions", for certain postemployment health care benefits provided by the City, which are offered under a single employer defined benefit plan.

From an accrual perspective, the cost of other postemployment healthcare benefits (OPEB), like the cost of pension benefits, generally should be associated with the periods in which that cost occurs. In adopting GASB Statement 45 during the year ended June 30, 2008, prospectively, the City recognized the ARC (Annual Required Contribution) associated with OPEB as an expense and the liability associated with the net OPEB obligations. The ARC consists of the cost of benefits accruing in a year plus an amount calculated to amortize any unfunded actuarial accrued liability over a period of 30 years.

ROA-1007

CITY-0008552

III. DETAIL NOTES ON ALL FUNDS (Continued)

H. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB costs and Net OPEB Obligation

The City had an actuarial valuation performed for the plan as of July 1, 2010 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2011. The City's annual OPEB costs and the net OPEB obligation for the year ended June 30, 2011 on the Statement of Net Assets was as follows:

Employer Normal Cost	$ 7,355,162
Amortization of UAAL*	9,165,698
Annual Required Contribution (ARC)	16,520,860
Interest on Net Obligation	1,462,416
Adjustment to the ARC	(1,280,446)
Annual OPEB Cost	16,702,830
Contributions made	(4,658,376)
Increase in Net OPEB Obligation	12,044,454
Net OPEB Obligation, July 1, 2010	27,855,546
Net OPEB Obligation, June 30, 2011	$ 39,900,000

* Unfunded Actuarial Accrued Liabilities (UAAL) were amortized over 30 years.

A summary of the annual OPEB cost, percentage of the annual OPEB cost contributed, and the year end net OPEB obligation for the year ended June 30, 2011 and the two preceding years is as follows:

Trend Information

Year ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	$ 16,308,628	30.63%	$ 16,716,085
2010	16,308,628	49.25	27,855,546
2011	16,702,830	27.89	39,900,000

CITY-0008553

ROA-1008

III. DETAIL NOTES ON ALL FUNDS (Continued)

H. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB costs and Net OPEB Obligation (Continued)

Funded status and Funding Progress of the plan as of June 30, 2011 was as follows:

Present Value of Future Benefits:		
Retirees & Beneficiaries	$	97,231,906
Participants Fully Eligible for Benefits		18,194,231
Participants Not Fully Eligible for Benefits		89,112,918
Total Present Value of Future Benefits	$	204,539,055
Present Value of Future Normal Costs	$	7,355,162
Actuarial Accrued Liabilities (AAL)	$	204,539,055
Actuarial Value of Plan Assets		0
Unfunded Actuarial Accrued Liability (UAAL)	$	204,539,055
Funded Ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	$	87,650,526
UAAL as a percentage of covered payroll		233.36%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events well into the future, thus reflecting a long-term perspective. Examples would include assumptions about future employment, rates of retirement, mortality, and health care cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

In the June 30, 2011 actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30 year period. As of June 30, 2011, 26 years of amortization remain on the UAAL. The actuarial assumptions included 5.25% rate of investment return. The valuation assumes a 8% health care trend inflation rate for 2011 and decreases 0.5% each year until 2017. General inflation is assumed to be 3% per year.

ROA-1009

CITY-0008554

III. DETAIL NOTES ON ALL FUNDS (Continued)

L LONG-TERM DEBT

	Balance 6/30/2010	Additions	Reductions	Balance 6/30/2011	Amount Due in 2012
Governmental Activities:					
Notes Payable	$ 6,009,142	$ -	$ (195,000)	$ 5,814,142	$ 195,000
GO Bonds	23,125,000	19,320,000	(12,390,000)	30,055,000	3,485,000
Revenue Bonds	54,875,000	-	(2,730,000)	52,145,000	2,885,000
Unamortized bond premiums	2,013,616	662,383	(170,256)	2,505,743	-
Compensated absensces	6,330,472	6,583,776	(6,330,472)	6,583,776	1,316,755
Derivative instrument liability	-	2,763,592	-	2,763,592	-
Total governmental activities	92,353,230	29,329,751	(21,815,728)	99,867,253	7,881,755
Business-Type Activities:					
Revenue Bonds	348,240,000	-	(12,775,000)	335,465,000	13,070,000
Contracts Payable	4,582,404	-	(2,645,601)	1,936,803	645,601
Unamortized bond premiums	10,873,472	-	(459,575)	10,413,897	-
Compensated absensces	1,864,027	1,847,823	(1,864,027)	1,847,823	370,083
Deferred loss on refunding	(1,626,071)	-	217,154	(1,408,917)	-
Derivative instrument liability	-	13,368,431	-	13,368,431	-
Total business-type activities	363,933,832	15,216,254	(17,527,049)	361,623,037	14,085,684
Total all long term debt	$ 456,287,062	$ 44,546,005	$ (39,342,777)	$ 461,490,290	$ 21,967,439

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for the internal service funds are included as part of the above totals for governmental activities. At year-end, $245,954 of internal service funds compensated absences is included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. The City has complied in all material respects with the bond covenants as outlined in each issue's indenture.

CITY-0008555

ROA-1010

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

The annual requirements to amortize all outstanding debt of the City as of June 30, 2011, including interest payments but excluding contracts payable, accrued vacation payable and amortization of bond premiums, are as follows:

Governmental Activities:

Year Ending June 30,	General Obligation Bonds	Interest	Revenue Bonds	Interest	Note Payable	Interest	Total Principal	Total Interest
2012	$ 3,485,000	$ 649,120	$ 2,885,000	$ 2,000,126	$ 195,000	$ 8,499	$ 6,565,000	$ 2,657,745
2013	2,725,000	513,050	3,020,000	1,881,105	195,000	8,275	5,940,000	2,402,430
2014	2,775,000	468,113	3,195,000	1,748,363	195,000	8,052	6,165,000	2,224,528
2015	2,840,000	422,225	3,325,000	1,615,359	195,000	7,829	6,360,000	2,045,413
2016	2,930,000	375,475	3,470,000	1,489,381	215,000	7,569	6,615,000	1,872,425
2017-2021	9,995,000	1,286,274	20,335,000	4,884,493	4,444,142	7,569	34,774,142	6,178,336
2022-2026	4,535,000	572,963	11,775,000	871,681	375,000	0	16,685,000	1,444,644
2027-2031	770,000	31,185	4,140,000	14,489	0	0	4,910,000	45,674
	$ 30,055,000	$ 4,318,405	$ 52,145,000	$ 14,504,997	$ 5,814,142	$ 47,793	$ 88,014,142	$ 18,871,195

CITY-0008556

ROA-1011

III. DETAIL NOTES ON ALL FUNDS (Continued)

L. LONG-TERM DEBT (Continued)

Business-type activities:

Year Ending June 30,	Revenue Bonds	Interest
2012	$ 13,070,000	$ 16,015,859
2013	5,795,000	15,323,307
2014	6,070,000	15,047,790
2015	6,335,000	14,779,670
2016	6,610,000	14,505,380
2017-2021	38,265,000	67,322,281
2022-2026	48,680,000	56,972,068
2027-2031	61,880,000	43,976,253
2032-2036	79,320,000	27,965,874
2037-2040	69,440,000	8,452,893
	$ 335,465,000	$ 280,361,375

General Obligation Bonds
The City has issued General Obligation Bonds to fund building programs of the City and also to refinance debt issued to fund parking facilities. The City has complete liability for the retirement of these obligations. Principal payments on all bonds are due annually and interest is due semi-annually.

In March 2011, the City issued the 2011A General Obligation Bonds. The 2011A bonds were issued in the amount of $9,375,000 and the proceeds will be used to fund the purchase of capital assets and infrastructure. The 2011A bonds were issued at a premium of $184,280 and net of bond issuance costs of $130,922 which have been capitalized in the Statement of Net Assets.

Also in March 2011, the City issued the 2011B General Obligation Bonds. The 2011B bonds were issued to advance refund a portion of the 2002 General Obligation Bonds. The refunding resulted in an economic gain of $576,085 and total net debt service savings of $621,856. The 2011B bonds were issued at a premium of $478,103 and net of bond issuance costs of $748,750 which have been capitalized in the Statement of Net Assets.

CITY-0008557

ROA-1012

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

The South Carolina Constitution limits local unit borrowing power to 8 percent of its assessed property value. The limitation excludes bonded indebtedness existing prior to December 1, 1977, (date of the Constitutional Amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters.

General Obligation Bonds outstanding as of June 30, 2011, are as follows:

Governmental Activities:	
$15,500,000 City of Columbia General Obligation Bonds, Series 2002 Proceeds for: Infrastructure improvements, acquisition of land Annual principal installments of $575,000 to $745,000 through June 1, 2012; a portion of the series was refunded with the 2011B series as described below Interest Rate: 2.75 to 4.625%	$ 745,000
$9,085,000 City of Columbia General Obligation Bonds, Series 2007A Proceeds for: Defeasance of the 2006 Bond Anticipation Notes, construction and infrastructure improvements Annual principal installments of $410,000 to $770,000 through June 1, 2027 Interest Rate: 3.75 to 4.05 %	9,085,000
$3,625,000 City of Columbia General Obligation Bonds, Series 2008 Proceeds for: Refund Series 1998A General Obligation Bonds Annual principal installments of $865,000 to $940,000 through February 1, 2012 Interest Rate: 2.78%	905,000
$9,375,000 City of Columbia General Obligation Bonds, Series 2011A Proceeds for: Acquisition of capital assets Annual principal installments of $225,000 to $1,505,000 through February 1, 2021 Interest Rate: 2.00-3.00%	9,375,000
$9,945,000 City of Columbia General Obligation Bonds, Series 2011B Proceeds for: Refund Series 2002 General Obligation Bonds Annual principal installments of $10,000 to $1,160,000 through February 1, 2022 Interest Rate: 2.00-3.00%	9,945,000
Total Governmental Activities General Obligation Bonds	$ 30,055,000

ROA-1013

CITY-0008558

III. DETAIL NOTES ON ALL FUNDS (Continued)

L. LONG-TERM DEBT (Continued)

Revenue Bonds, Notes and Certificates of Participation
Revenue bonds, notes and certificates of participation are special obligations of the City payable from revenues derived from certain operations. The City's revenue bond ordinances stipulate that the City maintain certain debt service, operations, and renewal and replacement funds.

The construction of the second of two Innovista garages was funded by the issuance of a $13,070,000 tax-exempt South Carolina Jobs-Economic Development Authority Revenue Bonds, Series 2007. The Columbia Parking Facilities Corporation, a component unit of the City, is responsible for the payment of the bonds. BB&T, the bond holder, also holds a first mortgage on both garages. Richland County is responsible for 50% of the construction costs. The garages are operated by the University, and the revenues from them are remitted by USC to the Corporation to retire this debt. This arrangement constitutes a capital lease agreement with the University, and as such, a receivable has been recorded for the amount of future debt service. The garages have been recorded by the University (See Note III. F. for more details). Interest payments began on April 1, 2007. The principal balance is payable in monthly installments beginning September 1, 2008, together with interest on the unpaid balance, with a final payment of all principal and interest, due and payable in full on March 1, 2031. Interest is at a rate per annum equal to 95% of the LIBOR Rate, which was 0.186% at June 30, 2011. The Corporation entered into an interest rate swap agreement in relation to the bond issue as detailed in Note VII.

In the event of default of these Series 2007 revenue bonds, no judgment for any deficiency upon the indebtedness will be sought or obtained by the bank against the City. The University of South Carolina is the guarantor for payment of the debt.

An additional $5,185,000 taxable (based on percent of garage used for private purposes) construction and term loan was made to the Corporation by a bank for the second garage that enables the Corporation to draw down proceeds from the loan as needed during the construction of the second garage. The principal balance and any accrued interest are due in full on March 1, 2017. Interest is payable at an adjusted LIBOR rate, which is a rate of interest per annum equal to the One Month Libor plus 1.5% per year. This rate is adjusted monthly on the first day of each month for each LIBOR interest period (0.186%, at June 30, 2011). At June 30, 2011, $4,689,142 was outstanding on the term loan. The Corporation entered into an interest rate swap agreement to the bond issue as detailed in Note VII.

In the event of foreclosure of this note, no judgment for any deficiency upon the indebtedness will be sought or obtained by the bank against the City.

Notes Payable
Governmental Activities:

$1,500,000 note secured for development costs for Drew Wellness Center. Annual principal installments of $75,000 through August 14, 2026 Interest rate: 0.0%	$ 1,125,000
$5,185,000 Construction note secured for the construction of a 1,450 parking space parking deck for Innovista Annual principal installments of $120,000-$140,000 through March 1, 2017 with balloon payment at maturity Interest rate: Adjusted LIBOR rate (0.186%) Maximum draw amount: $5,185,000	4,689,142
Total Governmental Activities Notes Payable	$ 5,814,142

CITY-0008559

ROA-1014

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

Revenue bonds outstanding as of June 30, 2011 are as follows:

Governmental Activities:	
$19,365,000 Certificates of Participation 2004 Payable from revenues derived by the City from hospitality taxes Annual principal installments of $680,000 to $1,495,000 through February 1, 2025 Interest rate: 3.75 to 5.25%	$ 15,390,000
$36,570,000 Certificates of Participation 2002 Payable from revenues derived by the City from tourism development fees Annual principal installments of $1,305,000 to $2,810,000 through June 1, 2022 Interest rate: 2.0 to 5.25%	24,555,000
$13,070,000 South Carolina Jobs-Economic Development Authority Bond 2007 Payable from revenues derived by the City from operation of a garage Annual principal installments of $250,000 to $920,000 through March 1, 2031 Interest rate: Rate per annum equal to 95% of LIBOR (0.186%)	12,200,000
Total Governmental Activities Revenue Bonds	$ 52,145,000
Business-type Activities:	
Parking Facilities Fund:	
$8,605,000 Parking Facilities Revenue Bonds, Series 1994 Payable from revenues derived by the City from operation of off-street and on-street parking facilities. Proceeds for: Refund Series 1987 Parking Facilities Revenue Bonds Annual principal installments of $265,000 to $680,000 through December 1, 2013 Interest rate: 3.2 to 5.875%	$ 1,930,000
$39,895,000 Parking Facilities Revenue Bonds, Series 2005A Payable from revenues derived by the City from operation of off-street and on-street parking facilities. Proceeds for: Expand City parking facilities. Annual principal installments of $1,240,000 to $3,015,000 through February 1, 2037 Interest rate: 4.375 to 5.0%	39,895,000
$5,380,000 Parking Facilities Revenue Bonds, Series 2005B Payable from revenues derived by the City from operation of off-street and on-street parking facilities. Proceeds for: Expand City parking facilities. Annual principal installments of $255,000 to $1,120,000 through February 1, 2017 Interest rate: 4.88 to 5.2%	4,285,000
Total Parking Facilities Revenue Bonds	46,110,000

CITY-0008560

ROA-1015

III. DETAIL NOTES ON ALL FUNDS (Continued)

I. LONG-TERM DEBT (Continued)

Water and Sewer Fund Continued:

Water and Sewer Fund:	
$74,765,000 Waterworks and Sewer System Revenue Bonds, Series 1993 Payable from revenues derived from the City's water and sewer system. Proceeds for: Refunding all Series 1989 ($31,984,646) and all allocated 1991 Series ($34,935,000 in May 1993) Annual principal installments of $960,000 to $8,590,000 through February 1, 2012 Interest rate: 3.5 to 5.7%	$ 8,590,000
$41,500,000 Waterworks and Sewer System Revenue Bonds, Series 2001 Payable from revenues derived from the City's water and sewer system. Proceeds for: Refunding portion of Series 1991 ($3,370,000) and portion of Series 1999 ($36,045,000) Annual principal installments of $255,000 to $1,120,000 through February 1, 2019 Interest rate: 3.6 to 6.0%	33,905,000
$60,000,000 Waterworks and Sewer System Revenue Bonds, Series 2005 Payable from revenues derived from the City's water and sewer system. Proceeds for: Cost of improvements to the System Annual principal installments of $4,655,000 to $6,385,000 beginning February 1, 2020 through February 1, 2030 Interest rate: 3.6 to 5.0%	60,000,000
$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009 Payable from revenues derived from the City's water and sewer system. Proceeds for: Cost of improvements to the System Annual principal installments of $525,000 to $10,840,000 through February 1, 2038 Interest rate: 4.354% See Note VII for details regarding the interest rate swap related to this bond issue.	81,860,000
$105,000,000 Waterworks and Sewer System Revenue Bonds, Series 2010 Payable from revenues derived from the City's water and sewer system. Proceeds for: Cost of improvements to the System Annual principal installments of $1,090,000 to $17,855,000 through February 1, 2040 Interest rate: 3 to 5%	105,000,000
Total Water and Sewer Revenue Bonds	289,355,000
Total Business-type Activities Revenue Bonds	$ 335,465,000

Defeasance Debt

In the current year, the City defeased a portion of the 2002 General Obligation Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2011, general obligation bonds outstanding, considered defeased in the current year, are approximately $9,660,000.

CITY-0008561

ROA-1016

III. DETAIL NOTES ON ALL FUNDS (Continued)

L. LONG-TERM DEBT (Continued)

Conduit Debt

Resolution 2006-027 passed June 28, 2006 was issued in support of the issuance of not exceeding $4,500,000 in revenue bonds by JEDA for the Palmetto Health Foundation Project. While the City is not obligated for the repayment of conduit type debt, disclosure is required in the notes to the financial statements. As of June 30, 2011, the balance of this conduit debt was $3,284,505.

Arbitrage

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the City must rebate to the federal government "arbitrage profits" earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings, if any. For the year ended June 30, 2011, the City did not have any arbitrage profits due to the federal government.

IV. PENSION PLANS

The City's retirement plans are as follows:

Description of Plans

As a condition of employment, all eligible City employees are required to participate in a pension plan. All firemen and law enforcement officers must belong to the South Carolina Police Officers' Retirement System (SCPORS). All other eligible employees must belong to the South Carolina Retirement System (SCRS). Both plans are a cost-sharing multiple-employer Public Employee Retirement System (PERS) administered by the Retirement Division of the State Budget and Control Board. Retirement costs are funded by withholding from the employees' salaries, and by a contribution from the City of a percentage of the employees' salaries. Both Retirement Systems are administered by the South Carolina Retirement System, which is a state agency. The City has no fiduciary responsibility for or further liability for either of the retirement plans beyond their current contributions, except as noted below, which are established to fund prior year's liabilities. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Basic Provisions

Benefit provisions are established under the authority of Title 9 of the South Carolina Code of Laws. Under current statutes pertaining to the SCRS, member employees who retire at age 65 or after 28 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 1.82 percent of the average final compensation (average compensation over the last three years of credited service) times years of credited service. A member with at least 25 years of credited service who terminates employment may continue to pay employee and employer contributions until 28 years of credited service credit is reached. The contributions will be made through the most recent employer on a regular basis and remitted to the South Carolina Retirement System.

Under current statutes pertaining to the SCPORS, member employees who retire at age 65 or after 25 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 2.14 percent of average final compensation times years of credited service.

CITY-0008562

ROA-1017

IV. PENSION PLANS (Continued)

Basic Provisions (Continued)
Member employees who are at least 60 years of age may elect early retirement in which case the full service benefit is reduced by 5 percent for each year the employee's age at retirement is less than 65. In either case, any unrecovered contributions are payable upon death and cost of living adjustments are evaluated annually on an ad hoc basis. Full service or early retirees may elect other optional methods of benefit distributions, including lump sum distributions, benefit levels coordinated with the retiree's social security benefits and distributions to a named beneficiary. Benefits are fully vested on reaching 5 years of service. The SCRS and SCPORS also provide life insurance, survivor and disability benefits to all member employees.

Funding Policy
South Carolina Retirement System (SCRS)
Effective July 1, 2010, the employer contribution rate became 9.39 percent which includes 0.15 percent towards group life insurance. City contributions to SCRS for the years ended June 30, 2009, 2010 and 2011 were $5,253,110, $5,038,156 and $4,864,387, respectively, equal to the actuarially required contributions for each year.

Police Officers Retirement System (SCPORS)
Effective July 1, 2010, the employer contribution rate became 11.33 percent which includes 0.20 percent towards group life insurance. Contributions to SCPORS for the years ended June 30, 2009, 2010 and 2011 were $4,144,042, $3,860,867, and $4,232,847, respectively, equal to the actuarially required contribution rates for each year.

V. RECENT ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" for periods beginning after June 15, 2009. The City implemented the Statement during the year ended June 30, 2011. The Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By implementing the Statement, the City recognized a deferred outflow (asset) of $2,763,592 and an offsetting derivative instrument liability of $2,763,592 which resulted in no effect to net assets for governmental activities in the Statement of Net Assets. The Statement also resulted in the City recognizing a deferred outflow (asset) of $13,368,431 and offsetting derivative instrument liability of $13,368,431 which resulted in no effect to net assets for business-type activities in the Statement of Net Assets and Statement of Fund Net Assets – Proprietary Funds. See Note VII. for further details regarding the derivative instruments.

The GASB has issued Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34." The objective of this statement is to improve financial reporting for a government financial reporting entity. The requirements of Statement No. 14, "The Financial Reporting Entity" and the related financial reporting requirements of Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." were amended to better meet user needs and to address reporting issues that have arisen since the issuance of those Statements. The Statement is effective for periods beginning after June 15, 2012. The City is currently evaluating the future effect of this Statement on its financial statements.

The GASB has issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this statement is to incorporate Financial Accounting Standards Board standards, Accounting Principles Board standards, and Accounting Research Bulletins, not conflicting with GASB pronouncements, and issued on or before November 30, 1989 in the GASB authoritative literature. The Statement is effective for periods beginning after December 15, 2011. The City is currently evaluating the future effect of this Statement on its financial statements.

CITY-0008563

ROA-1018

VI. COMMITMENTS AND CONTINGENCIES

A. FEDERAL GRANTS

In the normal course of operations, the City receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed by City officials to be material.

B. LITIGATION

The City is a party to legal proceedings that normally occur in government operations. The City is involved in unresolved legal actions concerning construction contracts and other matters. The City believes its positions are meritorious and is vigorously defending its positions. The City's estimate of ultimate loss has been recorded as a liability in the Risk Management Fund financial statements (Note II. C).

C. CENTRAL MIDLANDS REGIONAL TRANSIT AUTHORITY ("CMRTA")

In 2002, the City entered into a conveyance agreement with South Carolina Electric & Gas Company ("SCE&G"). The basic premise of this agreement was to convey the operations of the CMRTA from SCE&G to the direction of the City. The CMRTA was established in October 2002, and is committed to providing safe, dependable and accessible public transit service to the heart of the Midlands, including Columbia, Cayce, West Columbia, Forest Acres, Arcadia Lakes, Springdale and the St. Andrews area. Under the conveyance agreement SCE&G agreed to transfer funds of $15,000,000 and $17,290,000, both under installment agreements, to the City. The City then entered into an agreement with CMRTA to transfer these SCE&G payments to the CMRTA. In addition to transferring the SCE&G funds to the CMRTA, the City also made the following commitments:

1. The City agreed to pay CMRTA the amount of $1,000,000 annually on each October 1 beginning October 1, 2003; provided, however, that if a dedicated tax or dedicated source of revenue is approved to provide funds for the operation of transit services, the City's obligation under this Section shall cease on the first anniversary of the approval of the dedicated source of revenue. As of June 30, 2011, no dedicated tax or dedicated source of revenue has been approved. The payments continue in perpetuity until an alternate source of revenue is approved.

2. The City agreed to transfer to the CMRTA on the effective date all amounts budgeted by the City but unspent for all expenses related to the trolley service for fiscal year 2002/2003. Thereafter, the City shall pay the CMRTA the amount of $90,000 as verified by the current budget for the fiscal year 2002/2003 annually for seven years on each October 1 beginning October 1, 2003; however, if a dedicated tax or dedicated source of revenue is approved to provide funds for the operation of transit services, the City's obligation under this Section shall cease on the first anniversary of the approval of the dedicated source of revenue. As of June 30, 2011, no dedicated tax or dedicated source of revenue has been approved.

On July 9, 2009, the City and SCE&G amended the conveyance agreement. The amendment requires that SCE&G remit $4,000,000 to the City in two equal installments of $2,000,000 in lieu of conveying the Huger Street bus barn property. The first installment was made contemporaneously with the execution of the amendment and the second was made during the current fiscal year. If needed, these payments will be available for payment to CMRTA.

CITY-0008564

ROA-1019

VII. INTEREST RATE SWAP AGREEMENTS

Swap One – The City maintains an interest rate swap to hedge exposure against rising interest rates. The City entered into an interest rate swap agreement related to the 2009 Waterworks and Sewer Bonds on September 20, 2007 with an effective date of September 15, 2009. The counterparty is J.P. Morgan. The City agreed to pay a fixed rate to J.P. Morgan and receive a variable rate while paying a variable rate to bond holders. Semi-annually, the City pays a fixed rate of 4.354% to J.P. Morgan and monthly, receives a variable rate based on the average Securities Industry and Financial Markets Association ("SIFMA") index rate. J.P. Morgan makes the interest payments to the bondholders out of the amount received from the City. The purpose of the swaps was to effectively change the variable rate bonds to fixed rate bonds. The bonds and related swap agreement mature February 2038. The notional amount of the swap equals the principal amount of the associated bonds and decreases simultaneously with the reduction in the principal amount of the associated bonds. As of June 30, 2011, the notional amount was $81,860,000.

The obligation of the City to make regularly scheduled payments under the interest rate swap agreement is junior and subordinate to the City's obligation to make debt service payments on its outstanding revenue bonds. The obligation of the City to make any termination payments under the swaps is junior and subordinate to the obligation to make debt service payments on bonds. Under the swap agreement, if the City modifies the bond ordinance, the counterparty has certain limited rights to consent to modifications to the swap agreement, which would affect the rights of the counterparty under the swap. J.P Morgan does not require collateral to be posted to reduce credit risk exposure.

During the year ended June 30, 2011, the City made variable bond interest payments in the amount of $152,088 and fixed rate payments on the swap in the amount of $3,564,184. The City also received variable payments on the swap in the amount of $208,304. The net of variable payments on the bonds and receipts on the swap was $56,216.

Swap Two and Three - One of the City's blended component units, the Columbia Parking Facilities Corporation (the "Corporation") maintains two interest rate swaps to hedge exposure to rising interest rates. The Corporation entered into two variable-to-fixed interest rate swap agreements related to $13,070,000 and $5,185,000 bonds payable. The agreements were entered into in February 2007 and were effective on February 23, 2007 and March 1, 2007, respectively. The Counterparty is Branch Bank and Trust Corporation. The purpose of the swaps was to effectively change the variable rate bonds to fixed rate bonds. The swap agreements mature on March 1, 2017 and the related bonds mature in 2037. The notional amounts of the swaps equal the principal amounts of the associated bonds and decrease simultaneously with the reduction in the principal amounts of the associated bonds. As of June 30, 2011, the notional amounts were $12,200,000 and $4,689,142.

The swaps provide for monthly payment by the Corporation of a 5.085% and 6.815% fixed rate on a notional amount, having an amortization schedule equal to that of the bonds. In return, the counterparty will pay the Corporation a variable rate equal to 95% of the one-month London Interbank Offered Rate (LIBOR) and LIBOR plus 1.50% on each swaps' respective notional amount. At June 30, 2011, 95% of LIBOR was 0.177% and LIBOR plus 1.50% was 1.686%. The Corporation also makes interest payments to the bondholders at 95% of LIBOR and LIBOR, respectively (0.177% and 0.186% at June 30, 2011) on the outstanding principal amount.

The obligation of the Corporation to make regularly scheduled payments under the swaps ranks on a parity basis with the Corporation's obligation to make debt service payments on its outstanding bonds. Under certain circumstances, the swaps are subject to termination prior to their respective scheduled expiration dates and prior to the maturity of the bonds to which each such swap relates, in which event the Corporation may be obligated to make a substantial payment to the counterparty ("Termination Payments"). During fiscal year 2011, the Corporation made variable interest payments of $118,185 and the net settlement of variable receiver and fixed payer payments of $858,208. The market value of the swaps was ($1,943,612) and ($819,980) at June 30, 2011, respectively.

CITY-0008565

ROA-1020

VII. INTEREST RATE SWAP AGREEMENTS (Continued)

In the event that either party to the swap, BB&T or Columbia Parking Facilities Corporation, cannot perform on the agreement, no judgment for any deficiency will be sought or obtained against the City of Columbia. The University of South Carolina is solely responsible for payment if the Corporation cannot perform on the agreements.

		Fair Value at June 30, 2011			
Swap	Cash-flow hedges:	Classification	Amount	Change in fair value	Notional
1	Pay fixed interest rate swaps	Debt	$(13,368,431)	$1,931,630	$81,860,000
2&3	Pay fixed interest rate swaps	Debt	$(1,943,612) and $(819,980)	$198,395 and $79,577	$12,200,000 and $4,689,142

Swap	Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating*
1	Pay fixed interest rate swaps	Hedge of changes in cash flows of debt obligations	$81,860,000	September 15, 2009	February 1, 2038	Receive monthly average SIFMA rate and pay fixed rate of 4.354%	Aa1 / A+ / AA-
2&3	Pay fixed interest rate swaps	Hedge of changes in cash flows of debt obligations	$12,200,000 and $4,689,142	February 23, 2007 and March 1, 2007	March 1, 2017	Receive 95% of one month LIBOR and LIBOR plus 1.50% and pay fixed rates of 5.085% and 6.815%, respectively	A2 / A- / A+

* Moody's, S&P, and Fitch, respectively

CITY-0008566

ROA-1021

VII. INTEREST RATE SWAP AGREEMENTS (Continued)

Future debt service requirements

The following schedules detail the debt service requirements to maturity for the underlying debt instruments related to the interest rate swaps. The interest rates in effect at June 30, 2011 have been used for all future periods. The interest rates are variable and any changes will affect the interest paid and received under the swaps.

Waterworks and Sewer Bonds
Series 2009 (Swap One)

	Principal	Bondholder Interest	Interest Rate Swaps, Net	Total
2012	$ -	$ -	$ 3,490,510	$ 3,490,510
2013	-	-	3,490,510	3,490,510
2014	-	-	3,490,510	3,490,510
2015	-	-	3,490,510	3,490,510
2016	-	-	3,490,510	3,490,510
2017-2021	-	-	17,452,552	17,452,552
2022-2026	2,870,000	-	17,096,082	19,966,082
2027-2031	12,130,000	-	15,925,187	28,055,187
2032-2036	45,640,000	-	8,584,711	54,224,711
2037-2038	21,220,000	-	462,218	21,682,218
	$ 81,860,000	$ -	$ 76,973,300	$ 158,833,300

Parking Facilities Corporation
South Carolina JEDA Bond 2007 (Swap Two)

	Principal	Bondholder Interest	Interest Rate Swaps, Net	Total
2012	$ 360,000	$ 20,921	$ 581,143	$ 962,064
2013	380,000	20,250	562,491	962,741
2014	420,000	19,508	541,876	981,384
2015	420,000	18,766	521,261	960,027
2016	440,000	17,988	499,665	957,653
2017-2021	2,620,000	76,405	2,122,349	4,818,754
2022-2026	3,420,000	49,511	1,375,306	4,844,817
2027-2031	4,140,000	14,489	402,481	4,556,970
	$ 12,200,000	$ 237,838	$ 6,606,572	$ 19,044,410

Parking Facilities Corporation
Innovista Bonds Payable (Swap Three)

	Principal	Bondholder Interest	Interest Rate Swaps, Net	Total
2012	$ 120,000	$ 8,499	$ 234,351	$ 362,850
2013	120,000	8,275	228,196	356,471
2014	120,000	8,052	222,042	350,094
2015	120,000	7,829	215,887	343,716
2016	140,000	7,569	208,706	356,275
2017-2021	4,069,142	7,569	-	4,076,711
	$ 4,689,142	$ 47,793	$ 1,109,182	$ 5,846,117

CITY-0008567

ROA-1022

VII. INTEREST RATE SWAP AGREEMENTS (Continued)

Risks

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2011, the three swaps were in liability positions; therefore, the City is not exposed to credit risks. However, should interest rates change and the fair market value of the swaps becomes an asset position, the City would be exposed to credit risks. Credit ratings of the counterparties are summarized in the table at the table above.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the City's financial instruments or its cash flows. The city is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swaps. As LIBOR or the SIMFA swap index decreases, the City's liability upon early termination of the swaps increases.

Basis Risk - Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedge item are based on different reference rates. The City is exposed to basis risk on the interest rate swap hedging instrument related to the Waterworks and Sewer bonds because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the City pays on its hedge variable-rate debt. As of June 30, 2011 the interest rate on the City's hedged variable-rate debt was 0.06 percent, while the SIFMA swap index rate was 0.09 percent.

Termination Risk - Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the City's asset and liability strategy or will present the City with potentially significant unscheduled termination payments to the counterparty. Termination events exist for the interest rate swaps. Under the City's interest rate swap (Swap One), a decline in either party's credit rating below BBB or Baa2 in the case of S&P and Moody's, respectively, can trigger termination in addition to events that are customary for these types of transactions. The Corporation's interest rate swaps (Swaps Two and Three) may be terminated if the counterparty ceases to be a party to the credit support documents and the Corporation fails to replace the counterparty with a credit support provider acceptable to the counterparty.

Rollover Risk - Rollover risk is the risk that a hedging instrument associated with hedgeable item does not extend to the maturity of that hedgeable item. The Corporation is exposed to rollover risk because the hedging derivative instrument (Swap Two) associated with the hedgeable debt items do not extend to the maturity of the hedgeable debt items.

The City is not required to post collateral under any of the interest rate swap agreements.

VIII. SUBSEQUENT EVENTS

In August 2011, the City was authorized to issue and sell up to $18,000,000 of Revenue Bonds of which the pledged revenues will be derived from the hospitality fee. These bonds will be used to refund the 2004 Certificates of Participation as described in Note III. I. This refunding has not yet occurred as of the date of issuance of these financial statements.

In addition to the normal legal proceedings undertaken by the City, a class action lawsuit was filed in October 2011 alleging the City of Columbia used water and sewer system fees for purposes other than operations and improvement of the water and sewer system. The Plaintiffs are requesting an Order of the Court to return "all the money it took from the water/sewer fund for other purposes." The City does not believe the Plaintiff's position is meritorious.

CITY-0008568

ROA-1023

VIII. SUBSEQUENT EVENTS

On December 8, 2011, the City issued $127,265,000 of Waterworks and Sewer System Revenue Bonds. The bonds are to be repaid from revenues derived from the City's water and sewer system. Of the proceeds from the bonds, $100,000,000 (Series 2011A) is for improving and enlarging the sewer system. $27,265,000 (Series 2011B) is to refund a portion of the system's 2001 bond issue. Annual principal installments for Series 2011A range from $1,955,000 to $23,520,000 with interest rates of 2.0% to 5.0%. Payments will commence on 2/1/2013 and end on 2/1/2041. Periodic interest payments will be paid semi-annually through 2/1/2013 until principal payments begin at that time. Annual principal installments for Series 2011B range from $3,420,000 to $4,455,000 with interest rates of 4.0% to 5.0%. Payments will commence on 2/1/2013 and end on 2/1/2019. Periodic interest payments will be paid semi-annually through 2/1/2013 until principal payments begin at that time.

Also subsequent to year end, the City had made preliminary plans to authorize up to $6,000,000 of General Obligation Bonds. An ordinance permitting this bond issue had not been enacted at the date of issuance of these financial statements.

Lastly, subsequent to year end, City Council approved a modification of the retiree health benefit program. The City changed from a defined benefit to a defined contribution plan.

REQUIRED SUPPLEMENTARY INFORMATION

The Schedules of Funding Progress and Employer Contributions – Other Postemployment Benefits provide information relating to the City's adoption of GASB Statement No. 45.

Budgetary Comparison Schedule - General Fund provides information regarding the original budget, final budget, and actual results as compared to the final budget for the General Fund. The General Fund is the principal operating fund of the City that accounts for all financial resources not accounted for in other funds.

Notes to Budgetary Comparison Schedule provides information related to the budgetary basis of accounting used by the City as well as budget amendments made to the appropriated budget.

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30,
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government						
7/1/2010	$ -	$204,539,055	$204,539,055	0%	$ 87,650,526	233.36%
7/1/2009	-	161,846,704	161,846,704	0%	86,752,201	186.56%
7/1/2008	-	161,846,704	161,846,704	0%	92,885,005	174.24%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual Required Contribution	Actual Contribution	Net OPEB Liability	Percent Contributed
Primary Government				
2011	$ 16,520,860	$ 4,658,376	$39,900,000	28.20%
2010	15,431,034	5,169,167	27,855,546	33.50%
2009	15,431,034	4,726,349	16,716,085	30.63%

CITY OF COLUMBIA, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (UNAUDITED)

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes	$ 49,273,135	$ 49,273,126	$ 49,728,075	$ 454,949
License and permits	27,470,800	27,470,800	28,758,883	1,288,083
Intergovernmental revenue	11,087,058	11,087,058	11,734,994	647,936
Charges for services	9,032,605	9,032,605	6,945,419	(2,087,186)
Fines and forfeitures	913,611	913,611	889,048	(24,563)
Interest	129,050	129,050	998,081	869,031
Other revenues	125,935	145,908	1,038,331	892,423
Total revenues	98,032,194	98,052,158	100,092,831	2,040,673
EXPENDITURES				
General government	6,698,697	6,722,673	6,090,968	631,705
Judicial	2,515,924	2,515,924	2,267,244	248,680
Finance department	2,097,911	2,097,911	1,974,835	123,076
Development services and planning	4,007,142	4,007,142	3,635,412	371,730
Public safety	50,167,837	52,836,303	51,843,353	992,950
Parks and recreation	9,275,095	9,247,564	9,135,419	112,145
Public works	17,439,980	19,155,486	18,052,911	1,102,575
General services	4,193,076	4,220,607	3,644,002	576,605
Community promotion	175,000	175,000	172,450	2,550
Nondepartmental	2,951,129	2,923,929	3,082,402	(158,473)
Total expenditures	99,521,791	103,902,539	99,898,996	4,003,543
Excess (deficiency) of revenues over (under) expenditures	(1,489,597)	(5,850,381)	193,835	6,044,216
OTHER FINANCING SOURCES (USES)				
Transfers in	9,363,430	13,724,214	13,153,729	(570,485)
Transfers (out)	(7,873,833)	(7,873,833)	(14,900,732)	(7,026,899)
Sale of capital assets	0	0	144,703	144,703
Total other financing sources (uses)	1,489,597	5,850,381	(1,602,300)	(7,452,681)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	0	0	(1,408,465)	(1,408,465)
Fund balance-beginning	15,452,816	15,452,816	15,452,816	0
Fund balance- ending	$ 15,452,816	$ 15,452,816	$ 14,044,351	$ (1,408,465)

See accompanying notes to budgetary comparison schedule

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2011

BUDGETS AND BUDGETARY ACCOUNTING

A legal operating budget is prepared annually for the General Fund on the GAAP basis. Informal budgetary controls are maintained for other fund types, and therefore, budgetary comparisons to actual amounts are not presented.

The approved budget and amendments are legally enacted through passage of an ordinance authorizing the City Manager to administer the budget and to transfer necessary appropriations among funds. Additional budget appropriations must be approved by Council, and at the fund level expenditures may not legally exceed budgeted appropriations.

All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budget during and after the year. Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at year-end.

The final budget amendments presented are necessary based on the operating activities of the City. These amendments have been approved by City Council authorizations. These amendments have not been funded, however, they have been absorbed within the current years appropriated budget.

SCHEDULE OF CHANGES IN APPROPRIATED BUDGET
FOR YEAR ENDED JUNE 30, 2011

	Original Adopted Budget	Final Budget Amendments	Revised Budget
General Fund	$ 107,395,624	$ 4,380,748	$ 111,776,372

CITY-0008573

ROA-1028

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF REVENUES & OTHER FINANCING SOURCES
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property taxes	$ 45,041,499	$ 45,041,490	$ 45,301,055	$ 259,565
General property taxes - current	2,422,539	2,422,539	2,540,229	117,690
Real estate tax - Lexington County - current	0	0	21,801	21,801
Real estate tax - Lexington County - prior	0	0	31,886	31,886
Personal tax - Lexington County - current	1,050,000	1,050,000	1,058,944	8,944
Homestead exemption	56,145	56,145	58,624	2,479
Payment in lieu of taxes	702,952	702,952	715,536	12,584
Merchants inventory tax				
Total general property taxes	49,273,135	49,273,126	49,728,075	454,949
License and permits				
Business license	7,400,000	7,400,000	7,893,322	493,322
Business license - Telecommunications	1,150,000	1,150,000	1,022,309	(127,691)
Business license - Insurance	9,800,000	9,800,000	10,095,114	295,114
Delinquent business license	975,000	975,000	891,998	(83,002)
Delinquent business license - prior year	80,000	80,000	73,028	(6,972)
Business license franchise fees	6,850,000	6,850,000	7,576,515	726,515
Franchise fees - vendors	1,200	1,200	2,400	1,200
Business license sales tax audit	9,000	9,000	13,333	4,333
Audited license fees	60,000	60,000	105,554	45,554
Arts and craft permits	2,300	2,300	1,681	(619)
New business list sales	600	600	415	(185)
Business license ordinance sales	0	0	450	450
Business license contractor's decals	20,000	20,000	23,675	3,675
Group event license/permit	5,700	5,700	6,520	820
Building permits	708,000	708,000	623,178	(84,822)
Electrical permits	132,000	132,000	131,318	(682)
Plumbing permits	33,000	33,000	35,117	2,117
Gas permits	7,800	7,800	8,368	568
Sign permits	10,000	10,000	16,023	6,023
Heat permits	76,800	76,800	67,144	(9,656)
Zoning permits	36,000	36,000	45,832	9,832
Dog license	30,000	30,000	34,619	4,619
Chauffeur license	0	0	4,366	4,366
Other miscellaneous - business	81,300	81,300	84,558	3,258
Other miscellaneous - non business	2,100	2,100	2,046	(54)
Total license and permits	27,470,800	27,470,800	28,758,883	1,288,083
Intergovernmental revenues				
State shared	2,698,150	2,698,150	2,604,423	(93,727)
School resource officer services	0	0	183,070	183,070
SC Motor fuel tax reimbursement	0	0	4,976	4,976
State road improvements	0	0	56,336	56,336
Highway signal maintenance	288,908	288,908	288,908	0
Fire Rebate - Richland County	8,100,000	8,100,000	8,597,281	497,281
Total intergovernmental revenues	11,087,058	11,087,058	11,734,994	647,936

(Continued)

CITY-0008575

ROA-1030

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF REVENUES & OTHER FINANCING SOURCES
BUDGET AND ACTUAL
GENERAL FUND
(Continued)

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Charges for services				
Trade publication renewals	$ 6,700	$ 6,700	$ 9,166	$ 2,466
Support services	2,270,000	2,270,000	0	(2,270,000)
Return check service charges	0	0	2,171	2,171
Regulation code books	75	75	0	(75)
Duplicated business licenses	350	350	480	130
Project work	0	0	(320)	(320)
Compost sales	5,000	5,000	17,496	12,496
Recycling sales	85,000	85,000	102,833	17,833
Solid waste disposal fees	15,000	15,000	22,266	7,266
Commercial bulk container collection	0	0	2,195	2,195
Commercial bulk container disposal	0	0	145	145
Commercial roll cart disposal	59,000	59,000	43,669	(15,331)
Eleemosynary bulk container collection	0	0	29,556	29,556
Eleemosynary bulk container disposal	0	0	7,324	7,324
Eleemosynary roll cart collection	35,000	35,000	7,853	(27,147)
Eleemosynary roll cart disposal	10,000	10,000	1,946	(8,054)
Eleemosynary homeowner collection	10,000	10,000	0	(10,000)
Eleemosynary homeowner disposal	2,500	2,500	0	(2,500)
Six night service disposal	23,000	23,000	18,574	(4,426)
Tree and forestry lot clearance fees	0	0	39,129	39,129
Animal shelter fees - Richland County	325,000	325,000	328,245	3,245
Animal shelter fees	175,000	175,000	140,610	(34,390)
Employee animal clinic fees	1,000	1,000	791	(209)
Hydrant fees	5,485,500	5,485,500	5,427,046	(58,454)
Police accident report copies	25,000	25,000	27,347	2,347
Reimbursement police services	550	550	55,801	55,251
False fire alarm charges	20,000	20,000	16,201	(3,799)
Maxcy Gregg admissions fees	25,000	25,000	25,201	201
Drew Park admissions fees	300,000	300,000	387,594	87,594
Greenview pool admissions fees	15,000	15,000	14,666	(334)
Recreation athletics	45,800	45,800	66,038	20,238
Tennis court fees	25,000	25,000	41,009	16,009
Golf center	14,000	14,000	14,081	81
Other parks/recreation fees	50,000	50,000	84,306	34,306
Ticket rebate - Capital City Ball Park	0	0	12,000	12,000
Finlay Park ground reservation	4,130	4,130	0	(4,130)
Total charges for services	9,032,605	9,032,605	6,945,419	(2,087,186)
Fines and forfeitures				
Criminal court fines	100,000	100,000	124,506	24,506
Traffic court fines	775,000	775,000	722,388	(52,612)
Bond forfeiture from county courts	0	0	5,808	5,808
Late fees	197	197	56	(141)
Uniform ordinance inspections	6,374	6,374	2,763	(3,611)
Uniform ordinance animal control	8,000	8,000	1,712	(6,288)
Uniform ordinance business license	13,216	13,216	8,244	(4,972)
Uniform ordinance fire department	10,824	10,824	23,087	12,263
Uniform ordinance environmental health	0	0	314	314
Uniform ordinance zoning	0	0	170	170
Total fines and forfeitures	913,611	913,611	889,048	(24,563)
Revenues from use of money and property				
Interest on investments general	50,000	50,000	137,959	87,959
Interest gain/loss cost /market	0	0	506,385	506,385
Rents and royalties	79,050	79,050	353,737	274,687
Total revenues from use of money and property	129,050	129,050	998,081	869,031

(Continued)

CITY-0008576

ROA-1031

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF REVENUES & OTHER FINANCING SOURCES
BUDGET AND ACTUAL
GENERAL FUND
(Continued)

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Other revenues	$ 7,700	$ 7,700	$ 1,020,425	$ 1,012,725
Miscellaneous revenue	1,845	21,818	0	(21,818)
Reimbursement property damage	16,240	16,240	0	(16,240)
Collection agency	150	150	0	(150)
Police revolvers	100,000	100,000	0	(100,000)
Auction sales	0	0	17,906	17,906
Donations				
Total other revenues	125,935	145,908	1,038,331	892,423
Total revenues	98,032,194	98,052,158	100,092,831	2,040,673
OTHER FINANCING SOURCES				
Sale of property	0	0	144,703	144,703
Transfers from				
Water and sewer operating fund	4,500,000	4,500,000	4,730,131	230,131
Parking operating fund	1,000,000	1,000,000	0	(1,000,000)
Hospitality fund	2,300,000	2,300,000	2,303,459	3,459
Accommodations fund	25,000	25,000	339,371	314,371
Other funds	1,538,430	5,675,238	5,780,768	105,530
Unappropriated surplus transfer	0	223,976	0	(223,976)
Total Transfers	9,363,430	13,724,214	13,153,729	(570,485)
Total other financing sources	9,363,430	13,724,214	13,298,432	(425,782)
Total revenues and other financing sources	$ 107,395,624	$ 111,776,372	$ 113,391,263	$ 1,614,891

CITY-0008577

ROA-1032

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
General Government				
Legislative				
Personnel services	$ 334,815	$ 334,815	$ 482,687	$ (147,872)
Supplies	12,550	22,587	17,064	5,523
Other services and charges	190,172	204,111	100,243	103,868
Total Legislative	537,537	561,513	599,994	(38,481)
Executive/Administration				
Personnel services	490,648	490,648	457,778	32,870
Supplies	16,700	16,700	6,660	10,040
Other services and charges	61,500	61,500	23,312	38,188
Total Executive/Administration	568,848	568,848	487,750	81,098
Governmental Affairs				
Personnel services	221,475	221,475	223,796	(2,321)
Supplies	14,600	14,600	6,830	7,770
Other services and charges	185,462	185,462	165,932	19,530
Total Governmental Affairs	421,537	421,537	396,558	24,979
Assistant City Manager of Public Safety				
Personnel services	209,467	209,467	204,921	4,546
Supplies	9,200	9,200	2,175	7,025
Other services and charges	9,800	9,800	1,098	8,702
Total Administrative Operations	228,467	228,467	208,194	20,273
Assistant City Manager				
Personnel services	395,010	389,510	444,830	(55,320)
Supplies	4,750	4,750	2,383	2,367
Other services and charges	20,890	26,390	18,678	7,712
Total Administrative Services	420,650	420,650	465,891	(45,241)
Assistant City Manager for Administrative Services				
Personnel services	402,999	402,999	325,105	77,894
Supplies	6,655	2,355	1,702	653
Other services and charges	21,456	27,756	26,792	964
Total Neighborhood and Community Service Administration	431,110	433,110	353,599	79,511
Citizen's Support Services				
Personnel services	286,912	286,912	328,446	(41,534)
Supplies	16,530	16,530	13,922	2,608
Other services and charges	6,815	6,815	7,212	(397)
Total Citizen's Support Services	310,257	310,257	349,580	(39,323)
Office of Business Opportunities				
Personnel services	380,541	380,541	379,699	842
Supplies	10,550	19,550	15,340	4,210
Other services and charges	71,420	62,420	78,439	(16,019)
Total Business Enterprise Office	462,511	462,511	473,478	(10,967)

(Continued)

CITY-0008578

ROA-1033

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
GENERAL FUND
(Continued)

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Human Resources and Training	$ 725,894	$ 725,894	$ 738,727	$ (12,833)
Personnel services	38,437	36,437	37,526	(1,089)
Supplies	31,153	31,153	17,962	13,191
Other services and charges				
Total Human Resources and Training	795,484	793,484	794,215	(731)
Legal				
Personnel services	930,755	930,755	936,597	(5,842)
Supplies	55,412	57,412	41,196	16,216
Other services and charges	1,063,740	1,063,740	538,142	525,598
Capital outlay	5,000	3,000	689	2,311
Total Legal	2,054,907	2,054,907	1,516,624	538,283
Public Information	375,917	375,917	392,053	(16,136)
Personnel services	55,603	24,603	14,894	9,709
Supplies	35,869	66,869	38,138	28,731
Other services and charges				
Total Public Information	467,389	467,389	445,085	22,304
Total General Government	6,698,697	6,722,673	6,090,968	631,705
Judicial				
Municipal Court	2,165,940	2,166,840	2,128,144	38,696
Personnel services	62,879	68,359	50,112	18,247
Supplies	279,105	278,725	88,988	189,737
Other services and charges	8,000	2,000	0	2,000
Capital outlay				
Total Municipal Court	2,515,924	2,515,924	2,267,244	248,680
Total Judicial	2,515,924	2,515,924	2,267,244	248,680
Finance Department				
Administration	137,755	137,755	138,784	(1,029)
Personnel services	5,000	10,000	8,091	1,909
Supplies	75,816	70,816	3,576	67,240
Other services and charges				
Total Administration	218,571	218,571	150,451	68,120
Accounting	817,763	817,763	741,750	76,013
Personnel services	25,092	25,092	24,103	989
Supplies	115,533	115,533	143,158	(27,625)
Other services and charges				
Total Accounting	958,388	958,388	909,011	49,377

(Continued)

CITY-0008579

ROA-1034

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
GENERAL FUND
(Continued)

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Business License				
Personnel services	$ 630,697	$ 630,697	$ 660,397	$ (29,700)
Supplies	23,750	23,750	17,480	6,270
Other services and charges	29,790	29,790	28,426	1,364
Total Business License	684,237	684,237	706,303	(22,066)
Treasury				
Personnel services	153,734	153,734	155,628	(1,894)
Supplies	3,353	3,353	1,500	1,853
Other services and charges	79,628	79,628	51,942	27,686
Total Treasury	236,715	236,715	209,070	27,645
Total Finance Department	2,097,911	2,097,911	1,974,835	123,076
Development Services and Planning				
Development Services				
Personnel services	3,628,267	3,628,267	3,296,149	332,118
Supplies	166,675	167,751	143,925	23,826
Other services and charges	210,400	210,400	195,338	15,062
Capital outlay	1,800	724	0	724
Total Development Services	4,007,142	4,007,142	3,635,412	371,730
Total Development Services and Planning	4,007,142	4,007,142	3,635,412	371,730
Public Safety				
Police Department				
Administrative Services				
Personnel services	2,539,905	2,539,905	2,397,583	142,322
Supplies	446,983	447,621	416,418	31,203
Other services and charges	812,758	779,284	822,763	(43,479)
Total Administrative Services	3,799,646	3,786,810	3,636,764	130,046
Operations				
Personnel services	16,754,193	16,926,193	16,584,636	341,557
Supplies	618,585	847,727	1,010,286	(162,559)
Other services and charges	783,511	795,665	925,433	(129,768)
Capital outlay	0	1,041,092	1,041,092	0
Total Operations	18,156,289	19,610,677	19,561,447	49,230
Special Services				
Personnel services	6,037,720	6,037,720	5,530,208	507,512
Supplies	129,150	160,517	182,023	(21,506)
Other services and charges	80,031	135,990	130,140	5,850
Capital outlay	0	228,605	230,481	(1,876)
Total Special Services	6,246,901	6,562,832	6,072,852	489,980
Total Police Department	28,202,836	29,940,319	29,271,063	669,256

(Continued)

CITY-0008580

ROA-1035

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
GENERAL FUND
(Continued)

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Fire Department - City				
Administration	$ 543,963	$ 543,963	$ 572,646	$ (28,683)
Personnel services	22,044	22,334	16,489	5,845
Supplies	19,000	23,800	15,041	8,759
Other services and charges	21,300	16,200	7,980	8,220
Capital outlay				
Total Administration	606,307	606,297	612,156	(5,859)
Fire Prevention	1,210,019	1,210,019	1,116,848	93,171
Personnel services	40,300	36,430	31,408	5,022
Supplies	40,700	37,520	33,923	3,597
Other services and charges				
Total Fire Prevention	1,291,019	1,283,969	1,182,179	101,790
Fire Suppression	15,489,863	15,489,863	15,556,253	(66,390)
Personnel services	615,432	653,972	602,813	51,159
Supplies	1,095,697	1,125,757	1,118,274	7,483
Other services and charges	89,220	958,663	957,114	1,549
Capital outlay				
Total Fire Suppression	17,290,212	18,228,255	18,234,454	(6,199)
Fire Logistics	304,537	304,537	299,595	4,942
Personnel services	92,550	91,790	54,812	36,978
Supplies	79,915	80,775	77,370	3,405
Other services and charges	2,000	2,000	0	2,000
Capital outlay				
Total Fire Logistics	479,102	479,102	431,777	47,325
Total Fire Department - City	19,666,640	20,597,623	20,460,566	137,057
911 Emergency and 311 Center	2,149,920	2,149,920	2,040,140	109,780
Personnel services	34,725	34,725	22,232	12,493
Supplies	107,641	107,641	49,352	58,289
Other services and charges	6,075	6,075	0	6,075
Capital outlay				
Total 911 Emergency and 311 Center	2,298,361	2,298,361	2,111,724	186,637
Total Public Safety	50,167,837	52,836,303	51,843,353	992,950
Parks and Recreation				
Recreation	5,306,315	5,105,223	4,975,553	129,670
Personnel services	173,813	202,073	217,524	(15,451)
Supplies	871,594	988,415	968,520	19,895
Other services and charges	0	0	63,647	(63,647)
Capital outlay				
Total Recreation	6,351,722	6,295,711	6,225,244	70,467

(Continued)

CITY-0008581

ROA-1036

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
GENERAL FUND
(Continued)

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Parks				
Personnel services	$ 2,298,925	$ 2,258,925	$ 2,087,110	$ 171,815
Supplies	74,998	78,265	115,599	(37,334)
Other services and charges	236,683	303,163	345,193	(42,030)
Capital outlay	1,267	0	20,100	(20,100)
Special events	0	0	22,778	(22,778)
Total Parks	2,611,873	2,640,353	2,590,780	49,573
Swimming Pools				
Personnel services	126,112	126,112	134,354	(8,242)
Supplies	2,087	2,337	2,427	(90)
Other services and charges	600	350	1,051	(701)
Total Swimming Pools	128,799	128,799	137,832	(9,033)
Tennis Courts				
Personnel services	181,701	181,701	179,998	1,703
Supplies	1,000	1,000	725	275
Other services and charges	0	0	840	(840)
Total Tennis Courts	182,701	182,701	181,563	1,138
Total Parks and Recreation	9,275,095	9,247,564	9,135,419	112,145
Public Works				
Administration				
Personnel services	326,677	326,677	338,769	(12,092)
Supplies	32,900	32,430	17,042	15,388
Other services and charges	104,700	101,470	99,836	1,634
Total Administration	464,277	460,577	455,647	4,930
Solid Waste				
Personnel services	5,044,169	5,044,169	4,752,067	292,102
Supplies	1,221,175	1,228,875	910,344	318,531
Other services and charges	2,359,181	2,172,481	2,101,351	71,130
Capital outlay	15,000	1,423,519	1,732,609	(309,090)
Total Solid Waste	8,639,525	9,869,044	9,496,371	372,673
Streets and Storm Drains				
Personnel services	985,936	985,928	992,162	(6,234)
Supplies	198,746	214,706	188,464	26,242
Other services and charges	107,750	119,150	100,440	18,710
Capital outlay	30,000	353,662	319,492	34,170
Total Street and Storm Drains	1,322,432	1,673,446	1,600,558	72,888
Animal Control				
Personnel services	1,000,368	1,000,368	952,853	47,515
Supplies	157,525	148,195	120,510	27,685
Other services and charges	132,770	138,073	110,188	27,885
Capital outlay	15,000	116,227	127,835	(11,608)
Total Animal Control	1,305,663	1,402,863	1,311,386	91,477

(Continued)

ROA-1037

CITY-0008582

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
GENERAL FUND
(Continued)

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Forestry and Beautification	$ 1,737,704	$ 1,737,704	$ 1,360,997	$ 376,707
Personnel services	218,569	214,169	162,279	51,890
Supplies	250,925	226,825	206,340	20,485
Other services and charges	8,000	55,500	54,977	523
Capital outlay				
Total Forestry and Beautification	2,215,198	2,234,198	1,784,593	449,605
Traffic Engineering	1,290,676	1,290,676	1,198,927	91,749
Personnel services	152,004	189,128	145,625	43,503
Supplies	2,004,276	1,998,626	1,947,514	51,112
Other services and charges	45,929	36,928	112,290	(75,362)
Capital outlay				
Total Traffic Engineering	3,492,885	3,515,358	3,404,356	111,002
Total Public Works	17,439,980	19,155,486	18,052,911	1,102,575
General Services				
Information Technology	1,560,138	1,619,679	1,574,865	44,814
Personnel services	124,308	105,157	78,692	26,465
Supplies	983,367	942,977	746,623	196,354
Other services and charges	98,228	98,228	45,142	53,086
Capital outlay				
Total Information Technology	2,766,041	2,766,041	2,445,322	320,719
Public Buildings	324,557	352,088	303,718	48,370
Personnel services	55,750	55,750	27,759	27,991
Supplies	996,728	996,728	854,308	142,420
Other services and charges	50,000	50,000	12,895	37,105
Capital outlay				
Total Public Buildings	1,427,035	1,454,566	1,198,680	255,886
Total General Services	4,193,076	4,220,607	3,644,002	576,605
Community Promotion	2,900	0	0	0
Other services and charges	172,100	175,000	172,450	2,550
Community promotion				
Total Community Promotion	175,000	175,000	172,450	2,550
Nondepartmental				
Contingencies	2,381,129	2,325,929	1,113,998	1,211,931
Other services and charges	65,000	93,000	45,881	47,119
Community promotions				
Total Contingencies	2,446,129	2,418,929	1,159,879	1,259,050
Administration	505,000	505,000	502,632	2,368
Other services and charges				
Total Administration	505,000	505,000	502,632	2,368

(Continued)

CITY-0008583

ROA-1038

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
GENERAL FUND
(Continued)

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Bank Service Charges				
Other services and charges	$ 0	$ 0	$ (2,591)	$ 2,591
Total Bank Service Charges	0	0	(2,591)	2,591
Land Transactions				
Other services and charges	0	0	592,895	(592,895)
Total Land Transactions	0	0	592,895	(592,895)
Parking Facilities				
Other services and charges	0	0	829,587	(829,587)
Total Parking Facilities	0	0	829,587	(829,587)
Total Nondepartmental	2,951,129	2,923,929	3,082,402	(158,473)
Total Expenditures	99,521,791	103,902,539	99,898,996	4,003,543
OTHER FINANCING USES				
Transfers to Other Funds	5,421,114	5,421,114	5,421,114	0
Debt service	2,452,719	2,452,719	9,479,618	(7,026,899)
Transfers interfund				
Total Transfers to Other Funds	7,873,833	7,873,833	14,900,732	(7,026,899)
Total Expenditures and Other Financing Uses	$ 107,395,624	$ 111,776,372	$ 114,799,728	$ (3,023,356)

CITY-0008584

ROA-1039

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Accommodations Tax accounts for a 2% State Hotel Accommodations Tax receipts to promote activities of City organizations.

Tourism Development Convention Center accounts for a 3% Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and improvement of the services provided to tourists.

Business Improvement District accounts for the Business Improvement District taxes assessed on the businesses in the downtown area of the City to promote downtown beautification.

Hospitality Tax accounts for a 2% gross sales tax on prepared food and beverages sold in establishments to promote activities of City organizations.

Confiscated Drug Program accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies.

Franchise Fee accounts for a portion of franchise fee receipts used to support the transportation system.

Other Programs provides for miscellaneous programs for various community services and special events.

Community Development grants and awards accounts for the Community Development Block Grants and Emergency Shelter Grant.

Justice Department Grants accounts for receipt of Federal and State funds for programs to improve public safety and law enforcement to the community.

Other Grants accounts for the receipt of Federal and State funds for programs to improve public safety and law enforcement to the community, various tree-planting projects, and various public service and planning projects.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

Debt Service Funds

Debt Service accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City, other than debt service payments financed by proprietary fund types. Ad valorem taxes, interest earned on the investments of the Debt Service Fund and interest earned on investments of certain Capital Projects Funds are used for the payment of principal, interest, and fiscal agent expenditures on the City's general obligation and revenue bonds. There is a General Obligation ("GO") Bond Debt Service Fund and a Special District Bond Debt Service Fund. Each fund is set up to hold the investments set aside for the payments of the respective debt.

Capital Project Funds

Tax Increment District accounts for the construction and development of parks and infrastructure within the Congaree Vista District funded by tax increment district property tax revenues.

Streetscaping accounts for capital improvements to street landscaping.

General Capital Projects accounts for various capital improvements in the City.

Miscellaneous Projects accounts for various capital projects funded by the General Fund.

Permanent Trust

Anna Dickson Park Fund accounts for an endowment for which the investment income must be used to purchase flowers for the parks.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

	Special Revenue										
	Accommodations Tax	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Franchise Fee	Other Programs	Community Development Grants and Awards	Justice Department Grants	Other Grants	Totals
ASSETS											
Cash and cash equivalents	$ 0	$ 0	$ 0	$ 502,264	$ 717,353	$ 3,864,378	$ 865,605	$ 0	$ 0	$ 21,247	$ 5,971,851
Investments	0	1,789,605	0	481,704	221,380	0	0	0	0	0	2,502,689
Receivables, net								1,487,176	102,902	1,388,372	2,958,450
Federal government	0	0	0	0	0	0	0	0	0	0	628,928
State government	514,958	0	0	0	0	0	113,972	0	0	0	0
County	0	0	0	0	0	0	0	0	0	3,494	420,788
Accounts	0	406,838	0	0	0	0	10,347	0	0	0	2,905
Accrued interest	0	15	0	2,659	0	0	0	0	0	14,080	14,080
Prepaid charges	0	0	0	0	0	0	0	0	0	0	1,042,244
Due from other funds	0	0	0	1,042,344	0	0	0	0	0	0	
Total assets	$ 514,958	$ 2,206,558	$ 0	$ 2,029,102	$ 938,733	$ 3,864,378	$ 990,929	$ 1,487,176	$ 102,902	$ 1,407,193	$ 13,541,916
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	$ 259,068	$ 8,102	$ 0	$ 6,194	$ 15,986	$ 0	$ 10,075	$ 223,167	$ 21,509	$ 134,053	$ 683,080
Accrued salaries and benefits	0	0	0	0	0	0	10,397	18,238	13,852	75,211	117,698
Retainage payable	0	0	0	0	0	0	0	0	0	0	0
Deferred revenue	0	0	0	0	221,380	0	0	727	0	27,154	249,261
Due to other funds	81,264	0	0	0	0	0	47,681	1,245,026	67,541	1,170,760	2,622,272
Total liabilities	341,332	8,102	0	6,194	237,366	0	68,154	1,487,176	102,902	1,407,183	3,658,309
Fund balances:											
Nonspendable	0	0	0	0	0	0	0	0	0	14,080	14,080
Restricted	173,624	2,198,456	0	2,022,908	701,467	3,864,378	922,774	0	0	0	6,018,229
Committed	0	0	0	0	0	0	0	0	0	0	3,864,378
Assigned	0	0	0	0	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	0	0	0	(14,080)	(14,080)
Total fund balances	173,624	2,198,456	0	2,022,908	701,467	3,864,378	922,774	0	0	0	9,883,607
Total liabilities and fund balances	$ 514,958	$ 2,206,558	$ 0	$ 2,029,102	$ 938,733	$ 3,864,378	$ 990,928	$ 1,487,176	$ 102,902	$ 1,407,183	$ 13,541,916

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2011

	Debt Service			Capital Projects					Permanent Trust	Total Nonmajor Governmental Funds
	G. O. Bonds	Special District Bonds	Total	Tax Increment District	Streetscaping	General Capital Projects	Miscellaneous Projects	Total	Dickson Trust	
ASSETS										
Cash and cash equivalents	$ 0	$ 4,150,458	$ 4,150,458	$ 10,237,043	$ 11,431,689	$ 1,905,012	$ 479,676	$ 24,053,420	$ 0	$ 34,175,729
Investments	790,043	0	790,043	0	0	0	8,462,483	8,462,483	5,578	12,750,793
Receivables, net										
Federal government	0	0	0	0	1,785,129	0	0	1,785,129	0	4,743,570
State government	0	0	0	0	0	0	0	0	0	628,928
County	0	0	0	0	0	0	61,858	61,858	0	61,858
Accounts	0	0	0	0	0	0	0	0	0	420,769
Accrued interest	0	0	0	0	0	0	20	20	0	2,825
Prepaid charges	0	0	0	0	0	0	0	0	0	14,000
Due from other funds	0	0	0	0	0	1,957,670	1,228,602	3,184,272	0	4,226,516
Total assets	$ 790,043	$ 4,150,458	$ 4,940,501	$ 10,237,043	$ 13,216,809	$ 3,862,682	$ 11,230,440	$ 39,546,974	$ 5,578	$ 57,034,969
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	$ 0	$ 0	$ 0	$ 201,105	$ 570,200	$ 40,222	$ 10,669	$ 822,196	$ 0	$ 1,491,276
Accrued salaries and benefits	0	0	0	0	0	0	0	0	0	117,896
Retainage payable	0	0	0	89,180	0	51,468	0	140,648	0	140,648
Deferred revenue	0	0	0	0	0	0	0	0	0	248,201
Due to other funds	0	0	0	0	0	0	4,226,517	4,226,517	0	6,948,789
Total liabilities	0	0	0	290,285	570,200	91,690	4,237,186	5,189,361	0	9,847,670
Fund balances:										
Nonspendable	0	0	0	0	0	0	0	0	5,000	19,000
Restricted	790,043	4,150,458	4,940,501	9,946,758	0	0	6,993,254	16,940,012	578	27,900,320
Committed	0	0	0	0	0	0	0	0	0	3,864,378
Assigned	0	0	0	0	12,646,609	3,770,992	0	16,417,601	0	16,417,601
Unassigned	0	0	0	0	0	0	0	0	0	(14,000)
Total fund balances	790,043	4,150,458	4,940,501	9,946,758	12,646,609	3,770,992	6,993,254	33,357,613	5,578	48,187,299
Total liabilities and fund balances	$ 790,043	$ 4,150,458	$ 4,940,501	$ 10,237,043	$ 13,216,809	$ 3,862,682	$ 11,230,440	$ 39,546,974	$ 5,578	$ 57,034,969

CITY-0008588

ROA-1043

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	Special Revenue										
	Accommodation Tax	Tourism Development Convention Center	Business Improvement District	Hospitality Tax	Confiscated Drug Program	Franchise Fee	Other Programs	Community Development Grants and Awards	Justice Department Grants	Other Grants	Totals
REVENUES	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,578,171	$ 423,550	$ 3,853,576	$ 10,125,240
Federal government	0	0	0	0	0	0	384,980	0	0	0	1,927,002
State government	1,442,812	0	0	0	0	0	0	0	0	0	2,796,486
County government	0	1,884,344	822,055	0	0	0	226,143	0	0	0	229,148
Promotions	0	0	0	0	0	0	0	0	0	0	671,891
Confiscated funds	0	0	0	0	871,891	0	0	0	0	0	3,358,023
Sales taxes	0	0	0	3,354,022	0	0	0	0	0	0	40,290
Interest	0	599	0	39,894	0	0	0	0	0	0	7,340,774
Other revenues	0	2,592,881	0	0	171,791	3,854,378	607,534	0	0	0	
Total revenues	1,442,812	4,477,824	822,055	3,393,722	843,742	3,854,378	1,217,672	5,578,171	423,550	3,853,576	31,191,852
EXPENDITURES											
Current	0	0	0	33,787	0	0	694,773	5,154,581	0	3,811,448	9,728,587
General government	0	0	0	0	152,162	0	0	0	330,311	0	548,459
Public safety	0	0	0	0	0	0	0	0	0	0	0
Public services	0	0	0	4,600,732	0	0	0	0	0	0	7,470,643
Community promotion	1,364,729	1,563,182	822,275	0	0	0	0	0	0	0	822,275
Other charges	0	0	0	0	0	0	0	0	0	0	1,650,898
Debt Service	0	1,850,000	0	0	0	0	0	0	0	0	1,298,775
Principal payment on bonds	0	1,298,775	0	0	0	0	0	0	0	0	6,455
Interest on bonds	0	6,455	0	0	0	0	0	0	0	0	0
Fiscal agent charges	0	0	0	0	0	0	0	0	0	0	
Debt issuance costs											
Capital outlay	0	0	0	0	122,883	0	0	0	63,548	128,676	297,327
Capital outlay											
Total expenditures	1,364,729	4,448,423	822,275	4,634,519	290,851	0	694,773	5,154,581	423,858	3,932,422	22,008,532
Excess (deficiency) of revenues over (under) expenditures	77,883	29,598	(218)	3,863,203	557,791	3,854,378	527,249	644,530	(10,308)	(68,845)	9,183,320
OTHER FINANCING SOURCES (USES)	0	0	218	0	0	0	278,237	214,888	10,308	68,323	573,977
Transfers in	(339,371)	0	0	(4,378,703)	0	0	(200,828)	(859,423)	0	(438)	(5,778,863)
Transfers (out)	0	0	0	0	0	0	0	0	0	0	0
Bond issuance	0	0	0	0	0	0	0	0	0	0	0
Premium on bond issuance	0	0	0	0	0	0	0	0	0	0	0
Payments to refunded bond escrow agent											
Total other financing sources (uses)	(339,371)	0	218	(4,378,703)	0	0	79,211	(644,535)	10,308	68,845	(5,205,031)
Net change in fund balances	(261,488)	29,598	0	(517,500)	557,791	3,854,378	606,560	0	0	0	3,978,289
Beginning fund balances(deficits)	435,112	2,158,858	0	2,540,408	143,676	0	316,264	0	0	0	5,905,318
Ending fund balances (deficits)	$ 173,624	$ 2,188,456	$ 0	$ 2,022,908	$ 701,467	$ 3,854,378	$ 922,774	$ 0	$ 0	$ 0	$ 9,883,607

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended June 30, 2011

	Debt Service			Capital Projects					Permanent Trust	Total Nonmajor Governmental Funds
	G. O. Bonds	Special District Bonds	Total	Tax Increment District	Streetscaping	General Capital Projects	Miscellaneous Projects	Total 2011	Dickson Trust	
REVENUES										
Federal government	$ 0	$ 0	$ 0	$ 0	$ 1,883,765	$ 0	$ 0	$ 1,883,765	$ 0	$ 12,919,193
State government	0	0	0	0	0	0	144,388	144,388	0	1,571,391
County government	0	0	0	0	0	0	0	0	0	2,706,488
Promotions	0	0	0	0	0	0	0	0	0	229,148
Confiscated funds	0	0	0	0	0	0	0	0	0	871,991
Sales taxes	0	0	0	0	0	0	0	0	0	8,359,028
Interest	0	28,922	28,922	0	0	0	804	804	3	70,025
Other revenues	0	0	0	0	0	0	0	0	0	7,240,774
Total revenues	0	28,922	28,922	0	1,883,765	0	145,293	2,038,851	3	33,954,734
EXPENDITURES										
Current										
General government	0	0	0	0	0	48,687	4,748	53,348	0	8,779,835
Public safety	0	0	0	0	0	0	0	0	0	543,456
Public services	0	0	0	0	0	648,832	493,875	1,041,957	0	1,041,957
Community promotion	0	0	0	0	0	0	0	0	0	7,678,643
Other charges	0	0	0	0	0	0	2,837	2,837	0	825,212
Debt Service										
Principal payment on bonds	2,738,000	815,000	3,585,000	0	0	0	0	0	0	5,215,886
Interest on bonds	852,887	660,691	1,513,578	0	0	0	0	0	0	2,600,354
Fiscal agent charges	0	2,575	2,575	0	0	0	0	0	0	8,040
Debt issuance costs	0	0	0	0	0	0	276,774	276,774	0	276,774
Capital outlay										
Capital outlay	0	0	0	1,528,541	3,693,338	551,183	0	5,758,793	0	8,067,098
Total expenditures	3,592,887	1,488,266	5,081,153	1,528,541	3,693,338	1,148,367	777,532	7,144,778	0	34,234,464
Excess (deficiency) of revenues over (under) expenditures	(3,592,887)	(1,488,338)	(5,052,325)	(1,528,541)	(1,795,591)	(1,148,367)	(632,239)	(5,105,728)	3	(974,730)
OTHER FINANCING SOURCES (USES)										
Transfers in	3,584,785	3,394,889	6,979,894	1,855,713	1,857,821	2,419,085	1,327,318	7,459,938	0	15,043,588
Transfers (out)	0	0	0	0	0	(18,758)	(8,857,356)	(8,876,114)	0	(14,791,148)
Bond proceeds	0	0	0	0	0	0	10,220,050	10,220,050	0	10,220,050
Premium on bond issuance	0	0	0	0	0	0	682,383	682,383	0	682,383
Payments to refunded bond escrow agent	0	0	0	0	0	0	(10,282,999)	(10,282,999)	0	(10,282,999)
Total other financing sources (uses)	3,584,785	3,394,889	6,979,894	1,855,713	1,857,821	2,400,311	2,089,410	8,207,255	0	9,951,918
Net change in fund balances	1,718	1,906,851	1,927,368	357,172	62,348	1,250,944	1,451,171	3,101,527	3	8,977,188
Beginning fund balances(deficits)	788,325	2,234,827	3,023,172	8,588,588	12,584,589	2,520,048	5,562,083	33,255,585	5,575	39,180,111
Ending fund balances (deficits)	$ 790,043	$ 4,150,678	$ 4,940,501	$ 8,945,758	$ 12,648,885	$ 3,770,992	$ 6,993,254	$ 33,357,813	$ 5,578	$ 48,157,299

CITY-0008590

NONMAJOR PROPRIETARY FUNDS

Nonmajor Proprietary Funds are used to account for operations of the City (a) that are financed and operated in a manner similar to private business, where the intent is for the cost of providing goods or services to be recovered, in whole or in part, through user charges; or (b) where the City Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. These funds include:

Hydro-Electric Facilities Fund accounts for hydro electric plant activities.

Storm Water Facilities Fund accounts for storm water utility activities.

Redevelopment Programs Fund accounts for various home rehabilitation and mortgage lending programs funded from various sources.

Parks and Recreation Camp Fund accounts for the parks and recreations camp activities.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
June 30, 2011

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,393,251	$ 8,924,460	$ 6,048,582	$ 289,690	$ 16,655,983
Investments	0	1,918,188	0	0	1,918,188
Accounts receivable, net	1,500,000	854	0	0	1,500,854
Mortgage notes receivable, net	0	0	450,873	0	450,873
Accrued interest receivable	0	51,346	0	0	51,346
Due from component units	0	0	588,894	0	588,894
Prepaid expenses	0	958	0	454	1,412
Real estate held for resale	0	0	166,770	0	166,770
Total current assets	2,893,251	10,895,806	7,255,119	290,144	21,334,320
Noncurrent assets:					
Mortgage notes receivable, net	0	0	21,972,371	0	21,972,371
Investments	0	6,640,956	0	0	6,640,956
Accounts receivable, net	3,500,000	0	0	0	3,500,000
Capital assets:					
Land	327,169	13,940	0	0	341,109
Buildings, improvements and utility plant	16,173,300	8,014,757	0	0	24,188,057
Machinery and equipment	0	1,462,049	0	0	1,462,049
Less, accumulated depreciation	(2,830,328)	(1,829,882)	0	0	(4,660,210)
Construction in progress	0	482,267	0	0	482,267
Net capital assets	13,670,141	8,143,131	0	0	21,813,272
Total noncurrent assets	17,170,141	14,784,087	21,972,371	0	53,926,599
Total assets	$ 20,063,392	$ 25,679,893	$ 29,227,490	$ 290,144	$ 75,260,919
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	$ 34,219	$ 232,611	$ 151,403	$ 9,517	$ 427,750
Accrued salaries and benefits	0	85,080	0	36,618	121,698
Compensated absences	0	19,409	0	648	20,057
Retainage payable	0	31,421	0	0	31,421
Contract payable	645,601	0	0	0	645,601
Deferred revenue	1,500,000	0	0	0	1,500,000
Total current liabilities	2,179,820	368,521	151,403	46,783	2,746,527
Noncurrent libilities:					
Contract payable	1,291,202	0	0	0	1,291,202
Compensated absences	0	77,638	0	0	77,638
Deferred revenue	3,500,000	0	0	0	3,500,000
Total non-current liabilities	4,791,202	77,638	0	0	4,868,840
Total liabilities	6,971,022	446,159	151,403	46,783	7,615,367
Net Assets:					
Investment in capital assets, net of related debt	13,670,141	8,143,131	0	0	21,813,272
Unrestricted	(577,771)	17,090,603	29,076,087	243,361	45,832,280
Total net assets	13,092,370	25,233,734	29,076,087	243,361	67,645,552
Total liabilities and net assets	$ 20,063,392	$ 25,679,893	$ 29,227,490	$ 290,144	$ 75,260,919

ROA-1047

CITY-0008592

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Totals
Operating revenues:					
Charges for services	$ 0	$ 4,778,442	$ 0	$ 226,238	$ 5,004,680
Other operating revenue	851,431	0	646,954	0	1,498,385
Total operating revenue	851,431	4,778,442	646,954	226,238	6,503,065
Operating expenses:					
Personnel services	0	2,480,489	0	199,576	2,680,065
Materials and supplies	0	258,689	0	35,699	294,388
Other services and charges	0	1,998,424	63,268	33,364	2,095,056
Heat, light and power	1,291,756	0	0	0	1,291,756
Depreciation	323,466	484,126	0	0	807,592
Bad debt expense	0	0	542,997	0	542,997
Total operating expenses	1,615,222	5,221,728	606,265	268,639	7,711,854
Operating income (loss)	(763,791)	(443,286)	40,689	(42,401)	(1,208,789)
Nonoperating revenues (expenses):					
Investment income (loss)	0	251,981	14,968	0	266,949
Gain (loss) from sale of assets	0	19,471	263,163	0	282,634
Total nonoperating revenues (expenses)	0	271,452	278,131	0	549,583
Income (loss) before transfers	(763,791)	(171,834)	318,820	(42,401)	(659,206)
Transfers:					
Transfers in	0	1,745,404	266,411	73,606	2,085,421
Transfers out	0	0	(1,722,333)	0	(1,722,333)
Total transfers:	0	1,745,404	(1,455,922)	73,606	363,088
Change in net assets	(763,791)	1,573,570	(1,137,102)	31,205	(296,118)
Net assets - beginning	13,856,161	23,660,164	30,213,189	212,156	67,941,670
Net assets - ending	$ 13,092,370	$ 25,233,734	$ 29,076,087	$ 243,361	$ 67,645,552

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	Hydro Electric Facilities Fund	Storm Water Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 2,851,431	$ 4,777,588	$ 646,954	$ 226,238	$ 8,502,211
Payments to suppliers	(3,909,093)	(2,344,441)	(872,536)	(64,180)	(7,190,250)
Payments to employees	0	(2,539,168)	0	(191,789)	(2,730,957)
Net cash provided by (used in) operating activities	(1,057,662)	(106,021)	(225,582)	(29,731)	(1,418,996)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to (from) others	0	(3,585,270)	0	0	(3,585,270)
Transfers in	0	1,745,404	266,411	73,606	2,085,421
Transfers out	0	0	(1,722,333)	0	(1,722,333)
Net cash provided by (used in) noncapital and related financing activities	0	(1,839,866)	(1,455,922)	73,606	(3,222,182)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	0	(255,638)	0	0	(255,638)
Proceeds from sale of capital assets	0	33,550	0	0	33,550
Net cash used by capital and related financing activities	0	(222,088)	0	0	(222,088)
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments, net	0	1,089,171	263,163	0	1,352,334
Advances of mortgage notes receivable	0	0	6,413,731	0	6,413,731
Collections of mortgage notes receivable	0	0	(5,929,386)	0	(5,929,386)
Interest received	0	271,524	14,968	0	286,492
Sale of real estate held for resale	0	0	870,196	0	870,196
Net cash provided by investing activities	0	1,360,695	1,632,672	0	2,993,367
Net increase (decrease) in cash and cash equivalents	(1,057,662)	(807,280)	(48,832)	43,875	(1,869,899)
Cash and cash equivalents, July 1, 2010	2,450,913	9,731,740	6,097,414	245,815	18,525,882
Cash and cash equivalents, June 30, 2011	$ 1,393,251	$ 8,924,460	$ 6,048,582	$ 289,690	$ 16,655,983
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	$ (763,791)	$ (443,286)	$ 40,689	$ (42,401)	$ (1,208,789)
Adjustment to reconcile operating income to net cash provided by (used in) operating activities					
Depreciation	323,466	484,126	0	0	807,592
Bad debt expense	0	0	542,997	0	542,997
Change in operating assets and liabilities					
Accounts receivable	(3,000,000)	(854)	0	0	(3,000,854)
Prepaid expenses	0	698	0	0	698
Accounts payable	28,264	(200,323)	(809,268)	4,883	(976,444)
Contracts payable	(2,645,601)	0	0	0	(2,645,601)
Accrued salaries	0	16,992	0	7,139	24,131
Accrued compensated absences	0	36,626	0	648	37,274
Deferred revenue	5,000,000	0	0	0	5,000,000
Total adjustments	(293,871)	337,265	(266,271)	12,670	(210,207)
Net cash provided by (used in) operating activities	$ (1,057,662)	$ (106,021)	$ (225,582)	$ (29,731)	$ (1,418,996)

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or to other governments, on a user charge basis. These funds include:

Fleet Management accounts for the maintenance and repair of vehicles.

Support Services accounts for a decentralized governmental and enterprise inventory system, a central supply facility, procurement functions and the City's general maintenance functions.

Risk Management accounts for the costs associated with self-funded liability plans for employee health, worker's compensation, unemployment and tort liability for all City departments.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS/(DEFICITS)
INTERNAL SERVICE FUNDS
June 30, 2011

	Fleet Management	Support Services	Risk Management	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	$ 756	$ 114,557	$ 45,531,611	$ 45,646,924
Accounts receivable	88,496	0	902,258	990,754
Prepaid expenses	200,944	84,557	255,671	541,172
Inventory	0	530,412	0	530,412
Total current assets	290,196	729,526	46,689,540	47,709,262
Noncurrent assets:				
Deposits	0	0	78,745	78,745
Capital assets				
Buildings	903,586	0	0	903,586
Machinery and equipment	2,153,008	749,211	18,428	2,920,647
Less, accumulated depreciation	(2,384,241)	(574,915)	(18,428)	(2,977,584)
Total capital assets (net of accumulated depreciation)	672,353	174,296	0	846,649
Total noncurrent assets	672,353	174,296	78,745	925,394
Total assets	$ 962,549	$ 903,822	$ 46,768,285	$ 48,634,656
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ 682,966	$ 411,458	$ 786,166	$ 1,880,590
Accrued salaries and benefits	78,945	29,530	11,396	119,871
OPEB liability	0	0	39,900,000	39,900,000
Accrued compensated absences	27,591	58,700	23,396	109,687
Due to other funds	61,927	380,510	0	442,437
Accrued liability for claims	0	0	14,468,681	14,468,681
Total current liabilities	851,429	880,198	55,189,639	56,921,266
Non-Current Liabilities:				
Accrued compensated absences	110,364	23,624	2,279	136,267
Total non-current liabilities	110,364	23,624	2,279	136,267
Total liabilities	961,793	903,822	55,191,918	57,057,533
NET ASSETS				
Investment in capital assets	672,353	174,296	0	846,649
Unrestricted	(671,597)	(174,296)	(8,423,633)	(9,269,526)
Total net assets (deficit)	756	0	(8,423,633)	(8,422,877)
Total liabilities and net assets	$ 962,549	$ 903,822	$ 46,768,285	$ 48,634,656

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS/(DEFICITS)
INTERNAL SERVICE FUNDS
Year Ended June 30, 2011

	Fleet Management	Support Services	Risk Management	Total
Operating revenues:				
Charges for services	$ 9,917,759	$ 1,449,153	$ 32,491,483	$ 43,858,395
Total operating revenues	9,917,759	1,449,153	32,491,483	43,858,395
Operating expenses:				
Personnel services	2,320,104	822,146	12,398,472	15,540,722
Materials and supplies	12,184,808	686,693	15,422	12,886,923
Contractual services	25,042	282,255	0	307,297
Heat, light and power	49,664	0	0	49,664
Other charges and services	238,466	929,852	2,450,121	3,618,439
Claims and premiums	0	0	24,981,817	24,981,817
Depreciation	118,732	63,377	0	182,109
Total operating expenses	14,936,816	2,784,323	39,845,832	57,566,971
Operating loss	(5,019,057)	(1,335,170)	(7,354,349)	(13,708,576)
Non-operating revenues:				
Gain on sale of assets	8,055	25,574	0	33,629
Total non-operating revenues	8,055	25,574	0	33,629
Loss before transfers	(5,011,002)	(1,309,596)	(7,354,349)	(13,674,947)
Transfers in	5,011,758	1,331,045	4,753,341	11,096,144
Transfers out	0	(21,449)	(1,925,433)	(1,946,882)
Net Transfers	5,011,758	1,309,596	2,827,908	9,149,262
Change in net assets	756	0	(4,526,441)	(4,525,685)
Net assets (deficit) - beginning	0	0	(3,897,192)	(3,897,192)
Net assets (deficit) - ending	$ 756	$ 0	$ (8,423,633)	$ (8,422,877)

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CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2011

	Fleet Management	Support Services	Risk Management	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 9,860,468	$ 1,449,153	$ 32,483,611	$ 43,793,232
Payments to suppliers	(7,679,539)	(1,679,861)	(25,750,697)	(35,110,097)
Payments to employees	(2,313,310)	(808,852)	(348,898)	(3,471,060)
Net cash (used in) provided by operating activities	(132,381)	(1,039,560)	6,384,016	5,212,075
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to (from) others	(4,878,621)	(40,378)	0	(4,918,999)
Transfers in	5,011,758	1,331,045	4,753,341	11,096,144
Transfers out	0	(21,449)	(1,925,433)	(1,946,882)
Net cash provided by noncapital financing activites	133,137	1,269,218	2,827,908	4,230,263
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	0	(150,401)	0	(150,401)
Net cash provided by (used in) capital and related financing activities	0	(150,401)	0	(150,401)
Net increase in cash and cash equivalents	756	79,257	9,211,924	9,291,937
Cash and cash equivalents, July 1, 2010	0	35,300	36,319,687	36,354,987
Cash and cash equivalents, June 30, 2011	$ 756	$ 114,557	$ 45,531,611	$ 45,646,924
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES				
Operating loss	$ (5,019,057)	$ (1,335,170)	$ (7,354,349)	$ (13,708,576)
Adjustment to reconcile operating loss to net cash (used in) provided by operating activities				
Depreciation	118,732	63,377	0	182,109
Transfer of capital assets	4,458,847	25,574	0	4,484,421
Change in operating assets and liabilities				
Accounts receivable	(57,291)	0	(7,872)	(65,163)
Inventory	0	(94,073)	0	(94,073)
Prepaid expenses	0	0	43,211	43,211
Accounts payable	359,594	287,438	195,415	842,447
Accrued salaries	11,127	8,392	1,321	20,840
Accrued compensated absences	(4,333)	4,902	3,799	4,368
OPEB liability	0	0	12,044,454	12,044,454
Accrued liability for claims	0	0	1,458,037	1,458,037
Total adjustments	4,886,676	295,610	13,738,365	18,920,651
Net cash (used in) provided by operating activities	$ (132,381)	$ (1,039,560)	$ 6,384,016	$ 5,212,075

CITY-0008598

ROA-1053

SUPPLEMENTARY INFORMATION

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED JUNE 30, 2011

Court Fines and Assessments		
Fines Collected	$	822,525
Assessments		817,991
Surcharges		411,233
Total Court Fines and Assessments Collected	$	2,051,749
Surcharges and Assessments Remitted to State Treasurer		
Fines, Fees and Filing Fee / Assessment		
Municipal Conditional Discharge Fee	$	5,250
DUI/DUS/BUI		
Municipal DUI Assessment		2,436
Municipal DUI Surcharge		3,600
DUI/DUAC Breathalyzer Test Conviction Fee - SLED		75
Surcharges		
Municipal Drug Surcharge		2,750
Municipal Law Enforcement Surcharge		311,110
Criminal Justice Academy Surcharge		56,565
Other Assessments - State Shared		719,153
Total Revenue Remitted to State Treasurer	$	1,100,939
Fines, Surcharges and Assessments Retained by City		
Fines	$	822,525
Assessments		91,077
Surcharges		37,208
Total Revenue Retained by City	$	950,810
Funds Allocated to Victims Assistance		
Carryover Funds from Prior Year	$	0
Assessments Retained		91,077
Surcharges Retained		37,208
Expenditures		(259,127)
Transfers from General Fund		130,842
Total Unexpended Victims Assistance	$	0

STATISTICAL SECTION

CITY OF COLUMBIA, SOUTH CAROLINA

General Governmental Expenditures by Function (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Government (including Judicial)	Finance Department	Public Safety	Public Services	Parks and Recreation	General Services	Intergovernmental Expenses	(2) Non-Departmental	Debt Service	Total
2002	$ 41,835,074	$ 794,471	$ 33,818,006	$ 15,081,382	$ 6,397,916	$ 2,256,629	$ 0	$ 6,737,131	$ 4,633,150	$ 111,553,759
2003	50,192,834	889,279	37,735,689	17,609,130	8,318,793	2,489,298	0	8,068,918	4,969,839	130,274,680
2004	49,734,715	1,022,332	38,176,476	22,669,683	7,753,513	2,467,729	0	7,915,399	7,138,852	136,878,699
2005	47,678,771	1,192,351	37,548,549	25,087,460	13,063,008	2,366,418	0	7,122,359	6,765,479	140,824,395
2006	48,566,619	1,252,432	37,555,878	21,433,541	6,857,319	5,181,242	0	18,208,113	9,800,114	148,855,158
2007	32,010,968	1,747,050	42,204,031	20,907,423	8,969,135	3,221,626	0	40,249,283	11,450,613	160,760,119
2008	32,949,833	2,583,820	55,694,907	21,341,887	11,172,198	3,873,214	6,462,450	30,699,723	21,584,613	187,362,645
2009	34,409,327	2,601,962	54,666,060	19,926,127	9,889,048	3,847,700	0	30,526,620	13,071,798	168,937,632
2010	35,196,478	1,953,988	48,782,688	17,257,530	9,133,663	3,537,722	0	24,096,131	8,657,308	148,614,498
2011	35,368,820	1,974,835	52,391,812	19,094,868	9,135,419	3,644,002	0	20,051,584	9,440,787	151,092,127

(1) Includes total governmental funds.

(2) Includes non-departmental, community promotions, planning, community development, capital outlay of special revenue and paid to component units and other charges.

CITY-0008602

ROA-1057

CITY OF COLUMBIA, SOUTH CAROLINA

General Governmental Revenues by Source (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Property Taxes (2)	Hospitality Taxes	Licenses and Permits	Fines and Forfeitures (3)	Revenues From Use of Money and Property	Inter-governmental Revenues	Charges for Services (4)	Grants and Other Revenues (5)	Total
2002	$ 34,670,479	$ 0	$ 22,576,535	$ 986,247	$ 1,371,073	$ 30,318,580	$ 9,351,199	$ 6,687,714	$ 105,961,827
2003	36,233,504	0	23,487,750	881,319	853,450	26,535,765	9,420,593	17,949,043	116,361,424
2004	36,099,720	5,506,276	25,431,285	792,154	52,231	29,191,496	9,517,515	11,723,684	118,314,361
2005	36,529,356	6,580,448	26,666,050	903,730	1,114,238	22,563,698	6,059,904	8,574,582	108,992,006
2006	41,548,505	6,972,280	27,911,017	788,374	1,869,260	32,327,219	7,708,719	10,403,418	129,528,792
2007	46,684,713	7,571,767	31,162,106	786,187	3,512,130	37,782,027	8,412,727	8,423,821	144,335,478
2008	45,540,299	8,051,364	29,961,967	910,061	3,451,240	41,207,353	7,200,753	8,234,349	144,567,426
2009	48,292,387	8,070,790	29,691,085	922,675	1,282,669	49,177,437	7,166,064	7,543,001	152,046,108
2010	48,930,564	7,941,705	27,418,693	864,112	417,458	50,886,025	7,004,163	5,843,972	149,306,692
2011	49,728,075	8,359,028	28,758,883	889,048	1,068,106	47,352,805	6,945,737	9,171,214	152,272,896

(1) Includes total governmental funds. Transfers from enterprise funds are excluded.

(2) Includes Local Option Sales Tax revenues

(3) Certain parking fees and fines were pledged to the parking enterprise fund.

(4) Includes indirect cost reimbursement from water and sewer facilities fund.

(5) Includes sale of property.

CITY OF COLUMBIA, SOUTH CAROLINA

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Taxes Collected	Delinquent Tax Collections (2)	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy (2)	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2002	$ 30,747,522	$ 27,930,552	90.84	$ 1,542,794	$ 29,473,346	95.86	$ 1,136,150	3.70
2003	30,717,596	28,041,551	91.29	1,663,305	29,704,856	96.70	1,155,090	3.76
2004	30,246,616	28,162,482	93.11	1,574,590	29,737,072	98.32	770,230	2.55
2005	30,483,195	27,959,678	91.72	1,632,522	29,592,200	97.08	797,804	2.62
2006	36,175,090	34,021,898	94.05	1,216,010	35,237,908	97.41	482,045	1.33
2007	39,338,096	38,398,690	97.61	1,011,744	39,410,434	100.18	600,849	1.53
2008	43,166,262	42,270,086	97.92	1,348,627	43,618,713	101.05	1,642,910	3.81
2009	48,642,762	46,502,075	95.60	1,322,443	47,824,518	98.32	2,255,637	4.64
2010	49,514,889	46,637,386	94.19	2,293,178	48,930,564	98.82	2,408,694	4.86
2011	49,454,262	47,105,225	95.25	2,622,850	49,728,076	100.55	2,260,636	4.57

(1) Includes only 80% of taxes levied on real property on which the assessment has been appealed.

(2) This represents delinquent taxes collected within the fiscal year. A breakdown of delinquent tax collections by year of tax is not available. Therefore, the ratio of total tax collections to total tax levy may exceed 100%.

CITY OF COLUMBIA, SOUTH CAROLINA

Assessed and Estimated Actual Value of Property (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Tax Year	Real Property (2) Assessed Value	Real Property (2) Estimated Actual Value	Personal Property (4) Assessed Value (3)	Personal Property (4) Estimated Actual Value	Total Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed Value To Estimated Actual Value
2002	2001	$ 213,751,250	$ 4,306,304,426	$ 120,460,950	$ 1,172,654,757	$ 334,212,200	$ 5,478,959,183	6.10
2003	2002	218,320,328	4,397,310,301	115,566,596	1,150,448,599	333,886,916	5,547,758,900	6.02
2004	2003	225,199,267	4,527,472,624	103,567,184	1,063,887,735	328,766,451	5,591,360,359	5.88
2005	2004	228,375,270	4,591,392,500	102,543,149	1,069,412,879	330,918,419	5,660,805,379	5.85
2006	2005	286,201,640	5,920,364,697	102,642,841	1,128,091,643	388,844,481	7,048,456,340	5.52
2007	2006	292,337,560	6,045,640,063	108,588,202	1,178,467,212	400,925,762	7,224,107,275	5.55
2008	2007	308,221,850	6,240,046,571	112,847,593	1,353,108,906	421,069,443	7,593,155,477	5.55
2009	2008	344,361,680	7,060,929,803	113,237,212	1,354,280,788	457,598,892	8,415,210,591	5.44
2010	2009	386,566,370	7,933,397,705	111,006,869	1,308,826,126	497,573,239	9,242,223,831	5.38
2011	2010	395,897,190	8,042,657,033	101,465,789	1,231,433,192	497,362,979	9,273,990,225	5.36

(1) Total assessed value based upon assessment ratios set by state statutes.

(2) Includes only 80% of taxes levied on real property on which the assessment has been appealed.

(3) Merchants inventory tax was eliminated in 1987. Funds are appropriated by the state to make up the loss of revenues from the phase-out. A higher minimum assessed value was also established for autos. The merchant inventory assessment is not included in the total assessed value, however, it is included when calculating the legal bond debt limit.

(4) Personal Property includes all Manufacturing Property, Utilities and Railroads in Richland County.

Note: The Act, which provides for statewide uniform assessment ratios, established assessment rates of 10.5% for manufacturers' equipment, furniture, and fixtures; 6% for autos; and either 6% or 4% for real estate. A county-wide reassessment of real property and manufacturers was completed in 2009 tax year for Richland County. The source for the non-accounting data above is the assessment and millage worksheets received from Richland and Lexington Counties.

CITY-0008605

ROA-1060

CITY OF COLUMBIA, SOUTH CAROLINA

Property Tax Rates - Direct and Overlapping Governments
(Per $1,000 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

Tax Year	Millage	County Purposes Millage	Richland County School District No. 1 (1) School Millage	Richland County School District No. 1 (1) Total Overlapping District 1CC	Richland County School District No. 2 School Millage	Richland County School District No. 2 Total Overlapping District 2CC	Richland / Lexington School District No. 5 School Millage	Richland / Lexington School District No. 5 Total Overlapping District 6CC
2001	92.0	65.7	215.1	372.8	230.0	387.7	235.4	393.1
2002	92.0	70.8	238.9	401.7	258.1	420.9	255.6	418.4
2003	92.0	76.3	280.4	448.8	281.8	450.2	267.5	435.9
2004	92.0	80.0	289.1	461.1	289.5	461.5	266.4	438.4
2005	83.6	78.0	266.0	427.6	279.0	440.6	234.6	396.2
2006	99.0	76.4	282.7	458.1	295.4	470.8	253.0	428.4
2007	102.5	77.9	299.1	479.5	311.1	491.5	274.7	455.1
2008	106.3	81.1	306.1	493.5	324.2	511.6	284.4	471.8
2009	98.1	78.7	307.5	484.3	365.4	542.2	275.8	452.6
2010	98.1	79.7	311.5	489.3	366.4	544.2	289.4	467.2

(1) The City of Columbia is primarily situated in School District No. 1 of Richland County.

CITY-0008606

ROA-1061

CITY OF COLUMBIA, SOUTH CAROLINA

Principal Taypayers
(Unaudited)

Year Ended June 30, 2011

Taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
South Carolina Electric & Gas	Electric & Gas Utility	$ 12,346,110	2.48%
Bellsouth Telecom Inc.	Communications	8,022,550	1.61%
UnumProvident Corporation	Insurance	3,134,952	0.63%
US REIF/MJW Capital Center Fee	Real Estate	2,740,240	0.55%
Colonial Life & Accident	Insurance	1,949,966	0.39%
Time Warner Ent.-Advance	Communications	1,874,120	0.38%
SC Heritage Assoc	Tourism	1,559,250	0.31%
Assembly Station Columbia LLC	Real Estate	1,484,450	0.30%
Parkway Properties LP	Real Estate	1,469,490	0.30%
B of A Plaza Columbia LLC	Real Estate	1,440,370	0.29%
Totals		$ 36,021,498	7.24%

CITY OF COLUMBIA, SOUTH CAROLINA

Computation of Legal Debt Margin
(Unaudited)

Year Ended June 30, 2011

Assessed value as of January 1, 2011		
City limits Richland County	$	470,578,819
City limits Lexington County		26,784,160
Total		497,362,979
Business inventory 1987 assessed value		6,667,290
Total assessed value (see note)	$	504,030,269
Debt limit - Eight (8%) percent of assessed value, without voters' approval	$	40,322,422
Amount of debt applicable to debt limit:		
Total general bonded debt		30,055,000
Legal debt margin without a referendum	$	10,267,422

Note: The City's borrowing power is restricted by amended Article X, Section 14, of the State Constitution which became effective November 30, 1977. This Section provides that a local government unit cannot at any time have total debt outstanding in any amount that exceeds eight percent (8%) of its assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness levies assessed on properties located in an area receiving special benefits from the taxes collected; and bonded indebtedness existing on November 30, 1977.

CITY-0008608

CITY OF COLUMBIA, SOUTH CAROLINA

Ratio of Net General Obligation Bonded Debt per Capita
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Payable From Enterprise Revenues (4)	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
2002	116,278	$ 334,212,200	$ 8,520,924	$ 875,924	$ 7,645,000	2.29	$ 65.75
2003	117,394	333,886,916	23,194,620	644,620	22,550,000	6.75	192.09
2004	117,394	328,766,461	21,803,315	423,315	21,380,000	6.50	182.12
2005	117,394	331,339,063	20,320,000	210,000	20,110,000	6.07	171.30
2006	117,394	388,844,481	18,830,000	1,400,000	17,430,000	4.48	148.47
2007	116,278	400,925,762	17,430,000	0	17,430,000	4.35	149.90
2008 *	124,818	421,069,443	28,155,000	1,291,202	26,863,798	6.38	216.22
2009	128,299	457,698,892	25,695,000	0	25,695,000	5.62	200.27
2010	129,333	497,573,239	23,125,000	0	23,125,000	4.65	178.80
2011	129,272	497,362,979	30,055,000	0	30,055,000	6.04	232.49

(1) Source: Bureau of the Census and current Planning Department of the City of Columbia, South Carolina.

(2) From assessed value of property as furnished by Richland & Lexington counties.

(3) Amount does not include revenue bonds.

(4) This amount represents the general obligation refunding bond that is being repaid from the parking operating fund.

* Change from prior year amount

CITY OF COLUMBIA, SOUTH CAROLINA

Ratio of Annual Debt Service Expenditures
General Obligation Bonded Debt (1)
Total General Governmental Expenditures (3)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Principal (1)	Interest (2)	Total Debt Service	Total General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures
2002	$ 595,000	$ 385,398	$ 980,398	$ 95,858,067	1.0
2003	595,000	667,546	1,262,546	105,298,901	1.2
2004	1,170,000	955,943	2,125,943	113,119,371	1.9
2005	1,270,000	914,545	2,184,545	119,787,994	1.8
2006	1,280,000	868,318	2,148,318	148,855,158	1.4
2007	1,400,000	810,798	2,210,798	160,750,119	1.4
2008 *	1,410,000	986,607	2,396,607	187,362,646	1.3
2009	2,545,000	1,098,634	3,643,634	168,937,632	2.2
2010	2,570,000	1,017,659	3,587,659	148,614,498	2.4
2011	2,730,000	714,998	3,444,998	151,092,127	2.3

(1) General obligation bonds reported in the enterprise funds have been excluded.

(2) Excludes bond issuance and other costs.

(3) Includes total governmental funds.

* Change from prior year amount

CITY OF COLUMBIA, SOUTH CAROLINA

Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
(Unaudited)
Year Ended June 30, 2011

Jurisdiction	City of Columbia Direct General Obligation Bonded Debt Outstanding	Estimated Applicable Percentage	Overlapping General Obligation Bonded Debt Outstanding
Direct:			
City of Columbia	$ 30,055,000	100.00%	$ 30,055,000
Overlapping:			
Richland County School District No. 1	496,865,000	53.56%	266,136,321
Richland County School District No. 2	418,170,000	5.95%	24,864,274
Richland County School District No. 5	129,705,000	9.78%	12,688,138
General purposes - Richland County	43,940,000	31.78%	13,965,319
General purposes - Lexington County	40,496,993	2.50%	1,011,418
Riverbanks Park District	10,125,000	19.48%	1,972,467
Total Overlapping	1,139,301,993		320,637,937
Total	$ 1,169,356,993		$ 350,692,937

CITY OF COLUMBIA, SOUTH CAROLINA

Revenue Bond Coverage
Water and Sewer Bonds

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
2002	$ 77,671,344	$ 29,891,043	$ 47,780,301	$ 13,420,000	$ 6,985,440	$ 20,405,440	2.34
2003	78,738,660	34,344,036	44,394,624	9,033,368	11,062,110	20,095,478	2.21
2004	77,856,380	41,513,901	36,342,479	8,969,249	11,124,590	20,093,839	1.81
2005	78,864,065	44,812,297	34,051,768	8,965,071	11,122,212	20,087,283	1.70
2006	92,726,369	51,852,947	40,873,422	14,915,000	7,052,737	21,967,737	1.86
2007	101,657,409	53,436,775	48,220,634	9,275,000	7,889,584	17,164,584	2.81
2008	118,014,221	61,347,698	56,666,523	9,865,000	7,419,673	17,284,673	3.28
2009	110,181,495	58,541,111	51,640,384	10,410,000	6,880,982	17,290,982	2.99
2010	113,389,385	76,393,887	36,995,498	11,295,000	7,673,174	18,968,174	1.95
2011	110,749,377	79,584,775	31,164,602	11,905,000	12,724,467	24,629,467	1.27

(1) Gross revenues are defined by the bond ordinance of 1991 as "all fees, tolls, rates, rentals and charges to be levied and collected in connection with, and all other income and receipts of whatever kind of character derived by the City from the operation of the system or arising from the system." Accordingly, gross revenues include operating revenues, interest revenues, and gains/losses on disposals of capital assets.

(2) Direct operating expenses include all operating and maintenance expenses except depreciation.

The next highest annual debt service requirement is $25,917,772 for fiscal year ending June 30, 2012

CITY-0008612

ROA-1067

CITY OF COLUMBIA, SOUTH CAROLINA

Revenue Bond Coverage
Parking Bonds

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Revenue Base (1)	Expense Base (2)	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
2002	$ 5,462,605	$ 1,555,459	$ 3,907,146	$ 360,000	$ 355,451	$ 715,451	5.46
2003	5,755,703	1,709,237	4,046,466	380,000	336,761	716,761	5.65
2004	5,630,996	1,892,203	3,738,793	395,000	316,703	711,703	5.25
2005	6,213,474	1,914,254	4,299,220	415,000	295,336	710,336	6.05
2006 *	5,091,104	(621,433)	5,712,537	440,000	2,455,384	2,895,384	1.97
2007 *	4,859,393	(1,282,446)	6,141,839	460,000	2,455,384	2,915,384	2.11
2008 *	5,765,193	490,704	5,274,489	740,000	2,429,153	3,169,153	1.66
2009 *	6,190,809	(445,684)	6,636,493	780,000	2,388,322	3,168,322	2.09
2010 *	4,549,663	(403,643)	4,953,306	825,000	2,344,732	3,169,732	1.56
2011 *	4,365,608	756,006	3,609,602	870,000	2,298,059	3,168,059	1.14

(1) The Bond Ordinance earnings test prescribes that "The average of the aggregate of revenue paid into the Gross Revenue Fund for the two fiscal years immediately preceding the fiscal year in which additional bonds are proposed to be issued, as certified to by a Certified Public Accountant, shall be not less than one hundred thirty five per centum (135%) of the highest combined interest and principal requirements of any succeeding year of all bonds, for all additional bonds which may be then issued, and for all additional bonds then proposed to be issued." Gross revenues include operating revenues, interest revenues, and gains/losses on disposal of capital assets less non-moving violations and late fees.

(2) Direct operating expenses include all operating and maintenance expenses except depreciation, interest expense, and transfers.

* These amounts have changed from prior years based on the bond coverage formula that was recalculated by the City. These changes involved adding back certain expenses to total operating expenses and removing certain revenues from gross revenues as described in the above notes.

CITY OF COLUMBIA, SOUTH CAROLINA

Demographic Statistics

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2002	116,278	$ 27,879	25,732	5.4%
2003	117,394	28,577	25,304	4.2%
2004	117,394	29,419	25,770	6.9%
2005	117,394	30,810	24,589	5.7%
2006	117,394	32,308	24,060	6.2%
2007	116,278	32,238	23,658	5.1%
2008	127,029	33,943	24,179	5.8%
2009	127,029	34,600	24,590	9.8%
2010	129,333	34,847	23,119	9.2%
2011	129,272	35,096	22,898	10.5%

Sources:
(1) Bureau of the Census and Current Planning Department of the City of Columbia.
(2) US Department of Commerce, Bureau of Economic Analysis
(3) Richland County School District One.
(4) South Carolina Employment Security Commission. (Labor market information).

CITY-0008614

ROA-1069

CITY OF COLUMBIA, SOUTH CAROLINA

Property Value, Construction and Bank Deposits

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property Value (Estimated Actual Value)			Commercial Construction (1)		Residential Construction (1)		Bank Deposits (2)
	Commercial	Residential	Total	No. of Units	Value	No. of Units	Value	
2002	$ 2,075,747,467	$ 2,229,672,050	$ 4,305,419,517	56	$ 36,417,036	448	$ 62,723,046	$ 5,224,624
2003	4,077,296,267	2,243,842,000	6,321,138,267	18	32,943,996	352	58,318,234	5,247,678
2004	2,142,707,533	2,360,137,200	4,502,844,733	83	98,682,615	538	73,330,695	5,676,259
2005	2,285,978,500	2,356,197,750	4,641,176,250	24	34,381,801	522	95,558,797	7,090,704
2006	2,680,175,167	3,134,568,250	5,814,743,417	78	95,097,082	847	110,239,753	7,832,236
2007	2,742,031,630	2,923,932,400	5,665,964,030	51	88,313,998	1,548	144,516,429	8,565,386
2008	2,228,698,817	2,046,781,375	4,275,480,192	60	117,112,809	708	81,871,255	9,554,642
2009	3,088,016,303	3,972,813,500	7,060,829,803	32	115,323,008	783	76,178,625	10,119,806
2010	3,452,034,130	4,481,363,577	7,933,397,707	18	19,787,832	310	32,840,575	9,638,304
2011	3,538,722,894	4,503,829,137	8,042,552,031	13	8,504,058	232	28,881,790	9,526,000

(1) Inspection Division of the City of Columbia.

(2) Federal Reserve Bank of Richmond, Virginia FY1995-2002. Data represents Columbia MSA as of June 30.
Beginning 2003 source: (FDIC) Federal Deposit Insurance Corp. Represented to the ($000) thousand power.

CITY OF COLUMBIA, SOUTH CAROLINA

Net Assets by Component
Last Three Fiscal Years
(Unaudited)

	2011	2010	2009
Governmental activities			
Invested in capital assets, net of related debt	$ 142,944,260	$ 141,865,590	$ 150,922,216
Restricted	27,905,320	24,099,819	29,048,807
Unrestricted	23,268,401	22,191,216	9,278,935
Total governmental activities net assets	$ 194,117,981	$ 188,156,625	$ 189,249,958
Business-type activites			
Invested in capital assets, net of related debt	$ 414,942,578	$ 438,133,821	$ 445,685,893
Restricted	9,231,571	9,231,571	0
Unrestricted	172,585,075	149,856,362	146,880,212
Total business-type activities net assets	$ 596,759,224	$ 597,221,754	$ 592,566,105
Primary Government			
Invested in capital assets, net of related debt	$ 557,886,838	$ 579,999,411	$ 596,608,109
Restricted	37,136,891	33,331,390	29,048,807
Unrestricted	195,853,476	172,047,578	156,159,147
Total primary government net assets	$ 790,877,205	$ 785,378,379	$ 781,816,063

CITY OF COLUMBIA, SOUTH CAROLINA

Changes in Net Assets
Last Three Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2011	2010	2009
Expenses			
Governmental activities:			
General government	$ 35,131,885	$ 53,883,052	$ 41,427,388
Judicial	2,697,932	2,360,125	2,364,353
Finance department	2,235,981	1,986,467	2,647,689
Community development	4,365,542	4,017,482	4,192,966
Public safety	58,762,428	50,615,722	57,138,835
Parks and recreation	11,445,882	8,681,126	11,142,423
Public services	21,229,705	17,884,065	20,798,283
General services	3,924,144	3,598,839	3,919,228
Community promotions	7,843,093	8,990,842	8,321,723
Interest on bonds	3,763,963	3,413,317	3,824,725
Non departmental	2,644,113	1,936,148	1,694,525
Total governmental activities expenses	154,044,669	157,367,185	157,472,138
Business-type activities:			
Water/sewer facilities	107,934,251	103,530,941	85,747,245
Hydro-electric plant	1,615,222	3,310,407	5,989,066
Storm water operating	5,169,916	4,117,396	3,148,296
Parking facilities	7,234,418	6,959,024	5,740,304
Redevelopment programs	606,265	4,704,419	960,872
Parks and recreation camp	268,639	248,705	0
Total business-type expenses	122,828,711	122,870,892	101,585,783
Total primary government expenses	$ 276,873,380	$ 280,238,077	$ 259,057,921
Program revenues			
Governmental activities:			
Charges for services	$ 53,502,663	$ 49,479,409	$ 53,314,387
Operating grants and contributions	35,000,087	34,616,143	29,022,624
Capital grants and contributions	3,618,198	5,851,833	11,318,774
Total governmental program revenues	92,120,948	89,947,385	93,655,785
Business-type activities:			
Charges for services	120,920,888	122,046,529	122,439,045
Capital grants and contributions	4,038,585	5,154,530	8,358,175
Total business-type program revenues:	124,959,473	127,201,059	130,797,220
Total primary government revenues	$ 217,080,421	$ 217,148,444	$ 224,453,005
Net (Expense)/Revenue			
Governmental activities	$ (61,923,721)	$ (67,419,800)	$ (63,816,353)
Business-type activities	2,130,762	4,330,167	29,211,437
Total primary government net revenue (expense)	$ (59,792,959)	$ (63,089,633)	$ (34,604,916)
General Revenues			
Governmental activities:			
Taxes	$ 35,775,181	$ 34,096,781	$ 35,042,668
LOST revenue	13,947,099	15,722,327	13,616,717
Sales taxes	8,359,028	7,941,705	8,070,790
Alcoholic beverages taxes	-	261,200	323,644
State shared revenue	2,604,423	3,037,888	3,622,407
Motor fuel taxes	4,976	11,024	1,059
Unrestricted investment earnings	1,068,106	417,459	1,282,669
Gain/Loss from disposal of capital assets	-	-	1,891,037
Transfers	6,126,263	4,838,083	8,580,988
Total general government revenues/transfers	$ 67,885,076	$ 66,326,467	$ 72,431,979
Business-type activities:			
Unrestricted investment earnings	3,389,883	5,146,089	5,589,423
Gain/Loss from disposal of capital assets	143,088	17,476	3,843,432
Transfers	(6,126,263)	(4,838,083)	(8,580,988)
Total business-type activities:	(2,593,292)	325,482	851,867
primary government general revenues	$ 65,291,784	$ 66,651,949	$ 73,283,846
Change in Net Assets			
Governmental activities	$ 5,961,355	$ (1,093,333)	$ 8,615,626
Business-type activities	(462,530)	4,655,649	30,063,304
Total primary government	$ 5,498,825	$ 3,562,316	$ 38,678,930

CITY OF COLUMBIA, SOUTH CAROLINA

Fund Balances, Governmental Funds
Last Three Fiscal Years
(Unaudited)

	2011	2010	2009
General Fund	**	**	$ 1,334,927
Reserved for encumbrances	**	**	188,343
Reserved for prepaid charges	**	**	5,300,625
Unreserved	**	**	$ 6,823,895
Total General Fund			
General Fund			**
Nonspendable	$ 493,807	$ 246,160	**
Committed	2,126,479	**	**
Assigned	-	1,538,430	**
Unassigned	11,424,065	13,668,226	**
Total General Fund	$ 14,044,351	$ 15,452,816	
All Other Governmental Funds	**	**	$ 16,501,855
Reserved for encumbrances	**	**	3,731
Reserved for prepaid charges			
Reserved	**	**	5,000
Nonexpendable	**	**	528
Expendable			
Unreserved, reported in:	**	**	7,173,627
Special revenue funds	**	**	1,288,755
Debt service funds	**	**	19,334,852
Capital projects funds	**	**	$ 44,308,348
Total all other governmental funds			
All Other Governmental Funds			**
Nonspendable	$ 23,458	$ 42,317	**
Restricted	27,900,320	24,099,819 *	**
Committed	3,864,378	-	**
Assigned	16,898,674	39,198,661	
Unassigned, reported in:			**
County Services fund	0	303,617	**
Special revenue funds	(14,080)	(31,068)	**
Total all other governmental funds	$ 48,672,750	$ 63,613,346	

* Amounts have been reclassified to conform to current year presentation.

**In 2010, the City adopted the provisions of GASB 54. The pronouncement did not require retrospective presentation and therefore, the categories of Fund Balance presented for fiscal years 2010 and 2011 do not apply to fiscal year 2009.

CITY OF COLUMBIA, SOUTH CAROLINA

Changes in Fund Balances, Governmental Funds
Last Three Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2011	2010	2009
Revenues			
General property taxes	$ 49,728,075	$ 48,930,564	$ 48,292,387
Hospitality taxes	8,359,028	7,941,705	8,070,790
Licenses and permits	28,758,883	27,418,693	29,591,085
Intergovernmental revenue	11,734,994	11,961,868	11,689,903
Charges for services	6,945,737	7,004,163	7,166,064
Fines and forfeitures	889,048	864,112	922,675
Federal government	12,019,998	16,205,021	15,391,313
State government	1,971,391	1,634,625	2,002,864
County government	21,626,422	21,084,511	20,093,357
Promotions	220,148	144,639	192,721
Confiscated drugs	671,961	74,057	291,003
Interest	1,068,106	417,458	1,282,669
Other revenues	8,279,105	3,355,276	4,789,277
Cost recovery fees	0	2,270,000	2,270,000
Total revenues	152,272,896	149,306,692	152,046,108
Expenditures			
Current			
General government	33,091,576	32,931,032	32,129,878
Judicial	2,267,244	2,264,446	2,279,449
Finance department	1,974,835	1,953,988	2,601,962
Community development	3,635,412	3,898,247	4,027,245
Public safety	52,391,812	48,782,688	54,665,050
Parks and recreation	9,135,419	9,133,653	9,889,048
Public services	19,094,868	17,257,530	19,926,127
General services	3,644,002	3,537,722	3,847,700
Community promotions	7,843,093	8,990,842	8,321,723
Non departmental	1,666,009	1,066,644	1,395,676
Other charges	825,212	729,482	8,357
Debt service			
Principle payment	5,655,000	5,205,034	9,144,966
Interest on bonds	3,776,747	3,444,234	3,899,408
Fiscal agent charges	9,040	8,040	27,424
Capital outlay			
Capital outlay	6,081,858	9,410,916	16,773,619
Total expenditures	151,092,127	148,614,498	168,937,632
Excess (definciency) of revenues over (under) expenditures	1,180,769	692,194	(16,891,524)
OTHER FINANCING SOURCES (USES)			
Transfers in	28,197,309	22,801,863	25,317,909
Transfers (out)	(31,220,308)	(19,811,164)	(22,775,520)
Proceeds from disposal of capital assets	144,703	156,782	2,531,802
Bond issuance	19,320,000	0	3,625,000
Premium on bond issuance	662,383	0	0
Payments to refunded bonds escrow agent	(10,262,899)	0	(3,540,000)
Proceeds from note payable issued	0	0	2,429,249
Total other financing sources (uses)	6,841,188	3,147,481	7,588,440
Net change in fund balances	$ 8,021,957	$ 3,839,675	$ (9,303,084)
Debt service as a percentage of noncapital expenses	7%	6%	9%

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics

(UNAUDITED)

Year Ended June 30, 2011

Date of Incorporation	
Town	**December 21, 1805**
City	**December 21, 1854**
Form of Government	**Council-Manager**
Area - Square Miles	**136.79**
Miles of Streets and Sidewalks	
Streets	**185**
Sidewalks	**120**
Miles of Sanitary Sewers	**1,100**
Building Permits	
Permits issued	**4,129**
Estimated Cost - taxable property	**198,096,315**
Estimated Cost - nontaxable property	**2,123,100**
Fire Protection	
Number of stations	**12**
Number of employees	**284**
Police Protection	
Number of Stations	**14**
Authorized strength:	
Full-time sworn	**383**
Part-time civilians	**7**
Full-time civilians	**71**
Recreation	
Parks and playgrounds - acres	**648**
City owned parks and playgrounds	**52**
Municipal Water Plants	**2**

	Inside City Limits	Outside City Limits	Total
Number of Meters Billed			
Water	**40,226**	**95,908**	**136,134**
Sewer	**32,585**	**36,974**	**69,559**
Daily Average consumption billed			**63,000,000**
Plant Capacity			**146,000,000**
Miles of water mains			**1,966.58**
Number of fire hydrants (in-City)			**5,300**

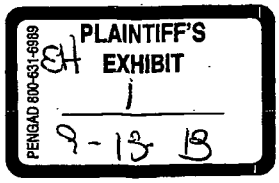
CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics (continued)

(UNAUDITED)

Year Ended June 30, 2011

Election Data	
Registered voters in the City (District 1C)	63,108
Number of votes cast last election	19,829
Percentage of registered voters voting	31.42%
Traffic Signals and Street Lights	
Controlled traffic signal intersections	262
Four-way flashing signal at intersections	16
School flashing signals	45
Number of street lights	10,190
Education (Public School System Only)	
City school system (Richland County School District 1)	
Number of school buildings	49
Number of teachers	2,022
Number of students registered	22,898
Average daily attendance:	
Elementary schools	10,727
Middle schools	4,944
High schools	6,468
Universities and Colleges	
Number of locations	8
Number of students registered	40,407
City of Columbia Permanent Employees	
Full-time	2,240
Part-time	78



IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
Columbia Division

THE UNITED STATES OF AMERICA and STATE OF SOUTH CAROLINA by and through the DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL, Plaintiffs, v. THE CITY OF COLUMBIA, Defendant.	)	Civil Action No. 3:13-2429-TLW CONSENT DECREE

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WHEREAS, Plaintiff, the United States of America ("United States"), by the authority of the Attorney General of the United States and through its undersigned counsel, acting at the request and on behalf of the United States Environmental Protection Agency ("EPA"), has filed a Complaint contemporaneously with the lodging of this Consent Decree alleging that Defendant, the City of Columbia, South Carolina ("Columbia"), has violated and continues to violate Section 301 of the Clean Water Act ("CWA"), 33 U.S.C. § 1311, and the terms and conditions of its National Pollutant Discharge Elimination System ("NPDES") permit issued under Section 402 of the CWA, 33 U.S.C. § 1342;

WHEREAS, Plaintiff, the South Carolina Department of Health and Environmental Control ("DHEC"), on behalf of the State of South Carolina ("State"), has joined in the Complaint and seeks injunctive relief and civil penalties for Columbia's alleged violations of the South Carolina Pollution Control Act ("SCPCA"), S.C. Code Ann. §§ 48-1-10 *et seq.*, and the regulations promulgated pursuant thereto. Section 309(e) of the CWA, 33 U.S.C. § 1319(e), requires the state in which a municipality is located to be joined as a party whenever the municipality is a party to a civil action brought by the United States under Section 309 of the CWA;

WHEREAS, Columbia is a "municipality" pursuant to Section 502 of the CWA, 33 U.S.C. § 1362;

WHEREAS, DHEC has been authorized by EPA to administer the NPDES program pursuant to Section 402(b) of the CWA, 33 U.S.C. § 1342(b);

WHEREAS, Columbia's Wastewater Collection and Transmission System ("WCTS") transports wastewater to a publicly owned wastewater treatment plant ("WWTP"),

the Columbia Metro WWTP, which is operated by Columbia pursuant to NPDES Permit Number SC0020940. A map of the service area for the Sewer System is attached hereto as Appendix A;

WHEREAS, Columbia has reported to EPA and DHEC numerous Sanitary Sewer Overflows ("SSOs") and other violations of the NPDES Permit in the past five years. The United States and the State contend that these reported events are violations of the CWA, SCPCA, and Columbia's NPDES Permit;

WHEREAS, Columbia has voluntarily undertaken various capital improvement projects intended to improve its WCTS and WWTP as well as reduce the occurrence of SSOs, which, over the past five years, have resulted in significant expenditures of resources by Columbia;

WHEREAS, this Consent Decree requires Columbia to develop, submit, finalize, and implement existing and additional plans for the continued improvement of its WCTS and WWTP, with the goal of eliminating future SSOs and other violations of the NPDES Permit;

WHEREAS, the Parties to this Consent Decree have negotiated in good faith and have reached a settlement of the issues raised in the Complaint;

WHEREAS, Columbia does not admit any liability to the United States or the State arising out of the transactions or occurrences alleged in the Complaint;

WHEREAS, the Parties recognize, and the Court by entering this Consent Decree finds, that this Consent Decree has been negotiated by the Parties in good faith and will avoid litigation among the Parties and that this Consent Decree is fair, reasonable, and in the public interest;

NOW THEREFORE, with the consent of the Parties, it is hereby ORDERED, ADJUDGED and DECREED as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction over the subject matter of this action, pursuant to 28 U.S.C. §§ 1331, 1345, and 1355, and Section 309(b) of the CWA, 33 U.S.C. § 1319(b), and over the Parties. This Court has supplemental jurisdiction over the state law claims asserted by the State pursuant to 28 U.S.C. § 1367. Venue is proper in the District of South Carolina pursuant to Section 309(b) of the CWA, 33 U.S.C. § 1319(b), and 28 U.S.C. §§ 1391(b) and 1395(a), because the violations alleged in the Complaint are alleged to have occurred in this judicial district, and pursuant to 28 U.S.C. § 1391. For purposes of this Decree, or any action to enforce this Decree, Columbia consents to the Court's jurisdiction over this Decree and any such action and over Columbia and consents to venue in this judicial district.

2. For purposes of this Consent Decree, Columbia agrees that the Complaint states claims upon which relief may be granted pursuant to Sections 301 and 402 of the CWA, 33 U.S.C. §§ 1311 and 1342, and 28 U.S.C. §§ 516 and 519 and SCPCA, S.C. Code Ann. §§ 48-1-10 *et seq*.

II. APPLICABILITY

3. The obligations of this Consent Decree apply to and are binding upon the United States and the State, and upon Columbia and any successors, assigns, or other entities or persons otherwise bound by law.

4. No transfer of ownership or operation of any part of the Sewer System, whether in compliance with the procedures of this Paragraph or otherwise, shall relieve Columbia of its obligation to ensure that the terms of the Consent Decree are implemented, unless (1) the

transferee agrees in writing to be bound by and assume responsibility for compliance with applicable provisions of this Consent Decree and to submit to the jurisdiction of the Court for its enforcement by becoming a Party under the Consent Decree and (2) the United States, in consultation with DHEC, approves the substitution of the transferee and consents to relieve Columbia of the applicable obligations. The United States' decisions shall not be subject to judicial review. At least thirty (30) Days prior to such proposed transfer, Columbia shall provide a copy of this Consent Decree to the proposed transferee and shall simultaneously provide written notice of the prospective transfer, together with a copy of the proposed written agreement, to EPA Region IV, the United States Attorney for the District of South Carolina, the United States Department of Justice and DHEC, in accordance with Section XVI of this Decree (Notices). Any attempt to transfer ownership or operation of the Sewer System without complying with this Paragraph constitutes a violation of this Decree. This Paragraph will not apply to the transfer of a portion of the WCTS to Richland County pursuant to the Lower Richland Sewer Service Agreement attached hereto as Appendix B.

5. Columbia shall provide a copy of this Consent Decree to all officers, employees, and agents with responsibility for overseeing implementation of work required under this Consent Decree, as well as to any consultant or contractor retained to perform Work required under this Consent Decree. Columbia shall condition any such contract upon performance of the Work in conformity with the terms of this Consent Decree.

6. In any action to enforce this Consent Decree, Columbia shall not raise as a defense the failure by any of its officers, directors, employees, agents or contractors to take any actions necessary to comply with the provisions of this Consent Decree.

III. OBJECTIVES

7. The objective of the plans, measures, reports, construction, maintenance, operational requirements, and other obligations in this Consent Decree or resulting from the activities required by this Consent Decree is to cause Columbia to achieve and maintain full compliance with the CWA, the SCPCA, and the NPDES Permit, including the goal of eliminating all future SSOs.

IV. DEFINITIONS

8. Terms used in this Consent Decree that are defined in the CWA or in regulations promulgated pursuant to the CWA shall have the meanings assigned to them in the CWA, 33 U.S.C. §§ 1251 *et seq.*, and regulations promulgated under the CWA, unless otherwise provided in this Decree. Whenever the terms set forth below are used in this Consent Decree, the following definitions shall apply:

a. "Building Backup" shall mean a release of wastewater into a building or onto private property that is caused by blockages, flow conditions, or other malfunctions in the WCTS. A wastewater backup or release that is caused by blockages, flow conditions, or other malfunctions of a Private Lateral or other piping/conveyance system that is not owned or operationally controlled by Columbia is not a Building Backup.

b. "Bypass" shall have the meaning set forth at 40 C.F.R. § 122.41(m).

c. "Calendar Quarter" shall mean the three-month period ending on March 31, June 30, September 30, or December 31.

d. "Calendar Year" shall mean the 12-month period starting on January 1 and

ending on December 31.

e. "Certification" or "Certify" shall mean compliance with the certification requirements in Section VI (Review of Deliverables) of this Consent Decree.

f. "Columbia" shall mean the City of Columbia, South Carolina, including all of its departments, agencies, instrumentalities such as the Public Works Department, and any successor thereto.

g. "Complaint" shall mean the complaint filed by the United States and the State in this action.

h. "Consent Decree" or "Decree" shall mean this consent decree document and all appendices attached hereto (listed in Section XXV). In the event of a conflict between this document and any appendix, this document shall control.

i. "CWA" shall mean the Clean Water Act, as amended, 33 U.S.C. §§ 1251, *et seq.*

j. "Date of Entry" shall mean the date on which this Consent Decree is entered by the United States District Court for the District of South Carolina.

k. "Date of Lodging" shall mean the date this Consent Decree is lodged with the Clerk of the Court for the United States District Court for the District of South Carolina.

l. "Day" shall mean a calendar day unless expressly stated to be a business day. In computing any period of time under this Consent Decree, where the last day would fall

on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next business day.

m. "Defendant" shall mean the City of Columbia, South Carolina and any successor thereto.

n. "Deliverable" shall mean any written document required to be prepared and/or submitted by or on behalf of Columbia pursuant to this Consent Decree.

o. "DHEC" shall mean the South Carolina Department of Health and Environmental Control and any successor departments or agencies of the State.

p. "Discharge Monitoring Report" or "DMR" shall mean the monitoring report which Columbia is required to submit to DHEC on a monthly basis pursuant to its NPDES Permit.

q. "DOJ" shall mean the United States Department of Justice.

r. "EPA" shall mean the United States Environmental Protection Agency and any of its successor departments or agencies.

s. "Effective Date" shall have the definition provided in Section XVII.

t. "Excessive Inflow / Infiltration" or "Excessive I/I" shall have the meaning provided in 40 C.F.R. § 133.103(d) and 40 C.F.R. § 35.2005(b)(16).

u. "Force Main" shall mean any pipe that receives and conveys, or whose purpose is to receive and convey, wastewater under pressure from the discharge side of a pump.

v. "Gravity Sewer Line" or "Gravity Sewer" shall mean any pipe that receives, contains and conveys, or whose purpose is to receive, convey, and contain, wastewater not normally under pressure, but unassisted under the influence of gravity.

w. "Infiltration" shall mean water other than wastewater that enters the WCTS (including sewer service connections and foundation drains) from the ground through such means as, but not limited to, defective pipes, pipe joints, connections, or manholes. Infiltration does not include and is distinguishable from Inflow.

x. "Inflow" shall mean water other than wastewater that enters the WCTS (including sewer service connections) from sources such as, but not limited to, roof leaders, cellar drains, yard drains, sump pumps, foundation drains, area drains, drains from springs and swampy areas, manhole covers, cross connections between storm sewers and sanitary sewers, catch basins, cooling towers, storm water, surface runoff, street wash waters, or drainage. Inflow does not include and is distinguished from Infiltration.

y. "I/I" shall mean the total quantity of water from Inflow, Infiltration, and rainfall induced Infiltration.

z. "Major Gravity Sewer Line" shall mean any of the following:

(i). a Gravity Sewer Line that is fifteen (15) inches in diameter or larger;

(ii). a Gravity Sewer Line that conveys wastewater from one pumping station service area to another pumping station service area; and

(iii). a Gravity Sewer Line that has caused or contributed to, or that Columbia knows or should know will likely cause or contribute to, capacity-related unpermitted overflows.

aa. "Major Pump Station" shall mean a pump station receiving flow from a sewer line of 15 inches in diameter or greater.

bb. "MOM" or "Management, Operations, and Maintenance" shall mean a program of accepted industry practices to properly manage, operate and maintain sanitary wastewater collection, transmission and treatment systems, investigate capacity-constrained areas of these systems, and respond to SSO events.

cc. "NPDES" shall mean the National Pollutant Discharge Elimination System authorized under Section 402 of the CWA, 33 U.S.C. § 1342.

dd. "NPDES Permit" shall mean NPDES permit number SC0020940 issued to Columbia Metro WWTP pursuant to Section 402 of the Clean Water Act, 33 U.S.C. § 1342, and any future extended, modified, or reissued permits.

ee. "Paragraph" shall mean a portion of this Consent Decree identified by an Arabic numeral.

ff. "Parties" shall mean the United States of America on behalf of EPA, the State of South Carolina by and through DHEC, and Columbia.

gg. "Plaintiffs" shall mean the United States of America on behalf of EPA and the State of South Carolina by and through DHEC.

hh. "Private Lateral" shall mean that portion of a sanitary sewer conveyance pipe that extends from the wastewater right-of-way or utility easement to the single-family, multi-family, apartment, or other dwelling unit or commercial or industrial structure to which Columbia's wastewater service is or has been provided.

ii. "Publicly Owned Treatment Works" or "POTW" shall mean a publicly owned treatment works or POTW as defined in 40 C.F.R. § 403.3(q), and includes the WCTS and the WWTP as defined in this Consent Decree.

jj. "Pump Station" shall mean facilities comprised of pumps which lift wastewater to a higher hydraulic elevation, including all related electrical, mechanical, and structural systems necessary to the operation of the facilities.

kk. "Sanitary Sewer Overflow" or "SSO" shall mean an overflow, spill, or release of wastewater from Columbia's Sewer System including: (a) Unpermitted Discharges; (b) overflows, spills, or releases of wastewater that may not have reached waters of the United States or the State of South Carolina; and (c) all Building Backups.

ll. "Section" shall mean a portion of this Consent Decree identified by a Roman numeral.

mm. "Sewerbasin" shall mean all hydraulically linked portions of Columbia's Wastewater Collection and Transmission System that are tributary to a trunk sewer which directly leads to the WWTP. Each Sewerbasin is independent of other Sewerbasins. The Sewerbasins in Columbia's WCTS are shown on the map attached as Appendix C.

nn. "Sewer System" shall mean the WCTS and the WWTP.

oo. "State" shall mean the State of South Carolina.

pp. "SORP" shall mean the Sewer Overflow Response Plan that Columbia has developed and which is attached as Appendix D to this Consent Decree.

qq. "Subbasin" shall mean a subdivision of a Sewerbasin which consists of hydraulically linked sewers that are tributary to a common point in the sewer system. Sewer system evaluation techniques are undertaken on a Subbasin basis. A Subbasin typically consists of 10,000 to 50,000 linear feet of sewer. The Subbasins in Columbia's WCTS are shown on the map attached as Appendix C.

rr. "Subparagraph" shall mean a portion of a paragraph identified by lowercase letters.

ss. "SCPCA" shall mean the South Carolina Pollution Control Act, South Carolina Code Ann. §§ 48-1-10 *et seq.*

tt. "United States" shall mean the United States of America, acting on behalf of EPA.

uu. "Unpermitted Discharge" shall mean a discharge of pollutants which reaches waters of the United States or the State from (a) the Sewer System, (b) the WWTP through a point source not specified in an NPDES Permit, or (c) the WWTP which constitutes a prohibited Bypass.

vv. "Wastewater Collection and Transmission System" or "WCTS" shall mean the municipal wastewater collection, retention and transmission system, including all pipes, Force Mains, Gravity Sewer Lines, Pump Stations, pumps, manholes, and appurtenances thereto, which are owned or operated by Columbia and which flow to the Columbia Metro WWTP.

ww. "Wastewater Treatment Plant" or "WWTP" shall mean all facilities, devices, or systems which are owned, managed, operated, or maintained by Columbia for the storage, treatment, recycling, or reclamation of municipal wastewater, including the Columbia Metro WWTP located at 1200 Simon Tree Lane, Columbia, South Carolina, and all components of such wastewater treatment facility.

xx. "Work" shall mean all activities Columbia is required to perform under this Consent Decree.

V. COMPLIANCE REQUIREMENTS

9. Obligation to Perform Work. Upon the Date of Entry, Columbia shall implement the Work pursuant to this Consent Decree. Columbia is responsible for ensuring that any contractors hired to perform Work pursuant to this Consent Decree comply with all applicable laws and with this Consent Decree. All Work shall be performed using sound engineering practices, which may include, but are not limited to, appropriate provisions of South Carolina Regulation 61-67 (wastewater construction standards); South Carolina Regulation 61-9 (discharge standards); the *Handbook: Sewer System Infrastructure Analysis and Rehabilitation*, EPA/625/6-91/030, 1991; *Existing Sewer Evaluation and Rehabilitation*, WEF MOP FD-6,

1994, Third Edition 2009; and the most recent edition of "Recommended Standards for Wastewater Facilities" by the Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers (commonly known as the "Ten State Standards.").

10. Early Action Capital Improvement Projects. Subject to receiving all necessary permits and approvals, Columbia shall implement and complete the following capital and short term SSO measures:

a. Capital Improvement Program for Columbia Metro WWTP. Columbia has underway a Capital Improvement Program for the Columbia Metro WWTP, as described further on Appendix E. The projects included in this Program are: (1) Metro Headworks Project (Capital Improvement Project ("CIP") SS6722); (2) Metro WWTP Aeration Improvements (CIP No. SS7182); (3) Disinfection Improvements at the WWTP (CIP No. SS7058); (4) Secondary Clarifier Improvements at the WWTP (CIP No. SS6871); (5) Train 2 Pump Station Improvements (CIP No. SS7155); and (6) DAF Improvements (CIP No. SS7197). These capital improvements include construction of new Equipment as well as the upgrade and rehabilitation of existing Equipment. The schedule for the Capital Improvement Program for Columbia Metro WWTP is included in Appendix E , and such schedule shall be enforceable under this Consent Decree.

b. Capital Improvement Projects for WCTS. Columbia has underway a Capital Improvement Program for the Wastewater Collection and Transmission System, as described further on Appendix F. The projects included in this Program are: (1) Broad River Pump Station

Improvements (CIP No. SS7101); (2) North Columbia Pump Station Improvements; (3) West Columbia Pump Station Improvements (CIP No. SS711501); (4) Installation of 20,000 Linear Feet of 42-inch Forcemain from West Columbia Pump Station to WWTP (CIP No. SS711502); and (5) Saluda River Pump Station Improvements (CIP No. SS7116. The schedule for the Capital Improvement Program for Columbia's WCTS is included in Appendix F, and such schedule shall be enforceable under this Consent Decree.

11. Wastewater Treatment Plant Programs. Columbia shall develop and implement the specific Wastewater Treatment Plant Programs set forth below and ensure that each Program has a written, defined purpose; a written, defined goal; is documented in writing with specific detail as required herein; is implemented by trained personnel; has established performance measures; and has written procedures for periodic review.

a. Maintenance Management System. Within one (1) year after the Date of Entry of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval a Maintenance Management System ("MMS") for the WWTP. The objectives of the MMS are to ensure that preventive and corrective maintenance is conducted at the WWTP and that WWTP equipment integral to proper operation and maintenance, treatment units, and tanks is maintained with the goal of achieving compliance with the NPDES Permit. At minimum, the MMS shall include, and Columbia shall implement, the requirements set forth in Paragraphs 11.a.(i) through (xi) below.

(i). Identification of equipment integral to proper operation and maintenance, treatment units, and tanks used in the treatment of wastewater liquids and biosolids

(hereafter referred to as "Equipment").

(ii). Standard procedures to conduct periodic preventive maintenance of the Equipment (hereafter referred to as "Standard Maintenance Procedures").

(iii). Standard Maintenance Procedures, which include the frequencies of preventative maintenance, necessary to ensure that Equipment is properly maintained.

(iv). Adequate training and education for maintenance personnel to perform the Standard Maintenance Procedures.

(v). Procedures for recognition of indicators that corrective maintenance on Equipment is necessary.

(vi). Procedures for the generation of work orders associated with preventive and corrective maintenance of the Equipment.

(vii). Procedures for the generation of purchase orders associated with preventive and corrective maintenance of the Equipment.

(viii). An Inventory Management System that requires Columbia to maintain:

(A) lists of critical equipment and critical spare parts for the operation of the WWTP;

(B) an inventory of critical spare parts stored at the WWTP and a list of where the remaining critical spare parts not stored at the WWTP may be obtained to

enable the repair or replacement of Equipment in a minimum amount of time and to ensure proper operation of the WWTP; and

(C) written procedures for maintaining and updating the information in the Inventory Management System.

(ix). An accessible system for tracking preventive and corrective maintenance activities and histories at the WWTP including the generation of summary reports each month that identify:

(A) Equipment failures occurring in the previous month; and

(B) the end-of-month status of preventive and corrective maintenance work orders issued or outstanding in the previous month for Equipment.

(x). Procedures to ensure that failures of Equipment and/or loss of power supply during abnormal and emergency conditions are corrected in a timely fashion so as to limit the downtime of the facility or component.

(xi). The updated WWTP Operations Program shall include an implementation schedule specifying dates and actions.

b. WWTP Operations Program. Columbia currently has a WWTP Operations Program in place. Within eighteen (18) months after the Date of Entry of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval an updated WWTP Operations Program. The goal of the updated WWTP Operations Program is to ensure that all Equipment is operated to achieve compliance with the NPDES Permit. At

minimum, the updated WWTP Operations Program shall include an Operations Plan, a Process Control Plan, and Compliance Monitoring Plan.

(i). Operations Plan. The updated WWTP Operations Program shall include an Operations Plan. At minimum, the Operations Plan shall include:

(A) the operations manuals for all Equipment;

(B) descriptions of the operational controls at the WWTP;

(C) the maximum flow that each process unit may treat before effluent quality is expected to exceed NPDES Permit limits;

(D) a peak flow operations plan;

(E) schematics of the solids and liquids treatment processes;

(F) a procedure for review and update on an annual basis of an organizational chart consisting of the names, positions, and telephone numbers of the operations personnel at the WWTP;

(G) detailed procedures for the year-round disposal of biosolids which include alternative disposal methods should the primary disposal method not be employable;

(H) a detailed operations training program for WWTP operations personnel and supervisors; and

(I) detailed procedures for adding operating information for new Equipment into the WWTP Operations Program prior to the date on which Columbia

commences operation of that Equipment.

(ii). Process Control Plan. The updated WWTP Operations Program shall include a Process Control Plan. At minimum, the Process Control Plan shall include:

(A) Parameters for each treatment unit that is monitored for the purpose of process control, including the appropriate frequency of monitoring and guidelines for interpreting the data in order to implement modification(s) and adjustment(s) to the systems and Equipment;

(B) Tasks associated with the operation of the WWTP, including overall process control strategy and unit-specific tasks, an analysis of the level of personnel assigned to the task and the frequency and duration associated with the tasks;

(C) Procedures for unit-specific tasks and overall process control (hereafter referred to as "Standard Operating Procedures"); and

(D) Standard Operating Procedures (including emergency response plans, as necessary) for abnormal operational conditions (e.g., power outages and weather-related events) to ensure that Equipment is operated to achieve compliance with the NPDES Permit, ensure safety of all personnel, and ensure proper communication among WWTP personnel of the current operational state of the WWTP (hereafter referred to as "Contingency Operating Procedures").

(iii). Compliance Monitoring Plan. The updated WWTP Operations Program shall include a Compliance Monitoring Plan. At minimum, the Compliance Monitoring Plan shall include:

(A) procedures for proper calibration of compliance monitoring equipment which also identify the frequencies required by the manufacturer and Columbia;

(B) procedures to ensure that representative compliance sampling is conducted at the WWTP in accordance with the requirements of NPDES permits and 40 C.F.R. Part 136;

(C) descriptions of all compliance sampling locations;

(D) schematics showing the compliance sampling locations;

(E) procedures for collecting compliance samples from the designated locations;

(F) procedures for obtaining compliance sample containers, preservatives, and/or monitoring equipment from the laboratory;

(G) procedures for collecting compliance samples in containers as described in 40 C.F.R. Part 136; and

(H) procedures to ensure that all compliance samples requiring immediate (e.g., within fifteen (15) minutes) analyses are either monitored in the field or transported to the laboratory within proper holding times for analysis.

(iv). An implementation schedule specifying dates and actions.

c. WWTP Training Program. Columbia currently has a training program in place at the WWTP. Within twenty-four (24) months after the Date of Entry of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval an

updated WWTP Training Program. Columbia shall update the Program by evaluating the personnel, tasks, equipment, and facilities associated with the operation and maintenance of the Columbia Metro WWTP. The updated Program shall include the following:

(i). WWTP Maintenance Training Program. A training program to address the methods, processes, procedures, and techniques required to perform the duties and tasks necessary for the maintenance of the Equipment. At minimum, the WWTP Maintenance Training Program shall be updated to include:

(A) Training to be provided to maintenance supervisors and personnel regarding the MMS in Paragraph 11.a. above;

(B) Schedules for the training of maintenance supervisors and personnel; and

(C) A system for tracking the training activities described in (A) and (B) above.

(ii). WWTP Operations Training Program. Columbia shall provide training to address the methods, processes, procedures, and techniques required to perform the duties and tasks necessary for the proper operation of the Equipment. At minimum, the WWTP Operations Training Program shall be updated to include:

(A) Training for operations supervisors and personnel regarding the use of the Operations Program in Paragraph 11.b. above;

(B) Training that ensures operations personnel are

knowledgeable about the Standard Operating Procedures and how to implement each task of the Standard Operating Procedures assigned to them or their subordinates efficiently and effectively on a day-to-day basis;

(C) Training that ensures all operations personnel are knowledgeable about the Contingency Operating Procedures and how to respond efficiently and effectively to atypical operational situations; and

(D) A system for tracking the training activities described in (A) through (C) above; and

(iii). An implementation schedule specifying dates and actions.

12. Management, Operations and Maintenance ("MOM") Programs. Columbia shall develop and implement the specific MOM Programs set forth below and ensure that each MOM Program has a written, defined purpose; a written, defined goal; is documented in writing with specific detail as required herein; is implemented by trained personnel; has established performance measures; and has written procedures for periodic review.

a. Sewer Overflow Response Program. Columbia has developed and maintains a Sewer Overflow Response Plan ("SORP"), a copy of which is attached hereto as Appendix D. Columbia shall continue to implement its SORP, as may be revised by Columbia from time to time, during the term of this Consent Decree.

b. Contingency and Emergency Response Plan. Within eighteen (18) months after the Date of Entry of this Consent Decree, Columbia shall develop in consultation with DHEC and submit to EPA and DHEC for review, comment, and approval a Contingency and

Emergency Response Plan ("CERP"). The CERP shall address both routine and catastrophic emergencies. Routine emergencies include such situations as overflowing manholes, line breaks, localized electrical failure and Pump Station outages. Catastrophic emergencies include floods, tornados, earthquakes or other natural events, serious chemical spills and widespread electrical failure. The CERP shall address areas of vulnerability and determine the effect of such a failure to operations, equipment and public safety and health based upon such factors as topography, weather, sewer system size, and other site-specific factors. The CERP shall include standard forms. The CERP shall have the following components:

(i). WWTP. The WWTP component of the CERP shall establish standard operating procedures for use in emergency situations, including changes in process controls.

(ii). WCTS. The WCTS component of the CERP shall include the SORP; the evaluation of, and acquisition plan for, additional Pump Station standby power and emergency equipment needs; and the written standard operating procedures for use in specific anticipated emergency activities, which include identification of the specific actions which staff should take and the instructions for operating equipment and systems. At a minimum, the standard operating procedures shall: identify criteria for initiating and ceasing the anticipated activities; identify the appropriate service/repair equipment and sources for that equipment; and describe the emergency planning for, and emergency use of, the following: stand-by power (e.g., generators or dual power feeds), portable pumps, maintenance equipment (e.g., vacuum truck, jet washing truck and/or combination truck), and each Pump Station.

(iii). Public Notification of Emergencies. In addition to the reporting

requirements set forth in Section IX (Reporting Requirements), Columbia shall establish, in coordination with DHEC:

(A) criteria to be used as the basis for immediately notifying the public and other impacted entities, such as users with a downstream water intake, of an emergency situation caused by an SSO, diversion, Bypass, or effluent limit violation;

(B) a list identifying, by name, phone number and pager number, all Columbia staff who are responsible for notifying the public;

(C) a list identifying, by name and phone number, all public contacts, including local media outlets, who must be contacted during an emergency situation;

(D) a list identifying Columbia staff who are authorized to make public statements during emergency situations; and

(E) pre-scripted news releases for various types of emergency situations.

(iv). Notification of Regulatory Authorities. In addition to the notification requirements set forth in the NPDES Permit, and the reporting requirements set forth in Section IX (Reporting Requirements), Columbia shall establish, in coordination with DHEC: (A) criteria to be used as the basis for immediately notifying DHEC of any emergency situation caused by an SSO, diversion, Bypass, or effluent limit violation; (B) a list identifying, by name, phone number and pager number, all Columbia staff who are responsible for notifying DHEC; (C) a list identifying, by name and phone number, all officials who must be contacted; and (D) standard reporting forms.

(v). An implementation schedule specifying dates and actions.

c. WCTS Training Program. Within eighteen (18) months after the Date of Entry of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval a WCTS Training Program. Columbia shall develop the Program by evaluating the personnel, tasks, equipment, and facilities associated with the operation and maintenance of Columbia's WCTS. The Program shall include, and Columbia shall implement:

(i). General Training. Columbia shall provide general training to address tasks undertaken by Columbia's wastewater personnel. General training would include, for example, employee orientations, training in the basic principles of wastewater collection and transmission, and training in the rules and regulations affecting Columbia's Wastewater Maintenance Division. The general training component of the Program shall provide the content of the initial training, and the frequency and content of the refresher training, to be required for all personnel responsible for management, operations, or maintenance of Columbia's WCTS.

(ii). Position Specific Training. Columbia shall provide training for tasks undertaken by Columbia's wastewater personnel to address the methods, processes, procedures, and techniques required to perform the duties and tasks necessary for the proper operation and maintenance of the collection and transmission system. Collection system training would include, as appropriate, training in equipment operation, pipe installation/replacement, pipe cleaning, pipe inspection, and reading as-built drawings. Transmission system training would include, as appropriate, training in equipment operation, pump/ejector inspection, pump/ejector maintenance, and pump/ejector repair. Columbia's collection system training and transmission system training program shall include:

(A) identification of the related tasks, equipment, and facilities;

(B) description of the technical knowledge necessary to properly conduct the individual tasks and properly operate the individual equipment and facilities;

(C) description of the underlying purposes and technical reasons for conducting the individual tasks or operating the individual equipment and facilities;

(D) standard procedures which personnel shall follow when conducting the individual tasks or operating the individual equipment and facilities;

(E) the content of the initial training, and the frequency and content of the refresher training, to be required for personnel conducting the individual tasks, or operating the individual equipment and facilities; and

(F) training designed to provide trainees with a thorough understanding of the individual procedures, underlying technical reasons, and underlying purposes associated with the individual tasks they may conduct, or the specific equipment and facilities they may operate, and to provide this in a consistent manner to all trainees.

(iii). Tracking. The Training Program shall include a description of the common data management system to be used for tracking personnel participation in, and completion of, the initial general training, collection system training, and/or transmission system training, and the corresponding refresher training.

(iv). Implementation Schedule. The Training Program shall include an

implementation schedule specifying dates and actions.

d. Information Management System Program. Within eighteen (18) months after the Date of Entry of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval an Information Management System (IMS) Program. The IMS Program shall include, but may not be limited to the following: a description of what information is entered into the system, how it is entered and by what means it is recorded; types of work reports prepared and submitted, including examples; a description of the management reports generated from the input data (i.e. work reports), including examples; standard forms used by both field personnel and management for the program, where applicable; a detailed description of how the records are maintained; if computer software is utilized, a description of the software used with cited references for software training and procedures for utilizing the software; and a procedure for periodic quality assurance/quality control checks of the system. The Program shall include the following sub-programs:

(i). Management IMS. The IMS Program shall include a Management IMS to provide WCTS managers guidance and instruction to adequately evaluate operations, maintenance, customer service, and system rehabilitation activities so that overall system performance can be determined and WCTS planning can be conducted.

(ii). Operations IMS. The IMS Program shall include an Operations IMS to provide managers and field supervisors the guidance to adequately track scheduled operational activities and to enhance operational performance. The system shall utilize operating reports and standard operation forms used by field personnel and provide for field supervisor

review. While the Operations IMS need not be computer based, it shall be capable of feeding information into the Management IMS.

(iii). Maintenance IMS. The IMS Program shall include a Maintenance IMS to provide managers and field supervisors the guidance to adequately track scheduled maintenance activities and to enhance maintenance performance. The system shall utilize maintenance reports and standard maintenance forms used by field personnel and for field supervisor review. While the Maintenance IMS need not be computer based, it shall be capable of feeding information into the Management IMS.

(iv). Complaint Tracking IMS. The IMS Program shall include a Complaint Tracking IMS to provide managers the guidance to adequately assess and manage complaint information. The system shall utilize standard complaint forms used by personnel and provide for supervisor review. While the Complaint Tracking IMS need not be computer based, it shall be capable of feeding information into the Management Programs IMS.

(v). An implementation schedule specifying dates and actions.

e. Capacity Assurance Program. Within one hundred and eighty (180) Days after EPA approval of the Hydraulic Model Report, Columbia shall submit to EPA and DHEC for review, comment, and approval a Capacity Assurance Program ("CAP"). The CAP shall identify each Sewerbasin with insufficient capacity under peak wet weather, average conditions, or both. It shall also analyze all portions of the WCTS that have experienced SSOs either due to, or exacerbated by, an excessive hydraulic contribution. The CAP shall assess peak flow capacity of all major Sewer System components for existing and proposed flows. At minimum, the CAP

shall include, and Columbia shall implement, the requirements set forth in Paragraphs 12.e.(i) through 12.e.(iii), below.

(i). Adequate Capacity Certifications. Except as otherwise provided in Paragraphs 12.e.(ii)(F) through 12.e.(ii)(I), below, after sixty (60) Days following EPA's approval of the CAP, Columbia shall authorize a new sewer service connection, or additional flow from an existing sewer service connection, only after it certifies that the analysis procedures contained in the approved CAP have been used and that Columbia has determined, based on those procedures, that there is Adequate Treatment Capacity, Adequate Transmission Capacity and Adequate Collection Capacity as set forth below. Notwithstanding the foregoing, the standards contained in the Capacity Assurance Program shall not be construed as standards for the ultimate design or rehabilitation of Columbia's WCTS.

(A) Treatment Capacity. For the purposes of Columbia's Capacity Assurance Program, "Adequate Treatment Capacity" shall exist when the WWTP would not be in "non-compliance" for quarterly reporting as defined in 40 C.F.R. § 123.45, Appendix A, if the WWTP were to receive the flow from the new connection or the increased flow from an existing sewer service connection(s), combined with the flow predicted to occur from all other authorized sewer service connections (including those which have not begun to discharge into the WCTS).

(B) Transmission Capacity. For the purposes of Columbia's Capacity Assurance Program, "Adequate Transmission Capacity" shall exist when each Pump Station through which the proposed additional flow would pass has the capacity to transmit,

with its largest pump out of service, the existing one (1) hour peak flow passing through such Pump Station, plus the additional one (1) hour peak flow predicted to occur from the new connection(s) or from the increased flow from an existing sewer service connection(s), plus the additional one (1) hour peak flow predicted to pass through such Pump Station from all other authorized sewer service connections which have not begun to discharge into the WCTS.

(C) Collection Capacity. For the purposes of Columbia's Capacity Assurance Program, "Adequate Collection Capacity" shall exist when each Gravity Sewer Line through which the proposed additional flow would pass has the capacity, without causing a Surcharge Condition, to carry the existing one (1) hour peak flow passing through such Gravity Sewer Line, plus the additional one (1) hour peak flow predicted to occur from the new connection(s) or from the increased flow from an existing sewer service connection(s), plus the additional one (1) hour peak flow predicted to pass through such Gravity Sewer Line from all other authorized sewer service connections which have not begun to discharge into the WCTS.

(D) "One (1) Hour Peak Flow." For purposes of Columbia's Capacity Assurance Program, the term "one (1) hour peak flow" shall mean the greatest flow in a sewer averaged over a sixty (60) minute period at a specific location expected to occur as a result of a representative 2 year-24 hour storm event.

(E) "Surcharge Condition." Except as otherwise set forth in Paragraph 12(e)(i)(F), below, the term "Surcharge Condition" shall mean:

(1) For two years from the date of EPA's approval of the CAP, the condition that exists when the supply of wastewater resulting from the one (1) hour peak flow is greater than

the capacity of the pipes to carry it and the surface of the wastewater rises to an elevation within two (2) feet of the rim of any manhole, and the gravity sewer pipe is under pressure or head, rather than at atmospheric pressure. Columbia agrees to not construct additional manholes and to not increase the elevation of existing manholes except to ensure that the elevation is no higher than five (5) feet above the Base Flood elevation as that term is defined at 44 C.F.R. § 59.1.

(2) After two years from the date of EPA's approval of the CAP, the condition that exists when the wastewater resulting from the one (1) hour peak flow is greater than the capacity of the pipes to carry it and the surface of the wastewater in manholes rises to an elevation greater than twenty-four (24) inches above the top of the pipe or within two (2) feet of the rim of the manhole, and the gravity sewer pipe is under pressure or head, rather than at atmospheric pressure, unless Columbia has, pursuant to Paragraph 12.e.(ii)(A), identified that pipe segment and manhole as designed to operate in that condition, in which case the identified level of surcharge for that pipe segment and manhole will be used to define a Surcharge Condition.

(F) Exception to Definition of Surcharge Condition. Notwithstanding the definition of "Surcharge Condition" in Paragraph 12(e)(i)(E), any rise in elevation above the top of the pipe shall be considered a Surcharge Condition if the manhole has experienced a capacity-related wet weather SSO during the previous twelve (12) month period (excluding those SSOs caused by severe natural conditions such as hurricanes, tornados, widespread flooding, earthquakes, or rainfall events greater than a representative 2 year-24 hour storm event), unless Columbia can certify that the cause of the SSO has been corrected through improvements to the WCTS.

(ii). Capacity Assurance Program Content

(A) The CAP shall identify the technical information, methodology and analytical techniques to be used by Columbia to determine Adequate Treatment Capacity, Adequate Transmission Capacity and Adequate Collection Capacity. Protocols for evaluating adequate capacity shall include identification of modeling software, standard design flow rate rules of thumb regarding pipe roughness, manhole head losses, as-built drawing accuracy (distance and slope), and water use (gallons per capita per day); projected flow impact calculation techniques; and flow metering. Columbia may identify sewer line segments which have been specifically designed and constructed to operate under surcharge conditions (e.g., with welded or bolted joints) and identify the level of acceptable surcharge for those segments.

(B) The CAP shall identify the technical information, methodology and analytical techniques, including the model or software, by which Columbia will calculate the net (cumulative) increase or decrease in volume of wastewater introduced to the WCTS as a result of Columbia's authorization of new service connections and increases in flows from existing connections and the completion of specific projects that add or restore capacity to the WCTS or WWTPs ("Capacity Enhancing Projects"), specific projects that reduce peak flow through removal of I/I ("I/I Projects"), and permanent removal of sewer connections ("Removal of Connections").

(C) The CAP shall identify the process by which Columbia will integrate its certification of Adequate Treatment Capacity, Adequate Transmission Capacity and

Adequate Collection Capacity into the authorization of new sewer service connections and increases in flow from existing connections.

(D) The CAP will describe the CAP Information Management System to be used to track the accumulation of available capacity, from completion of Capacity Enhancing Projects, I/I Projects and Removal of Connections, and the reduction in capacity from authorized increases in flow from new and existing sewer service connections.

(E) Capacity Certifications. Except as otherwise provided in Paragraphs 12(e)(ii)(F), (G), (H), and (I), below, after sixty (60) Days of EPA's approval of the CAP, Columbia may authorize new sewer service connections, or additional flow from existing sewer service connections, only after it certifies that the analysis procedures contained in the approved CAP have been used and that Columbia has determined, based on those procedures, that there is Adequate Treatment Capacity, Adequate Transmission Capacity and Adequate Collection Capacity. All certifications pursuant to this Paragraph 12.e.(ii)(E) shall be made by a registered professional engineer (P.E.) in the State of South Carolina and shall be approved by a responsible official of Columbia as defined by 40 C.F.R. § 122.22(b). Columbia shall maintain Capacity Assurance Program certifications, and all data on which the certifications are based, in its offices for inspection by EPA and DHEC. EPA and DHEC may request, and Columbia shall provide, any and all documentation necessary to support any certification made by Columbia pursuant to the approved CAP, and make available, to the extent possible, individuals providing such certifications to meet with EPA and DHEC.

(F) Minor Sewer Connections. The CAP may include

provisions for authorization of Minor Sewer Connections. For the purposes of the CAP, a "Minor Sewer Connection" is a connection with an average flow not to exceed four thousand (4,000) gallons per day. For minor sewer service connections, Columbia may elect to perform a quarterly capacity analysis for each Sewerbasin or Subbasin by certifying that the Sewerbasin or Subbasin has Adequate Treatment Capacity, Adequate Transmission Capacity, and Adequate Collection Capacity to carry existing flows and the additional flows generated by all such minor sewer service connections projected to be approved since the last capacity analysis. For any Sewerbasin or Subbasin which can be so certified, Columbia may approve these projected minor sewer service connections without performing individual capacity analysis for each connection.

(G) Capacity for Treatment, Transmission, and Collection in Lieu of Certification. Columbia may authorize a new sewer service connection, or additional flow from an existing sewer service connection, even if it cannot satisfy the requirements of Paragraph 12.e.(ii)(E), above, provided Columbia certifies that all of the following provisions, where applicable, are satisfied:

(1) Columbia is in substantial compliance with this Consent Decree.

(2) The sewer lines which will convey the proposed additional flow from new or existing sewer service connections have not experienced dry weather SSOs due to inadequate capacity within the previous twelve (12) months; or, in the alternative, the causes of any dry weather SSOs due to inadequate capacity have been eliminated.

(3) Columbia has identified the sewer line segment(s), Pump Station(s) and/or wastewater treatment systems that do not meet the conditions for certification

of Adequate Treatment Capacity, Adequate Collection Capacity and/or Adequate Transmission Capacity.

(4) Columbia shall have completed, after June 10, 2010, and prior to the time the proposed additional flow from new or existing sewer connections is introduced into the WCTS, specific Capacity Enhancing Projects, I/I Projects and/or Removal of Connections which will add sewer capacity or reduce peak flows to the identified sewer line segment(s), lift station(s), and/or wastewater treatment system(s) in accordance with the requirements set forth below:

i. Where Columbia has undertaken specific Capacity Enhancing Projects that provide for additional off-line storage and/or specific Removal of Connections to satisfy the requirements of this Paragraph 12.e.(ii)(G)(4), the estimated added capacity resulting from such projects must be equal to or greater than the estimated amount of any proposed additional flow.

ii. Where Columbia has undertaken specific Capacity Enhancing Projects, other than those that provide for additional off-line storage, to satisfy the requirements of this Paragraph 12.e.(ii)(G)(4), the estimated reduction in peak flows or added capacity resulting from such projects must exceed the estimated amount of any proposed additional flow by a factor of 2:1.

iii. Where Columbia has undertaken specific I/I Projects to satisfy the requirements of this Paragraph 12.e.(ii)(G)(4), the estimated reduction in peak flows or added capacity resulting from such projects must exceed the estimated amount of any proposed additional flow by a factor of 3:1.

(5) Commencing one year after EPA approval of the CAP and annually thereafter, Columbia has performed a review of specific Capacity Enhancing Projects and I/I Projects undertaken to determine if actual added capacity and peak flow reductions are in line with what Columbia originally estimated for such projects; and Columbia has used the results of this review to adjust future estimates as necessary.

(6) Any new sewer service connection or increase in flow to an existing connection authorized prior to the completion of a necessary added capacity or peak flow reduction project as set forth above shall be conditioned upon completion of such project prior to the time that the new sewer service connection or flow increase is introduced into the WCTS.

(H) Essential Services. The CAP may contain provisions for Columbia to authorize a new sewer service connection, or additional flow from an existing sewer service connection, in cases where there is not Adequate Transmission Capacity, Adequate Collection Capacity and/or Adequate Treatment Capacity for health care facilities, public safety facilities and public schools and, subject to EPA review and approval, for government facilities; and in those cases where a pollution or sanitary nuisance condition exists, as determined by the Richland or Lexington County Health Department, as the result of a discharge of untreated wastewater from an on-site septic tank. All such new service connections, or additions to flow from an existing connection, shall be tracked in the CAP Information Management System.

(I) Existing Illicit Connections. The CAP may contain provisions for Columbia to authorize a new sewer service connection, or additional flow from an existing sewer service connection in cases where there is not Adequate Transmission Capacity and/or Adequate Collection Capacity and/or Adequate Treatment Capacity for any illicit connections or discharge of wastewater to the stormwater system. All such new service connections or additions to flow from an existing connection created after the Date of Entry that result from the elimination of such illicit connections or discharges shall be tracked in the CAP Information Management System.

(iii). Capacity Procedures Prior to CAP Approval. Within ninety (90) Days after the Date of Entry of this Consent Decree, Columbia shall establish a list of all authorized new sewer service connections or increases in flow from existing service connections, which flows have not yet been introduced into the WCTS. The following information shall be recorded for each such authorized connection: street address, estimated average daily flow, estimated peak flow, Sewerbasin or Subbasin, date authorized, and estimated Calendar Quarter when the additional flow from the connection will begin. Columbia shall update and maintain this list as necessary until full implementation of the CAP, as approved by EPA. In addition, upon execution of this Consent Decree and until EPA approves the CAP as required by Paragraph 12.e., Columbia agrees to continue to implement its current capacity program.

f. Sewer Mapping Program. Columbia currently has a sewer mapping program. Within sixty (60) days after the Date of Entry of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval a Sewer Mapping Program to update its Sewer System maps and update the capabilities and procedures for utilization of Columbia's existing Geographic Information System ("GIS") map of Columbia's WCTS. At minimum, the Sewer Mapping Program shall:

(i). enable Columbia to produce maps of the WCTS using GIS technology;

(ii). be designed in such a manner so as to allow electronic integration with Columbia's computer-based collection system model and computer-based operations and maintenance information management system;

(iii). enable Columbia to produce maps showing the location of all manholes, Gravity Sewer Lines, Pump Stations, Force Mains, valves, inverted siphons and the WWTP;

(iv). enable Columbia to produce maps capable of integrating electronically the locations of sewer service connections on lines that are televised;

(v). enable Columbia to produce maps that include attribute data for Columbia's WCTS including, but not limited to, size, material, estimated age or age range, slope, invert elevation, and rim elevation;

(vi). enable Columbia to produce maps that delineate the spatial boundaries of all Sewerbasins and Subbasins;

(vii). enable Columbia to produce maps that can integrate electronically available maps that show the location of surface streets and street addresses, permitted FOG customers, surface water bodies and political boundaries;

(viii). enable Columbia to produce maps in a manner that will allow use by all Sewer System operation and maintenance crew leaders in the field;

(ix). allow entry and mapping of work orders to identify and track problems geographically such as stoppages, service interruptions, and SSOs, and to assist in the planning and scheduling of maintenance;

(x). include written standard operating procedures for use of the program, the acquisition and entry of updated mapping data for new assets or changes to existing

assets, and updates to system software;

(xi). include locations of each permitted FOG establishment; and

(xii). include a schedule for the completion of the electronic mapping of each Sewerbasin in Columbia's WCTS.

g. Fats, Oil, and Grease ("FOG") Management Program. Columbia has developed and maintains a FOG Management Program, a copy of which is attached hereto as Appendix G. Columbia will continue to implement its FOG Management Program, as revised by Columbia from time to time, during the term of this Consent Decree.

h. Transmission System Operations and Maintenance Program.

Within one (1) year after the Date of Entry of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval a Transmission System Operations and Maintenance Program ("TSOMP"). The goal of the TSOMP is to facilitate proper operation and maintenance activities associated with the Pump Stations and Force Mains within the WCTS. At minimum, the TSOMP shall include, and Columbia shall implement, the requirements set forth in Paragraph 12.h.(i). through (x). below.

(i). Means and modes of communication between Pump Stations, field crews, and supervising staff.

(ii). Technical specifications of each Pump Station within the WCTS.

(iii). Columbia currently has a Pump Station monitoring system which continuously monitors, reports, and transmits information for each Pump Station. The TSOMP

shall provide that Columbia will continue to operate and maintain Supervisory Control and Data Acquisition ("SCADA") systems at all Pump Stations with a rated capacity of greater than 1,000 gallons per minute as identified on Appendix H, attached hereto and incorporated herein by reference. In addition, with the goal of eliminating future SSOs due to Pump Station failure(s), Columbia shall evaluate the need for installation of SCADA systems at all other Pump Stations, and install them where necessary in accordance with the approved TSOMP implementation schedule required under paragraph 12(h)(x) .

(iv). Written preventive operations and maintenance schedules and procedures for the following routine activities:

(A) Service and calibration of instrumentation such as flow meters, liquid level sensors, alarm systems, elapsed time meters, and remote monitoring equipment.

(B) Inspection and service for air release valves.

(C) Predictive (non-physical) and/or physical inspection and service for all Pump Stations including, but not limited to:

(1) reading, recording and maintaining records of information from the elapsed time meters and pump start counters;

(2) observing and documenting wet well conditions, including grease and/or debris accumulation;

(3) checking and re-setting, as necessary to improve system

performance, wet well pumping points (e.g. floats);

(4) checking, recording and maintaining records of system pressure(s);

(5) checking SCADA and/or alarm components;

(6) checking stand-by power sources; and

(7) identifying maintenance needs and any emergency planning needs.

(D) Engineering evaluation of Force Mains and Pump Stations for potential sulfide and corrosion control needs. The TSOMP shall require, and Columbia shall generate, a summary report of findings with the sulfide and corrosion control method(s) and the schedule for implementation of selected measures, where applicable.

(E) Inspection of Force Main easements, including inspection of creek crossings, stream bank encroachment toward Force Mains, and easement accessibility (including the need to control vegetative growth or encroachment of man-made structures or activities that could threaten the integrity of the affected Force Mains). Inspections shall include written reports, and where appropriate, representative photographs or videos of appurtenances being inspected (Force Mains, creek crossings, etc.). The TSOMP shall require inspectors to promptly report any observed SSOs, and any evidence of SSOs which may have occurred since the last inspection, to their area supervisors and document the findings. Columbia shall report any observed SSO in accordance with the SORP and the NPDES Permit.

(F) A schedule for the maintenance of easements.

(G) Resource commitments such as staffing, contractual support and equipment.

(v). Data attributes for the Sewer Mapping Program allowing program data to be compared in Columbia's GIS system against other pertinent data such as the occurrence of SSOs, including repeat SSO locations, and permit violations.

(vi). An inventory management system that requires Columbia to maintain:

(A) Lists of critical equipment and critical spare parts.

(B) An inventory of the critical spare parts and critical equipment stored at Columbia's facilities, and a list of where the remaining critical spare parts and critical equipment not stored at Columbia's facilities may be obtained to allow repairs in a reasonable amount of time; and

(C) Written procedures for updating the critical spare parts and equipment inventories in the inventory management system.

(vii). A common information system that Columbia will use to track implementation of the TSOMP, track maintenance activities (including Pump Station equipment histories), and track management, operation, and maintenance performance indicators.

(viii). The key performance indicators ("KPIs") Columbia will track to measure performance of the WCTS using the information system referenced in Paragraph 12.h.(vii) above. These KPIs shall include, but are not limited to, the number of SSOs related to

Force Mains per mile of Force Main and/or the number of SSOs related to Pump Stations per number of Pump Stations; and maintenance activities tracked by type (corrective, preventive, and emergency).

(ix). Reports which list equipment problems and the status of work orders generated during the prior month.

(x). An implementation schedule specifying dates and actions.

i. Gravity Sewer System Operation and Maintenance Program. Within eighteen (18) months after the Date of Entry of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval, a Gravity Sewer System Operation and Maintenance Program ("GSOMP") with the goal of eliminating future SSOs, particularly those caused by FOG, roots and/or debris obstructions. At a minimum, the GSOMP Program shall include, and Columbia shall implement, the requirements set forth in Paragraph 12.i.(i) through (xii) below.

(i). Written procedures for inspection and maintenance of Columbia's Gravity Sewer systems (i.e., Gravity Sewer Lines, manholes, inverted siphons, etc.).

(ii). Written preventive operations and maintenance schedules and procedures including, but not be limited to, the following routine activities:

(A) Inspection and maintenance of all Gravity Sewers, manholes and inverted siphons.

(B) Observing and documenting Gravity Sewer, manhole and

inverted siphon conditions, including grease, roots and/or debris accumulation.

(C) Identifying and documenting maintenance needs and any emergency planning needs.

(D) Scheduling preventive maintenance work/cleaning on a WCTS-wide basis. At a minimum, Columbia shall prioritize, inspect, and, if necessary, clean its Gravity Sewers, manholes and inverted siphons on a regular basis (i.e. such that, while priority portions of the WCTS may be inspected with more frequency, the entire Gravity Sewer system is inspected, and cleaned where necessary, at a frequency designed to prevent future SSOs).

(iii). Engineering evaluation of potential sulfide and corrosion control needs. The GSOMP shall require, and Columbia shall generate, a summary report of findings with the sulfide and corrosion control methods and the schedule for implementation of selected measures, where applicable.

(iv). Inspection of Gravity Sewer, manhole, and inverted siphon easements, including inspection of: creek crossings, stream bank encroachment toward Gravity Sewers, manholes and inverted siphons, and easement accessibility (including the need to control vegetative growth or encroachment of man-made structures or activities that could threaten the integrity of the affected Gravity Sewer, manholes or inverted siphon). Inspections shall include written reports, and where appropriate, representative photographs or videos of appurtenances being inspected (Gravity Sewers, manholes, inverted siphons, creek crossings, etc.). The GSOMP shall require inspectors to promptly report any observed SSOs to their area supervisors and to record any evidence of SSOs which may have occurred since the last inspection.

Columbia shall report any observed SSO in accordance with the SORP and the NPDES Permit.

(v). A schedule for the maintenance of easements.

(vi). A description of resource commitments such as staffing, contractual support and equipment.

(vii). Data attributes for the Sewer Mapping Program allowing program data to be compared in Columbia's GIS system against other pertinent data such as the occurrence of SSOs, including repeat SSO locations, and permit violations.

(viii). An inventory management system that requires Columbia to maintain:

(A) Lists of critical equipment and critical spare parts;

(B) An inventory of the critical spare parts and critical equipment stored at Columbia's facilities, and a list of where the remaining critical spare parts and critical equipment not stored at Columbia's facilities may be obtained to allow repairs in a reasonable amount of time; and

(C) Written procedures for updating the critical spare parts and equipment inventories in the inventory management system.

(ix). A common information system that Columbia will use to track implementation of the GSOMP, track maintenance activities, and track management, operation, and maintenance performance indicators.

(x). The key performance indicators ("KPIs") Columbia will track to measure performance of the WCTS using the information system referenced in Paragraph 12.i.(ix). above. These KPIs shall include, but are not limited to:

(A) The linear footage of Gravity Sewer inspections, the linear footage of Gravity Sewers cleaned, the number of manholes inspected, the number of manholes cleaned/maintained, the number of inverted siphons inspected, the number of inverted siphons cleaned/maintained and the number of SSOs per mile of Gravity Sewer; and

(B) Maintenance activity tracked by type (corrective, preventive, and emergency).

(xi). Reports which list equipment problems and the status of work orders generated during the prior month.

(xii). An implementation schedule specifying dates and actions.

j. Financial Analysis Program. Within eighteen (18) months after the Date of Entry of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval a Financial Analysis Program which establishes and tracks the sufficiency of funds for operations and maintenance, capital projects financing, and debt service coverage associated with the WCTS. At minimum, the Financial Analysis Program shall include, and Columbia shall implement, the requirements set forth in Paragraph 12.j.(i) through (v).

(i). Cost Analysis. Protocols to regularly analyze and project future utility management, operations, and maintenance costs integral to proper management, operation,

and maintenance of the WCTS and WWTP. The cost analyses should include, at a minimum: capital infrastructure improvements; staffing levels; replacement of equipment and materials integral to the proper management, operation and maintenance of the WCTS and WWTP; outsourced activities; and services provided by organizational departments or agencies outside Columbia's Department of Utilities and Engineering.

(ii). Capital Improvement Financing Program. Protocols to analyze, project, plan, and finance capital improvement needs established through engineering studies; WCTS condition assessments; historical WCTS management, operations, and maintenance cost data; and sound sewer infrastructure asset management programs. Capital improvement financing should be planned using a five (5) year planning horizon with annual updates.

(iii). Budget and Customer Rate Setting Analysis. The Financial Analysis Program shall project the annual utility budget and customer rates periodically. The program should predict the budget and funding provided by customer rates that will meet the cost and financing needs for the management, operation, and maintenance of the WCTS as identified pursuant to the procedures set forth in Subparagraph j.(i) through (ii) above.

(iv). The ability to directly track and report operation and maintenance costs by the type of activity (corrective, preventative, and emergency) and capital improvement costs.

(v). An implementation schedule specifying dates and actions.

13. Satellite Sewer System Agreements. Within one (1) year after the Date of Entry

of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval a proposed form of Satellite Sewer System Agreement for new or the renewal of existing agreements that cover the collection, conveyance and treatment of sewage by Columbia from satellite sewer systems as that term is defined in South Carolina Regulation 61-9.122.2. The Parties acknowledge that DHEC continues to be responsible in all respects for enforcing the requirements of any state operating permits for satellite sewer systems. Columbia shall not be responsible for enforcement of any such permits or for management or oversight of any such satellite sewer systems.

a. At minimum, the form of Satellite Sewer System Agreement shall include the following:

(i). Requirements on the satellite sewer system to properly manage, operate and maintain its sewage collection and conveyance systems so as to minimize peak flows into Columbia's Sewer System by excluding, to the maximum practicable extent, the intrusion of surface and ground water and other extraneous flows.

(ii). Requirements on the satellite sewer system to ensure compliance with the legal authorities and procedures required in 40 CFR Section 403.8(f) with regard to equivalent control, monitoring and enforcement of non-domestic dischargers into Columbia's Sewer System from satellite sewer systems. Columbia should consider the "Multijurisdictional Pretreatment Programs Guidance Manual" published by EPA (833-B-94-005, June 1994) when developing these requirements.

(iii). Provisions addressing the term or life of these agreements;

mechanisms for appropriate modification of the agreements; and mechanisms for enforcement of the agreements such as provisions permitting termination of the agreement and physical disconnection from Columbia's Sewer System within a reasonable time not exceeding two (2) years upon the failure of the satellite sewer system to comply with its management, operations and maintenance obligations.

b. When any of Columbia's currently existing agreements expire or terminate, Columbia may, but shall not be required to, renew any such agreement or enter into a new agreement covering the collection, conveyance and treatment of sewage from such satellite sewer systems. In the event Columbia does renew such an agreement or enters into any such new agreement, each agreement shall be consistent with the form of Satellite Sewer System Agreement. If the owner/operator of a satellite sewer system refuses to sign a Satellite Sewer System Agreement that is consistent with the approved form of Satellite Sewer System Agreement, Columbia will notify EPA.

14. Continuing Sewer Assessment Program ("CSAP") for the WCTS

a. Within six (6) months after the Date of EPA and DHEC approval of the Sewer Mapping Program required under Paragraph 12.f. of this Consent Decree, Columbia shall submit to EPA and DHEC for review, comment, and approval a Continuing Sewer Assessment Program ("CSAP") that provides for an analysis of Columbia's WCTS infrastructure. The approved CSAP shall be implemented by Columbia in accordance with the schedules contained therein, and in accordance with the deadlines established in this Paragraph. The CSAP shall establish procedures for setting priorities and schedules for undertaking the continual assessment

of the WCTS using, as appropriate, the methods described in Paragraphs 14.b. (i) through (ix), below, and other appropriate methods identified by Columbia. Columbia shall develop these priorities and schedules taking into consideration factors including, but not limited to: age and type of materials; the nature and extent of customer complaints; flow monitoring, including flow isolation studies; locations and causes of SSOs; any remediation work already ongoing; field crew work orders; any preliminary sewer assessments, such as midnight flow monitoring; and any other relevant information. Where Columbia's implementation of the CSAP results in a determination that a Private Lateral is a source of I/I to the WCTS or is a source of a release, Columbia shall notify the property owner of its determination but shall not be responsible for repairs to the Private Lateral. For purposes of being able to develop the Infrastructure Rehabilitation Report set forth in Paragraph 16 below, the schedules set forth in the CSAP shall provide for the major components of the WCTS (to include all pipes 15 inches in diameter or larger and their appurtenances, such as manholes and Pump Stations) to be assessed at least once by no later than 24 months from the date of EPA/DHEC approval of the CSAP. The schedules set forth in the CSAP shall also provide for the remainder of the entire WCTS to be assessed at least once by no later than 60 months from the date of EPA/DHEC approval of the CSAP.

b. At a minimum, the CSAP shall include, and Columbia shall have the ability to implement, the assessment methods set forth in Paragraphs 14.b.(i) through (ix), below. When implementing the CSAP to assess specific portions of the WCTS, Columbia shall use methods that are appropriate for the portion of the WCTS being assessed.

(i) Physical Condition. Standard Procedures for evaluating the physical condition of the WCTS, including, but not limited to, consideration of age, construction

material and durability.

(ii) Dyed Water Flooding. Standard procedures for conducting dyed water testing to locate sources of I/I to the WCTS ("Dyed Water Flooding"). The Dyed Water Flooding component shall include standard forms for recording information derived from dyed water testing.

(iii) Corrosion Defect Identification. Standard procedures for inspecting and identifying sewer infrastructure that is either corroded or at risk of corrosion ("Corrosion Defect Identification"). This Corrosion Defect Identification component shall include a system for prioritizing repair of corrosion defects, corrosion identification forms, and procedures for a corrosion defect analysis.

(iv) Routine Manhole Inspection. Standard procedures and frequencies for routine inspection of manholes within the WCTS ("Routine Manhole Inspection"). This Routine Manhole Inspection component shall include manhole inspection forms and procedures for a manhole defect analysis, and may provide for less frequent inspection of newer manholes.

(v) Flow Monitoring. Standard procedures for routine flow monitoring during dry and wet weather to support engineering analyses related to WCTS capacity and peak flow studies ("Flow Monitoring"). Dry weather monitoring shall be carried out so as to allow the characterization of base flows and I/I rates. Wet weather monitoring shall be conducted periodically during events of sufficient duration and intensity that cause significant I/I into the WCTS. This Flow Monitoring component shall identify areas susceptible to I/I into the WCTS. This Flow Monitoring Program shall also establish, and Columbia shall implement,

a process for determining the number and locations of permanent and temporary flow meters; a program for sewer cleaning associated with flow monitoring; and a procedure for adequate rainfall measurement. The Flow Monitoring Program will contain an initial determination of the number and location of permanent and temporary flow meters, with a map showing such locations.

(vi) Video Inspection. Standard procedures for routine use of closed circuit television ("CCTV") and/or zoom camera video inspections to support sewer assessment activities, including procedures for video-assisted cleaning and a process for the retention and access of video data.

(vii) Gravity System Defect Analysis. Standard procedures for analysis of Gravity Sewer Line defects ("Gravity Sewer Line Defect Analysis"). This Gravity Sewer Line Defect Analysis component shall establish standard defect codes; defect identification procedures and guidelines; and a standardized process for cataloging Gravity Sewer Line defects.

(viii) Smoke Testing. Standard procedures for smoke testing of Gravity Sewer Lines to identify sources of I/I to the WCTS, including cross connections and other unauthorized connections ("Smoke Testing"). This Smoke Testing component shall include establishing and implementing smoke testing forms and procedures for smoke testing defect analysis.

(ix) Pump Station Performance and Adequacy. Standard procedures for the evaluation of Pump Station performance and Pump Station adequacy ("Pump Station Performance and Adequacy"), including:

(A) The use of pump run time meters; pump start counters; computation of Nominal Average Pump Operating Time ("NAPOT"); root cause failure analysis protocols; and appropriate remote sensing such as Supervisory Control and Data Acquisition ("SCADA").

(B) The evaluation of Pump Station capacity, as described in the "Pumping Systems" chapter of the most current version of WEF's Manual of Practice FD-4, "Design of Wastewater and Stormwater Pumping Stations."

(C) The evaluation of critical response time, defined as the time interval between activation of the high wet well level alarm and the first SSO, under peak flow conditions.

(D) The evaluation of Pump Station conditions, based upon both physical inspection and recent operating and mechanical failure history during at least the past five years; and

(E) The evaluation of Pump Station design and equipment, including redundancy of pumps and electrical power supply, and other equipment installed, based upon South Carolina Regulation 61-67 (wastewater construction standards). The evaluation of the ability of maintenance personnel to take corrective action within the critical response time calculated for each Pump Station.

c. Information and Management System. The CSAP shall include standard procedures for a CSAP Information Management System and performance goals for each

component of the CSAP set forth in Paragraphs 14.b. (i) through (ix), above.

15. Infrastructure Rehabilitation Program ("IR Program") for the WCTS. Within six (6) months after EPA approval of the CSAP, Columbia shall submit to EPA and DHEC for review, comment, and approval an Infrastructure Rehabilitation Program ("IR Program"). The IR Program shall describe policies and procedures for implementing rehabilitation measures to address I/I, structural issues in the WCTS and the other conditions causing SSOs, with the goal of eliminating future SSOs. The IR Program shall take into account all previous information Columbia has gathered, including any information gathered pursuant to the Work under this Consent Decree. For purposes of developing schedules under Paragraphs 15.a. through 15.e, the IR Program shall include procedures for Columbia to prioritize rehabilitation measures based upon relative likely human health and environmental impact risks, SSO frequencies, and SSO volumes. At minimum, the IR Program shall include the requirements set forth in Paragraphs 15.a. through 15.e. The IR Program may also provide for implementation of line and other small-scale repairs on a "find and fix" basis, where, if feasible, Columbia may implement rehabilitation measures at the time defects are identified.

a. Gravity Sewer Line Rehabilitation. For all Gravity Sewer Lines and related appurtenances, including city-owned laterals, that are identified as in need of rehabilitation under the CSAP, the IR Program shall include procedures for: setting Gravity Sewer Line rehabilitation priorities and schedules; maintaining an ongoing inventory of Gravity Sewer Line rehabilitation projects already performed, scheduled to be performed, and needing to be scheduled and performed, including identification of the rehabilitation techniques used on completed projects; and analyzing the effectiveness of completed rehabilitation projects.

b. Manhole Rehabilitation. For all manholes that are identified as in need of rehabilitation under the CSAP, the IR Program shall include procedures for: setting manhole rehabilitation priorities and schedules; maintaining an ongoing inventory of manhole rehabilitation projects already performed, scheduled to be performed, and needing to be scheduled and performed, including identification of the rehabilitation techniques used on completed projects; and analyzing the effectiveness of completed rehabilitation projects.

c. Pump Station Rehabilitation. For all Pump Stations that are identified as in need of rehabilitation under the CSAP, the IR Program shall include procedures for: setting Pump Station rehabilitation priorities and schedules; maintaining an ongoing inventory of Pump Station rehabilitation projects already performed, scheduled to be performed, and needing to be scheduled and performed , including identification of the rehabilitation techniques used on completed projects; and analyzing the effectiveness of completed rehabilitation projects.

d. Force Main Rehabilitation. For all Force Mains and related appurtenances that are identified as in need of rehabilitation under the CSAP, the IR Program shall include procedures for: setting Force Main rehabilitation priorities and schedules; maintaining an ongoing inventory of Force Main rehabilitation projects already performed, scheduled to be performed, and needing to be scheduled and performed, including identification of the rehabilitation techniques used on completed projects; and analyzing the effectiveness of completed rehabilitation projects.

e. Each component of the IR Program set forth in Paragraphs 15.a. through 15.d. above shall include standard procedures for an IR Program information management

system, standard procedures for inspecting and documenting the quality of new construction and rehabilitated work for warranty and other purposes, and procedures for analysis of the effectiveness of completed rehabilitation.

16. IR Report for the WCTS. Within six (6) months after Columbia has assessed the major components of the WCTS once pursuant to the CSAP, Columbia shall submit to EPA and DHEC for review, comment, and approval an IR Report setting forth a summary of the results of the CSAP of the major components of the WCTS and a description of Columbia's proposed rehabilitation projects, including rehabilitation projects currently underway. The summary of the results of the CSAP shall contain a thorough analysis of historical and current flow monitoring, inspection, rainfall and other data, including data collected during the CSAP.

a. Results of the CSAP. At minimum, the CSAP results summary portion of the IR Report shall include the components set forth in Paragraphs 16.a.i through 16.a.viii. below.

(i). A determination of existing flows for each Subbasin within the WCTS including average and peak daily dry weather flow.

(ii). A determination of the average dry weather Infiltration rate (in gpd/inch diameter-mile).

(iii). A determination of peak wet weather flow and peaking factors (the ratio of peak flow to average dry weather flow).

(iv). Identification of the portions of the WCTS experiencing levels of I/I that cause or contribute to SSOs.

(v). A summary of identified sources of I/I to the WCTS organized by Subbasins, or portions of Subbasins, that indicates the specific types of defects found, and the quantity of each defect type with a given National Association of Sewer System Contractors (NAASCO) defect rating. The summary shall also estimate the total I/I contributions to such Subbasins or portions of Subbasins.

(vi). A summary of flow monitoring activities, that include, at a minimum, a map showing the delineation of the Subbasin, the location and type of each flow meter, problems encountered and deviations from the CSAP, and a description of quality control and quality assurance activities, including the use of scattergraphs, to ensure accurate flow measurement.

(vii). A description of the methods used to estimate I/I, an identification of the locations where the methods were used, and an explanation of the assumptions, rainfall events, and other variables used in estimating I/I.

(viii). A summary of the status of Columbia's development of the hydraulic Model Report required under Paragraph 17.d. of this Consent Decree, including a description of the completed activities and the remaining tasks and activities to be carried out in development of the hydraulic Model Report, and the anticipated dates of completion of such remaining tasks and activities.

b. Rehabilitation of Infrastructure. In accordance with the IR Program, the IR Report shall identify all specific rehabilitation measures and projects, including those currently underway and those additional rehabilitation projects identified through the assessment of the major components of the WCTS pursuant to the CSAP, as needed to address I/I and other conditions causing SSOs. The IR Report will also state the quantity of I/I that Columbia estimates will be removed through each identified rehabilitation project, and describe the methods used to quantify the I/I projected to be removed, including an explanation of the variables used in estimating the I/I projected to be removed. The IR Report shall include a schedule for completion of all identified rehabilitation projects. Based on the results of the initial assessment of major components of the WCTS pursuant to the CSAP, the IR Report shall group the additional rehabilitation projects into three scheduling categories ("Group 1," "Group 2," and "Group 3") according to priority of the projects. The rehabilitation projects in the IR Report shall be prioritized according to their ability to resolve the most serious problems related to capacity overflows and problems related to WCTS segments with the highest defect ratings, as determined by the CSAP's initial assessment of major components of the entire WCTS. The schedule shall provide for completion of rehabilitation measures identified in the IR Report by the dates listed in Subparagraph b.(i) – (iii) below. Upon approval of the IR Report by EPA and DHEC, Columbia shall complete all rehabilitation projects identified in the IR Report in accordance with the schedule contained therein.

(i). Group 1 rehabilitation projects shall be completed no later than 3 years following EPA and DHEC approval of the IR Report;

(ii). Group 2 rehabilitation projects shall be completed no later than 5 years after EPA and DHEC approval of the IR Report;

(iii). Group 3 rehabilitation projects shall be completed no later than 7 years after EPA and DHEC approval of the IR Report.

c. Supplemental IR Report. Within six (6) months after Columbia has assessed the remainder of the entire WCTS pursuant to the CSAP, as required by Paragraph 14.a, Columbia shall submit to EPA and DHEC for review, comment, and approval a supplemental IR Report which shall update all portions of the IR Report to reflect additional information developed by Columbia through completion of the assessment of the remainder of the entire WCTS. The Supplemental IR Report shall include an updated description of remedial projects that have been completed, including line repairs and small scale repairs completed on a find and fix basis, and shall identify any additional rehabilitation projects identified through ongoing implementation of the CSAP, as needed to address I/I and other conditions causing SSOs. The Supplemental IR Report shall include a schedule for completion of any additional rehabilitation projects no later than five years after EPA/DHEC approval of the Supplemental IR Report. Upon approval of the Supplemental IR Report by EPA and DHEC, Columbia shall complete all additional rehabilitation projects identified in the Supplemental IR Report in accordance with the schedule contained therein.

17. Sewer System Hydraulic Model. Columbia shall develop and maintain a

calibrated hydraulic model of its Sewer System ("the Model") to establish existing hydraulic conditions and plan for future capacity needs of the Sewer System. The Model shall be developed on a Subbasin basis concurrent with the CSAP schedule for the initial assessment of major components of the WCTS in Paragraph 14 above. The model development schedule will be established based on system attribute data collected as part of the Sewer Mapping Program described in Paragraph 12.f. and flow and rainfall data collected as part of the flow monitoring program described in Paragraph 14.b.(v).

a. Capabilities. At a minimum, the Model shall be capable of:

(i). Accurately predicting the flow rate and hydraulic grade line of wastewater in Force Mains from Major Pump Stations and the Major Gravity Sewer Lines under any historical dry or wet weather condition;

(ii). Accurately predicting the location and severity of SSOs from the WCTS under any historical dry or wet weather condition;

(iii). Fully dynamic temporal analysis, including an accounting of downstream backwater impacts on upstream flows;

(iv). Accurately predicting the impacts of changes to Pump Station capacities on upstream and downstream flow rates and hydraulic grade lines, including hydraulic losses which may result from either full or partial Pump Station failures; and

(v). Generating hydrographs depicting baseline wastewater flow and I/I for the Subbasins for various storm recurrence intervals. The Model shall include methods for

accurately estimating the baseline wastewater flows and I/I components in each Subbasin using quality-controlled flow data obtained for the Sewer System.

b. Implementation. At a minimum, Columbia shall employ the Model to:

(i). Assist with the development and implementation of operation and maintenance procedures that optimize collection and transmission capacity;

(ii). Evaluate the impacts which Infiltration/Inflow rehabilitation projects, proposed system modifications, and upgrades and expansions have on collection and transmission capacity and the performance of Columbia's Sewer System;

(iii). Prioritize the continuing evaluation of the WCTS pursuant to the CSAP in Paragraph 14 above,

(iv). Prioritize rehabilitation projects; and

(v). Implement the Capacity Assurance Program described in Paragraph 12.e., above.

c. Procedures and Protocols. Columbia shall develop and employ written procedures, protocols, and schedules to routinely perform:

(i). Calibrations of the Model to account for age-related and other changes to Sewer System hydraulics, and to obtain and manage updated data from physical field observations and measurements for this purpose;

(ii). Verification of the Model's accuracy and performance; and

(iii). Sensitivity analyses to determine how the Model responds to changes in input parameters and variables.

d. Model Report. Fifteen (15) months after completion of the CSAP for major components of the WCTS described in Paragraph 14 above, Columbia shall submit a report ("Model Report") to EPA and DHEC which:

(i). Identifies the functional attributes, characteristics, and limitations specific to the Model's software as compared to other products evaluated by Columbia, and explains how the Model meets the capabilities required in Paragraph 17.a., above;

(ii). Identifies the date that the Model was deemed to be calibrated and functional;

(iii). Identifies all input and output parameters, constants, and assumed values used by the Model;

(iv). Explains the bases for the input parameters used in each Subbasin to characterize baseline wastewater flows and I/I, the quality assurance procedures used in acquiring the input data, and the engineering bases for the selections of constants (e.g., friction factors) and assumed values; and

(v). Provides a brief description of each procedure and protocol developed pursuant to Paragraph 17.c., above, provides the associated schedules, and identifies the individual(s) with their qualifications who are employed to implement the procedures and protocols.

e. Site Audit. Following receipt of the Model Report in Paragraph 17.d., above, EPA and DHEC may conduct compliance audits of the capabilities of the Model, the implementation of the Model, and the use of written procedures and protocols as required by this Paragraph.

VI. REVIEW OF DELIVERABLES

18. Public Review Requirement. Columbia shall post on its website instructions to the public for receiving email notice of future Deliverables. Prior to the submission of each Deliverable to EPA and DHEC, Columbia shall post a copy of the Deliverable on its website and provide notice of such action by email to all parties who have requested such notice. Columbia shall also send to the Reference Librarian at the Richland County Main Library, currently located at 1431 Assembly Street in Columbia, notice of the Deliverable to be submitted, a flyer containing a brief synopsis of the Deliverable, and instructions on how to find the document on Columbia's website. Columbia shall post on its website instructions for submitting comments, and shall allow the public a period of thirty (30) Days to comment on, the following Deliverables: (i) the CSAP required under Paragraph 14; (ii) the IR Program required under Paragraph 15; (iii) the IR Report and Supplemental IR Report required under Paragraph 16; (iv) the CERP required under Paragraph 12.b.; (v) the CAP required under Paragraph 12.e.; (vi) the TSOMP required under Paragraph 12.h.; and (vii) the GSOMP required under Paragraph 12.i. After the 30-day period, Columbia shall consider public comments for a period of up to fifteen (15) Days. Within seven (7) Days after submitting a Deliverable to EPA and DHEC, Columbia shall place a copy of the submitted version of the Deliverable on its website and at the library. Within seven (7) Days after EPA's approval, approval contingent upon conditions, or

modification by EPA, Columbia shall place a copy of such final version of the Deliverable on its website and at the library. Columbia shall maintain all versions of Deliverables on its website, along with all written comments received from the public, EPA, and DHEC, until termination of this Consent Decree.

19. Government Review of Deliverables.

a. Timing of Review of Deliverables. EPA and DHEC agree to use best efforts to expeditiously review and comment on Deliverables. If EPA issues written comments and decisions on the IR Report or Supplemental IR Report more than one-hundred and twenty (120) Days after receipt of such submission, or on any other Deliverable more than sixty (60) Days after receipt of such submission, any subsequent deadline or milestone dependent upon such review and comment shall be extended by the number of days beyond the one-hundred and twenty (120) day or sixty (60) day period that is applicable to the Deliverable, as specified in this Subparagraph a., for EPA's review of Columbia's submittals. Within thirty (30) days after the date that Columbia has reason to believe that a deadline or milestone is extended under this Subparagraph a., Columbia shall inform EPA and DHEC, in writing, of its belief and the amount of time Columbia believes the deadlines or milestones are extended. If EPA disagrees with Columbia's determination that a deadline is dependent upon such comments or decisions, EPA shall inform Columbia in writing. Columbia may dispute EPA's conclusion regarding whether a deadline is dependent upon such comments or decision pursuant to Section XII (Dispute Resolution).

b. EPA Action on Deliverables. After review of any Deliverable that is

required to be submitted pursuant to this Consent Decree, EPA, after consultation with DHEC, shall in writing: (i) approve the submission; (ii) approve the submission upon specified conditions; (iii) approve part of the submission and disapprove the remainder; or (iv) disapprove the submission. If EPA conditionally approves, approves only in part or disapproves entirely a submission, EPA shall provide a written explanation.

20. Approved Deliverables. If a Deliverable is approved by EPA pursuant to Paragraph 19.a., Columbia shall take all actions required by the Deliverable in accordance with the schedules and requirements of the Deliverable as approved. If the Deliverable is conditionally approved or approved only in part, pursuant to Paragraph 19.b.(ii) or 19.b.(iii), Columbia shall, upon written direction from EPA, after consultation with DHEC, take all actions required by the approved plan, report, or other item that EPA, after consultation with DHEC, determines are technically severable from any disapproved portions, subject to Columbia's right to dispute only the specified conditions or the disapproval of portions, under Section XII of this Decree (Dispute Resolution). Following EPA approval of any Deliverable or portion thereof, such Deliverable or portion thereof so approved shall be incorporated into and become enforceable under this Consent Decree.

21. Disapproved Deliverables. If the Deliverable is disapproved in whole or in part pursuant to Paragraph 19.b.(iii) or 19.b.(iv), Columbia shall, within sixty (60) Days or such other time as EPA and Columbia agree to in writing, correct all deficiencies and resubmit to EPA the Deliverable, or disapproved portion thereof, for approval, in accordance with Paragraphs 19 and 20, subject to Columbia's right to dispute the disapproval under Section XII of this Decree (Dispute Resolution). If the resubmission is approved in whole or in part, Columbia shall

proceed in accordance with Paragraph 20.

22. Stipulated Penalties Accruing. Any stipulated penalties applicable to the original Deliverable, as provided in Section X of this Decree, shall accrue during the sixty (60)-Day period or other specified period provided for the correction of deficiencies and resubmittal in Paragraph 21, above, but shall not be payable unless the resubmitted Deliverable is untimely or is disapproved in whole or in part, provided that, if the original submission was so deficient as to constitute a material breach of Columbia's obligations under this Decree, the stipulated penalties applicable to the original submission shall be due and payable notwithstanding any subsequent resubmission.

23. Resubmitted/Revised Deliverables.

a. Resubmitted Deliverable. If a resubmitted Deliverable, or portion thereof, is disapproved in whole or in part, EPA, after consultation with DHEC, may again require Columbia to correct any deficiencies, in accordance with Paragraph 21, or may itself correct any deficiencies, subject to Columbia's right to invoke Dispute Resolution and the right of EPA to seek stipulated penalties as provided in preceding Paragraph 22. Upon EPA's correction of any deficiencies, such resubmitted plan, report, or other item, or portion thereof will be incorporated into and become enforceable under this Consent Decree and shall be implemented by Columbia according to the approved schedule subject to Columbia's right to invoke Dispute Resolution.

b. Revisions to Deliverables. The Parties recognize that, during implementation of this Consent Decree, information may be developed which warrants the

revision of previously submitted and/or approved Deliverables. Columbia may revise previously approved Deliverables only with EPA's prior written approval. For any proposed revised Deliverable, Columbia shall comply with the public notification requirements of Paragraph 18 of this Consent Decree originally applicable to such Deliverable.

24. Certification. Columbia shall, by a person who meets the requirements for reports and other information under 40 CFR § 122.22(b), sign and certify all Deliverables, notices, documents or reports submitted to the United States and State pursuant to this Consent Decree as follows:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering such information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

VII. CIVIL PENALTY

25. Within thirty (30) Days after the Effective Date of this Consent Decree, Columbia shall pay a total civil penalty in the amount of $476,400, to be apportioned between the United States and the State as specified in paragraphs 26 and 27, below.

26. Columbia shall pay to the United States $238,200 of the civil penalty by FedWire

Electronic Funds Transfer ("EFT") to the U.S. Department of Justice in accordance with written instructions to be provided to Columbia, following lodging of the Consent Decree, by the Financial Litigation Unit of the U.S. Attorney's Office for the District of South Carolina, 1441 Main Street, Suite 500, Columbia, S.C. 29201 (803) 929-3000. At the time of payment, Columbia shall send a copy of the EFT authorization form and the EFT transaction record, together with a transmittal letter, which shall state that the payment is for the civil penalty owed pursuant to the Consent Decree in United States et al. v. City of Columbia, and shall reference the civil action number and DOJ case number 90-5-1-1-09954, to the United States in accordance with Section XIV of this Decree (Notices); by email to acctsreceivable.CINWD@epa.gov; and by mail to:

EPA Cincinnati Finance Office
26 Martin Luther King Drive
Cincinnati, Ohio 45268

27. Columbia shall pay to the State a civil penalty of $238,200 by check payable to the "South Carolina Department of Health and Environmental Control" within thirty (30) Days after the Effective Date of this Consent Decree. The check shall reference the case name and civil action number herein and shall be sent to:

Glenn Trofatter
SCDHEC-Bureau of Water
Water Pollution Control Division
2600 Bull St.
Columbia, South Carolina 29201

VIII. SUPPLEMENTAL ENVIRONMENTAL PROJECT

28. Columbia shall implement a Supplemental Environmental Project (SEP), as

described in Appendix I of this Consent Decree in accordance with all provisions of Appendix I of this Consent Decree. The SEP Columbia shall implement, as described in Appendix I, consists of Flooding and Water Quality Improvements in three areas: (i) along the Lower Reach of Rocky Branch, (ii) Smith Branch, and (iii) Gills Creek, with expenditures totaling at least $1,000,000. The SEP shall be completed within 60 months after entry of this Decree.

29. Columbia is responsible for the satisfactory completion of the SEP in accordance with the requirements of this Decree. Columbia may use contractors or consultants in planning and implementing the SEP.

30. With regard to the SEP, Columbia certifies the truth and accuracy of each of the following:

a. that all cost information provided to EPA in connection with EPA's approval of the SEP is complete and accurate and that Columbia in good faith estimates that the cost to implement the SEP, exclusive of overhead, additional employee time and salary, administrative expenses, legal fees, and contractor oversight, is $1,000,000;

b. that, as of the date of executing this Decree, Columbia is not required to perform or develop the SEP by any federal, state, or local law or regulation and is not required to perform or develop the SEP by agreement, grant, or as injunctive relief awarded in any other action in any forum;

c. that Columbia is not a party to any open federal financial assistance transaction that is funding or could be used to fund the same activity as the SEP identified

in Appendix I. Columbia further certifies that, to the best of its knowledge and belief after reasonable inquiry, there is no such open federal financial transaction that is funding or could be used to fund the same activity as the SEP, nor has the same activity been described in an unsuccessful federal financial assistance transaction proposal submitted to EPA within two years of the date of this settlement (unless the project was barred from funding as statutorily ineligible). For the purposes of this certification, the term "open federal financial assistance transaction" refers to a grant, cooperative agreement, loan, federally-guaranteed loan guarantee or other mechanism for providing federal financial assistance whose performance period has not yet expired;

d. that the SEP is not a project that Columbia was planning or intending to construct, perform, or implement other than in settlement of the claims resolved in this Decree;

e. that Columbia has not received and will not receive credit for the SEP in any other enforcement action; and

f. that Columbia will not receive any reimbursement for any portion of the SEP from any other person.

31. SEP Completion Report

a. Within 30 days after the deadline for completion of the SEP, Columbia shall submit a SEP Completion Report to the United States, in accordance with Section XVI of this Consent Decree (Notices). The SEP Completion Report shall contain the

following information:

(i). a detailed description of the SEP as implemented;

(ii). a description of any problems encountered in completing the SEP and the solutions thereto;

(iii). an itemized list of all eligible SEP costs expended;

(iv). certification that the SEP has been fully implemented pursuant to the provisions of this Decree; and

(v). a description of the environmental and public health benefits resulting from implementation of the SEP (with a quantification of the benefits and pollutant reductions, if appropriate).

32. EPA may, in its sole discretion, require information in addition to that described in the preceding Paragraph, in order to evaluate Columbia's completion reports.

33. After receiving the SEP Completion Report, EPA shall notify Columbia whether or not Columbia has satisfactorily completed the SEP.

34. If Columbia has not completed the SEP in accordance with this Consent Decree, stipulated penalties may be assessed under Section X of this Consent Decree.

35. Disputes concerning the satisfactory performance of the SEP and the amount of eligible SEP costs may be resolved under Section XII of this Decree (Dispute Resolution). No other disputes arising under this Section shall be subject to Dispute Resolution.

36. Each submission required under this Section shall be signed by an official with knowledge of the SEP and shall bear the certification language set forth in Paragraph 24.

37. Any public statement, oral or written, in print, film, or other media, made by Columbia making reference to the SEP under this Decree shall include the following language: "This project was undertaken in connection with the settlement of an enforcement action, United States et al. v. City of Columbia, taken on behalf of the U.S. Environmental Protection Agency and South Carolina Department of Health and Environmental Control, under the Clean Water Act."

38. For federal income tax purposes, Columbia agrees that it will neither capitalize into inventory or basis nor deduct any costs or expenditures incurred in performing the SEP.

IX. REPORTING REQUIREMENTS

39. Columbia shall submit the following notices and reports:

a. Quarterly Reports. After the Effective Date of this Consent Decree and until termination of this Decree pursuant to Section XX (Termination), Columbia shall submit to EPA and DHEC quarterly reports by email and by either U.S. Mail or an overnight delivery service. The first such quarterly report shall be submitted to EPA and DHEC no later than thirty (30) days after the second full calendar quarter after the Effective Date of this Consent Decree. Succeeding quarterly reports shall be submitted no later than thirty (30) days after the completion of each succeeding calendar quarter. The quarterly report shall include, at a minimum:

(i). A description of all projects and activities conducted during the

most recently completed calendar quarter to comply with the requirements of this Consent Decree, in Gantt chart or similar format. This description shall include completion percentages of early action capital improvement projects under Paragraph 10, continuing sewer assessments under the CSAP, and the subsequent remedial actions under the IR Report;

(ii). The date, time, location, source, duration, estimated volume, receiving water (if any), cause, and actions taken to repair or otherwise resolve the cause of all SSOs for the most recently completed quarter in a tabulated electronic format;

(iii). The anticipated projects and activities that will be performed in the next quarter to comply with the requirements of this Consent Decree, in Gantt chart or similar format;

(iv). Any additional information that demonstrates that Columbia is implementing the remedial measures required in this Consent Decree; and

(v). The results of water quality monitoring conducted during the previous Calendar Quarter as part of the SEP described in Appendix I to this Consent Decree.

b. Reporting of violations. If Columbia violates any requirement of this Consent Decree or has reason to believe that it is likely to violate any requirement of this Consent Decree in the future, Columbia shall notify the United States and DHEC of such violation and its likely duration within ten days of Columbia first becoming aware of the situation, with an explanation of the violation's likely cause and of the remedial steps taken, and/or to be taken, to prevent or minimize such violation. If the cause of a violation cannot be

fully explained at the time the next quarterly report is due, Columbia shall include a statement to that effect in the report. Columbia shall investigate to determine the cause of the violation and then shall submit an amendment to the report, including a full explanation of the cause of the violation, within thirty (30) days after the quarterly report;

c. Annual Reports. Each year, Columbia shall submit to EPA and DHEC an annual report for the previous calendar year, with the first annual report due on the first March 31st which occurs at least six months after entry of this Decree, and subsequent annual reports due each year thereafter by March 31. Each annual report shall include, at minimum:

(i). A summary of the CMOM Programs implemented pursuant to this Consent Decree, including a comparison of actual performance with any performance measures that have been established;

(ii). A summary of each remedial measure and capital project implemented pursuant to this Consent Decree; and

(iii). A trends analysis of the number, volume, duration, and cause of Columbia's SSOs for the previous twenty-four (24) month period.

40. Whenever any violation of this Consent Decree or any other event affecting Columbia's performance under this Decree or its NPDES Permit may pose an immediate threat to the public health or welfare or the environment, Columbia shall notify EPA and DHEC orally or by electronic or facsimile transmission as soon as possible, but no later than 24 hours after Columbia first knew of the violation or event. This procedure is in addition to the requirements

set forth in the preceding Paragraph.

41. All reports shall be submitted to the persons designated in Section XVI of this Consent Decree (Notices).

42. Each report by Columbia under this Section shall be submitted in accordance with the provisions of Paragraph 24 of this Consent Decree. The certification requirement in Paragraph 24 does not apply to emergency or similar notifications where compliance would be impractical.

43. The reporting requirements of this Consent Decree do not relieve Columbia of any reporting obligations required by the CWA or its implementing regulations, SCPCA or its implementing regulations, or by any other federal, state, or local law, regulation, permit, or other requirement.

44. Any information provided pursuant to this Consent Decree may be used by the United States or the State in any proceeding to enforce the provisions of this Consent Decree and as otherwise permitted by law.

X. STIPULATED PENALTIES

45. Columbia shall be liable for stipulated penalties to the United States and the State for violations of this Consent Decree as specified below, unless excused under Section XI (Force Majeure). A violation includes failing to perform any obligation required by the terms of this Decree, including any work plan or schedule approved under this Decree, according to all applicable requirements of this Decree and within the specified time schedules established by or

approved under this Decree.

46. Late Payment of Civil Penalty. If Columbia fails to pay the civil penalty required to be paid under Section VII of this Decree (Civil Penalty) when due, Columbia shall pay a stipulated penalty of $1,000 per Day for each Day that the payment is late.

47. Violations. The following stipulated penalties shall accrue for each violation identified below:

a. Unpermitted Discharges. For each Unpermitted Discharge Event occurring on or after two (2) years from the Date of Entry, a stipulated penalty may be assessed as follows:

(i). For each Unpermitted Discharge Event of 5,000 gallons or less, a stipulated penalty may be assessed as follows:

Within two to five years from the Date of Entry, $250.

More than five years from the Date of Entry, $1,000.

(ii). For each Unpermitted Discharge Event of more than 5,000 gallons, a stipulated penalty may be assessed as follows:

Within two to five years from the Date of Entry, $500

More than five years from the Date of Entry, $2,000

For purposes of Subparagraph 47.a., an Unpermitted Discharge (as defined in Subparagraph 8.uu.) occurring over multiple days at the same location and due to the same

cause(s) is considered one "Unpermitted Discharge Event." For example, a collapsed pipe that results in an Unpermitted Discharge on multiple days is a single Unpermitted Discharge Event.

b. Failure to Timely Submit Deliverable. For failing to submit any Deliverable, the following stipulated penalties shall accrue:

Period Beyond Submittal Date	Penalty Per Violation Per Day
1 – 30 days	$500
more than 30 days	$1,000

c. Failure to Timely Complete Rehabilitation Projects. For each day that Columbia fails to timely complete rehabilitation projects in accordance with the deadlines established in Paragraph 10, Appendices E and F, or Paragraph 16.b. of this Decree, a stipulated penalty shall accrue for each such missed deadline as follows:

Period Beyond Submittal Date	Penalty Per Violation Per Day
1-14 days	$500
15 – 30 days	$1,000
31 – 60 days	$1,500
61 – 180 days	$2,000
more than 180 days	$2,500

d. Failure to Timely Implement SEP Milestones. For each Day that Columbia fails to timely implement a SEP milestone set forth in Section VIII or Appendix I, daily stipulated penalties may be assessed as follows:

Period of Non-compliance	Penalty Per Violation Per Day
1 – 60 days	$500
more than 60 days	$1,500

e. Failure to Complete the SEP. For the SEP identified in Section VIII and Appendix I, EPA, after receiving the SEP Completion Report, may notify Columbia that Columbia has failed to satisfactorily complete the SEP in accordance with the terms of this Consent Decree as described in Section VIII and Appendix I (including the required expenditures for the SEP). A stipulated penalty of $375,000 for the SEP may be assessed, if Columbia does not cure the deficiencies identified in EPA's notice within ninety (90) Days after receiving such notice. Notwithstanding the foregoing, if EPA determines that Columbia has made good faith efforts to satisfactorily complete the SEP and has certified, with supporting documentation, that at least ninety (90) percent of the required amount of money has been spent on the SEP, Columbia shall not be liable for any stipulated penalty.

48. Stipulated penalties under this Section shall begin to accrue on the Day after performance is due or on the Day a violation occurs, whichever is applicable, and shall continue to accrue until performance is satisfactorily completed or until the violation ceases. Stipulated penalties shall accrue simultaneously for separate violations of this Consent Decree.

49. Columbia shall pay stipulated penalties to the United States and the State within thirty (30) Days of a written demand by EPA. Columbia shall pay fifty percent (50%) of the total stipulated penalty amount due to the United States and fifty percent (50%) to the State.

50. The United States may, in the unreviewable exercise of its discretion, reduce or

waive stipulated penalties otherwise due it under this Consent Decree.

51. Stipulated penalties shall continue to accrue as provided in Paragraph 47, during any Dispute Resolution, but need not be paid until the following:

a. If the dispute is resolved by agreement or by a decision of EPA that is not appealed to the Court, Columbia shall pay accrued penalties determined to be owing, together with interest, to the United States and the State within thirty (30) Days of the effective date of the agreement or the receipt of EPA's decision or order.

b. If the dispute is appealed to the Court and the United States prevails in whole or in part, Columbia shall pay all accrued penalties determined by the Court to be owed, together with interest, within sixty (60) Days of receiving the Court's decision or order, except as provided in Subparagraph c., below.

c. If the District Court's decision is appealed, Columbia shall pay all accrued penalties determined to be owed, together with interest, within fifteen (15) Days of receiving the final appellate court decision.

52. Columbia shall pay stipulated penalties owing to the United States in the manner set forth and with the confirmation notices required by Paragraph 26, except that the transmittal letter shall state that the payment is for stipulated penalties and shall state for which violation(s) the penalties are being paid. Columbia shall pay stipulated penalties owing to the State in the manner set forth in Paragraph 27.

53. If Columbia fails to pay stipulated penalties according to the terms of this Consent

Decree, Columbia shall be liable for interest on such penalties, as provided for in 28 U.S.C. § 1961, accruing as of the date payment became due. Nothing in this Paragraph shall be construed to limit the United States or the State from seeking any remedy otherwise provided by law for Columbia's failure to pay any stipulated penalties.

54. Subject to the provisions of Section XIV of this Consent Decree (Effect of Settlement/Reservation of Rights), the stipulated penalties provided for in this Consent Decree shall be in addition to any other rights, remedies, or sanctions available to the United States and the State for Columbia's violation of this Consent Decree or applicable law.

XI. FORCE MAJEURE

55. "Force majeure," for purposes of this Consent Decree, is defined as any event arising from causes beyond the control of Columbia, of any entity controlled by Columbia, or of Columbia's contractors, that delays or prevents the performance of any obligation under this Consent Decree despite Columbia's best efforts to fulfill the obligation. The requirement that Columbia exercise "best efforts to fulfill the obligation" includes using best efforts to anticipate any potential force majeure event and best efforts to address the effects of any such event (a) as it is occurring and (b) after it has occurred to prevent or minimize any resulting delay to the greatest extent possible. "Force majeure" does not include Columbia's financial inability to perform any obligation under this Consent Decree.

56. If any event occurs or has occurred may delay the performance of any obligation under this Consent Decree, whether or not caused by a force majeure event, Columbia shall provide notice in orally or by electronic or facsimile transmission to EPA and DHEC, within

seventy-two (72) hours of when Columbia first knew or should have known that the event might cause a delay. Within seven (7) days thereafter, Columbia shall provide a written notice to EPA and DHEC an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken in an effort to prevent or minimize the delay; a schedule for implementation of any measures to be taken in an effort to prevent or mitigate the delay or the effect of the delay; Columbia's rationale for attributing such delay to a force majeure event if it intends to assert such a claim; and a statement as to whether, in the opinion of Columbia, such event may cause or contribute to an endangerment to public health, welfare or the environment. Columbia shall include with any notice all available documentation supporting the claim that the delay was attributable to a force majeure event. Failure to comply with the above requirements shall preclude Columbia from asserting any claim of force majeure for that event for the period of time of such failure to comply, and for any additional delay caused by such failure. Columbia shall be deemed to know of any circumstance of which Columbia or Columbia's contractors knew or should have known.

57. If EPA, after a reasonable opportunity for review and comment by DHEC, agrees that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Consent Decree that are affected by the force majeure event will be extended by EPA, after a reasonable opportunity for review and comment by DHEC, for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. EPA will notify Columbia in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

58. If EPA, after a reasonable opportunity for review and comment by DHEC, does not agree that the delay or anticipated delay has been or will be caused by a force majeure event, EPA will notify Columbia in writing of its decision.

59. If Columbia elects to invoke the dispute resolution procedures set forth in Section XII (Dispute Resolution), it shall do so no later than fifteen (15) Days after receipt of EPA's notice. In any such proceeding, Columbia shall have the burden of demonstrating by a preponderance of the evidence that the delay or anticipated delay has been or will be caused by a force majeure event, that the duration of the delay or the extension sought was or will be warranted under the circumstances, that best efforts were exercised to avoid and mitigate the effects of the delay, and that Columbia complied with the requirements of Paragraphs 55 and 56 above. If Columbia carries this burden, the delay at issue shall be deemed not to be a violation by Columbia of the affected obligation of this Consent Decree identified to EPA and the Court.

XII. DISPUTE RESOLUTION

60. Unless otherwise expressly provided for in this Consent Decree, the dispute resolution procedures of this Section shall be the exclusive mechanism to resolve disputes arising under or with respect to this Consent Decree. Columbia's failure to seek resolution of a dispute under this Section shall preclude Columbia from raising any such issue as a defense to an action by the United States or the State to enforce any obligation of Columbia arising under this Decree.

61. Informal Dispute Resolution. Any dispute subject to Dispute Resolution under this Consent Decree shall first be the subject of informal negotiations. The dispute shall be considered to have arisen when Columbia sends the United States a written Notice of Dispute.

Such Notice of Dispute shall state clearly the matter in dispute. The period of informal negotiations shall not exceed twenty (20) Days from the date the dispute arises, unless that period is modified by written agreement between the United States and Columbia. The United States shall consult with the State during the period of informal negotiations. If the United States and Columbia cannot resolve a dispute by informal negotiations, then the position advanced by the United States shall be considered binding unless, within forty-five (45) Days after the conclusion of the informal negotiation period, Columbia invokes formal dispute resolution procedures as set forth below.

62. Formal Dispute Resolution. Columbia shall invoke formal dispute resolution procedures, within the time period provided in the preceding Paragraph, by serving on the United States and the State a written Statement of Position regarding the matter in dispute. The Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting Columbia's position and any supporting documentation relied upon by Columbia. The United States shall serve its Statement of Position within ninety (90) Days of receipt of Columbia's Statement of Position. The United States Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting that position and any supporting documentation relied upon by the United States. The United States shall consult with the State during preparation of its Statement of Position. The United States Statement of Position shall be binding on Columbia, unless Columbia files a motion for judicial review of the dispute in accordance with the following Paragraph.

63. Judicial Dispute Resolution. Columbia may seek judicial review of the dispute by filing with the Court and serving on the United States and the State, in accordance with Section

XVI of this Consent Decree (Notices), a motion requesting judicial resolution of the dispute. The motion must be filed within ten (10) Days of receipt of the United States Statement of Position pursuant to the preceding Paragraph. The motion shall contain a written statement of Columbia's position on the matter in dispute, including any supporting factual data, analysis, opinion, or documentation, and shall set forth the relief requested and any schedule within which the dispute must be resolved for orderly implementation of the Consent Decree. The United States shall respond to Columbia's motion within the time period allowed by the Local Rules of this Court. The United States shall consult with the State during preparation of its response. Columbia may file a reply memorandum, to the extent permitted by the Local Rules.

64. Standard of Review.

a. Disputes Concerning Matters Accorded Record Review. Except as otherwise provided in this Consent Decree, in any dispute brought under Paragraphs 62 and 63 pertaining to the adequacy or appropriateness of plans, procedures to implement plans, schedules or any other items requiring approval by EPA under this Consent Decree; the adequacy of the performance of work undertaken pursuant to this Consent Decree; and all other disputes that are accorded review on the administrative record under applicable principles of administrative law, Columbia shall have the burden of demonstrating, based on the administrative record, that the position of the United States is arbitrary and capricious or otherwise not in accordance with law.

b. Other Disputes. Except as otherwise provided in this Consent Decree, in any other dispute brought under Paragraphs 62 and 63, Columbia shall bear the burden of demonstrating that its position complies with this Consent Decree and furthers the objectives of

the Consent Decree.

65. The invocation of dispute resolution procedures under this Section shall not, by itself, extend, postpone, or affect in any way any obligation of Columbia under this Consent Decree, unless and until final resolution of the dispute so provides. Stipulated penalties with respect to the disputed matter shall continue to accrue from the first Day of noncompliance, but payment shall be stayed pending resolution of the dispute as provided in Paragraph 51. If Columbia does not prevail on the disputed issue, stipulated penalties shall be assessed and paid as provided in Section X (Stipulated Penalties).

XIII. RIGHT OF ENTRY AND INFORMATION COLLECTION AND RETENTION

66. The United States, the State, and their representatives, including attorneys, contractors, and consultants, shall have the right of entry into any facility covered by this Consent Decree, at all reasonable times, upon presentation of credentials, to:

a. monitor the progress of activities required under this Consent Decree;

b. verify any data or information submitted to the United States or the State in accordance with the terms of this Consent Decree;

c. obtain samples and, upon request, splits of any samples taken by Columbia or its representatives, contractors, or consultants;

d. obtain documentary evidence, including photographs and similar data; and

e. assess Columbia's compliance with this Consent Decree.

67. Upon request, Columbia shall provide EPA and DHEC or their authorized representatives splits of any samples taken by Columbia. Upon request, EPA and DHEC shall provide Columbia splits of any samples taken by EPA or DHEC.

68. Until five years after the termination of this Consent Decree, Columbia shall retain, and shall instruct its contractors and agents to preserve, all non-identical copies of all documents, records, or other information (including documents, records, or other information in electronic form) in its or its contractors' or agents' possession or control, or that come into its or its contractors' or agents' possession or control, and that relate in any manner to Columbia's performance of its obligations under this Consent Decree. This information-retention requirement shall apply regardless of any contrary institutional policies or procedures. At any time during this information-retention period, upon request by the United States or the State, Columbia shall provide copies of any documents, records, or other information required to be maintained under this Paragraph.

69. At the conclusion of the information-retention period provided in the preceding Paragraph, Columbia shall notify the United States and the State at least ninety (90) Days prior to the destruction of any documents, records, or other information subject to the requirements of the preceding Paragraph and, upon request by the United States or the State, Columbia shall deliver any such documents, records, or other information to EPA or DHEC. Columbia may assert that certain documents, records, or other information is privileged under the attorney-client privilege or any other privilege recognized by federal law. If Columbia asserts such a privilege, it shall provide the following:

a. the title of the document, record, or information;

b. the date of the document, record, or information;

c. the name and title of each author of the document, record, or information;

d. the name and title of each addressee and recipient;

e. a description of the subject of the document, record, or information; and

f. the privilege asserted by Columbia.

However, no documents, records, or other information created or generated pursuant to the requirements of this Consent Decree shall be withheld on grounds of privilege.

70. Columbia may also assert that information required to be provided under this Section is protected as Confidential Business Information ("CBI") under 40 C.F.R. Part 2. As to any information that Columbia seeks to protect as CBI, Columbia shall follow the procedures set forth in 40 C.F.R. Part 2.

71. This Consent Decree in no way limits or affects any right of entry and inspection, or any right to obtain information, held by the United States or the State pursuant to applicable federal or state laws, regulations, or permits, nor does it limit or affect any duty or obligation of Columbia to maintain documents, records, or other information imposed by applicable federal or state laws, regulations, or permits.

XIV. EFFECT OF SETTLEMENT/RESERVATION OF RIGHTS

72. This Consent Decree resolves the civil claims of the United States and the State

for the violations alleged in the Complaint filed in this action through the Date of Lodging of this Consent Decree.

73. The United States and the State reserve all legal and equitable remedies available to enforce the provisions of this Consent Decree, except as expressly stated in Paragraph 72. This Consent Decree shall not be construed to limit the rights of the United States or the State to obtain penalties or injunctive relief under the CWA, SCPCA, or their implementing regulations, or under other federal or state laws, regulations, or permit conditions, except as expressly specified in Paragraph 72. The United States and the State further reserve all legal and equitable remedies to address any imminent and substantial endangerment to the public health or welfare or the environment arising at, or posed by, Columbia's Sewer System, whether related to the violations addressed in this Consent Decree or otherwise.

74. In any subsequent administrative or judicial proceeding initiated by the United States or the State for injunctive relief, civil penalties, other appropriate relief relating to the Sewer System or Columbia's violations, Columbia shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the United States or the State in the subsequent proceeding were or should have been brought in the instant case, except with respect to claims that have been specifically resolved pursuant to Paragraph 72 of this Section.

75. This Consent Decree is not a permit, or a modification of any permit, under any federal, State, or local laws or regulations. Columbia is responsible for achieving and

maintaining complete compliance with all applicable federal, State, and local laws, regulations, and permits; and Columbia's compliance with this Consent Decree shall be no defense to any action commenced pursuant to any such laws, regulations, or permits, except as set forth herein. The United States and the State do not, by their consent to the entry of this Consent Decree, warrant or aver in any manner that Columbia's compliance with any aspect of this Consent Decree will result in compliance with provisions of the CWA, SCPCA, or with any other provisions of federal, State, or local laws, regulations, or permits.

76. This Consent Decree does not limit or affect the rights of Columbia or of the United States or the State against any third parties, not party to this Consent Decree, nor does it limit the rights of third parties, not party to this Consent Decree, against Columbia, except as otherwise provided by law.

77. This Consent Decree shall not be construed to create rights in, or grant any cause of action to, any third party not party to this Consent Decree.

XV. COSTS

78. The Parties shall bear their own costs of this action, including attorneys' fees, except that the United States and the State shall be entitled to collect the costs (including attorneys' fees) incurred in any action necessary to collect any portion of the civil penalty or any stipulated penalties due but not paid by Columbia.

XVI. NOTICES

79. Unless otherwise specified herein, whenever notifications, submissions, or communications are required by this Consent Decree, they shall be made in writing and

addressed as follows:

To the United States:

Chief, Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
Box 7611 Ben Franklin Station
Washington, D.C. 20044-7611
Re: DOJ No. 90-5-1-1-09954

Amy Gillespie
Environmental Enforcement Section
U.S. Department of Justice
Box 7611 Ben Franklin Station
Washington, D.C. 20044-7611
Re: DOJ No. 90-5-1-1-09954

and amy.gillespie@usdoj.gov

and

Chief, Water Programs Enforcement Branch
Water Protection Division
U.S Environmental Protection Agency, Region 4
61 Forsyth Street, S.W.
Atlanta, GA 30303

To EPA

Chief, Water Programs Enforcement Branch
Water Protection Division
U.S Environmental Protection Agency, Region 4
61 Forsyth Street, S.W.
Atlanta, GA 30303

To the State:

Glenn Trofatter
SCDHEC-Bureau of Water
Water Pollution Control Division
2600 Bull St
Columbia, SC 29201

And

Roger Hall
hallrp@dhec.sc.gov

To DHEC:

Glenn Trofatter
SCDHEC-Bureau of Water
Water Pollution Control Division
2600 Bull St
Columbia, SC 29201

And

Roger Hall
hallrp@dhec.sc.gov

To Columbia:

City of Columbia
P.O. Box 147
Columbia, South Carolina 29217
Attn: City Manager

City of Columbia
P.O. Box 667
Columbia, South Carolina 29202
Attn: City Attorney

City of Columbia
P.O. Box 147
Columbia, South Carolina 29217
Attn: Chief Financial Officer

City of Columbia
P.O. Box 147
Columbia, South Carolina 29217
Attn: Director Utilities and Engineering

and:

W. Thomas Lavender, Jr.
Nexsen Pruet, LLC
1230 Main Street, Suite 700
Columbia, South Carolina 29201

80. Any Party may, by written notice to the other Parties, change its designated notice recipient or notice address provided above.

81. Notices submitted pursuant to this Section shall be deemed submitted upon mailing, unless otherwise provided in this Consent Decree or by mutual agreement of the Parties in writing.

XVII. EFFECTIVE DATE

82. The Effective Date of this Consent Decree shall be the date upon which this Consent Decree is entered by the Court or a motion to enter the Consent Decree is granted, whichever occurs first, as recorded on the Court's docket.

XVIII. RETENTION OF JURISDICTION

83. The Court shall retain jurisdiction over this case until termination of this Consent Decree, for the purpose of resolving disputes arising under this Decree or entering orders modifying this Decree, pursuant to Sections XII and XIX, or effectuating or enforcing compliance with the terms of this Decree.

XIX. MODIFICATION

84. The terms of this Consent Decree, including any attached appendices, may be modified only by a subsequent written agreement signed by all the Parties. Where the modification constitutes a material change to this Decree, it shall be effective only upon approval

by the Court.

85. Any disputes concerning modification of this Decree shall be resolved pursuant to Section XII of this Decree (Dispute Resolution), provided, however, that, instead of the burden of proof provided by Paragraph 64, the party seeking the modification bears the burden of demonstrating that it is entitled to the requested modification in accordance with Federal Rule of Civil Procedure 60(b).

XX. TERMINATION

86. This Consent Decree may be terminated when the United States determines that Columbia has satisfactorily completed performance of its compliance (Section V) and SEP (Section VIII) obligations required by this Decree, provided that Columbia has fulfilled all other obligations of this Decree, including payment of the civil penalty under Section VII of this Decree and any accrued stipulated penalties as required by Section X of this Decree not waived or reduced by the United States. Columbia may serve upon the United States a Request for Termination, certifying that Columbia has satisfied those requirements, together with all necessary supporting documentation.

87. Following receipt by the United States of Columbia's Request for Termination, the United States and Columbia shall confer informally concerning the Request and any disagreement that they may have as to whether Columbia has satisfactorily complied with the requirements for termination of this Consent Decree. If the United States, after consultation with the State, agrees that the Decree may be terminated, the United States and Columbia shall submit, for the Court's approval, a joint stipulation terminating the Decree.

88. If the United States, after consultation with the State, does not agree that the Decree may be terminated, Columbia may invoke Dispute Resolution under Section XII of this Decree. However, Columbia shall not invoke Dispute Resolution of any dispute regarding termination until one hundred-twenty (120) Days after service of its Request for Termination.

XXI. PUBLIC PARTICIPATION

89. This Consent Decree shall be lodged with the Court for a period of not less than thirty (30) Days for public notice and comment in accordance with 28 C.F.R. § 50.7. The United States reserves the right to withdraw or withhold its consent if the comments regarding the Consent Decree disclose facts or considerations indicating that the Consent Decree is inappropriate, improper, or inadequate. Columbia and the State each consent to entry of this Consent Decree without further notice and agrees not to withdraw from or oppose entry of this Consent Decree by the Court or to challenge any provision of the Decree, unless the United States has notified the Parties in writing that it no longer supports entry of the Decree.

XXII. SIGNATORIES/SERVICE

90. Each undersigned representative of Columbia, EPA, and the State, and the Assistant Attorney General for the Environment and Natural Resources Division of the Department of Justice, certifies that he or she is fully authorized to enter into the terms and conditions of this Consent Decree and to execute and legally bind the Party he or she represents to this document.

91. This Consent Decree may be signed in counterparts, and its validity shall not be challenged on that basis. Columbia agrees to accept service of process by mail with respect to all

matters arising under or relating to this Consent Decree and to waive the formal service requirements set forth in Rules 4 and 5 of the Federal Rules of Civil Procedure and any applicable Local Rules of this Court including, but not limited to, service of a summons.

XXIII. INTEGRATION

92. This Consent Decree constitutes the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement embodied in the Decree and supersedes all prior agreements and understandings, whether oral or written, concerning the settlement embodied herein. Other than Deliverables that are subsequently submitted and approved pursuant to this Decree, no other document, nor any representation, inducement, agreement, understanding, or promise, constitutes any part of this Decree or the settlement it represents, nor shall it be used in construing the terms of this Decree.

XXIV. FINAL JUDGMENT

93. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final judgment of the Court as to the United States, the State, and Columbia. The Court finds that there is no just reason for delay and therefore enters this judgment as a final judgment under Fed. R. Civ. P. 54 and 58.

XXV. APPENDICES

94. The following appendices are attached to and part of this Consent Decree:

"Appendix A" is a Map of the service area for the Sewer System

"Appendix B" is the Lower Richland Sewer Service Agreement

"Appendix C" is the Map of Sewerbasins and Subbasins

"Appendix D" is the Sewer Overflow Response Program, or SORP

"Appendix E" is the Capital Improvement Program for the WWTP

"Appendix F" is the Capital Improvement Program for the WCTS

"Appendix G" is the Fats, Oil and Grease (FOG) Management Program

"Appendix H" is the List of Pump Stations with Capacity Ratings Greater Than 1000 Gallons Per Minute

"Appendix I" is the Description of the Supplemental Environmental Project (SEP)

Dated and entered this __ day of _____, ____.

_____
[_____]
UNITED STATES DISTRICT JUDGE
District of South Carolina

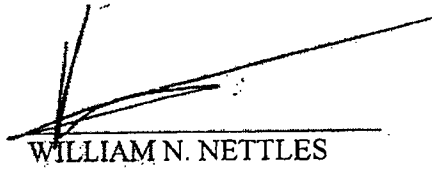
WE HEREBY CONSENT to the entry of this Consent Decree, subject to the public notice and comment provisions of 28 C.F.R. § 50.7:

FOR PLAINTIFF UNITED STATES OF AMERICA:

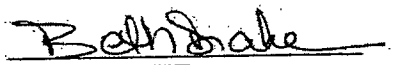
ROBERT G. DREHER
Acting Assistant Attorney General
Environment and Natural Resources Division
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

AMY R. GILLESPIE
Trial Attorney
Environmental Enforcement Section
Environment and Natural Resources Division
United States Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, D.C. 20044-7611
(202) 616-8754

FOR PLAINTIFF UNITED STATES OF AMERICA (Continued):



WILLIAM N. NETTLES
United States Attorney
District of South Carolina
First Union Building
1441 Main Street, Suite 500
Columbia, South Carolina 29201
Bill.Nettles@usdoj.gov
(803) 929-3000



BETH DRAKE
First Assistant United States Attorney
District of South Carolina
First Union Building
1441 Main Street, Suite 500
Columbia, South Carolina 29201
Beth.Drake@usdoj.gov
(803) 929-3000

WE HEREBY CONSENT to the entry of this Consent Decree, subject to the public notice and comment provisions of 28 C.F.R. § 50.7:

FOR PLAINTIFF UNITED STATES OF AMERICA (Continued):

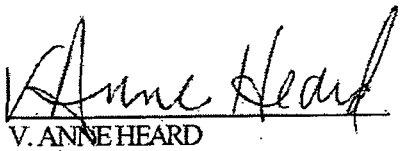
SUSAN SHINKMAN
Office Director
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
United States Environmental Protection Agency

MARK POLLINS
Division Director
Water Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
United States Environmental Protection Agency

CAROL DEMARCO
Water Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
United States Environmental Protection Agency
Washington, DC 20460
Telephone 202-564-2412
Facsimile 202-564-0024

WE HEREBY CONSENT to the entry of this Consent Decree, subject to the public notice and comment provisions of 28 C.F.R. § 50.7:

FOR PLAINTIFF UNITED STATES OF AMERICA (Continued):



V. ANNE HEARD
Acting Regional Counsel and Director
Office of Environmental Accountability
United States Environmental Protection Agency
Region 4
61 Forsyth Street
Atlanta, GA 30303

Of Counsel:

PAUL SCHWARTZ
Assistant Regional Counsel
United States Environmental Protection Agency
Region 4
61 Forsyth Street
Atlanta, GA 30303
Telephone: (404) 562-9576
Facsimile: (404) 562-9486

WE HEREBY CONSENT to the entry of this Consent Decree.

FOR THE SOUTH CAROLINA DEPARTMENT OF
HEALTH AND ENVIRONMENTAL CONTROL:

JACQUELYN S. DICKMAN
Deputy General Counsel
South Carolina Department of Health
and Environmental Control

ELIZABETH A. DIECK
Director of Environmental Affairs
South Carolina Department of Health
and Environmental Control

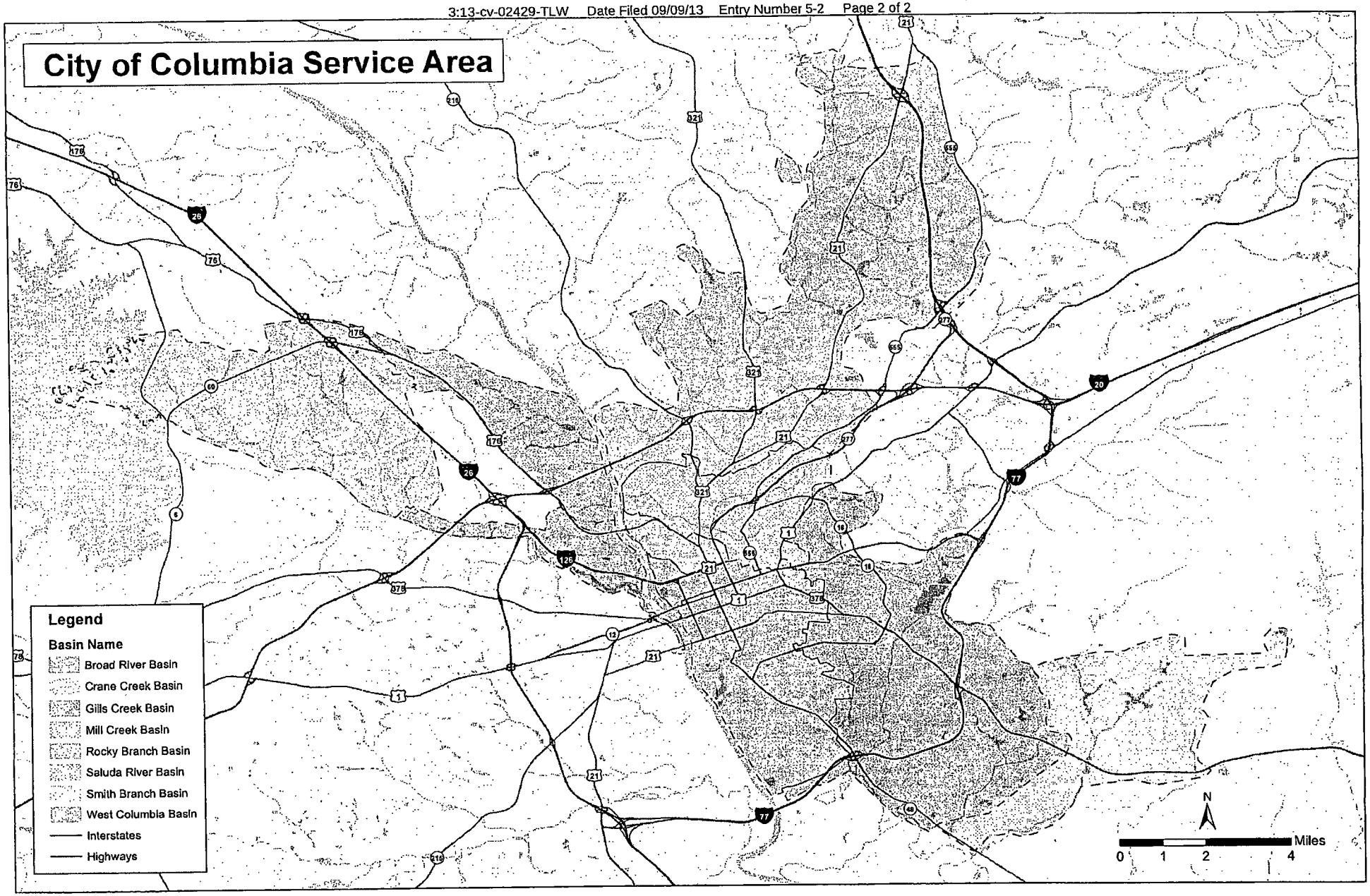
ROGER P. HALL
Senior Counsel
South Carolina Department of Health
and Environmental Control
2600 Bull Street
Columbia, SC 29201
(803) 898-3432

FOR DEFENDANT THE CITY OF COLUMBIA:

TERESA B. WILSON
In her capacity as City Manager
City of Columbia
P.O. Box 147
Columbia, SC 29217

W. THOMAS LAVENDER, JR.
Attorney for the City of Columbia
Nexsen Pruet, LLC
1230 Main Street, Suite 700
Columbia, SC 29201
Federal ID No 2689

Appendix A


City of Columbia Service Area
Legend
Basin Name
Broad River Basin
Crane Creek Basin
Gills Creek Basin
Mill Creek Basin
Rocky Branch Basin
Saluda River Basin
Smith Branch Basin
West Columbia Basin
Interstates
Highways
N
Miles
0 1 2 4

Appendix B

ORIGINAL
STAMPED IN RED

RESOLUTION NO.: R-2010-091

Authorizing the City Manager to execute an agreement between the City of Columbia and Richland County for sewer service to certain properties within Richland County's 208 service area

BE IT RESOLVED by the Mayor and City Council this 19th day of October, 2010, that the City Manager is authorized to execute the attached Lower Richland Sewer Service Agreement between the City of Columbia and Richland County to provide sewer service to certain properties located within Richland County's 208 service area.

Requested by:

City Manager

Approved by:

City Manager

Approved as to form:

City Attorney

Introduced: 10/19/2010
Final Reading: 10/19/2010

Mayor

ATTEST:

City Clerk

Last revised: 10/7/2010
10101565

2010-0280

ORIGINAL
Stamped in Red

STATE OF SOUTH CAROLINA)
) LOWER RICHLAND SEWER SERVICE AGREEMENT
COUNTY OF RICHLAND)

This Agreement is entered into by Richland County and the City of Columbia for the sole purpose of attempting to make available in the future sewer service to certain properties that are located within Richland County's 208 service area that do not currently have sewer service, as are depicted on Exhibit A, which is attached hereto and incorporated herein by reference (hereinafter "the Properties");

WHEREAS, the City of Columbia is currently providing sewer service to a number of parcels within part of Richland County's 208 service area and has or may have the ability to provide sewer service to additional parcels within Richland County's 208 service area, with such parcels and area being defined hereinafter as "Additional Properties", and as shown within the bounds as depicted on Exhibit A, which is attached hereto and incorporated herein by reference; and,

WHEREAS, Richland County intends to provide sewer service to the Properties and the Additional Properties at some future date by constructing a sewer collection system and treatment plant of sufficient size to serve the Lower Richland area.

For and in consideration of the mutual agreements contained herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Richland County, subject to approval of the Central Midlands Council of Governments and/or South Carolina Department of Health and Environmental Control, hereinafter "DHEC", if such approvals are required, consents to the City of Columbia providing sewer service to the Properties and the Additional Properties. If such approvals are required and not given, this Agreement shall be null and void.

2. The City of Columbia agrees to transfer ownership of any sewer system serving the Properties and the Additional Properties, in the manner set forth below, to Richland County if Richland County has acquired a Certificate to Operate the intended sewer collection system and treatment plant (hereinafter "Certificate to Operate") from DHEC on or before October 1, 2017, provided however, that if Richland County has not obtained the Certificate to Operate on or before October 1, 2017, the City of Columbia will have no obligation to transfer to Richland County the sewer system serving the Properties or the Additional Properties and this Agreement shall be null and void.

3. If the aforesaid Certificate to Operate is timely acquired, Richland County, in its sole discretion, may, after the aforesaid Certificate to Operate is acquired, negotiate with the City of Columbia to purchase the sewer system serving the Properties and the Additional Properties. Should Richland County decide to purchase any part of the sewer system serving the Properties, if any, or any part of the sewer system serving the Additional Properties, Richland County may be required, at the City of Columbia's option, to purchase the complete and entire sewer system serving both the Properties and the Additional Properties. For the purchase of the sewer system serving the Additional Properties, as such area is depicted on Exhibit A, Richland County agrees to pay the City of Columbia fair market value based upon the cumulative sum of the number of Residential Equivalent Units ("REU") serving the Additional Properties as of the date Richland County notifies the City of Columbia that it will acquire the sewer system serving the Additional Properties multiplied by the value of one REU. The value of one (1) REU will be Eight Hundred and No/100 ($800.00) Dollars. One (1) REU has a hydraulic loading of 400 gallons per day. The number of REUs serving the Additional Properties will be determined based on the table found at S.C. Regs. Ann. § 61-67, Appx. A (Supp. 2009) (attached hereto and incorporated by reference herein as Exhibit C), and the following formula: (# of units, employees, seats, beds, etc. per parcel) x GPD/400 = REU. Richland County, at its option, may pay the fair market value in five equal annual installments commencing within thirty days of the date Richland County notifies the City of Columbia that it will acquire the sewer system serving the Additional Properties or Richland

County may pay the fair market value as a lump sum within thirty days after notifying the City of Columbia that it will acquire the sewer system serving the Additional Properties or the Properties. For the purchase of the sewer system serving the Properties, Richland County agrees to pay the City of Columbia a one-time fee for the transfer of the sewer system serving the Properties. The one-time fee will be based on an annual average of the utility fees for the preceding two years of the sewer utility fees generated from the Properties and will be due and payable within thirty days after Richland County notifies the City of Columbia that it will acquire the sewer system serving the Properties or the Additional Properties.

4. The City of Columbia, in its sole and exclusive discretion, will determine and approve by City Ordinances the sewer tap rate for any taps sold, sewer service fees or any other fees for sewer service to the Properties. Any of these City Ordinances may be amended from time to time in the sole and exclusive discretion of Columbia City Council. The Properties shall be subject to and fully comply with all applicable rules, regulations and ordinances of the City of Columbia, which may be amended from time to time in the sole and exclusive discretion of Columbia City Council or the City of Columbia. The City of Columbia, through its City Manager or his/her designee, agrees to notify the Richland County Administrator concerning any proposed and/or pending changes to any applicable rules, regulations and ordinances of the City of Columbia concerning sewer tap rates, sewer service fees or any other fees for sewer service.

5. Until such time as the sewer system serving the Properties and the Additional Properties is transferred to Richland County, the City of Columbia will collect and retain all charges for sewer taps and sewer service to the Properties and the Additional Properties.

6. If Richland County has not acquired the Certificate to Operate from DHEC on or before October 1, 2017, Richland County agrees to make a request for and consents to an amendment to the 208 plan by Central Midlands Council of Governments which would add the sewer system serving or to serve the Properties and the Additional Properties to the City of Columbia's 208 sewer service area. The City of Columbia reserves the right to extend the date Richland County must acquire the Certificate to Operate, in its sole and exclusive discretion. The City of Columbia shall grant such an extension, not to exceed two years, if Richland County has completed the design of the aforesaid sewer collection system and treatment plant as is necessary to serve the Properties and the Additional Properties within two (2) years of the date of this Agreement and if Richland County has commenced construction of the aforesaid sewer collection system and treatment plant. Any Agreement to extend the date must be in writing and signed by the parties. Richland County agrees to provide to the City of Columbia semi-annual reports detailing Richland County's progress in meeting the required timelines and deadlines set forth in this Agreement.

7. All costs of design and construction of the sewer system, as well as any upgrades required to the City of Columbia's existing sewer system necessary to provide adequate sewer service to the Properties, in the City of Columbia's sole and exclusive discretion, will be the sole responsibility of the owners of the Properties requesting sewer service and shall be in accordance with all applicable rules, regulations and ordinances of the City of Columbia, which may be amended from time to time in the sole and exclusive discretion of Columbia City Council or the City of Columbia. The design and construction of the sewer system, as well as any upgrades required to the City of Columbia's existing sewer system necessary to provide adequate sewer service to the Properties is subject to the City's approval; however, the City of Columbia will provide and make available to Richland County all design and construction plans approved as a part of this Agreement. The City of Columbia, through its City Manager or his/her designee, agrees to notify the Richland County Administrator concerning any proposed and/or pending changes to any applicable rules, regulations and ordinances of the City of Columbia concerning sewer tap rates, sewer service fees or any other fees for sewer service.

8. Both parties hereby acknowledge that the timelines and deadlines set forth in this Agreement are important to the proper planning and operation of the services outlined herein and, as such, time is of the essence. Failure of either party to meet the required deadlines will be deemed a breach of the Agreement and

is hereby acknowledged by both parties to be material. No extension or waiver of such deadlines shall be enforceable absent written agreement among all parties hereto. In the event either party shall fail to comply with its obligations set forth in the Agreement, and such default shall continue for a period of thirty (30) days after written notice of default has been provided by the other party, then the complaining party shall be entitled to pursue any and all remedies provided under South Carolina law and/or terminate this Agreement.

9. The failure of either party to insist upon the strict performance of any provision of this Agreement shall not be deemed to be a waiver of the right to insist upon strict performance of such provisions or of any other provision of this Agreement at any time. Waiver of any breach of this Agreement by either party shall not constitute waiver of subsequent breach.

10. Written notice to the City shall be made by placing such notice in the United States Mail, Certified, Return Receipt Requested, postage prepaid and addressed to:

City of Columbia
Attention: City Manager
Post Office Box 147
Columbia, SC 29217

With a copy to:

Columbia City Attorney
Post Office Box 667
Columbia, SC 29201

Written notice to the County shall be made by placing such notice in the United States Mail, Certified, Return Receipt Requested, postage prepaid and addressed to:

Richland County
Attention: County Administrator
Post Office Box 192
Columbia, SC 29202

11. The transfer of ownership from the City of Columbia to Richland County of the sewer system serving the Properties and the Additional Properties is contingent upon compliance with, and shall be made only in conformity with any applicable bond ordinances and/or any and all applicable bond covenants; which may require, among other things, consent and/or approval from one or more parties not made a party to this Agreement prior to transferring ownership of the sewer system serving the Properties and the Additional Properties. In the event the transfer of ownership of the sewer system serving the Properties and the Additional Properties will violate any applicable bond ordinances and/or any and all applicable bond covenants, the City of Columbia will have no obligation to transfer to Richland County the sewer system serving the Properties or the Additional Properties.

12. This Agreement represents the entire understanding and Agreement between the parties hereto and supersedes any and all prior negotiations, discussions, and Agreements, whether written or oral, between the parties regarding the same. No amendment or modification to this Agreement or any waiver of any provisions hereof shall be effective unless in writing, signed by both parties.

13. This Agreement shall be interpreted pursuant to the laws of the State of South Carolina.

14. If any provision of this Agreement is determined to be void or unenforceable, all other provisions shall remain in full force and effect.

15. The captions and headings throughout this Agreement, if any, are for convenience and reference only, and the words contained therein shall in no way be held or deemed to define, limit, describe, modify, or add to the interpretation, construction, or meaning of any provision of or scope or intent of this Agreement.

16. This Agreement does not and shall not require the City of Columbia to provide sewer service to the Properties or to any other property.

17. This Agreement shall not be binding upon the City until such time as City Council has approved this Agreement and has authorized the City Manager to execute this Agreement. This Agreement is subject to change until such time as City Council has approved this Agreement and has authorized the City Manager to execute this Agreement.

IN WITNESS WHEREOF, the parties have this __ day of _____, 2010, set their respective hands and seals.

WITNESSES:

CITY OF COLUMBIA

BY: _____
Steven A. Gantt
ITS: City Manager

RICHLAND COUNTY

BY: _____
J. Milton Pope
ITS: County Administrator

EXHIBIT A - Lower Richland Sewer
Public Management Areas
Sewer System Elements
Columbia 208
Richland County 208
Additional Properties
The Properties
1 inch = 1,500 feet

EXHIBIT C

61-67, Appendix A; Unit Contributory Loadings to All Domestic Wastewater Treatment Facilities

Type of Establishment		Hydraulic Loading (GPD)
A.	Airport:	
	1. Per Employee	10
	2. Per Passenger	5
B.	Apartments, Condominiums, Patio Homes:	
	1. Three (3) Bedrooms (Per Unit)	400
	2. Two (2) Bedrooms (Per Unit)	300
	3. One (1) Bedroom (Per Unit)	200
C.	Assembly Halls: (Per Seat)	5
D.	Barber Shop:	
	1. Per Employee	10
	2. Per Chair	100
E.	Bars, Taverns:	
	1. Per Employee	10
	2. Per Seat, Excluding Restaurant	40
F.	Beauty Shop:	
	1. Per Employee	10
	2. Per Chair	125
G.	Boarding House, Dormitory: (Per Resident)	50
H.	Bowling Alley:	
	1. Per Employee	10
	2. Per Lane, No Restaurant, Bar or Lounge	125
I.	Camps:	
	1. Resort, Luxury (Per Person)	100
	2. Summer (Per Person)	50
	3. Day, with Central Bathhouse (Per Person)	35
	4. Travel Trailer (Per Site)	175
J.	Car Wash: (Per Car Washed)	75
K.	Churches: (Per Seat)	3
L.	Clinics, Doctor's Office:	
	1. Per Employee	15
	2. Per Patient	5
M.	Country Club, Fitness Center, Spa: (Per Member)	50
N.	Dentist Office:	
	1. Per Employee	15
	2. Per Chair	8
	3. Per Suction Unit; Standard Unit	370

	4. Per Suction Unit; Recycling Unit	95
	5. Per Suction Unit; Air Generated Unit	0
O.	Factories, Industries:	
	1. Per Employee	25
	2. Per Employee, with Showers	35
	3. Per Employee, with Kitchen	40
	4. Per Employee, with Showers and Kitchen	45
P.	Fairgrounds: (Average Attendance, Per Person)	5
Q.	Grocery Stores: (Per one thousand (1,000) Square Feet, No Restaurant)	200
R.	Hospitals:	
	1. Per Resident Staff	100
	2. Per Bed	200
S.	Hotels: (Per Bedroom, No Restaurant)	100
T.	Institutions: (Per Resident)	100
U.	Laundries: (Self Service, Per Machine)	400
V.	Marinas: (Per Slip)	30
W.	Mobile Homes: (Per Unit)	300
X.	Motels: (Per Unit, No Restaurant)	100
Y.	Nursing Homes:	
	1. Per Bed	100
	2. Per Bed, with Laundry	150
Z.	Offices, Small Stores, Business, Administration Buildings: (Per Person, No Restaurant)	25
AA.	Picnic Parks: (Average Attendance, Per Person)	10
BB.	Prison/Jail:	
	1. Per Employee	15
	2. Per Inmate	125
CC.	Residences: (Per House, Unit)	400
DD.	Rest Areas, Welcome Centers:	
	1. Per Person	5
	2. Per Person, with Showers	10
EE.	Rest Homes:	
	1. Per Bed	100
	2. Per Bed, with Laundry	150
FF.	Restaurants:	
	1. Fast Food Type, Not Twenty Four (24) Hours (Per Seat)	40
	2. Twenty Four (24) Hour Restaurant (Per Seat)	70
	3. Drive-In (Per Car Served)	40
	4. Vending Machine, Walk-up Deli (Per Person)	40
GG.	Schools, Day Care:	
	1. Per Person	10

	2. Per Person, with Cafeteria	15
	3. Per Person, with Cafeteria, Gym and Showers	20
HH.	Service Stations:	
	1. Per Employee	10
	2. Per Car Served	10
	3. Car Wash (Per Car Washed)	75
II.	Shopping Centers, Large Department Stores, Malls: (Per one thousand (1,000) Square Feet, No Restaurant)	200
JJ.	Stadiums, Coliseums: (Per Seat, No Restaurant)	5
KK.	Swimming Pools: (Per Person, with Sewer Facilities and Showers)	10
LL.	Theaters: Indoor (Per Seat), Drive In (Per Stall)	5

SC ADC 61-67

RESOLUTION NO.: R-2010-091

Authorizing the City Manager to execute an agreement between the City of Columbia and Richland County for sewer service to certain properties within Richland County's 208 service area

BE IT RESOLVED by the Mayor and City Council this 19th day of October, 2010, that the City Manager is authorized to execute the attached Lower Richland Sewer Service Agreement between the City of Columbia and Richland County to provide sewer service to certain properties located within Richland County's 208 service area.

Requested by:

City Manager

Approved by:

City Manager

Approved as to form:

City Attorney

Introduced: 10/19/2010
Final Reading: 10/19/2010

Mayor

ATTEST:

City Clerk

Last revised: 10/7/2010
10101565

MEMORANDUM

Office of the City Attorney

TO: Erika Salley, City Clerk

FROM: Shari Lynn Ardis, Legal Admin. Coordinator

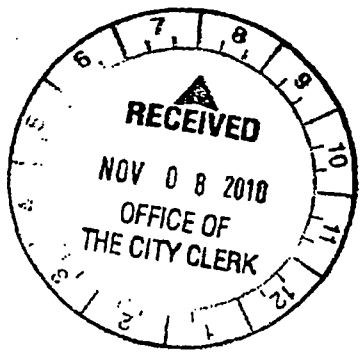
DATE: November 8, 2010

RE: RESOLUTION NO.: R-2010-091
Authorizing the City Manager to execute an agreement between the City of Columbia and Richland County for sewer service to certain properties within Richland County's 208 service area

Please place the attached document in the City's permanent records with the corresponding resolution.

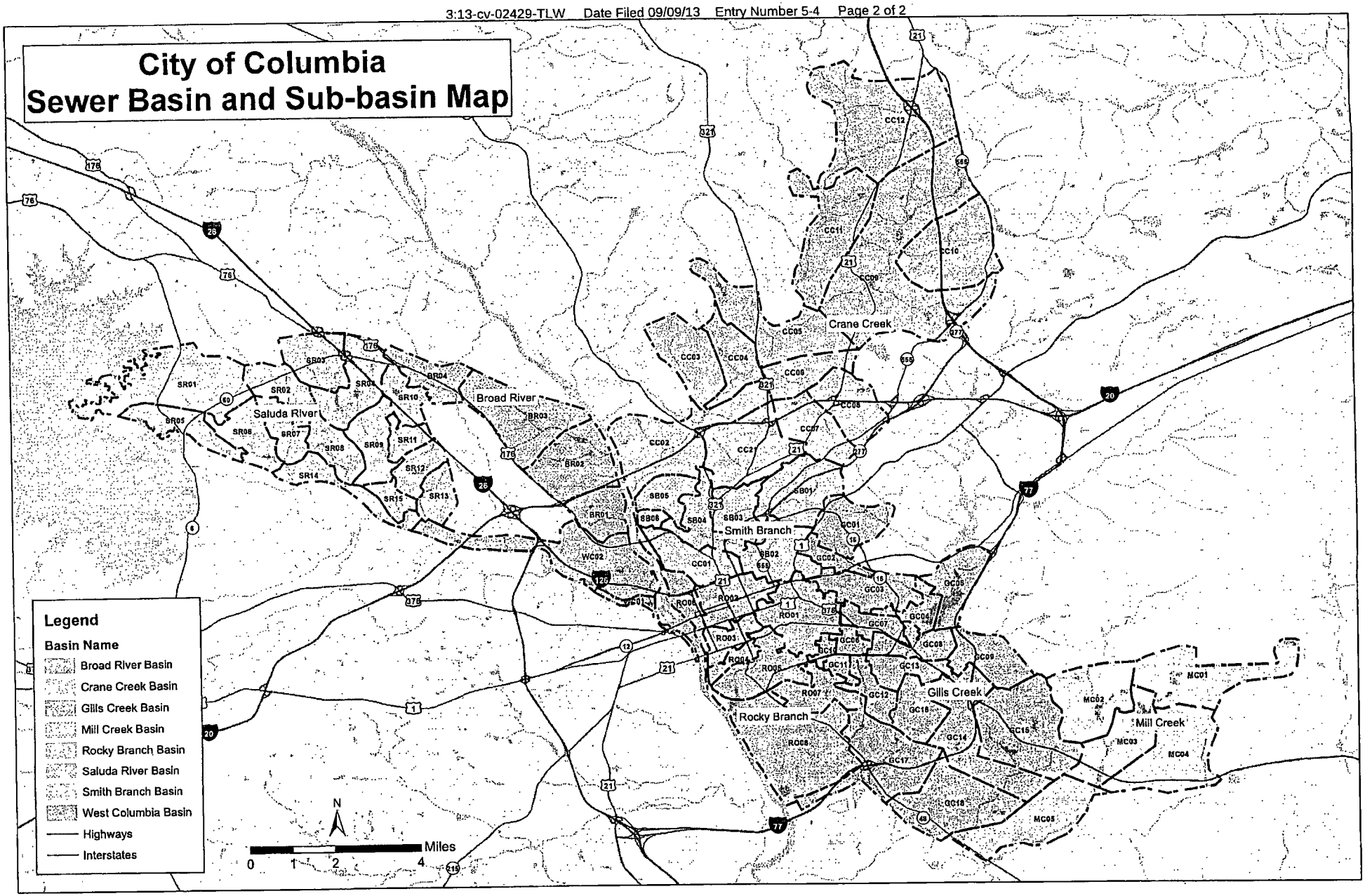
Thank you.

/sla
Attachment



Appendix C

City of Columbia
Sewer Basin and Sub-basin Map



Appendix D

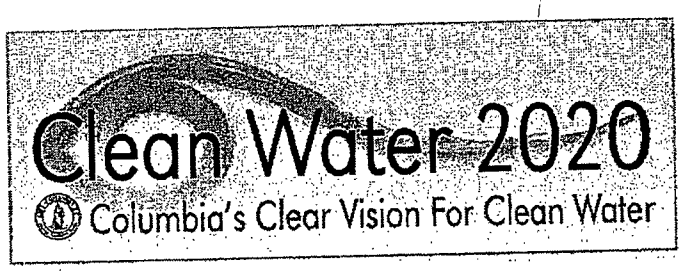
We Are Columbia

City of Columbia

Sewer Overflow Response Plan (SORP)

VERSION 1.1

June 2013



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1.0 INTRODUCTION

1.1 PURPOSE

The purpose of The City of Columbia's Sewer Overflow Response Plan (SORP) is to facilitate a prompt and appropriate response to any sanitary sewer overflow, release, or diversion of wastewater from the wastewater system. Such events may include, but are not limited to, conditions in the City owned collection system such as blockages and/or flow conditions that have the potential for wastewater backups into buildings, and/or discharges from the collection system designed to carry the wastes from the service area to the treatment plant. Discharges may involve manholes, pump stations, transmission lines, collection lines, or other appurtenances. Sewer back-ups can involve large volumes of wastewater and can pose a substantial threat to the receiving surface waters. Maintenance activities to repair sewer pipes can also create excessive sediment that can impact the storm sewer system. This Plan reflects the procedures established for responding to reports of potential SSOs and confirmed SSOs, and for minimizing the impacts that SSOs and their related activities have on the environment, local waterways and the storm sewer system. Copies of this document will be provided to all persons who are involved in meeting its objectives.

1.2 GENERAL BACKGROUND

The Wastewater Maintenance Division (herein referred to as WWM) and Metro Wastewater Treatment Plant (herein referred to as MWWTP), are responsible for reporting any SSOs that occur. Potential SSOs are defined as possible sanitary sewer overflows. Confirmed SSOs are defined as sanitary sewer overflows where the source has been identified.

The Wastewater Maintenance Division is responsible for reporting SSOs that occur within the sanitary sewer collection system (not including attendant pump stations).

The Metro Wastewater Treatment Plant Division is responsible for reporting SSOs that occur at the MWWTP and wastewater pumping stations.

The Utilities and Engineering Department may also receive SSO reports. The Department will be responsible for directing the SSO report to the appropriate division (WWM or MWWTP).

All SSOs, regardless of amount, will have a City of Columbia (COC) SSO Report Form (04/2013) completed and signed by the Director of Utilities and Engineering or his designee. This report will be signed and forwarded to the South Carolina Department of Health and Environmental Control (SCDHEC) and appropriate City Divisions within 5 calendar days.

Public notice will be made in accordance with Section 4.0 and Appendix H.

The City of Columbia also holds a stormwater NPDES permit issued by SCDHEC. This permit requires the City have controls in place to limit, detect and eliminate sanitary sewer and septage seepage into the MS4. Since the City owns the sewer collection system, SCDHEC also requires the implementation of a Sanitary Sewer Seepage and Infiltration Control Program and Illicit

Discharge Detection and Elimination Program. Specifics for both of these programs can be found in the Stormwater Standard Operating Procedure (SOP) for Element 7: Illicit Discharge Detection and Elimination.

1.3 OBJECTIVES

The procedures set forth herein are intended to be a standardized course of action, with good faith intent, and reflect the following objectives:

1. Protect public health and safety;
2. Maintain a high quality of customer service;
3. Protect private and public property adjacent to the collection and treatment facilities;
4. Protect wastewater treatment and collection system personnel;
5. Protect the collection system, wastewater pumping stations, wastewater treatment facilities, and all appurtenances;
6. Minimize adverse water quality, stormwater, and other environmental impacts;
7. Comply with all local, state, and federal rules and regulations;
8. Avoid NPDES permit violations; and,
9. Minimize liability.

1.4 DISTRIBUTION AND MAINTENANCE

1.4.1 SUBMITTAL AND AVAILABLILTY

The Director of Utilities & Engineering or his/her designee will distribute copies of the Plan and any amendments here to the following:

1. City Manager
2. City Engineer
3. Superintendent of Water Plants
4. Wastewater Maintenance Superintendent
5. Wastewater Plant Superintendent
6. Director of Utilities and Engineering
7. Wastewater Engineer

It shall be the responsibility of the appropriate supervisor to ensure that any other personnel who may become involved in responding to a potential SSO have a copy of the Plan, have access, and are familiar with its contents. This includes foremen and crews doing the actual work in the field. An electronic copy of the Plan may be made available to others upon request.

1.4.2 REVIEW AND UPDATE OF PLAN

This Plan will be reviewed and amended as appropriate. The WWM Superintendent or MWWTP Superintendent or his/her designee shall conduct an annual review of the Plan and provide any recommended updates to the Director of Utilities and Engineering. The Director of Utilities and Engineering will update the Plan as necessary to reflect updates provided by the

WWM Superintendent or MWWTP Superintendent or his/her designee. The Director of Utilities and Engineering or his/her designee will provide an updated copy of the Plan to staff noted above in section 1.4.1.

1.4.3 TRAINING

The WWM Superintendent or MWWTP Superintendent or his/her designee will train appropriate personnel on the use of the Plan and any updates thereto. Continuing education training will be repeated at least annually, when new employees are hired, or whenever changes are made to the Plan. Training will also cover stormwater protection techniques and Best Management Practices (BMPs) use/ selection for each crew. This training may be combined with other staff training initiatives.

This Plan will be a living document and regularly updated to ensure a timely and appropriate response to all wastewater related sanitary sewer overflows. The Plan will be used as the training guide and the training will focus on:

1. SSO Emergency Response Plan Procedures;
2. SSO Emergency Response Plan Objectives;
3. Call Taking and Dispatch of Appropriate Crews;
4. Site Assessment, SSO Correction, Containment and Clean Up;
5. Public Advisory Procedures, Temporary Signage, and Media Notification;
6. Downstream Drinking Water Sources Notification;
7. Regulatory Agency Notification;
8. Safety Procedures; and
9. Documentation, Data Collection, Volume Calculations and Record Keeping.

This Plan is intended to be a short-term, proactive approach to managing potential or confirmed SSOs and their immediate effects. The Plan is an integral component of a broader watershed approach to controlling SSOs.

2.0 OVERFLOW FIRST RESPONDERS

2.1 WASTEWATER MAINTENANCE (WWM) DIVISION

The City currently owns, operates, and maintains, approximately 1,200 miles of sanitary sewer pipes that are the responsibility of its Wastewater Maintenance Division. (The City's wastewater pump stations and treatment plant fall under the responsibility of the MWWTP. Objectives of the Wastewater Maintenance Division include:

1. Quality service to customers;
2. Management of infrastructure assets, including sewage collection;
3. Utilization of sound business practices; and
4. Regulatory compliance.

The City will operate and maintain all components of the wastewater collection system in a fashion that will minimize the potential of SSOs. The City places emphasis on programs and

training of qualified personnel who are expected to be professional and proactive. Despite best efforts, and due to unforeseeable events such as vandalism and catastrophic weather conditions, all SSOs may not be eliminated. The procedures contained in this Section will be implemented by staff of the Wastewater Maintenance Division when SSOs occur.

2.2 METROPOLITAN WASTEWATER TREATMENT PLANT (WWTP) DIVISION

The City currently owns, operates, and maintains, a 60 MGD wastewater treatment plant and 67 sanitary sewer pump stations that are the responsibility of its MWWTP maintenance and lift station maintenance staff. The City's sanitary sewer collection system and piping do not fall under the responsibility of the MWWTP. Objectives of the MWWTP include:

1. Quality service to customers;
2. Management of infrastructure assets, including wastewater treatment and pump stations;
3. Utilization of sound business practices;
4. Minimize adverse water quality, stormwater, and other environmental impacts; and
5. Regulatory compliance.

The City will operate and maintain all components of the wastewater treatment plant and sanitary sewer pump stations in a fashion that will minimize the potential of SSOs. The City places emphasis on programs and training of qualified personnel who are expected to be professional and proactive. Despite best efforts, and due to unforeseeable events such as vandalism and catastrophic weather conditions, all SSOs may not be eliminated. The procedures contained in this Section will be implemented by staff of the MWWTP when SSOs occur.

Additionally, The City of Columbia also holds a stormwater NPDES permit issued by SCDHEC. This permit requires the City have controls in place to limit, detect and eliminate sanitary sewer and septage seepage into the MS4. Since the City owns the sewer collection system, SCDHEC also requires the implementation of a Sanitary Sewer Seepage and Infiltration Control Program and Illicit Discharge Detection and Elimination Program. Specifics for both of these programs can be found in the Stormwater Standard Operating Procedure (SOP) for Element 7: Illicit Discharge Detection and Elimination.

3.0 OVERFLOW EMERGENCY RESPONSE PLAN

3.1 DETECTION AND RECEIPT OF INFORMATION

Potential SSOs and/or Potential Building Backups are generally reported and treated in the same manner as outlined herein.

1. These may be reported and/or detected by the general public, and/or the SCDHEC by calling the Customer Care Center 803-545-3300. The Customer Care Center has personnel available to answer the phone at 803-545-3300, 24 hours per day, 7 days per week. The call taker will seek to get enough information from the caller to determine if a potential SSO involves the storm drain system, drinking water system or

wastewater system. Additionally, reports may be made to the WWM Division and MWWTP telephone numbers are available in the blue pages of the Columbia Area AT&T phone book under "Sewer Maintenance" and "Sewage Treatment Plant." Persons calling these Divisions can report a potential SSO 24 hours per day, 7 days a week.

2. WWM personnel are instructed to report all potential SSOs immediately to the WWM Superintendent or his/her designee by calling 803-600-5619.

3. MWWTP personnel are instructed to report all potential SSOs immediately to the MWWTP Superintendent or his/her designee by calling 803-413-8376.

All call takers will record all relevant information known by the caller regarding the potential SSO, including:

1. Time and date the call was received and the person who received the call;
2. Specific location of the potential SSO;
3. Time the potential SSO was noticed by the caller;
4. Caller's name and phone number(s), and how best to contact for follow up;
5. Information concerning specifics supplied by the caller (i.e., odor, duration, in street, back or front of property);
6. Whether or not a potential SSO has reached or is flowing towards a creek, stream or river, a park, playground, school yard, or other public use location; and
7. Other relevant information that will enable the responding investigator and crews, to quickly locate, assess and alleviate the potential SSO.

3.2 DISPATCH OF APPROPRIATE CREWS

The purpose of immediate response to a potential SSO is to identify and correct any problems that could cause or has caused an SSO. If more than one potential SSO occurs at or near the same time period, different crews will be sent to address the different potential SSOs, when possible. If this is not possible, the potential SSOs will be prioritized by an appropriate Division Superintendent or his/her designee in order of greatest threat to public health, surface waters and property. Water quality monitoring for overflows will be conducted as directed by SCDHEC. In such case, SCDHEC will determine the parameters to sample for and at what locations.

Depending on the nature of the spill, the City may take samples concurrently with SCDHEC. Phone calls or other correspondence related to potential SSOs are generally directed to one of the Wastewater Divisions. During normal business hours, the Office Assistant who acts as Dispatcher may receive calls as outlined hereinabove and in Appendix A. Calls are also received at the MWWTP. Operators there are trained to relay potential SSOs to the appropriate crews (WWM or MWWTP personnel).

A City representative or an automated response system will dispatch calls that are received after normal business hours, holidays and weekends as outlined hereinabove and in Appendix A. The on-duty Foreman has a complete list of on-call personnel, including WWM or MWWTP personnel, and their contact phone numbers.

On-call personnel for both WWM and MWWTP rotate weekly (WWM) and every twelve hour shift (MWWTP). A City issued cell phone rotates with the person who is on-call. Calls are routed as follows for investigation:

1. Potential SSOs that are based in the collection system are routed to the WWM Superintendent or his/her designee.

2. Potential SSOs that are based in Wastewater pump stations and/or the treatment plant are routed to
the MWWTP Superintendent or his/her designee.

During wet weather events, an appropriate Division Superintendent will have personnel inspect locations that are known to be recurring overflow locations. A list/map of these locations is maintained and updated on GIS. A copy of this map is located in a central area so personnel know where to respond during a rain event.

During pump station failures, an appropriate Superintendent will have personnel inspect the locations prone to overflow during these failures. A list/map of these locations will be developed as part of the Contingency and Emergency Response Plan (CERP). Once developed, the list/map will be maintained and updated on GIS. A copy of this map will also be located in a central area so personnel will know where to respond during a pump station failure.

3.3 OVERFLOW MITIGATION

The City will reduce the negative impact on the environment and hazards to public health by employing all reasonable containment activities during discharge events. Under most circumstances, both Wastewater Divisions have personnel and equipment that will be able to correct, contain, and clean up wastewater related SSOs. A list of equipment is updated by and maintained within the City's Accounting Department.

A situation may arise that will require the support of an outside contractor. The list of emergency contractors is maintained and updated within the Engineering Division of the Utilities and Engineering Department. Examples may include, repair to sewer pipe in remote areas, creek crossings, or large diameter pipe buried deeply where extensive shoring may be required to resolve the SSO. The City solicits bids on an emergency basis in the event that a contractor is needed. In these cases, interim measures are taken to contain the SSO and prevent any additional harm to the environment, private property, public health, etc. Contractors are responsible for the same level of environmental stewardship as City crews, and requirements for appropriate BMPs (such as inlet protection, debris cleanup, etc.) will be provided to contractors before any work begins.

3.3.1 SITE ASSESSMENT

All Wastewater personnel responding to a potential SSO will adhere to the following guidelines:

1. It is the responsibility of the first responder who arrives at the site of a potential SSO to protect the health and safety of the public.

2. If the first responder is unable to address the problem, then the appropriate supervisor will be notified immediately. The supervisor will employ appropriate measures (i.e. CCTV, smoke testing, etc.) to determine cause of SSO.

3. The health and safety of the public and City personnel are of primary concern. Responding crew members will contact their supervisor whenever a suspicious substance (i.e., oil sheen, foamy residue) is found on the ground surface, within surface waters or ponded areas, or upon detection of a suspicious odor (i.e., gasoline, chemical), not common to the sewer system. City staff (WWM, MWWTP, U&E) follow Job Hazard Assessment, are trained in safe handling of sanitary sewer overflows, and follow universal precautions for raw sewage and blood borne pathogens.

4. The proper regulatory agency will be notified if the first responder notices any overflows (i.e. non-rainwater discharges) entering a body of water or a storm drain.

5. Estimate the overflow in accordance with the guidelines in Section 5, Appendix E herein. Notify Wastewater Compliance immediately for public notification guidance when:
   a. Calculations determine the overflow to be 5000 gallons or more, or when;
   b. Overflow directly enters a body of water and calculation shows greater than 1000 gallons.

6. Due to the emergency nature of most wastewater activities, the Stormwater Section staff understands that stopping or unstopping the flow is the major concern of the Wastewater department. As early as is feasibly possible (but always before any digging activity), a member of the Wastewater crew will deploy inlet protection devices for the immediate area and out through a 50 foot radius. Any storm drains, conveyance channels, or sensitive areas (wetlands, adjacent waters, etc.) will be protected, when feasible, with sandbags, gravel bags, sediment tubes, or a combination of the three BMPs. All applicable crews will have this equipment. These inlet protection measures should stay in place until the maintenance activity has been completed, thus reducing the sediment and pollutant impact. In some cases, the bags or tubes can be rinsed out over a vegetated area and reused.

7. The Fire Department Hazardous Material Response Team (HAZ-MAT) will be notified if hazardous material is suspected.

8. Associated personnel will assist, as necessary, to insure that all potential SSOs are addressed in a timely manner. On-call personnel, Foremen and MWWTP/WWM personnel will communicate and coordinate activities and transfer pertinent information

to the next shift at shift change, including and details of the problem and observations described by the person who reported the problem.

3.3.2 OVERFLOW CORRECTION AND CONTAINMENT

Containing spills is the concept of establishing a physical barrier to control the further dispersal of sewage, thus reducing the impact on downstream areas such as private property and streams. Containment procedures will vary on a case-by-case situation. Such measures are specifically designed to ensure that the proposed plan of action will meet the goals of the SORP.

Upon arrival at a potential SSO, (i.e., sewer line blockage, sewer line break, pump station malfunction) the responding personnel will:

1. Request assistance as needed to determine the cause and contain the SSO;

2. Immediately determine where the SSO has occurred and determine the immediate destination of the SSO (i.e., storm drain, surface water, ground surface, and so on);

3. Immediately secure the work area and request personnel, materials, and equipment as required to expedite containment of the SSO;
   - For pump station-specific emergency procedures refer to the CERP.

4. Determine Whether Flow Diversion Techniques Are Practicable.
   When possible, flow diversion techniques provide an effective means of conveying the overflow back into the sewer system. This procedure reduces additional potential impact on the immediate area and the possible impact downstream. The flow diversion techniques employed by the City when practicable include, but are not limited to, the following:

   - By-passing measures
     Portable by-pass pumps can be used in certain situations to collect overflowed sewage from the environment and convey it back into the sanitary sewer system beyond the disruption of service. This method is most effective in bypassing a single identified problem area when the overflow can be directed to the next downstream manhole. It is not appropriate in wet weather overflows. This type of equipment can be used in conjunction with other containment measures or may be used independently. Additionally, the City maintains a list of qualified contractors capable of providing emergency by-pass pumping as may be required.

   - Vactor/Combination cleaner/flusher procedures
     Combination cleaner/flusher equipment provides an additional resource for collecting overflowed sewage and conveying it back into the sanitary sewer system beyond the disruption of service. This equipment can be used in certain situations in conjunction with other containment measures or may be used independently. Like portable by-pass pumps, this equipment may not be effective in wet weather situations.

5. Mitigation/Remediation Solutions.
   The timely use of flow restrictions is the most effective instrument to reduce additional negative impact on the environment. Also, this phase of field activities may enable restoration of service to City wastewater customers.

   The type of mitigation and remediation will vary depending on the cause of the SSO. Wet weather SSOs are usually caused by inflow and infiltration (I/I), not by blockages or other problems in the system. Mitigation of wet weather overflows may not be possible until the overflow subsides, but when it does, The City will implement all necessary steps to clean up and disinfect the overflow site.

   Dry weather events may be addressed using several methods. The field professionals should identify the most effective method or combination of methods to return service to the system. Field crews should use television inspection to determine the most effective way to resolve any service disruption. CCTV inspection will identify the cause and location of the blockage and the necessary techniques needed to eliminate it.

6. Deploy inlet protection for the immediate area and out through a 50 foot radius. Any storm drains, conveyance channels or sensitive areas (wetlands, adjacent waters, etc.) will be protected with sandbags, gravel bags, sediment tubes, or a combination of the three BMPs;

7. Control pedestrian and vehicular traffic, as needed, using flagmen, barricades, warning tape, fencing, signage, etc.; and

8. Universal precautions shall be used during corrective and containment activities.

The primary objective of the first responder(s) is to correct the immediate cause of all SSOs. Personnel on the scene will also determine if the SSO is going into "Waters of the United States" (See Section 5.2 APPENDIX B Number 4). If private property is involved, the responding personnel will use discretion in providing assistance to a private property owner/occupant who may have sustained property damage. Generally, a responding crew should not enter private property for the purpose of assessing damage unless directed otherwise by a Foreman or Supervisor. If the SSO has entered "Waters of the State", the first responder will notify the proper regulatory agency.

An appropriate Division Superintendent or his/her designee will assist the first responder and visit the site of the SSO as needed to ensure that all of the provisions of this Plan and other directives are met. Should the cause of the SSO not be related to infrastructure owned by the City (i.e., an overflowing private sanitary sewer), but there is imminent danger to public health, public or private property or to "Waters of the United States", then prudent emergency action shall be taken until the responsible party assumes responsibility.

An appropriate Division Superintendent or his/her designee will notify SCDHEC of all identified SSOs not related to infrastructure owned by the City.

SSOs from private laterals, into basements, etc. which are alleged to be the result of problems in the wastewater collection system will be addressed by WWM Inflow & Infiltration (I & I) personnel on a case by case basis.

SSOs are tracked by the Stormwater Section on a GIS layer to identify potential long-term water quality impacts.

3.3.3 OVERFLOW CLEAN UP

For all SSOs, the clean-up methods used will strive to meet the criteria established in Section 1.3 – Objectives. General guidelines for clean-up include:

1. The SSO area will be secured to prevent contact by the public during the cleaning process. Signage and notice requirements, as deemed necessary to prevent such contact, will be implemented as provided in Section 3.5 below;

2. All storm drains or storm sewer conveyance structures within a 50 ft. radius will be bermed off using sand or gravel bags, sediment tubes, or a combination of the three items. These BMPs are put into place to prevent sediment and other solids from entering the storm sewer system;

3. Removal of all readily identifiable residues (i.e., fecal matter, sludge, rags, papers, or plastics);

4. Cleanup activities will utilize universal precautions;

5. Where practical in locations where flush water will not flow to "Waters of the United States", the SSO area will be flushed with wash down water. If possible, the wash down water will be contained and properly disposed of;

6. If the SSO is to dry land only and flushing causes the SSO and/or flush water to reach "Waters of the United States" the incident will be reported as a SSO to "Waters of the United States";

7. Solids and other debris will be flushed, swept, raked, picked up and transported to proper disposal sites;

8. Standing water that has collected as a result of the SSO will be pumped and returned to the sewage system, if possible. Solids and associated wastewater debris remaining after the area has been pumped will be flushed, raked, picked up, and removed from the site and properly disposed of;

9. Contaminated soil will be treated with lime in accordance with SCDHEC regulations, product label and Material Safety Data Sheet;

10. Any sediment or soil that remains on an impervious surface (street, parking lot, etc.) must be removed to the maximum extent practical. Crews should use backhoes (for large amounts) and shovels and brooms to remove excess sediment that could wash into storm drains;

11. After all digging and cleanup activities have finished, the inlet protection BMPs may be removed. If planning to re-use the bags or sediment tubes, they should be rinsed out over a pervious surface or vegetated area. Never rinse them out over a storm drain, water body or ditch, or impervious surface (like the street). If bags or tubes have been saturated with sanitary debris or solids, they should be disposed of properly to the sanitary landfill;

12. When activities are complete, inspect the flow path of the discharge. Identify any areas that may have experienced soil erosion and need repair. Use erosion control blankets, mulch or geo-fabric with hay matting (which can include seeds) to stabilize soil erosion. Always make every attempt to re-establish vegetation on the impacted area, and if necessary continue inspections until the area has stabilized. Contact the Stormwater Section (803-545-3304) with any questions or help with ongoing inspections or stabilization issues; and

13. Do not hose down the area to remove sediment (unless it is necessary for traffic safety).

14. Wastewater staff will respond to Building Backups to determine the cause of the backup. If the backup is determined to be caused by the City's sewer system, the customer will be referred to the insurance claims adjuster. The City has open purchase orders with approved private cleanup companies that can begin to clean up the facility/home immediately while the claim is being processed.

3.4 REGULATORY REPORTING

3.4.1 DATA COLLECTION

If a potential SSO is confirmed to be an SSO:

1. The individual responding to the SSO will report findings to an appropriate Division Superintendent or his/her designee.

2. An appropriate Division Superintendent or his/her designee will insure the procedures within Section 5 are completed.

3. An appropriate Division Superintendent or his/her designee will document immediate actions taken to mitigate the SSO and the steps taken to prevent recurrence. These

notes will become a part of the final 5 Day Written Report filed for the record and used for notification purposes.

4. The Department of Utilities and Engineering will provide the Stormwater Section with an annual report that tracks relevant activities including but not limited to: volume of wastewater captured, amount of solids recovered, miles of pipe cleaned, number of spills, employee training, etc.

If a potential SSO is reported and no SSO is confirmed, an appropriate Division Superintendent or his/her designee will document and have a report on file of the incident.

3.4.2 24-HOUR REPORT

An appropriate Division Superintendent or his/her designee will contact SCDHEC Region 3 – Columbia EQC Office within 24 hours of confirming an SSO. This contact will be by telephone at 803-896-0620 during normal business hours and after-hours reporting shall be made to SCDHEC's 24-hour Emergency Response number at 803-253-6488.

The 24 Hour Report will include, at a minimum, the following information:

1. Identification of the utility name, person reporting the SSO, and a contact number;
2. Date and start time of the SSO;
3. Location of the SSO by street address or other appropriate method; and
4. Whether the confirmed SSO is reaching "Waters of the United States."

3.4.3 5-DAY WRITTEN REPORT

In addition to the 24 Hour Report, an appropriate Division Assistant Superintendent or his/her designee will prepare and submit a written report of the SSO to the Wastewater Compliance Section for processing and submittal, in accordance with procedures outlined in Section 3.4.4, to SCDHEC. This report will be submitted to SCDHEC within five (5) days of the confirmation of the SSO (5 Day Written Report). COC SSO Report Form (01/2013) is used for the 5 Day Written Report and will include, at minimum, the following information:

1. Duration and volume (estimate if unknown) of the SSO;
2. Location of the SSO by street address or other appropriate method;
3. Cause of the SSO;
4. Description of the source, e.g., manhole cover, pump station;
5. Exact dates and times of the SSO event, i.e., start and stop dates and times;
6. The ultimate destination of the flow; e.g., surface water body, land use location via municipal separate storm sewer system to a surface water body (include the name of the receiving stream);
7. Corrective actions or plans to eliminate future discharges;
8. Identification of the person providing the 5 Day Written Report concerning the SSO; and

9. Reason why the required 24 Hour Report was not provided in a timely manner, if applicable.

The 5-Day Written Report will be provided to SCDHEC and shall include the appropriate signature and/or certification, in accordance with the signatory requirements of the City's NPDES Permit for the Metro Wastewater Treatment Plant (Permit).

If the SSO is still ongoing at the time the 5 Day Written Report is submitted, the Director of Utilities and Engineering or his/her designee will mark the Report "PRELIMINARY." If the SSO has ceased at the time of the 5 Day Written Report, the Director of Utilities and Engineering or his/her designee will mark the Report "FINAL."

3.4.4 PROCESSING ALL SANITARY SEWER OVERFLOW REPORTS

The Wastewater Compliance Section will indicate on the report form whether the location has overflowed within the last 12 months. All overflow locations will be loaded on the City's GIS. The Director of Utilities and Engineering or his/her designee will enter the information on the COC SSO Report Form (01/2013) (5 Day Written Report) into the "Sewer Report" Engineering Applications Program and assign a tracking number to it. This number will be written on the top right hand corner of the Report. The hard copy report form will be scanned and saved as the number assigned in an electronic file.

After the scanned Report is saved, the Director of Utilities and Engineering or his/her designee will email the Report within 5 days of the overflow to the SCDHEC and appropriate City Divisions. A listing of recent SSOs may be accessed at http://www.scdhec.gov/environment/water/sso-psf_display.aspx

The original hard copy Report will be forwarded to the MWWTP Superintendent or his/her designee for DMR Reporting.

A copy of the electronic Report will be saved in the department's file folder and maintained for at least 3 years. Complaints from customers or others regarding SSOs will be maintained within the City's Work Order Management Program for at least 3 years.

3.4.5 FECAL COLIFORM SAMPLING

City staff will perform fecal coliform sampling during and/or following a sanitary sewer overflow event as directed by the SCDHEC in accordance with the following procedure:

1. Determine where the sanitary sewer overflow impacted the waterway.
2. Where available, utilize GIS mapping to determine if the site can be sampled above impacted area to determine waterway background levels.
3. Where possible, determine sampling location above impacted area, at impacted site, and downstream of impacted area.
4. Create map sketch showing locations or describe them in writing.

5. Ice down cooler, prep sampling equipment and sample bottles utilizing proper chain of custody techniques.
6. When entering potentially hazardous areas utilize the buddy system.
7. Use proper PPE and safe collection practices.
8. Collect sample at each location and make field notes as needed. Record: date, time, exact location of sample sites, sampler personnel information, project name. Samples will be recorded as Project name: COC-SSO location.
9. Deliver samples to lab for analysis.
10. Repeat sampling as directed by SCDHEC, MULTIPLE DAYS MAY BE NECESSARY. INFORM SCDHEC OF RESULTS AS SOON AS THEY ARE AVAILABLE so a determination can be made as quickly as possible regarding the need for additional samples.

3.5 PUBLIC NOTIFICATION PROCEDURE

An appropriate Division Superintendent or his/her designee is responsible for advising the public of confirmed SSOs which potentially impact the health and safety of the public. Posting and notification will differ depending upon the location and severity of the SSO.

3.5.1 TEMPORARY SIGNAGE

An appropriate Division Superintendent or his/her designee is responsible for posting signs advising the public of a confirmed SSO as determined to be necessary pursuant to the guidelines set forth in Section 5, Appendix G herein. The placement of signage is to be determined according to the following criteria related to the location and nature of the confirmed SSO:

1. Signs should be posted at the location of a confirmed SSO which is believed to have entered "Waters of the United States", at any public access areas downstream of the SSO which may be potentially impacted by a confirmed SSO, and at the location of a confirmed SSO where cleanup and sanitizing of the site has not been completed;

2. Signs should be posted in the vicinity of a confirmed SSO where people are known to be present near a confirmed SSO or where it is obvious that people frequently visit the area (i.e., paths, trails, walkways, and so on) to alert the public to avoid the site and avoid contact with water in the general area; and

3. Temporary signage (i.e., door hangers, yard signs, and so on) may be used where posting at the location of the confirmed SSO is difficult or thought to be ineffective.

3.5.2 MEDIA NOTIFICATION

The Director of Utilities and Engineering or his/her designee will be responsible for notifying the media of an SSO in accordance with the guidelines and procedures outlined in Section 4.1 (Option 1) and Section 5, Appendix H herein.

3.5.3 DOWNSTREAM DRINKING WATER INTAKES

An appropriate Division Superintendent or his/her designee will immediately notify downstream drinking water sources within 20 miles of any SSO of at least 5,000 gallons, or SSOs of any size that have the potential of flowing, being washed into, or otherwise having the potential of entering downstream water sources. If a potential SSO is not subsequently confirmed, yet the SSO is in close proximity to a drinking water intake, the downstream sources will still be notified. The 24 Hour Report as described in Section 5, Appendix B will include the location of the SSO, including the watershed potentially affected by the SSO. The SSO location and watershed information indicated in the 24 Hour Report will generally be used to identify the drinking water sources that will be notified.

4.0 WASTEWATER COMPLIANCE SECTION EMERGENCY RESPONSE PROCEDURES

4.1 PUBLIC NOTICE FOR SSOs OF AT LEAST 5,000 GALLONS

Public Notice Options for SSO's of at least 5,000 gallons or as deemed necessary by SCDHEC to protect public health. Field supervisors will be responsible for notifying the appropriate personnel to enact the best option on a situational basis.

1. The Director of Utilities and Engineering or his/her designee will draft a press release in accordance with Appendix H. The press release will be distributed to SCDHEC, appropriate City Departments and Divisions, local news media outlets, local MS4 permit holders, and local stakeholders. This list of press release recipients is maintained and updated within the Wastewater Compliance Section.

OR

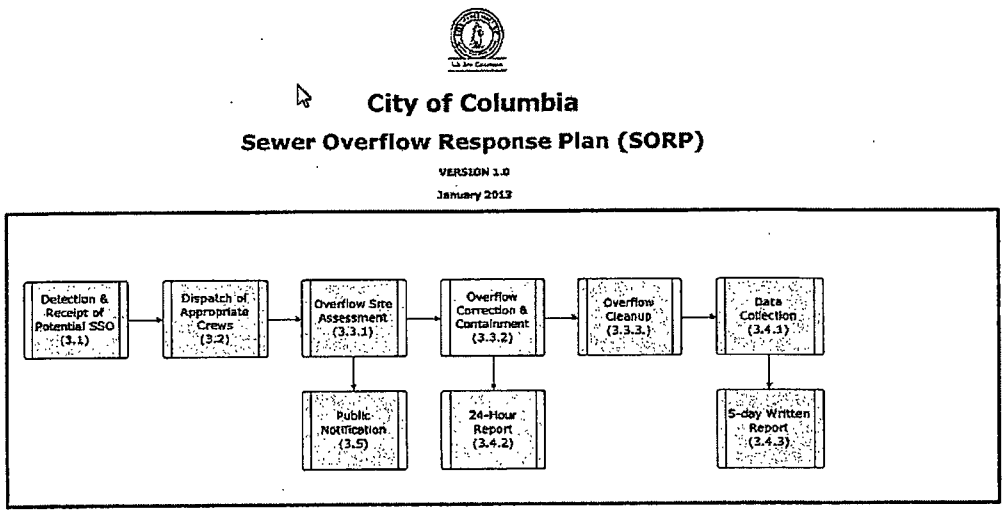
2. The WWM Superintendent or MWWTP Superintendent or his/her designee will be responsible for postings temporary signs where a confirmed SSO has occurred and where it entered "Waters of the United States", in public access areas downstream of the SSO, where cleanup and sanitizing of the impacted site has not been completed, and in areas where people frequently visit (paths, trails, walkways, etc.). Signs should be posted as soon as possible in order to alert the public, allowing the public to avoid the site and avoid contact with impacted waterways.

OR

3. The WWM Superintendent or MWWTP Superintendent or his/her designee will be responsible for utilizing temporary signage (door hangers or yard signs) where posting signs is difficult or thought to be ineffective. This method will also be utilized for overflows that are localized and isolated as deemed appropriate in heavily populated areas.

5.0 APPENDICES

5.1 APPENDIX A: DISPATCHER PLAN PROTOCOL



5.2 APPENDIX B: 24 HOUR REPORT CHECKLIST

The 24-hour report left on voice mail will include, at a minimum, the following information:

1. Identification of the utility name, person reporting the SSO, and a contact number;
2. Date and start time of the SSO failure;
3. Location of the SSO by street address or other appropriate method; and
4. Whether the SSO is reaching "Waters of the United States." According to the United States Environmental Protection Agency 40 CFR 230.3, Waters of the United States are defined as:

    a. All waters which are currently used, or were used in the past, or may be susceptible to use in interstate or foreign commerce, including all waters which are subject to the ebb and flow of the tide;
    b. All interstate waters including interstate wetlands;
    c. All other waters such as intrastate lakes, rivers, streams (including intermittent streams), mudflats, sand flats, wetlands, sloughs, prairie potholes, wet meadows, playa lakes, or natural ponds, the use, degradation or destruction of which could affect interstate or foreign commerce including any such waters:

        (i) Which are or could be used by interstate or foreign travelers for recreational or other purposes; or

(ii) From which fish or shellfish are or could be taken and sold in interstate or foreign commerce; or

(iii)Which are used or could be used for industrial purposes by industries in interstate commerce;

d. All impoundments of waters otherwise defined as waters of the United States under this definition;
e. Tributaries of waters identified in paragraphs (s) (1) through (4) of this section;
f. The territorial sea;
g. Wetlands adjacent to waters (other than waters that are themselves wetlands) identified in paragraphs (s) (1) through (6) of this section; waste treatment systems, including treatment ponds or lagoons designed to meet the requirements of CWA (other than cooling ponds as defined in 40 CFR 423.11(m) which also meet the criteria of this definition) are not waters of the United States.

5. Potential water intakes that could be affected by a SSO:
(Located within 20 miles of Columbia, South Carolina)

a. **City of Columbia Lake Murray Water Treatment Plant**
Contact the Control Room at 803-781-2181
b. **City of Columbia Canal Water Treatment Plant**
Contact the Control Room at 803-733-8336
c. **City of West Columbia Lake Murray Filtering Plant**
Contact the Control Room at 803- 957-4596
d. **City of West Columbia Filtering Plant**
Contact the Control Room at 803-794-7696
e. **The City of Cayce Water Treatment Plant**
Contact the Control Room at 803-739-5367

5.3 APPENDIX C: 5 DAY WRITTEN REPORT
CITY OF COLUMBIA SANITARY SEWER OVERFLOW REPORT FORM (04/2013)

We Are Columbia

SSO No.: _____

City of Columbia Sewer System Overflow Report Form

Permit: City of Columbia Permit No: SC0020940 Effected County: _____ (Richland or Lexington)

Date SSO Failure: _____ Time: _____ (Military Format) Response Person: _____ (City Personnel)

Date SCDHEC Notified: _____ Time: _____ (Military Format) Person Contacted: _____ (SCDHEC Personnel)

Description of Source (manhole, pump station, etc.): _____ Pump Station No.: _____

Location of SSO/Failure: _____ (Street address) _____ (City, State, Zip) Basin: _____

City Limits: _____ (Inside or Outside) Contributing Area: _____ (Apartment, Residential, Commercial, Plant Related)

Cause of SSO/Failure: _____ (Grease, Roots, Collapsed Line, Broken Line or if other-please explain)

Control Action Taken to Minimize Flow: _____

Corrective Action Taken to respond to and clean up: _____

_____

Estimate volume of wastewater released: _____ (In Gallons)

Has an overflow occurred at this location within the past 12 months? Yes___No____: If Yes, When? ____

Did wastewater enter a stream or body of water? Yes_____No_____: Was sample taken? Yes___No____
(If discharge reaches any water already present in a conveyance ditch, etc., it is considered to have reached waters of the State)

If Yes, Where? _____ (Name of water body)

Were down stream water-in-takes notified? Yes_____ No_____ If Yes, who? _____

Was public notification issued? Yes ____ No ____ If Yes, what type? _____ (Door-hanger, Signage, Press Release)

Date Corrective Action Completed: _____ Time: _____ (Military Format) Work Order No.: _____

Date Cleanup Action Taken: _____ Time: _____ (Military Format)

Describe actual cleanup process: _____

_____

_____ Phone: _____ Date: _____
(Name/Signature of Person Initiating Action)

_____ Date: _____
(Signature/Sewer System Other Responsible Individual)

COC SSO Report Form (06/2013)

5.4 APPENDIX D: DISCHARGE MONITORING REPORT REQUIREMENTS

SUMMARY REPORT SUBMITTED WITH THE SCHEDULED DMR FORM

In addition to the 24 hour report and 5 day report, the NPDES permit also requires The City of Columbia to submit, along with the scheduled Discharge Monitoring Report (DMR) Form, the following information for each SSO at each source (this means all SSOs, including those that do not reach waters of the US and those that are less than 500 gallons in volume) that occurs during the reporting period covered by the DMR Form:

1. Duration and volume (estimate if unknown) of the SSO;
2. Location of the SSO by street address or other appropriate method;
3. Cause of the SSO;
4. Description of the source, (e.g., manhole cover, pump station);
5. Exact dates and times of the SSO event, (i.e., start and stop dates and times);
6. The ultimate destination of the flow; (e.g., surface water body), and name of receiving water;
7. Corrective actions or plans to eliminate future discharges; and
8. Identification of the person providing the written report concerning the SSO.

(NOTE: The NPDES permit includes a requirement that The City of Columbia identify whether the collection system is combined or separate. The Water Programs Enforcement Branch (WPEB) is aware that the collection systems of the South Carolina NPDES permittees of interest are separate and this requirement has intentionally been omitted from this SORP.)

The summary report submitted with the DMR shall contain all overflow volumes and a copy of each of the "FINAL" COC SSO reporting forms from the DMR reporting period.

5.5 APPENDIX E: OVERFLOW CALCULATING

A variety of approaches exist for the estimation of the volume of a sanitary sewer overflow. The following methods are most commonly employed. Other methods are also possible. Every effort shall be made to estimate the overflow volume as accurately as possible:

1. Historic pump run times;
2. Historic flow data;
3. Assessment of pooled SSO including dimensions of affected area (see example 1 below); and
4. Calculations of estimated overflow from manhole (see example 2 below).

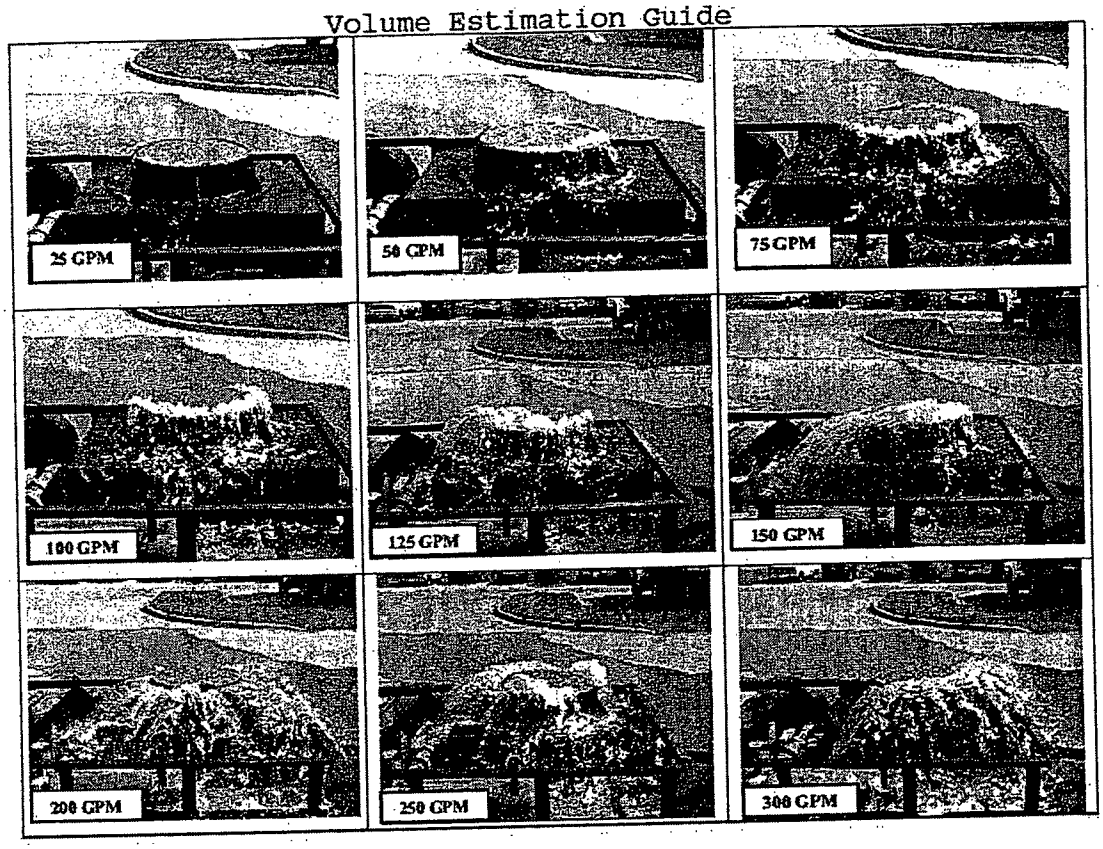
Rectangular Area Calculation Sheet for SSO Reporting

(Volumes from Chart are shown in Gallons per Inch Depth)

Width \ Length	5	10	20	30	40	50	60	70	80	90	100
5	16	31	62	94	125	156	187	218	249	281	312
10	31	62	125	187	249	312	374	436	498	561	623
15	47	94	187	281	374	468	561	655	748	842	935
20	62	125	249	374	498	623	748	873	997	1122	1247
25	78	156	312	468	623	779	935	1091	1247	1403	1558
30	94	187	374	561	748	935	1122	1309	1496	1683	1870
35	109	218	436	655	873	1091	1309	1527	1745	1964	2182
40	125	249	498	748	997	1247	1496	1745	1995	2244	2493
45	140	281	561	842	1122	1403	1683	1964	2244	2525	2805
50	156	312	623	935	1247	1558	1870	2182	2493	2805	3117
55	171	343	686	1029	1371	1714	2057	2400	2743	3086	3428
60	187	374	748	1122	1496	1870	2244	2618	2992	3366	3740
65	203	405	810	1216	1621	2026	2431	2836	3241	3647	4052
70	218	436	873	1309	1745	2182	2618	3054	3491	3927	4363
75	234	468	935	1403	1870	2338	2805	3273	3740	4208	4675
80	249	499	997	1496	1995	2493	2992	3491	3989	4488	4987
85	265	530	1060	1590	2119	2649	3179	3709	4239	4769	5298
90	281	561	1122	1683	2244	2805	3366	3927	4488	5049	5610
95	296	592	1184	1777	2369	2961	3553	4145	4737	5330	5922
100	312	623	1247	1870	2493	3117	3740	4363	4987	5610	6233
105	327	655	1309	1964	2618	3273	3927	4582	5236	5891	6545
110	343	686	1371	2057	2743	3428	4114	4800	5485	6171	6857
115	358	717	1434	2151	2867	3584	4301	5018	5735	6452	7168
120	374	748	1496	2244	2992	3740	4488	5236	5984	6732	7480
125	390	779	1558	2338	3117	3896	4675	5454	6233	7013	7792
130	405	810	1621	2431	3241	4052	4862	5672	6483	7293	8103
135	421	842	1683	2525	3366	4208	5049	5891	6732	7574	8415
140	436	873	1745	2618	3491	4363	5236	6109	6981	7854	8727
145	452	904	1808	2712	3615	4519	5423	6327	7231	8135	9038
150	468	935	1870	2805	3740	4675	5610	6545	7480	8415	9350
155	483	966	1932	2899	3865	4831	5797	6763	7729	8696	9662
160	499	997	1995	2992	3989	4987	5984	6981	7979	8976	9973
165	514	1029	2057	3086	4114	5143	6171	7200	8228	9257	10285
170	530	1060	2119	3179	4239	5298	6358	7418	8477	9537	10597
175	545	1091	2182	3273	4363	5454	6545	7636	8727	9818	10908
180	561	1122	2244	3366	4488	5610	6732	7854	8976	10098	11220
185	577	1153	2306	3460	4613	5766	6919	8072	9225	10379	11532
190	592	1184	2369	3553	4737	5922	7106	8290	9475	10659	11843
195	608	1216	2431	3647	4862	6078	7293	8509	9724	10940	12155
200	623	1247	2493	3740	4987	6233	7480	8727	9973	11220	12467
205	639	1278	2556	3834	5111	6389	7667	8945	10223	11501	12778
210	655	1309	2618	3927	5236	6545	7854	9163	10472	11781	13090
215	670	1340	2680	4021	5361	6701	8041	9381	10721	12062	13402
220	686	1371	2743	4114	5485	6857	8228	9599	10971	12342	13713
225	701	1403	2805	4208	5610	7013	8415	9818	11220	12623	14025
230	717	1434	2867	4301	5735	7168	8602	10036	11469	12903	14337
235	732	1465	2930	4395	5859	7324	8789	10254	11719	13184	14648
240	748	1496	2992	4488	5984	7480	8976	10472	11968	13464	14960
245	764	1527	3054	4582	6109	7636	9163	10690	12217	13745	15272
250	779	1558	3117	4675	6233	7792	9350	10908	12467	14025	15583

Total Spill Volume = (Value from Chart) x (Depth in Inches) = (Volume in Gallons)

Example 1


Volume Estimation Guide
25 GPM
50 GPM
75 GPM
100 GPM
125 GPM
150 GPM
200 GPM
250 GPM
300 GPM
August 2008

Example 2

5.6 APPENDIX F: DISINFECTANT HANDLING AND RESPONSIBILITIES

Lime is used in an attempt to kill potential pathogens.

Soil – In some cases (e.g., pipe replaced and backfilled with dirt) it may be acceptable to cover the affected area with clean relatively dry dirt. This will allow "natural" remediation of any organic residues of the SSO similar to the way a septic tank leach field system works, and will let the public immediately access the affected areas.

Lime – Lime or calcium oxide can be applied to ground surfaces where a SSO has occurred. Lime is chemically very basic. Lime can cause burns to human skin and injure eyes due to its basic characteristics. The SCDHEC recommendations, product label, and material safety data sheet should always be followed when applying lime. After application of lime, the soil affected by the SSO and lime application may need to be removed and disposed of properly. The area may have to remain posted until the soil is removed. In some cases the area may have to be raked and lime reapplied.

5.7 APPENDIX G: PUBLIC NOTIFICATION SIGNAGE

The responsibility for determining whether signage is necessary for areas affected by wastewater flows in part is determined by the Division that will be responsible for assessing, containing, correcting, and clean-up of the SSO. SSOs that originate in pumping stations and the collection system may involve personnel in more than one division and the appropriate division should relay the information of the action being taken to the proper foreman, supervisors, and managers. Two main factors in determining when and where to post signs are the degree of public access and the effectiveness of the clean-up of the affected area. The posting of signage will not necessarily prohibit use or access to the area unless posted otherwise, but will provide a temporary warning of potential public health risks associated with the recent SSO (e.g., heavy flushing of an area making it impractical to recover all of the wash down water commingled with wastewater). For most SSOs in the collection system, the first responders in consultation with the Wastewater Maintenance Foreman, Assistant Superintendent and or I & I personnel will make the decision regarding posting. The Department Head and his/her designee should be involved, when appropriate, in the decision making process.

If the decision to post has been made regarding SSOs to surface waters, ground surfaces, or structures and there is concern if the notification is sufficient, then the Director of Utilities & Engineering should be involved and additional public notifications may be necessary. Examples of signage and door hangers are included below.

Circumstances under which further public notification may be considered include, but are not limited to, the following:

1. When permanent repairs to resolve a SSO will take a period of time (e.g., estimated 24-48 hours) and the reduction in the usage of water in homes or business would assist in managing the operation of the locally affected pipeline, pumping station, or wastewater plant.

2. When a more permanent repair or replacement is needed to prevent recurrence and the actions will take a period of time (e.g., estimated 24 – 48 hours) and citizens need to be advised of repair schedules and possible traffic detours in the vicinity of the repairs (e.g., pumping station and pump-around operation, pipeline crossing road way, and so on).

Signage Example:

CAUTION: SANITARY SEWER **OVERFLOW SITE** The City of Columbia has experienced a sewer overflow in this area. **AVOID CONTACT, KEEP CHILDREN AND PETS AWAY.** For information regarding this overflow, call the City of Columbia Wastewater Maintenance Division at 803-545-3300.	CUIDADO: DERRAMAMIENTO DE **DRENAJE SANITARIO** La Ciudad de Columbia ha experimentado un en esta área. **EVITE CUALQUIER CONTACTO, MANTENGA A LOS NIÑOS Y ESTE LUGAR.** Para información acerca de este derramamiento, llame a la División de Mantenimiento de Aguas Residuales al 803-545-3300.

Door Hanger Example:
(English Version)

NOTICE

SANITARY SEWER OVERFLOW

The City of Columbia has experienced an overflow in your area.

A sewer backup has occurred on _____,
(date)

in this neighborhood at _____.
(location)

This means that water containing sewage may have entered your yard or _____.
(receiving water body)

Check your yard and stream/ditch and call **(803) 545-3300** if you find sewage in your yard. Do not try to clean it up yourself. Call the City of Columbia Wastewater Maintenance Division for assistance and instructions at the number above. Please avoid contact with standing water, drainage ditches or nearby streams, as it may contain sewage and stormwater runoff contaminant's that could make you sick.

KEEP CHILDREN AND PETS AWAY!

• Para la version en español de la vuelta a la página •

Department of Utilities & Engineering
1136 Washington Street
Columbia, SC 29201

Door Hanger Example:
(Spanish Version)

AVISO

DERRAMAMIENTO DE
DRENAJE SANITARIO

La Ciudad de Columbia ha experimentado un derramamiento en su área.

Ha ocurrido una obstrucción en el drenaje el _____,
(fecha)

en este vecindario en_____.
(lugar)

Esto significa que aguas residuales pudieron haber entrado en su patio o_____.
(recibidor de agua)

Revise su patio y corrientes de agua/canales/zanjas u llame al (803) 545-3300 si encuentra aguas residuales en su patio. No trate de limpiarlo por usted mismo. Llame a la División de Mantenimiento de Aguas Residuales de la Ciudad de Columbia al número antes mencionado para asistencia e instrucciones. Por favor envite contacto con aguas estancadas, canales de drenaje o ríos cercanos ya que pueden contener aguas residuales y contaminantes de escorrentía pluvial (residuos de agua de lluvia) que podrían hacer que usted se enferme.

¡MANTENGA A LOS NIÑOS Y MASCOTAS ALEJADOS!

• Flip the page over for the English version •

Departamento de Utilidads y Inganiaria
1136 Washington Street
Columbia, SC 29201

5.8 APPENDIX H: PRESS RELEASE EXAMPLES

Example 1

Press Release Language- SSO Still Occurring

City of Columbia Issues a
Sanitary Sewer System Overflow Notification
To
The Customers of
(Interstate 20 / Monticello Road Area)

December 16, 2008

The City of Columbia has experienced an overflow of sanitary sewer in the area behind the 5900 Block of Monticello Road located in Richland County.

The City of Columbia's Wastewater Maintenance Division was notified approximately at 3:30 pm on 12/15/08 of a sanitary sewer overflow. The City experienced flooding due to heavy rainfall in the collection system line at the above location. As a result, sanitary sewer was introduced into Crane Creek.

The City of Columbia's Wastewater Maintenance Division, 545-3300, may answer other inquiries concerning this Notification.

Example 2

Press Release Language- SSO Under Control

City of Columbia Issues a
Sanitary Sewer System Overflow Notification

To
The Customers of
(Northwood Hills Subdivision)

October 16, 2008

The City of Columbia has experienced an overflow of sanitary sewer in the area at 620 Glenthorne Road located in Richland County

The City of Columbia's Wastewater Maintenance Division was notified approximately at 10:00am on 10/16/08 of a sanitary sewer overflow that lasted until 12:30pm on 10/16/08, the City experienced vandalism to the collection system line, at 620 Glenthorne Road. As a result,

sanitary sewer was introduced into Crane Creek. The City has cleaned the sewer line and washed the storm drain including the creek.

The City of Columbia Wastewater Maintenance Division, 545-3300, may answer other inquiries concerning this Notification.

5.9 Appendix I: Stormwater Best Management Practices (BMPs) for WWM and MWWTP

1. Stop the discharge as quickly as possible.
2. Do not pump sewage back-ups, disinfectant or disinfected sewage into streets, storm drains, ditches or surface waters.
3. Before any digging begins, all inlets within a vicinity of 50 feet must be protected with sand bags, gravel bags, sediment tubes, or a combination of the three. Also protect any sensitive areas nearby including wetlands, adjacent waters, or other conveyance structures.
4. When a backup occurs and when disinfecting the contaminated area, take every effort to ensure that sewage, disinfectant and disinfected sewage is not accidentally discharged into a storm drain or ditch. Methods may include: (a) Blocking storm drain inlets and catch basins with gravel bags, sand bags, sediment tubes, or a combination of these items. (b) Containing and diverting sewage, sediment and disinfectant away from open channels and other storm drain fixtures. (c) Removing the solid material with vacuum equipment.
5. Do not clean tools or equipment in or near surface waters or over storm drains or ditches. If rinsing a sand bag or sediment tube for reuse, rinse over a vegetated area so the runoff can infiltrate.
6. When activities are complete, inspect the flow path of the discharge. Identify any areas that may have experienced soil erosion and need repair. Use erosion control blankets, mulch or geo-fabric with hay matting (which can include seeds) to stabilize soil erosion. Always make every attempt to re-establish vegetation on the impacted area, and if necessary continue inspections until the area has stabilized. Contact the Stormwater Section (545-3304) with any questions or help with ongoing inspections or stabilization issues.
7. With backhoes, shovels or brooms, remove any dirt or sediment on impervious surfaces. If necessary, contact Solid Waste for use of a street sweeper.
8. Do not hose down the area to remove sediment (unless it is necessary for traffic safety).

REQUIRED STRUCTURES AND EQUIPMENT

The Wastewater Department will procure the following BMPs and equipment to accomplish the procedures listed above. Equipment may be stockpiled offsite, and needed quantities will be stored in the crews' response vehicles.

- # 57 stone
- Sand
- Geotextile fabric bags (can be used with stone and sand)
- Sediment tubes
- Silt fence
- Backhoe (for sediment removal)
- Brooms and shovels

6.0 Appendix J: Contact Information

Agency	Office Phone	Cell Phone	Other/Comments (After – Hours)
Columbia Police	545-3500 *(Non-emergency)*		911 *(Emergency)*
Columbia Fire	545-3700 *(Non-emergency)*		911 *(Emergency)*
Columbia Metro WWTP	733-8566 733-8575		413-8376 *(After-Hours)*
Columbia Stormwater	545-3304		
Columbia Lake Murray WTP	781-2181		
Columbia Canal WTP	733-8336		
Columbia Wastewater Maintenance	545-3300		600-5619 *(After-Hours)*
Columbia Public Works	545-3780		
Emergency Medical Services	911		911
West Columbia Lake Murray WTP	957-4596		

Agency	Office Phone	Cell Phone	Other/Comments (After – Hours)
West Columbia Filtering Plant	794-7696		
Cayce WTP	739-5367		
Richland County Sheriff's Dept.	576-3000 *(Non-emergency)*		911 *(Emergency)*
SCDHEC Region 3 – EQC Office	896-0620		253-6488 *(After-Hours)*

7.0 Appendix K: Equipment List

Sewer Blockage, Broken or Collapsed Line

Minimum Emergency Equipment	Specialized Equipment
Jet flushing unit	Television camera unit
Rodding machine & associated cleaning/cutting attachments	Truck with hoist
Standard disinfectants	Vactor unit
Safety Equipment	Power saw (circular)
Air blower with hose	Power vacuum
Portable pumps	Pipe cutter (hydraulic)
Portable generators	Caution tape
Safety cones/barricades	Assorted hand tools (i.e., screwdrivers, wrenches, hammers, brooms)
Air Detector – for oxygen deficient, explosive or toxic gases	Swap loader trucks, septic tank skids, dewatering boxes, debris boxes
Confined space entry tripod and associated equipment	ROW clearing equipment, Shin cutter, skid steer mulchers, Mini-excavators, skid steer bucket
Personal Protective Equipment (PPE)	Lowboy tractor & trailer (transport equipment)
Safety harness and lifeline if applicable	Rubber tire/ Track excavators, dump trucks

Pump Station Failure

Minimum Emergency Equipment	Specialized Equipment
Vactor Unit	Aluminum ladder
Truck with hoist	Power vacuum
Standard disinfectants	Pipe cutter (hydraulic)
Safety Equipment	Caution tape

Minimum Emergency Equipment	Specialized Equipment
Air blower with hose	Bypass pumping equipment
Safety harness and lifeline if applicable	Assorted hand mirrors
Portable pumps	Bucket with rope
Portable generators	Aluminum ladder
Safety cones/barricades	Trash pumps may be required
Air Detector – for oxygen deficient, explosive or toxic gases	Assorted hand tools (i.e., screwdrivers, wrenches, hammers, brooms)
Confined space entry tripod and associated equipment	
Flashlight	
Personal Protective Equipment (PPE)	

Appendix E

APPENDIX E
City of Columbia Metro WWTP
Capital Improvement Program for Columbia Metro WWTP

Columbia has underway a Capital Improvement Program for the Columbia Metro WWTP, as described further below. The projects included in this Program are: (1) Metro WWTP Headworks Project (Capital Improvement Project ("CIP") SS6722); (2) Aeration Improvements (CIP No. SS7182); (3) Metro WWTP Disinfection Improvements (CIP No. 7058); (4) Metro WWTP Secondary Clarifier Improvements (CIP No. SS6871); (5) Metro WWTP Train 2 Pump Station Improvements (CIP No. SS7155); and (6) Metro WWTP DAF Improvements (CIP No. SS7197). These capital improvements include construction of new Equipment as well as the upgrade and rehabilitation of existing Equipment. The schedule for the Capital Improvement Program for Columbia Metro WWTP is as follows:

Project 1: SS6722 – Metro WWTP Headworks Project

Project Description: Construction is underway of a new 150 mgd (firm capacity) influent pump station (IPS) and preliminary treatment facility (PTF) at the Metro WWTP. The IPS consists of a 2-stage lift station with screw pumps. The PTF includes mechanical barscreens and vortex grit tanks. Flow distribution is also provided to split flow to Liquid Treatment Trains 1 and 2, and to divert flow to the flow equalization lagoon.

Construction Start Date:

July 2010

Construction Completion Date:

June 30, 2014

Project 2: SS7182 – Aeration Improvements

Project Description: This project includes aeration tank improvements which are designed to upgrade the older existing components. This project will focus on the replacement of the diffuser heads within the Train 2 aeration tanks. Complete replacement of the aeration diffusers rather than partial replacement is critical for maintaining a working balance between the aeration blower pressures/air flows and fine bubble diffusers for optimal system performance. Approximately 2,700 diffuser heads will be replaced.

Start Date:

January 2014

Completion Date:

December 31, 2015

Project 3: SS7058 – Metro WWTP Disinfection Improvements

Construction Completed – SCDHEC Permit to Operate in process

Project 4: SS6871 – Secondary Clarifier Improvements at the WWTP

Project Description: This project involves improvements within Treatment Trains Nos. 1 and 2 and includes the refurbishment of existing secondary clarifiers Nos. 1 through 10. Existing mechanical equipment will be replaced, and new electrical and instrumentation work and miscellaneous other work tasks will be included in this area.

Construction Start Date:

November 2011

Construction Completion Date:

June 30, 2014

Project 5: SS7155 – Metro WWTP Train 2 Pump Station Improvements

Construction Completed – SCDHEC Permit to Operate in process

Project 6: SS7197 – Metro WWTP DAF Improvements

Project Description: Replace flights in Train 2 DAF basins. As part of this project, other ancillary equipment in the basins will be assessed.

Construction Start Date:

July 2012

Construction Completion Date:

December 31, 2013

Appendix F

APPENDIX F
City of Columbia WCTS
Capital Improvement Program for Wastewater Collection and Transmission System

Columbia has underway a Capital Improvement Program for the Wastewater Collection and Transmission System, as described further below. The projects included in this Program are: (1) Broad River Pump Station Improvements (CIP No. SS7101); (2) North Columbia Pump Station Improvements (CIP No. SS7102); (3) West Columbia Pump Station Improvements (CIP No. SS711501); (4) Installation of 20,000 Linear Feet of 42-inch Forcemain from West Columbia Pump Station to WWTP (CIP No. SS711502); and (5) Saluda River Pump Station Improvements (CIP No. SS7116). The schedule for the Capital Improvement Program for Columbia's WCTS is as follows:

Project 1: SS7101 – Broad River Pump Station Improvements

Project Description: Expand pump station capacity from 5 MGD to 9 MGD. Project includes new piping, new dry pit sewage pumps, new pump control valves, hydraulic surge protection, flow metering, new bypass connections and sump, generator, new electrical conduits and associated power and control wiring, channel grinders, SCADA improvements, a new liner system for the wetwell, and rehabilitation of influent manholes.

Construction Start Date:

June 2010

Construction Completion Date:

June 30, 2013

Project 2: SS7702- North Columbia Pump Station Improvements

Project Description: Modifications and rehabilitation to the North Columbia Pump Station including incorporation of VFDs for each pump and a new control system; relocation of all electrical equipment to a new electrical building; addition of two channel

grinders; modifications to the existing pump station building to improve access for pump removal including a new bridge crane system; and SCADA improvements.

Construction Start Date:

June 2010

Construction Completion Date:

December 31, 2013

Project 3: SS711501 – West Columbia Pump Station Improvements

Project Description: The project consists of rebuilding the existing West Columbia Pump Station. Work includes construction of a new trench style wet-well, above grade structural steel platforms for power, I&C and transformer equipment, monorail and hoist systems, influent cast-in-place reinforced concrete channel, junction and vault structures, four 8 MGD submersible pumps and one grinder, yard piping, electrical and instrumentation and control equipment, and a standby power generator.

Construction Start Date:

June 2011

Construction Completion Date:

December 31, 2013

Project 4: SS711502 – Installation of 20,000 Linear Feet of 42-Inch Force Main from West Columbia Pump Station to Metro WWTP

Project Description: A new 42-inch force main from the City of Columbia's West Columbia Pump Station, and approximately 21,000 feet of force main to the City's Metro Wastewater Treatment Plant. The route of the force main generally follows the alignment of the existing 60" gravity sewer interceptor and the Congaree River. The force main will convey sewage from the discharge of the West Columbia Pump Station to the Metro WWTP new Headworks.

Construction Start Date:

July 2012

Construction Completion Date:

December 31, 2013

Project 5: SS7116 – Saluda River Pump Station Improvements

Project Description: The project includes refurbishing the existing Saluda River Pump Station to provide increased reliability, capacity, and wet weather storage. The work consists of constructing a new export pump station in a trench style wet well with four 5 MGD submersible pumps, a new grinder structure, and two storage tanks, and converting the existing station into a storage pump station with four 10 MGD dry-pit submersible pumps. All new electrical, instrumentation and control equipment will be located within the existing pump station structure, in a newly enclosed control room. The existing pumping equipment will remain in service during the construction of the new pumping station in order to minimize, or eliminate, the need for temporary by-pass pumping.

Construction Start Date:

July 2012

Construction Completion Date:

June 30, 2015

Appendix G

FATS, OILS, AND GREASE MANAGEMENT REGULATION

PART 29

1. PURPOSE

This regulation will be enforced in conjunction with the City of Columbia, South Carolina, Code of Ordinances, Chapter 23 (Chapter 23), and establishes uniform registration, operating, maintenance, cleaning, and inspection requirements designed to limit and control the discharge of fats, oils, and grease from Food Service Establishments (FSEs) into the City's wastewater collection system. The objectives of this regulation include the following:

1.1. To reduce the introduction of excessive amounts of fats, oils, and grease into City of Columbia (City) wastewater collection system;

1.2. To reduce fats, oils, and grease related build-up to the City's wastewater collection system that could lead to clogging or blocking of the sewer lines, causing backup and flooding of streets, residences, and commercial buildings, resulting in potential liability to the City;

1.3. To establish uniform identification numbers along with registration procedures and Global Positioning System Coordinates to be input into GIS to identify food service establishments located within the City wastewater service area;

1.4. To establish operation, cleaning, and maintenance requirements for food service establishments with grease traps and/or grease interceptors;

1.5. To establish inspection procedures and requirements for food service establishments with grease traps and/or grease interceptors;

1.6. To establish review procedures and reporting requirements for food service establishments installing new grease traps and/or grease interceptors; and

1.7. To establish enforcement procedures for violations of Chapter 23 and any provision of this regulation.

2. DEFINITIONS

2.1. *Director* means the City's Director of Utilities and Engineering.

2.2. *Fats, Oils, and Grease (FOG)* means any material, either liquid or solid, composed primarily of fats, oils, and grease from animal or vegetable sources.

2.3. *Food Service Establishment (FSE)* means any commercial facility, including, by way of example and without limitation, restaurants, motels, hotels, cafeterias, hospitals, schools, bars, and any other facility which, in the sole discretion of the City, must install a Grease Trap or Grease Interceptor prior to discharging kitchen or food preparation wastewater into the City's wastewater collection system. This definition includes, but is not limited to, any establishment which is required to have a South Carolina Department of Health and Environmental Control (SCDHEC) food service license and/or permit.

2.4. *FSE Owner* or *Owner* means, in the case of an individually owned FSE, the Owner(s) and/or proprietor(s) of the FSE. Where the FSE is a franchise operation, the Owner of the franchise is the responsible person and/or entity and is considered the FSE Owner. Where the FSE is owned by a corporation, the corporate representative, as designated on the FOG Registration form, is deemed to be authorized to act on behalf of the corporation. Where two or more FSEs share a common Grease Interceptor, the FSE Owner is any individual and/or entity who owns and/or assumes, maintains, or exercises control of the Grease Interceptor or the property on which the Grease Interceptor is located, as well as any individual and/or entity who utilizes or will utilize the shared Grease Interceptor.

2.5. *Gray Water* means all of the liquid contained in a Grease Trap or Grease Interceptor that lies below the floating grease layer and above the bottom solids layer.

2.6. *Grease* means a material, either liquid or solid, composed primarily of fats, oils, and grease from animal or vegetable sources. The terms "FOG," "oil and grease," and "oil and grease substances" shall all be included within this definition and these terms may be used interchangeably.

2.7. *Grease Hauler* means a person or entity that collects the contents of Grease Traps and/or Grease Interceptors and transports the contents to an approved recycling or disposal facility. A Grease Hauler may also provide other

services to FSEs related to Grease Trap and/or Grease Interceptor cleaning and maintenance.

2.8. *Grease Interceptor* means a large underground concrete vault located outside of an FSE designed to collect, contain, or remove Grease from the waste stream while allowing the sub-straight or Gray Water to discharge to the wastewater collection system by gravity.

2.9. *Grease Trap* means a device located within an FSE designed to collect, contain, separate, or remove Grease from the waste stream while allowing the sub-straight waste or Gray Water to discharge to the wastewater collection system by gravity.

2.10. *Inspector* or *City Staff* means an employee of the City, who under the authority of the Director, has responsibility for implementing and who does implement any FOG management regulations.

2.11. *Program* means the contents of this regulation, Part 29, as implemented by the Director, Inspectors, and City Staff.

3. GREASE TRAPS AND GREASE INTERCEPTORS

3.1. ***Requirements:*** All FSEs located within the City of Columbia wastewater service area are required to have a Grease Trap and/or Grease Interceptor properly installed and maintained in accordance with the following: this regulation - *Fats, Oils, and Grease Management – Part 29*; *Specifications for Grease Traps and Grease Interceptors Regulation - Part 30*; and all applicable requirements of the City's most recently adopted version of the International Plumbing Code.

3.2. ***New FSEs:*** FSEs which are proposed or newly constructed, and existing FSEs undergoing a change of use which necessitates the issuance of a new SCDHEC food service permit, expansion, or renovation to provide food services, are considered New FSEs. All New FSEs are required to install Grease Traps and/or Grease Interceptors, as appropriate, in compliance with the *City of Columbia Grease Trap and Interceptor Sizing Guide* (located at *Specifications for Grease Traps and Interceptors Regulation - Part 30*, Attachment C). New FSEs are required to operate, maintain, clean, and repair their Grease Traps and Grease Interceptors according to and in compliance with all applicable provisions contained in this regulation. In situations where it is not feasible for a New FSE to install an underground Grease Interceptor, the New FSE is required to install adequate and approved Grease Traps for use on individual fixtures, including, but not limited to: pot sinks, mop sinks, pre-rinse sinks, wok ovens, floor drains, and

any other drains where the potential for introduction of Grease exists. In such cases, Grease Traps will be considered adequate and will be approved by the City only if a flow control device is placed on the inlet that prevent overloading and a sample port is placed on the outlet of each Grease Trap.

3.3. ***Existing FSEs:*** Except as provided in Subsection 3.3.1 below, Existing FSEs, which are those FSEs already operating with Grease Traps and/or Grease Interceptors that were installed prior to the effective date of this regulation, will generally be permitted to operate and maintain existing Grease Traps and Grease Interceptors provided they are in proper operating condition and are maintained, cleaned, and repaired in accordance with all applicable provisions contained in this regulation and/or Chapter 23. In the event of noncompliance with this regulation or Chapter 23, the City may, in its sole discretion: (1) allow modifications to be made by the FSE, at the FSE's own expense, to the existing Grease Trap or Grease Interceptor in order to bring it into compliance; or (2) require that the existing FSE install, at its own expense, a new Grease Trap and/or Grease Interceptor that meets the requirements of this and all other applicable laws and regulations including, without limitation, *Specifications for Grease Traps and Interceptors Regulation - Part 30* and Chapter 23.

3.3.1 *Grease Traps and Grease Interceptors installed prior to the effective date of this regulation.* If a Grease Trap or Grease Interceptor installed prior to the effective date of this regulation does not allow for measurement and sampling to demonstrate that the Grease Trap or Grease Interceptor is in compliance with this regulation and Chapter 23, the FSE must modify or replace the Grease Trap or Grease Interceptor as provided below no later than December 31, 2018:

(a) The City, in its sole discretion, may approve a proposed modification of an existing Grease Trap or Grease Interceptor which allows for measurement and sampling of the existing Grease Trap or Grease Interceptor to demonstrate that the Grease Trap or Grease Interceptor is in compliance with this regulation and Chapter 23. Any proposed modification to meet this requirement must be submitted to the City for review no later than June 30, 2018; or

(b) If not modified pursuant to (a) above, the existing Grease Trap or Grease Interceptor must be replaced with a new Grease Trap or Grease Interceptor, as appropriate, in compliance with the *City of Columbia Grease Trap and Interceptor Sizing Guide* (located at *Specifications for Grease Traps and Interceptors Regulation* - Part 30, Attachment C).

3.4. ***Plumbing Connections:*** Grease Traps and Grease Interceptors shall be installed in accordance with the requirements contained in all applicable local

plumbing codes. Any Grease Trap and/or Grease Interceptor shall be located in the FSE's lateral sewer line between all fixtures which may introduce Grease into the City's wastewater collection system. Wastewater from domestic facilities and other similar fixtures shall not be introduced into a Grease Trap and/or Grease Interceptor by the FSE under any circumstances.

3.5. ***Grease Traps.*** All Grease Traps shall be installed in accordance with the City's most recently adopted version of the International Plumbing Code. Each FSE shall operate and maintain its Grease Trap in accordance with the following criteria:

3.5.1 *Sizing.* All Grease Traps shall be sized in accordance with the City of Columbia Grease Trap and Interceptor Sizing Guide (located at *Specifications for Grease Traps and Grease Interceptors Regulation - Part 30*, Attachment C).

3.5.2 *Flow control device and sample port.* FSEs are responsible for equipping Grease Traps with a device on the inlet side to control the rate of flow through the Grease Trap. The rate of flow shall not exceed the manufacturer's rated capacity in gallons per minute for each Grease Trap. FSEs are also responsible for equipping Grease Traps with a sample port on the outlet side.

3.5.3 *Installation, inspection, cleaning, and maintenance.* Each FSE shall be solely responsible for the cost of Grease Trap installation, inspection, cleaning, and maintenance. Each FSE must either contract with a Grease Hauler cleaning service or develop a written protocol for and perform its own Grease Trap cleaning and maintenance procedures that meet the requirements of this Program. Cleaning shall include the complete removal of all floating materials, Gray Water, and bottom solids from the Grease Trap. The return of Gray Water back into the Grease Trap or into the City's the wastewater collection system is prohibited. Grease Trap cleaning must include removing/scraping excess solids from walls, floors, baffles, and inlet and outlet piping. It is the responsibility of each FSE to inspect its Grease Trap during and after the pumping and cleaning procedure to ensure that the Grease Trap is properly cleaned out and that the structure is sound and all fittings and fixtures inside the Grease Trap are in working condition and are functioning properly. The FSE Owner must have documentation consisting of inspection, cleaning, and maintenance logs on site in accordance with and demonstrating compliance with this regulation and must be able to produce the documentation immediately upon request of the Inspector and/or City Staff.

3.5.4 *Grease Trap Cleaning Frequency.* Cleaning and maintenance should generally be performed in accordance with the Grease Trap manufacturer's recommendations. However, despite this provision, cleaning and maintenance must be performed as often as and in the manner necessary to achieve full compliance with Chapter 23 and this regulation, even if such cleaning and maintenance exceeds that recommended by the manufacturer.

3.5.5 *Inspection.* Grease Traps shall be inspected by the Inspector as often as necessary in the City's sole discretion to ensure compliance with Chapter 23, and this regulation, and to determine if proper cleaning and maintenance schedules as set forth herein are being adhered to by the FSE. FSEs with Grease Traps are responsible for having qualified staff on hand during any inspection to open and close the Grease Trap.

3.5.6 *Repairs and replacement.* Each FSE shall be solely responsible for the cost, scheduling, and performance of all repairs and replacements to its Grease Trap(s), including, without limitation, any and all repairs and replacements that may be required by the Inspector and/or City Staff under this Program.

3.6. ***Grease Interceptors:*** Grease Interceptors shall be designed and installed in accordance with *Specifications for Grease Traps and Interceptors – Part 30* and the City's most recently adopted version of the International Plumbing Code. In the event of a conflict between the two, the most stringent requirements shall apply. Each FSE shall operate and maintain its Grease Interceptor in accordance with the following criteria:

3.6.1 *Installation, inspection, cleaning, and maintenance.* Each FSE shall be solely responsible for the costs of installing, inspecting, pumping, cleaning, and maintaining its Grease Interceptor(s). All FSEs that have Grease Interceptors shall utilize a Grease Hauler to properly dispose of Grease Interceptor contents. Cleaning shall include the complete removal of all Grease Interceptor contents including floating materials, Gray Water, and bottom solids. The return of Gray Water back into the Grease Interceptor or into the City's wastewater collection system is prohibited. Grease Interceptor cleaning must be performed as often as and in a manner necessary to achieve compliance with Chapter 23 and this regulation. Such cleaning may include removing/scraping and/or hydroscrubbing excessive solids from the walls, floors, baffles and all interior plumbing. It shall be the responsibility of each FSE to inspect its Grease Interceptor during the pumping and cleaning procedure to ensure that the Grease Interceptor is properly cleaned out and that the structure is sound and all fittings and fixtures inside the Grease Interceptor are in working

condition and functioning properly. The FSE Owner must have documentation consisting of inspection, cleaning, and maintenance logs on site in accordance with and demonstrating compliance with this regulation and must be able to produce the documentation immediately upon request of the Inspector and/or City Staff.

3.6.2 *Grease Interceptor cleaning frequency.* Each FSE shall have its Grease Interceptor(s) cleaned at a minimum frequency of twice per year. In addition to this required cleaning, each FSE shall determine an additional frequency at which its Grease Interceptor(s) shall be cleaned in accordance and in compliance with each of the following criteria:

3.6.2.1 When the floatable Grease layer exceeds six inches in depth as measured with an approved dipping method;

3.6.2.2 When the settleable solids layer exceeds eight inches in depth as measured with an approved dipping method;

3.6.2.3 When the total volume of captured Grease and solid material displaces more than 25 percent of the capacity of the Grease Interceptor as calculated with an approved dipping method; or

3.6.2.4 When the Grease Interceptor is not retaining/capturing FOG so as to comply with the requirements of Chapter 23 and this regulation.

3.6.3 *Inspection.* Grease Interceptors may be inspected by the Inspector as often as necessary in the City's sole discretion to ensure compliance with this Program, including, without limitation, to determine if proper cleaning and maintenance schedules are being adhered to by the FSE. FSEs with Grease Interceptors that are inaccessible to the Inspector are responsible for having staff readily available during any inspection to provide access to and to open and close the Grease Interceptor for the Inspector. It is the sole responsibility of the FSE to provide the City with access to any inaccessible Grease Interceptor.

3.6.4 *Repairs and replacement.* Each FSE shall be responsible for the cost, scheduling, and performance of all repairs and replacements to its Grease Interceptor(s), including, without limitation, any and all repairs and replacements that may be required by the Inspector and/or City Staff under the Program.

3.7 ***Additives.*** The introduction of chemicals, enzymes, emulsifiers, live bacteria or other grease cutters or additives into the wastewater collection system is generally prohibited by the City. On very rare occasions the City may, in its sole discretion, approve an FSE's use of additives. FSEs seeking to introduce additives must, prior to their introduction into Grease Traps or Grease Interceptors, submit the following information to the Department of Utilities and Engineering Wastewater Compliance Section for review and consideration: Material Safety Data Sheets and any other applicable information concerning the composition, frequency of use, and mode of action of the proposed additive(s) and a written statement outlining the FSE's proposed use of the additive(s). The FSE may only use the additives if and when the City grants the FSE permission to do so in writing and then may only do so in accordance with the specific parameters set forth by the City therein. Permission to use any specific additive may be withdrawn by the City at any time, upon the City's providing written notice to the FSE.

3.8 ***Alternative Grease Removal Devices or Technologies.*** The use of alternative Grease removal devices and technologies, such as automatic grease removal systems, are generally prohibited by the City. On rare occasions, the City may, in its sole discretion, approve the use of this technology and these devices on a case-by-case basis. An FSE may only use alternative Grease removal devices or technologies after receiving permission to do so in writing from the City and then may only do so in accordance with the specific parameters set forth by the City therein. Permission to use any alternative Grease removal devices or technologies may be withdrawn by the City at any time, upon the City's providing written notice to the FSE.

3.9 ***Recordkeeping.*** Each FSE shall maintain records required hereunder in a bound logbook kept on site at the FSE describing and documenting all cleaning, maintenance, and repairs performed for each Grease Trap and Grease Interceptor including the date and time of each pump out or cleaning and details regarding same; records documenting and detailing any maintenance and/or repairs, and the dates on which such maintenance and/or repairs were performed and completed; and any other records documenting and related to the cleaning, maintenance, and/or repairs for each Grease Trap or Grease Interceptor. The logbook must be made available by the FSE for review by the Inspector and/or City Staff upon request during an inspection. In addition to the records specified above, each FSE shall also maintain a file on-site which contains the following information:

3.9.1 A copy of the FSE's FOG Registration form submitted to the City pursuant to Section 4.0 below; and

3.9.2 Receipts evidencing and identifying (at least by name, address, and service(s) provided) any individuals and/or entities performing cleaning, maintenance, and/or repairs on each Grease Trap and/or Grease Interceptor including, without limitation, Grease pumpers, Grease Haulers, plumbers, and parts suppliers.

Failure to maintain complete records in accordance with the Program as specified herein or to provide such records to the Inspector and/or City Staff upon request constitutes a violation of this regulation. All records required of an FSE under this regulation must be maintained for the time period consisting of the two (2) years immediately preceding the date of the most recent inspection of the FSE by the City, and for any time period thereafter.

3.10 ***Disposal.*** It is the responsibility of each FSE Owner to ensure that wastes removed from each of its Grease Traps and/or Grease Interceptors are properly disposed of at a facility permitted to receive such wastes.

4.0 FOG REGISTRATION AND NEW GREASE TRAP/GREASE INTERCEPTOR INSPECTION PROCEDURE

4.1 ***Registration Requirements for FSEs.*** Each FSE shall be subject to the FOG Registration requirements in this Section 4.0. This FOG Registrationis required in addition to any other permits, registrations, or business license(s) which may be required of the FSE by federal, state, or local law or regulation.

4.2 ***Registration Form.*** The City shall provide or make available a FOG Registration form for all FSEs located within the City's wastewater service area. All Existing FSEs are required to submit a completed FOG Registration to the City at the address shown on the form no later than thirty (30) calendar days after receiving notification by the City that registration is required. Failure to do so will constitute a violation of this regulation. New FSEs are required to submit a completed FOG Registrationn to the City at the address shown on the form prior to beginning construction as described in Section 4.5 below. Each FOG Registration form submitted shall include the following information:

4.2.1 FSE Owner's name, title, and contact information; FSE contact name, title, and contact information, if different from the FSE Owner; FSE water and sewer account holder contact information; name of FSE; physical address of FSE; telephone number of FSE; and business mailing address of FSE if different from physical address;

4.2.2 A description of the type of food service activities to be performed at the FSE;

4.2.3 Seating capacity of the FSE;

4.2.4 A copy of calculations demonstrating how the size of each Grease Trap and/or Grease Interceptor was determined; a set of plumbing drawings or sketches, including floor plans and riser diagrams; and a site plan showing the location of the sewer discharge(s) and the location of any exterior Grease Interceptors, where applicable (drawings or sketches must have sufficient enough detail to show the location of all kitchen equipment and plumbing fixtures with drains, floor drains, sewer connections, and all Grease Traps and Grease Interceptors);

4.2.5 For FSEs with Grease Traps, documentation demonstrating that (a) the Grease Trap is equipped with a device on the inlet side to control the rate of flow through the Grease Trap such that the rate of flow does not exceed the manufacturer's rated capacity in gallons per minute for each Grease Trap; and (b) the Grease Trap is equipped with a sample port on the outlet side;

4.2.6 Total hours of operation each day;

4.2.7 Executed statement of the FSE Owner certifying that the FSE Owner has received, read, understands, and agrees to abide by *Fats, Oils, and Grease Management – Part 29*; *Specifications for Grease Traps and Grease Interceptors Regulation - Part 30*; Chapter 23, as well as any other applicable federal, state, and local laws and regulations governing the FSE; that the information provided in the FOG Registration form is accurate; that the FOG Registration form was completed at the FSE Owner's direction and with the FSE Owner's approval; that the FSE Owner understands that providing false information or violating the provisions of the above-stated laws and/or regulations may result in termination of the FSE's water and/or sewer service, and/or revocation of the FSE's permitted water and/or sewer capacity; and that if the FSE's water and/or sewer service is terminated, the FSE will have to submit a new FOG Registration form and/or reapply for water and/or sewer service with the City and bear all associated costs; and

4.2.8 All other information regarding the description of the FSE's operations, including, without limitation, information regarding the FSE's Grease Traps and Grease Interceptors, and treatment of same, as identified on the FOG Registration form.

4.3 ***FSEs with Shared Grease Interceptor(s).*** In situations where FSEs share one or more Grease Interceptors, the owner of each Grease Interceptor and any FSE and FSE Owner who utilizes or will utilize the shared Grease

Interceptor are collectively responsible for completion and submission of the FOG Registration form to the City within the time period required in this regulation, for identifying all FSEs connected to each Grease Interceptor in the FOG Registration form, and for ensuring that all FSEs connected to that Grease Interceptor comply with this regulation, as well as Chapter 23. All FSEs connected to the shared Grease Interceptor shall be subject to inspections under this regulation. In the event the identity of an FSE connected to the shared Grease Interceptor changes or in the event that an additional FSE connects to the shared Grease Interceptor, the owner of the shared Grease Interceptor, the FSE Owner, and any FSE utilizing or who will utilize the shared Grease Interceptor must submit an updated FOG Registration form identifying the change or the additional FSE to the City at least thirty (30) calendar days prior to the change and prior to the additional FSE connecting to the shared Grease Interceptor.

4.4 ***New Grease Trap/Grease Interceptor Inspection Procedure.***

4.4.1 *FSE – New Facilities.* After a completed and satisfactory FOG Registration form has been submitted to the City, the FSE may proceed with installation and/or construction of the Grease Trap and/or Grease Interceptor. When installation and/or construction of the Grease Trap and/or Grease Interceptor is completed, the FSE Owner shall notify the City that the FSE is ready for inspection. The FSE Owner shall notify the City prior to covering any exterior Grease Interceptors. During the inspection, the information contained in the FOG Registration form will be verified and the FSE's Grease Traps and/or Grease Interceptors will be inspected. If any Grease Trap or Grease Interceptor requires maintenance or repairs, if any incorrect information has been given, or in the event of noncompliance with any portion of this regulation, the Inspector will issue a written notice requiring that the FSE correct any deficiencies, including a required time schedule for repairs to be effected prior to a second inspection. Second inspections will be performed after a minimum of ten (10) calendar days have elapsed to allow the FSE to implement appropriate and necessary corrective action(s) to correct the deficiencies. If the FSE is not in compliance at the second inspection, the FSE Owner must complete any additional maintenance and/or repairs or take whatever other action may be required for compliance, and resubmit the FOG Registration form. Failure to comply with any portion of this regulation after resubmission of the FOG Registration form may result in enforcement action pursuant to Chapter 23, including, but not limited to, termination or denial of the FSE's water and/or sewer service.

4.4.2 *FSE – Existing Facilities.* All Existing FSEs are required to submit a completed FOG Registration form to the City at the address shown on the form no later than thirty (30) calendar days after receiving notification by the City that registration is required. Failure to do so will constitute a violation of this regulation. A new FOG Registration form must be submitted upon change in ownership of the FSE or changes in operations or plumbing changes or additions, including, without limitation, a change of use which necessitates the issuance of a new SCDHEC food service permit; remodeling or expansion of the food preparation area; and/or modifications to the kitchen waste plumbing system. No new Grease Trap or Grease Interceptor may be placed into service until the City has conducted an inspection pursuant to the procedures set forth in Section 4.5.1 above.

5. ***Inspection Procedure.*** All FSEs are subject to inspection as follows:

5.1 *Inspections.* The Inspector and City Staff may inspect FSEs at any time during business hours in order to verify continued compliance with all applicable laws and regulations, including, without limitation, requirements of this regulation and Chapter 23. All FSEs which have submitted a FOG Registration will be inspected on a regular basis. Inspections shall include, without limitation, all equipment, food processing and storage areas that discharge into the Grease Traps and/or Grease Interceptors at the FSE. The Inspector and/or City Staff shall also inspect the FSE's logbook and other records and data required to be kept hereunder; Grease Trap(s) and/or Grease Interceptor(s); and may check the level of the Grease Trap and/or Grease Interceptor contents and take samples and/or photographs as deemed necessary in the Inspector's sole discretion. If noncompliance is identified by the Inspector and/or City Staff during an inspection, the Inspector will, after the inspection, issue the FSE a written notice of violation directing the FSE to correct any deficiency. The FSE will be scheduled for re-inspection at the time denoted in the notice of violation.

5.2 *Re-inspections.* The Inspector and City Staff will re-inspect FSEs that are issued a notice of violation within the time period specified in the notice of violation. The Inspector shall inspect, without limitation, any repairs made or other corrective measures taken by the FSE with regard to any noted violations and will subsequently provide written notice of compliance or non-compliance to the FSE as the case may be. If, upon re-inspection, the FSE has corrected all of the deficiencies which resulted in the issuance of the notice of violation and the FSE is in full compliance with all other requirements of the Program, the FSE will be notified by the City that it is in compliance.

5.3 *Access and Cooperation During Inspections.* Upon the request of the Inspector and other duly authorized employees or agents of the City, each FSE shall allow the Inspector and other duly authorized employees or agents of the City, including, without limitation, City Staff, access to all parts of the FSE premises for inspection, observation, records examination, measurement, sampling, testing and for other purposes in accordance with the provisions of this regulation. The refusal of any FSE to allow the Inspector and/or City Staff entry to or upon the FSE's premises, or an FSE's failure to cooperate in any manner during the course of an inspection, shall constitute an immediate violation of this regulation, which may result in enforcement action pursuant to Section 6.4 of this regulation.

5.4 *Non-Compliance:* In the event of continuing non-compliance after re-inspection, the FSE Owner will be notified that continued failure to comply within the time period designated by the City may result in enforcement action pursuant to Chapter 23, including, but not limited to, termination of water and/or sewer service.

6. VIOLATIONS

6.1 *Notices of Violation.* Deficiencies that will result in a finding of noncompliance and issuance of a notice of violation under this Program include the following:

6.1.1 Failure of the FSE to allow the Inspector or City Staff access to all parts of the FSE premises for inspection, observation, records examination, measurement, sampling, testing and for other purposes in accordance with the provisions of this regulation shall constitute an immediate violation;

6.1.2 Failure of the FSE to properly operate, maintain, clean, and/or repair a Grease Interceptor and/or Grease Trap in accordance with this regulation;

6.1.3 Failure of the FSE to report changes in operations or plumbing changes or additions, including, without limitation, a change of use which necessitates the issuance of a new SCDHEC food service permit; remodeling or expansion of the food preparation area; and/or modifications to the kitchen waste plumbing system;

6.1.4 Where the FSE is operating an irreparable or defective Grease Trap and/or Grease Interceptor that is in need of replacement;

6.1.5 Failure to report a sale or change in ownership of the FSE by submitting a new FOG Registration form within the thirty (30) days and in accordance with the procedures set forth in this regulation;

6.1.6 Failure of the FSE to have or maintain plumbing connections to a Grease Trap or Grease Interceptor in compliance with the requirements of this regulation;

6.1.7 Failure of the FSE to submit a completed FOG Registration within thirty (30) days after the date of notification by the City that such an application is required to be submitted;

6.1.8 Where the FSE is contributing FOG to the City's wastewater collection system in quantities in excess of the allowable limits as established in Chapter 23;

6.1.9 Failure of the FSE to maintain and/or retain, or to produce upon the Inspector or City Staff's request, records as required under this regulation for the time period delineated in this Program;

6.1.10 Where the FSE has no Grease management in place;

6.1.11 Where the FSE Owner and/or any user of a shared Grease Interceptor has failed to identify to the City all FSEs connected to the shared Grease Interceptor in the FOG Registration form in accordance with the requirements of this regulation;

6.1.12 Where the FSE previously received a notice of violation under this Program and, upon re-inspection, the FSE remained in noncompliance;

6.1.13 Where the FSE, in the sole discretion of the City, has engaged in bad-faith failure or has refused to comply with a notice of violation issued under this Program or has failed to otherwise cooperate with the Inspector and/or City Staff as required by this regulation; and

6.1.14 Any other noncompliance with the Program, this regulation, or Chapter 23.

6.2 *Schedules of Compliance.* Failure to comply with this regulation may result in the following notices of violation with the compliance schedules noted. However, nothing in this Section 6.2 precludes the City from taking

immediate enforcement against an FSE in violation of this regulation or Chapter 23:

6.2.1 A notice of violation may be issued to the FSE by the City with the following compliance schedule in situations where an Inspector determines:

(a) that the FSE's Grease Trap and/or Grease Interceptor is irreparable or defective and must be replaced.

(b) that an FSE has no Grease management in place;

(c) that the FSE has undergone a change of use which necessitates the issuance of a new SCDHEC food service license and/or permit, remodeling, expansion of the food preparation area, or modifications to the kitchen waste plumbing system and has failed to comply with the requirements of Section 3.2 of this regulation;

(d) that the FSE does not have or does not properly maintain plumbing connections to a Grease Trap or Grease Interceptor in compliance with this regulation.

FSEs receiving a notice of violation for any deficiency identified above will be required, within fifteen (15) days of the date of the notice of violation, to submit a corrective action plan to the City for consideration, outlining and detailing the scope of work, including a timeline for completion, that meets the requirements set forth in this Program, *Specifications for Grease Traps and Grease Interceptors Regulation - Part 30*, and Chapter 23. If the City approves the corrective action plan, the FSE must construct the improvements at its own expense. Construction must be complete within forty-five (45) days of the date of the City's written approval of the corrective action plan. A pre-construction inspection will be scheduled by the City and the FSE is responsible for notifying the City at least twenty-four (24) hours in advance of the start of construction in order that this inspection can be scheduled.

6.2.2 A notice of violation may be issued to the FSE by the City with a fifteen (15) day compliance schedule in situations where an Inspector determines:

(a) that the FSE has failed to adequately clean, maintain, repair, or replace a Grease Trap or Grease Interceptor as determined by the City in accordance with this Program;

(b) that the FSE is contributing FOG to the City's wastewater collection system in quantities in excess of the allowable limits as established by the City in Chapter 23;

(c) that the FSE has been sold or undergoes a change of ownership or in operations and a new FOG Registration form is not submitted by the New FSE Owner in accordance with the requirements of this regulation;

(d) that the FSE has been notified by the City that it must submit a completed FOG Registration form and the FSE has failed to do so within thirty (30) days of the date of notification;

(e) that the FSE Owner and/or any user of a shared Grease Interceptor has failed to identify to the City all FSEs connected to the shared Grease Interceptor in the FOG Registration form in accordance with the requirements of this regulation;

(f) that the FSE has failed to produce, maintain, or retain maintenance logs, files, or other records required to be kept under this regulation for the time period consisting of the two (2) years immediately preceding the date of the most recent inspection at the FSE and any time period thereafter; or

(g) that the FSE has otherwise failed to comply with the Program in any other manner set forth in this regulation.

6.2.3 A notice of violation will be issued to the FSE by the City with a seven (7) day compliance schedule in situations where an Inspector determines:

(a) that the FSE previously received a notice of violation under this Program and, upon re-inspection, the FSE remained in noncompliance; or

(b) that the FSE is, in the sole discretion of the City, has engaged in bad-faith failure or has refused to comply with a notice of violation issued under this Program or has failed to otherwise cooperate with the Inspector and/or City Staff as required by this regulation.

6.3 *Corrective Action.* Where a FSE receives three (3) notices of violation within a one-year time period under this Program, the FSE will be automatically placed on a corrective action plan by the City that is designed to bring the Grease Trap and/or Grease Interceptor into compliance within the period of time specified in the corrective action plan. An FSE may be placed on a corrective action plan for a single violation or combination of violations when, in the discretion of the City, such violation(s) are of a nature or severity which

warrants the imposition of a corrective action plan to bring the FSE into compliance with this regulation.

6.4 *Other Enforcement Action.* Any FSE which violates Chapter 23 or this regulation shall be subject to such other enforcement action as allowed by and in accordance with Chapter 23 and applicable state law, including, but not limited to:

(a) A civil penalty not to exceed two thousand dollars for each day of violation;
(b) Termination of water or wastewater service pursuant to Section 23-111 of Chapter 23; and
(c) Criminal penalties pursuant to Section 23-112 of Chapter 23.

SPECIFICATIONS FOR GREASE TRAPS AND GREASE INTERCEPTORS

PART 30

1. GENERAL

1.1 This section includes guidelines and requirements for design and installing Grease Traps and Grease Interceptors. Construction details GR #1 and GR #2 attached hereto as Attachment A and Attachment B, respectively, are part of these specifications.

1.2 Grease Traps or Grease Interceptors shall be provided by each Food Service Establishment (FSE) for the proper handling of liquid wastes containing significant amounts of fats, oils, and grease as specified in the *Fats, Oils, and Grease Management Regulation* - Part 29 (Part 29). All Grease Traps and Grease Interceptors installed by FSEs must be in compliance with Part 29 and the specifications herein and shall be located so as to be readily and easily accessible for cleaning and inspection. All Grease Traps and Grease Interceptors shall be supplied by and properly cleaned and maintained by the FSE Owner at its own expense in accordance with and as provided in Part 29.

1.3 All FSEs, new or existing, requesting sewer service from the City of Columbia (the City), shall submit a FOG Registration form in accordance with Part 29 prior to receiving sewer service.

1.4 It is the intent of this specification to provide specific standards for the location, design, installation and construction of Grease Traps and Grease Interceptors in accordance with the requirements stated herein. Failure to comply with this specification shall result in the denial or discontinuance of water and/or sewer service.

2. DEFINITIONS

2.1. *Fats, Oils, and Grease (FOG)* means any material, either liquid or solid, composed primarily of fats, oils, and grease from animal or vegetable sources.

2.2. *Food Service Establishment (FSE)* means any commercial facility, including, by way of example and without limitation, restaurants, motels, hotels, cafeterias, hospitals, schools, bars, and any other facility which, in the sole discretion of the City, must install a Grease Trap or Grease Interceptor prior to discharging kitchen or food preparation wastewater into the City's wastewater collection system. This definition includes, but is not limited to, any establishment which is required to have a South Carolina

Department of Health and Environmental Control (SCDHEC) food service license and/or permit.

2.3. *FSE Owner or Owner* means, in the case of an individually owned FSE, the Owner(s) and/or proprietor(s) of the FSE. Where the FSE is a franchise operation, the Owner of the franchise is the responsible person and/or entity and is considered the FSE Owner. Where the FSE is owned by a corporation, the corporate representative, as designated on the FOG Registration form, is deemed to be authorized to act on behalf of the corporation. Where two or more FSEs share a common Grease Interceptor, the FSE Owner is any individual and/or entity who owns and/or assumes, maintains, or exercises control of the Grease Interceptor or the property on which the Grease Interceptor is located, as well as any individual and/or entity who utilizes or will utilize the shared Grease Interceptor.

2.4. *Gray Water* means all of the liquid contained in a Grease Trap or Grease Interceptor that lies below the floating grease layer and above the bottom solids layer.

2.5. *Grease* means a material, either liquid or solid, composed primarily of fats, oils, and grease from animal or vegetable sources. The terms "FOG", "oil and grease," and "oil and grease substances" shall all be included within this definition and may be used interchangeably.

2.6. *Grease Interceptor* means a large underground concrete vault located outside of an FSE designed to collect, contain, or remove FOG from the waste stream while allowing the sub-straight or Gray Water to discharge to the wastewater collection system by gravity.

2.7. *Grease Trap* means device located within an FSE that is designed to collect, contain, separate, or remove FOG from the waste stream while allowing the sub-straight waste or Gray Water to discharge to the wastewater collection system by gravity.

3. DESIGN AND CONSTRUCTION REQUIREMENTS

3.1 NEW FSEs

3.1.1 Non-cooking intensive FSEs, as determined by the City, may be allowed to utilize Grease Traps. Examples of FSEs which might be determined to be non-cooking intensive FSEs are identified in *City of Columbia Grease Trap and Grease Interceptor Tank Sizing Guide (attached hereto as Attachment C)*; however, these FSEs are provided by way of example only. The City will make a determination on the applicable sizing guide formula for an FSE on a case-by-case basis.

3.1.2 All New FSEs (as defined in Section 3.2 of Part 29), with the exception of non-cooking intensive FSEs as determined by the City, are required to install a Grease Interceptor sized in accordance with the *City of Columbia Grease Trap and Grease Interceptor Tank Sizing Guide (Attachment C)*. A Grease Trap or Grease Interceptor must be sized in accordance with the formulae set forth in (A), (B), or (C) of the *City of Columbia Grease Trap and Grease Interceptor Tank Sizing Guide (Attachment C)* unless the City approves sizing calculations signed and sealed by a registered professional engineer in accordance with the Fixture Unit Calculation Method set forth in (D) of the *City of Columbia Grease Trap and Grease Interceptor Tank Sizing Guide (Attachment C)*. No Grease Interceptor less than 1,000 gallons total capacity will be approved for installation by the City unless acceptable engineering calculations sealed by a professional engineer registered in the state of South Carolina and demonstrating that a smaller size has satisfactory capacity are provided by the FSE Owner to the City and are approved by the City. The City retains sole discretion to approve or deny approval of a Grease Interceptor less than 1,000 gallons total capacity in all circumstances, even in the event such engineering calculations are provided.

3.1.3 All New FSEs must submit, for each Grease Trap and Grease Interceptor, cut sheets, plans, and specifications. These documents must be submitted to the City prior to the FSE's installation of the Grease Trap and/or Grease Interceptor. An approval letter for each new Grease Trap or Grease Interceptor must be issued by the City to the FSE prior to construction and/or installation of the Grease Trap and/or Grease Interceptor by the new FSE.

3.1.4 The construction and location criteria for Grease Interceptors must be in accordance with Environmental Protection Agency (EPA) Guidance Document, "On site Wastewater Treatment and Disposal Systems," Chapter 8.

3.1.5 No New FSE will be allowed to initiate operations until proper Grease Traps and/or Grease Interceptors, as appropriate, are installed by the FSE in accordance with this Part 30 and Part 29, and are approved by the City.

3.1.6 For cases in which underground-type Grease Interceptors are appropriate but not feasible to install in the City's sole discretion, new FSEs must install approved Grease Traps in accordance with this Part 30 and Part 29 for use on individual fixtures, including, without limitation, pot sinks, mop sinks, pre-rinse sinks, wok ovens, floor drains and other potentially grease containing drains. In such cases, Grease Traps will be considered acceptable by the City only if approved flow control fittings are placed on the inlet that prevent overloading and a sample port is placed on the outlet of each Grease Trap.

3.1.7 FSE's shall not connect dishwashers, garbage grinders, or domestic sewer to any Grease Trap or Grease Interceptor.

3.1.8 All Grease Traps and Grease Interceptors must be installed by a properly licensed plumbing contractor.

3.2 EXISTING FSEs

3.2.1 All existing FSEs (as defined in Section 3.2 of Part 29) must have Grease Traps and Grease Interceptors approved by the City in accordance with Part 29.

3.2.2 In cases where existing FSEs do not already have a Grease Interceptor installed and where the installation of an outdoor Grease Interceptor is feasible in the City's sole discretion, the Grease Interceptor must be installed by the FSE in accordance with this Part 30 and must be approved by the City in writing in advance of installation.

3.2.3 Sizing of any Grease Trap or Grease Interceptor must be in accordance with the *City of Columbia Grease Trap and Interceptor Sizing Guide (attached as Attachment C)*.

3.2.4 Grease Interceptors must be located as close to the source of the wastewater service line at the building as physically possible, while remaining accessible for maintenance.

3.2.5 Existing FSEs shall not connect new dishwashers, garbage grinders, or domestic sewer to any Grease Trap or Grease Interceptor. The City, in its sole discretion, may grant a variance to this requirement in circumstances in which the City determines that compliance with this requirement would be unduly burdensome or impractical due to physical condition or layout of the FSE.

3.2.6 New flow control devices, Grease Traps, or Grease Interceptors must be pre-approved prior to installation.

3.3 GREASE TRAPS

3.3.1 Prior to installation, design for all Grease Traps must be submitted by the FSE to the City for approval with supporting calculations, cut sheets, and/or sizing charts, including a sizing chart similar to requirements set forth in the *City of Columbia Grease Trap Specification Sheet Example (attached as Attachment D)*. Satisfactory proof of minimum Grease Trap capacity, as specified in the *City of Columbia Grease Trap and Interceptor Sizing Guide (attached as Attachment C)* must also be provided to the City by the FSE for all Grease Traps prior to installation. A Grease Trap must be sized in accordance with the formulae set forth in (A), (B), or (C) of the *City of Columbia Grease Trap and Grease Interceptor Tank Sizing Guide (Attachment C)* unless the City approves sizing calculations signed and sealed by a registered professional engineer in

accordance with the Fixture Unit Calculation Method set forth in (D) of the *City of Columbia Grease Trap and Grease Interceptor Tank Sizing Guide (Attachment C).*

3.4 GREASE INTERCEPTORS

All FSE's Grease Interceptors must meet each of the following requirements:

3.4.1 A Grease Interceptor must be sized in accordance with the formulae set forth in (A), (B), or (C) of the *City of Columbia Grease Trap and Grease Interceptor Tank Sizing Guide (Attachment C)* unless the City approves sizing calculations signed and sealed by a registered professional engineer in accordance with the Fixture Unit Calculation Method set forth in (D) of the *City of Columbia Grease Trap and Grease Interceptor Tank Sizing Guide (Attachment C).*

3.4.2 Provide precast or cast in place minimum 4000 psi concrete vaults; The City, in its sole discretion, may allow the use of other materials upon written request for approval prior to installation.

3.4.3 Open top inlet tee must extend to 24" from the bottom of the vault;

3.4.4 The vault shall have a baffle wall with a minimum 3" air gap for venting at the top and an open top tee extending to 12" from the bottom of the vault;

3.4.5 Open top outlet tee must extend to 12" from the bottom of the vault;

3.4.6 Access Manholes shall be provided by the FSE directly above all three tees for inspection and maintenance;

3.4.7 Two-way cleanouts must be provided by the FSEs on the inlet and outlet lines;

3.4.8 Anti-flotation design with proper base course and compacted sub-grade should be considered to prevent settling where conditions warrant;

3.4.9 The FSE must design vault top and manhole covers for HS-20 rated loading where applicable; and

3.4.10 All Grease Interceptors shall be located where they are easily accessible for inspection, cleaning, and maintenance.

3.5 STANDARD GREASE INTERCEPTOR DETAILS

3.5.1 FSEs must comply with standard details GR #1 (Attachment A) and GR #2 (Attachment B) for standard Grease Interceptor installation.

3.5.2 Grease Interceptors may be installed in series if volume required is more than 1500 gallons. When installed in series, the first tank shall not have a baffle or center tee (see standard detail GR #2, Attachment B).

3.6 ACCESS MANHOLES

3.6.1 The minimum access opening dimensions shall be a minimum of 24" in diameter.

3.6.2 An access opening shall be provided by the FSE above the inlet, baffle wall, and outlet tees and shall be easily removable by one person.

3.6.3 A minimum 6" diameter traffic rated clean out with a concrete collar extending down through the vault top may be provided by the FSE above the baffle wall tee in lieu of an access manhole.

3.6.4 Manhole Frame and Cover requirements:

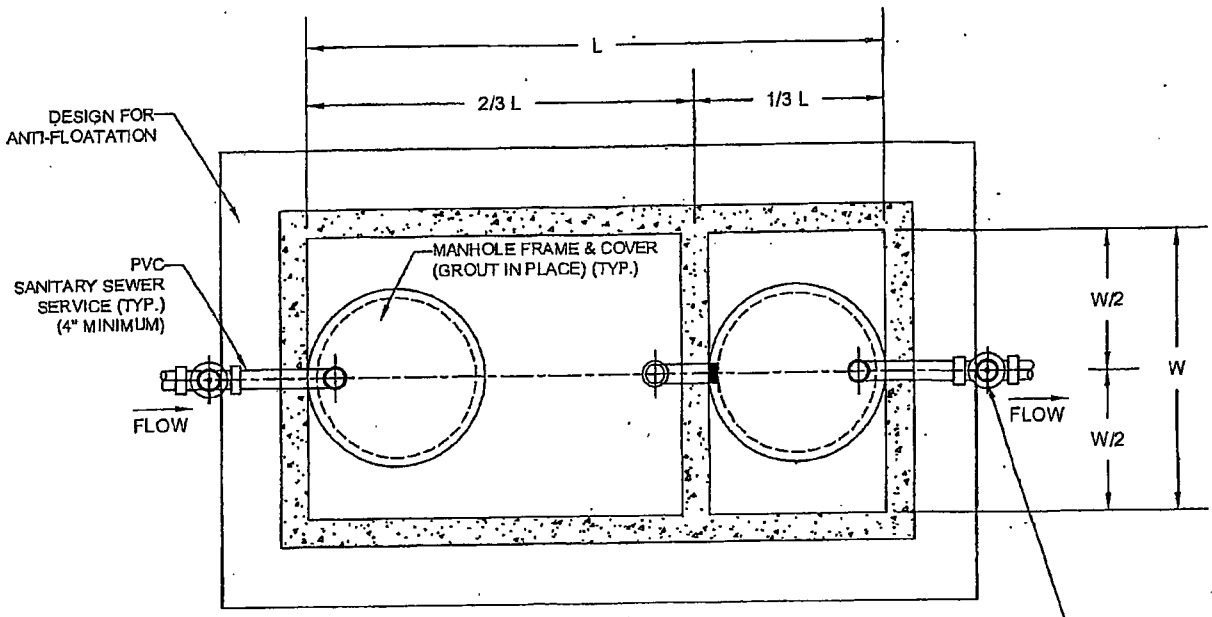
- 3.6.4.1 Provide grey iron castings, ASTM A48, Class 30 Iron;
- 3.6.4.2 Machine all bearing surfaces;
- 3.6.4.3 Acceptable manufacturer: US Foundry Model 680; and
- 3.6.4.4 Provide HS-20 rated frame and cover where applicable.

4. INSPECTION FOR ACCEPTANCE

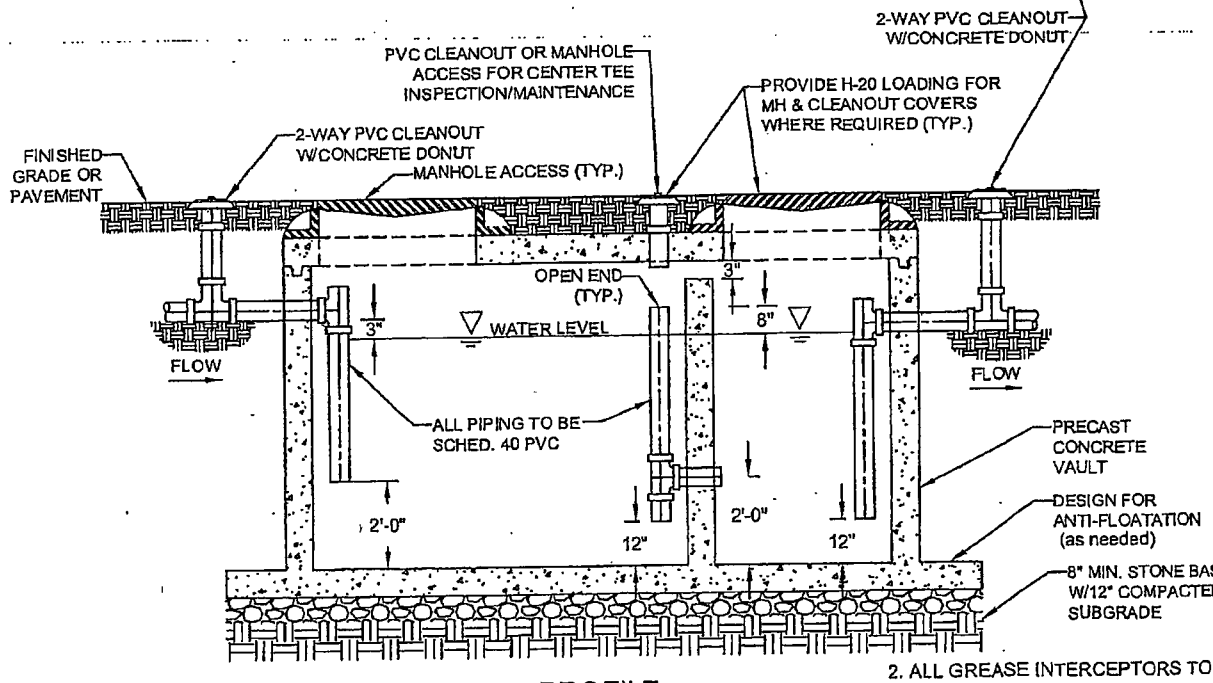
4.1 The FSE must notify the City 48 hours in advance, during the normal work week, when the Grease Interceptor is ready for final inspection by the City and the City must give final approval prior to the FSE covering any Grease Interceptor.

4.2 Where the City denies approval of the Grease Trap and/or Grease Interceptor is denied for a new FSE, the City may elect to submit a request to the appropriate building official requesting that certificates of occupancy be withheld until the Grease Trap and/or Grease Interceptor is constructed in accordance with this specification and is approved by the City.

Attachment A



PLAN



PROFILE

NOTES:

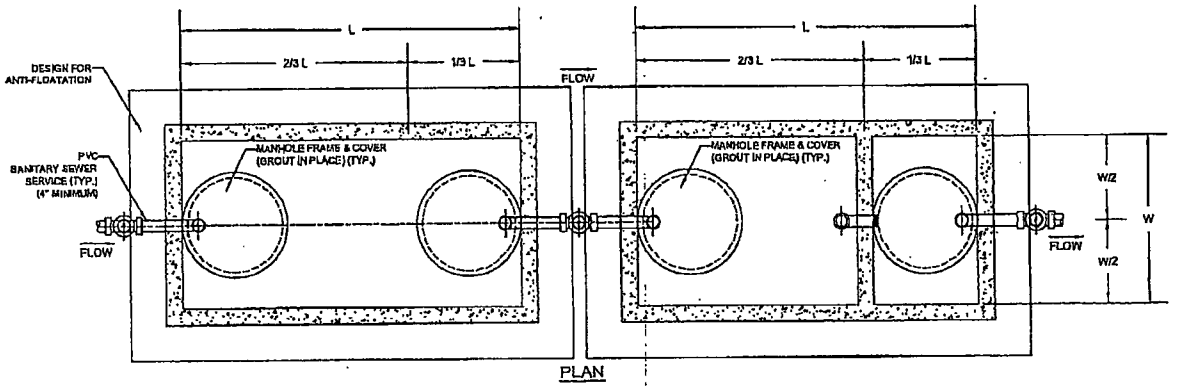
1. ALL PROPOSED GREASE INTERCEPTORS TO BE SUBMITTED TO CITY OF COLUMBIA FOR APPROVAL PRIOR TO INSTALLATION.
2. ALL GREASE INTERCEPTORS TO BE INSTALLED, OWNED AND MAINTAINED BY PROPERTY OWNER.
3. USE NON-SHRINK GROUT AT ALL PENETRATIONS.
4. PROVIDE BUTYL RUBBER SEAL BETWEEN ALL SECTIONS AND TOP.
5. LOCATE MANHOLE ACCESS ABOVE TEES FOR VISUAL INSPECTION AND MAINTENANCE.

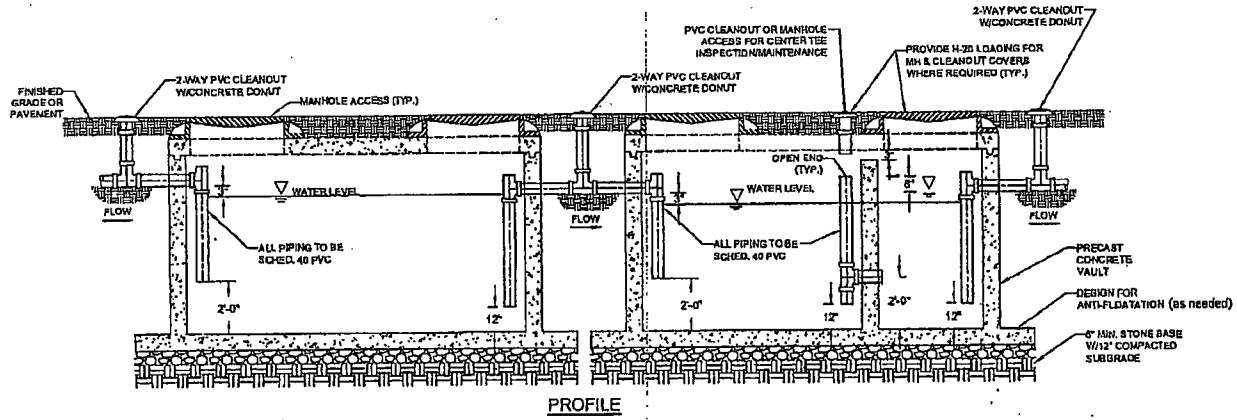
GR #1

CITY OF COLUMBIA
STANDARD GREASE INTERCEPTOR

(NOT TO SCALE)

Attachment B





NOTES:

1. ALL PROPOSED GREASE INTERCEPTORS TO BE SUBMITTED TO THE CITY OF COLUMBIA FOR APPROVAL PRIOR TO INSTALLATION.
2. ALL GREASE INTERCEPTORS TO BE INSTALLED, OWNED AND MAINTAINED BY PROPERTY OWNER.
3. USE NON-SHRINK GROUT AT ALL PENETRATIONS.
4. PROVIDE BUTYL RUBBER SEAL BETWEEN ALL SECTIONS AND TOP.
5. LOCATE MANHOLE ACCESS ABOVE TEES FOR VISUAL INSPECTION AND MAINTENANCE.

GR #2

CITY OF COLUMBIA
STANDARD GREASE INTERCEPTOR IN SERIES
(NOT TO SCALE)

Attachment C

CITY OF COLUMBIA
GREASE TRAP AND GREASE INTERCEPTOR SIZING GUIDE

A. NON-COOKING INTENSIVE FOOD SERVICE ESTABLISHMENTS (examples include ice cream shops, candy shops, deli in grocery or convenience store without cooking facilities, bagel shops, etc.)

Formula: **Min. Trap Capacity =[(# of compartments x Length x Width x Depth)/1728] x 7.48 x 0.80**

Example: 3 compartment sink *= [(3 compartments x 17" (L) x 17" (W) x 11" deep)/1728] x 7.48 x 0.80*
= 33.02 gallon trap capacity (4.4 cu. ft.).

B. COOKING INTENSIVE FOOD SERVICE ESTABLISHMENTS (examples include restaurants, drive-in restaurants, deli's with cooking capacity, carry out restaurants, catering, delivery, etc.)

Formula: **Min. Interceptor Volume = No. of Seats x FR x (Hours of Operation/18)**

FR= Flow Rate
Full Service Restaurant = 25 gallons
Non-Washable, Paper, or Plastic Utensils = 12.5 gallons

C. OTHER FOOD SERVICE ESTABLISHMENTS (examples include hotels, nursing homes, schools, office, or factory cafeteria, etc.)

Formula: **Total Volume = # of person meals x 5 gal. x DW**
# of person meals = number of meals served during either breakfast, lunch, or supper, whichever is greatest

DW=Dishwashing: With Dishwasher = 1.0 or Without Dishwasher = .75

Examples: *1. A cafeteria with a dishwasher serves 300 meals a day = 300 meals x 5 gal. x 1.0 =1,500 gal.*
2. 200 unit motel w/efficiency kitchens = 200 rooms x 4 people/room x 5 gal./meal x 0.75 = 3,000 gal.

D. **FIXTURE UNIT CALCULATION METHOD** (When using the fixture unit calculation method, the Owner must submit calculations signed and sealed by a registered professional engineer in the state of South Carolina to the City for review.)

Formula: **Total Volume = Q x T x SF**

Q = Flow in GPM – Flow derived from total Drainage Fixture Units (DFU) or Fixture Units (FU) connected to the interceptor as determined usir the International Plumbing Code (2000 or higher edition) or AWWA Manual of Water Supply Practices M22.

T = Retention Time – 30 Minutes

SF = Storage Factor = 1.25 based on fully loaded interceptor with 25% grease/solids.

NOTES:

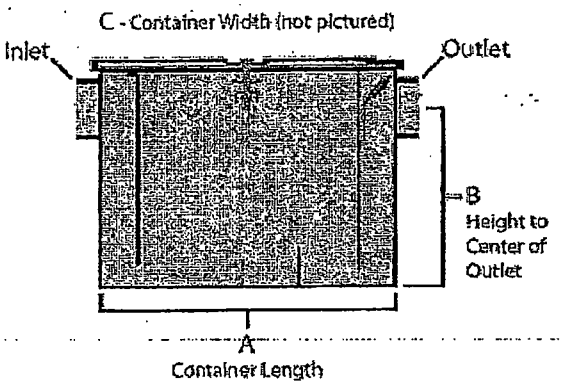
1. Non-Cooking Intensive Food Service Establishments as determined by the City may utilize grease traps (must have provisions for sampling at outlet of trap). All others must utilize grease interceptors unless approved by City staff. Refer to *Specifications for Grease Traps and Interceptors – Part 30* of the City of Columbia Standard Specifications for requirements.
2. Regardless of minimum size required, underground grease interceptors are required to have a minimum 1,000 gallon capacity. When greater than 1,500 gallon capacity is required, multiple units may be furnished and installed in series, see standard details in "Specifications for Grease Traps and Interceptors – Part 30 of the City of Columbia Standard Specifications. Larger sized interceptors may be approved on a case by case basis.
3. Refer to *Fats, Oils, and Grease Management Regulation – Part 29* for additional information.
4. The foregoing is a recommended minimum guideline only. It does not in any way relieve the owner of ordinance mandated requirements that discharged waste have a maximum grease content of 100 mg/l, see Sewer Use Ordinance Sec. 23-102.
5. Contact Scott Rogers at 545-3290 for more information.

Revised 07/02/13

Attachment D

CITY OF COLUMBIA
GREASE TRAP
SPECIFICATION SHEET EXAMPLE

****NON-COOKING INTENSIVE FOOD ESTABLISHMENTS ONLY****



(NOT TO SCALE)

Total Gallon Capacity	Dimension In Inches		
	Length (A)	Height (B)	Width (C)
9.2	19"	8"	14"
19.4	24"	11"	17"
49.8	30"	16"	24"
74.2	34"	18"	28"
98.7	38"	20"	30"

Formula for Calculating Total Grease Trap Capacity:
[Length(A) x Height(B) x Width(C) /1728] x 7.48 = Total Gallon Capacity

NOTES:

1. ALL PROPOSED GREASE TRAP PLANS TO BE SUBMITTED & APPROVED BY CITY OF COLUMBIA DEPARTMENT OF UTILITIES AND ENGINEERING PRIOR TO INSTALLATION.
2. GREASE TRAP INSTALLED, OWNED AND MAINTAINED BY PROPERTY OWNER.

CITY OF COLUMBIA
STANDARD OPERATING PROCEDURES FOR GREASE FACILITY INSPECTIONS

1.0 General

1.1 In accordance with the City of Columbia Code of Ordinances, Chapter 23, Wastewater Services, in conjunction with Utilities and Engineering's Regulations Part 29 and Part 30, discharge of water or wastes containing excessive grease into the sanitary sewer system is prohibited. Compliance with this Ordinance and these regulations is monitored through periodic grease trap/interceptor and sewer inspections at Food Service Establishments ("FSEs") (as defined in Regulations Part 29 and Part 30) that generate wastes containing grease. Frequency of inspection is established based on historical data.

The City tracks the effectiveness of its FOG program through various performance measures which, in the City's sole discretion, may be altered or changed from time to time. The City is currently tracking the number of FOG-related sanitary sewer overflows ("SSOs") in comparison with the City's total SSOs. The City is also regularly engaged in public education efforts in order to decrease FOG-related SSOs, including through enclosure of flyers in water bills and distribution of door knockers by inspectors in neighborhoods regarding the City of Columbia FOG Program.

Wastewater Maintenance Division ("WWM") personnel are kept up-to-date on which area each inspector covers. Inspectors will be notified if WWM field personnel are having substantial or noteworthy FOG issues in their area.

1.2 Training

1.2.1 New inspectors are trained upon hire. The City of Columbia Code of Ordinances, Chapter 23, Regulations Parts 29 and 30, and the Standard Operating Procedures for Grease Facility Inspections are provided to and reviewed with each new inspector, and receipt and review are documented. New inspectors are also introduced to the City's WWM personnel. On-the-job training is conducted for all new inspectors by an existing trained inspector for a minimum of one week before the new inspector is permitted to individually conduct inspections. During this initial training period, new inspectors are given practical training regarding all aspects of the Standard Operating Procedures for Grease Facility Inspections, including inspection protocol. New inspectors are also trained in safety and hygiene related to inspections, discussed in Section 2.0, below. The determination of when a new inspector is adequately trained to conduct inspections on his or her own will be made in the discretion of the existing trained inspector conducting the training.

1.2.2 Existing inspectors are regularly issued any updates to the Standard Operating Procedures upon final revision and are trained on current Standard Operating Procedures.

1.2.3 All inspectors are encouraged to attend workshops, conferences and tradeshows to further their knowledge in this field and stay up-to-date with emerging technology and techniques.

2.0 Safety and Hygiene

2.1 Prior to conducting sanitary sewer inspections in connection with FSE inspections, the inspector will receive training concerning the associated hazards. The inspector will review, with his/her supervisor, the hazard assessment for the task. The inspector will be required to understand the hazards and demonstrate knowledge of the necessary safety precautions, procedures and equipment.

2.2 Sanitary sewer inspections are frequently conducted at manholes in, or adjacent to, roadways. For inspections requiring temporary traffic control the inspector will follow procedures in the South Carolina Work Zone Safety Guidelines and the South Carolina Manual On Uniform Traffic Control Devices, Part V, "Traffic Control for Highway Construction and Maintenance Operations". Traffic control may necessitate assistance from additional personnel.

3.0 Inspection Procedures

3.1 Inspection procedures for New FSEs will be conducted as follows:

3.1.1 After a completed and satisfactory FOG Registration form has been submitted to the City, the FSE may proceed with installation and/or construction of the Grease Trap and/or Grease Interceptor. When installation and/or construction of the Grease Trap and/or Grease Interceptor is completed, the FSE Owner (as defined by Regulation Part 29) shall notify the City that the FSE is ready for inspection. The FSE Owner shall notify the City prior to covering any exterior Grease Interceptors. During the inspection, the information contained in the FOG Registration form will be verified and the FSE's Grease Traps and/or Grease Interceptors will be inspected. If a grease trap or grease interceptor approved by the City Engineer (and/or his or her designee) is properly installed and functioning, the FSE will be deemed to be in compliance and a follow up letter, Prerecorded Letter 4 (PR4) (Exhibit G), will be sent to the FSE Owner. If any Grease Trap or Grease Interceptor requires maintenance or repairs, if any incorrect information has been given, or in the event of noncompliance with any portion of this regulation, the inspector will issue a written notice requiring that the FSE correct any deficiencies, including a required time schedule for repairs to be effected prior to a second inspection. Second inspections will be performed after a minimum of ten (10) calendar days have elapsed to allow the FSE to

implement appropriate and necessary corrective action(s) to correct the deficiencies. If the FSE is not in compliance at the second inspection, the FSE Owner must complete any additional maintenance and/or repairs or take whatever other action may be required for compliance and resubmit the FOG Registration form.

3.2 Inspection of Existing FSEs will be conducted as follows:

3.2.1 Drawings are reviewed to identify FSE sewer connections and upstream and downstream manholes.

3.2.2 Each FSE shall be solely responsible for the cost of grease trap/grease interceptor installation, inspection, cleaning and maintenance. FSEs with grease traps may contract with a grease hauler cleaning service or they may develop a written protocol and perform their own grease trap cleaning and maintenance procedures. Facilities with interceptors shall utilize a grease hauler to properly dispose of interceptor contents. Cleaning and maintenance of grease traps and interceptors must be performed in accordance with Part 29 and the manufacturer's operation and maintenance recommendations and instructions. In the event of conflict between Part 29 and the manufacturer's operation and maintenance recommendations and instructions, Part 29 will control. The FSE owner must have a copy of this documentation and maintenance logs demonstrating compliance on site and must be able to produce them immediately upon the request of the inspector.

3.2.3 Cleaning frequency for grease traps and grease interceptors is to be conducted as follows.

(a) Grease traps must be cleaned as often as necessary to achieve compliance with the City of Columbia Code of Ordinances, Chapter 23, and Part 29. This cleaning frequency may, in some cases, exceed that recommended by the manufacturer. The City requires the complete removal of all floating materials, gray water and bottom solids. The return of gray water back into the grease trap or the wastewater collection system is NOT allowed. Grease trap cleaning may include removing/scraping excessive solids from walls, floors, baffles and inlet and outlet piping. It shall be the responsibility of each FSE to inspect its grease trap during the cleaning procedure to ensure that the trap is properly cleaned out and that all fittings and fixtures inside the trap are in working condition and are functioning properly.

(b) Grease interceptors must be cleaned at a minimum frequency of twice per year. The City requires the complete removal of all floating materials, gray water and bottom solids. The return of gray water back into grease interceptor or the wastewater collection system is NOT allowed. Grease interceptor cleaning shall be performed as often as necessary and in a manner necessary to achieve compliance with the City of Columbia Code of

Ordinances, Chapter 23, and Part 29. This cleaning frequency may, in some cases, exceed that recommended by the manufacturer. Such cleaning may include removing/scraping and/or hydro scrubbing excessive solids from walls, floors, baffles and all interior plumbing. It shall be the responsibility of each FSE to inspect its grease interceptor during the cleaning procedure to ensure that the interceptor is properly cleaned out and that all fittings and fixtures inside the interceptor are in working condition and are functioning properly. In addition to the required cleaning, each FSE shall determine an additional frequency at which its grease interceptor(s) must be cleaned for proper operation as necessary to satisfy each of the following criteria:

1) The floatable grease layer shall not exceed six inches in depth as measured with an approved dipping method.
2) The settleable solids layer shall not exceed six inches in depth as measured with an approved dipping method.
3) The total volume of captured grease and solid material shall not displace more than 25% of the capacity of the interceptor as calculated with an approved dipping method.
4) The interceptor shall retain/capture FOG such that the discharge of FOG is less than 100mg/l, or as otherwise specified in the City of Columbia Code of Ordinances, Chapter 23 and/or in Part 29. (When the FSE is not in compliance in this regard, the inspector may require, in his sole discretion, testing and submission of results to the inspector, at the FSE's own expense.)

3.2.4 Upon entering the FSE, the inspector should present his/her City identification and request to speak to the person in charge. Information concerning the FSE should be recorded by the inspector on a Grease Trap and Grease Interceptor Survey (Exhibit A).

3.2.5 The FSE's grease traps and/or grease interceptors, including clean-outs, manholes, and inlet and outlet tees, will be inspected by the inspector. If the FSE has a grease trap, FSE staff will be asked by the inspector to open and close the trap. In no case shall the inspector open or close a trap. During inspections, arrangements must be made by the FSE to have a qualified staff member open and close the trap. Findings will be noted by the inspector on the Grease Trap and Grease Interceptor Survey (Exhibit A). When appropriate, photographs should be taken by the inspector to document excessive grease discharge.

3.2.6 An FSE's grease removal maintenance records will be reviewed by the inspector to confirm that the FSE is taking appropriate and required steps to keep grease out of the sanitary sewer system. Grease Trap and Grease Interceptor Operation and Maintenance Program Form (Exhibit B) may be used by the FSE if they do not already have maintenance documentation (these records must be maintained and retained for at least two (2) years immediately preceding the date

of the most recent inspection) at the FSE. A City of Columbia FOG (Fats, Oils and Grease) Brochure (Exhibit C) is also provided to the FSE upon inspection. This brochure is educational in purpose and covers best management practices for grease removal.

3.2.7 If the inspector encounters disrepair or lack of maintenance when inspecting a grease trap and/or grease interceptor, at a minimum, the downstream manhole must be checked by the inspector for FOG accumulation. If excessive FOG is found in the downstream manhole, the inspector must notify wastewater maintenance who will clean and inspect the line.

4.0 Violations

4.1 If noncompliance is identified during an inspection, the inspector may initiate an enforcement action pursuant to City in the City of Columbia Code of Ordinances, Chapter 23 and Regulation Part 29 and/or issue the FSE a written notice of violation directing the FSE to correct any deficiency. The notice of violation will include a schedule for compliance and re-inspection as follows:

4.1.1 A notice of violation may be issued to the FSE by the City with the following compliance schedule in situations where an inspector determines:

(a) that the FSE's Grease Trap and/or Grease Interceptor is irreparable or defective and must be replaced.

(b) that a FSE has no Grease management in place;

(c) that the FSE has undergone a change of use which necessitates the issuance of a new SCDHEC food service license and/or permit, remodeling, expansion of the food preparation area, or modifications to the kitchen waste plumbing system and has failed to comply with Section 3.2 of Regulation Part 29;

(d) that the FSE does not have or does not properly maintain plumbing connections to a Grease Trap or Grease Interceptor in compliance with Regulation Part 29.

Prerecorded Letter 2 (PR2) (Exhibit E) will be mailed after an inspection identifying these deficiencies. FSEs receiving a notice of violation for any deficiency identified above will be required, within fifteen (15) days of the date of the notice of violation, to submit a corrective action plan to the City for consideration, outlining and detailing the scope of work, including a timeline for completion, that meets the requirements set forth in this Program, Specifications for Grease Traps and Grease Interceptors Regulation - Part 30, and Chapter 23. If the City approves the corrective action plan, the FSE must construct the improvements at its own expense. Construction must be complete within forty-five (45) days of the date of the City's written approval of the corrective action plan. A pre-construction inspection will be scheduled by the City and the FSE is responsible for notifying the

City at least twenty-four (24) hours in advance of the start of construction In order that this inspection can be scheduled.

4.1.2 A notice of violation may be issued to the FSE by the City with a fifteen (15) day compliance schedule in situations where an inspector determines:

(a) that the FSE has failed to adequately clean, maintain, repair, or replace a Grease Trap or Grease Interceptor as determined by the City in accordance with this Program;

(b) that the FSE is contributing FOG to the City's wastewater collection system in quantities in excess of the allowable limits as established by the City in Chapter 23;

(c) that the FSE has been sold or undergoes a change of ownership or in operations and a new FOG Registration form is not submitted by the New FSE Owner in accordance with the requirements of this regulation;

(d) that the FSE has been notified by the City that it must submit a completed FOG Registration form and the FSE has failed to do so within thirty (30) days of the date of notification;

(e) that the FSE Owner and/or any user of a shared Grease Interceptor has failed to identify to the City all FSEs connected to the shared Grease Interceptor in the FOG Registration form in accordance with the requirements of this regulation;

(f) that the FSE has failed to produce, maintain, or retain maintenance logs, files, or other records required to be kept under this regulation for the time period consisting of the two (2) years immediately preceding the date of the most recent inspection at the FSE and any time period thereafter; or

(g) that the FSE has otherwise failed to comply with the Program in any other manner set forth in this regulation.

Prerecorded Letter 1 (PR1) (Exhibit D) will be mailed after an inspection identifying these deficiencies, and a follow-up inspection will be conducted within approximately 15 days of the date reflected on the PR2 Letter.

4.1.3 If on the follow-up inspection, the FSE can demonstrate through visual inspection and maintenance records compliance with the City of Columbia Code of Ordinances, Chapter 23, and Part 29, the FSE is deemed to be in compliance and a follow-up letter, Prerecorded Letter 3 (PR3) (Exhibit F), will be sent to the FSE Owner.

4.1.4 If any follow-up inspection reveals a continuation of discharge containing excessive grease or insufficient remedial action by the FSE, the investigator will contact the FSE Owner by phone. Depending on the nature of the situation, and in the City's sole discretion, the FSE may be granted an extension to achieve compliance in the City's sole discretion. In cases where FSEs make no attempt to correct the problem, or in other circumstances warranting such action, Prerecorded

Letter 5 (PR5) (Exhibit H) will be hand-delivered to the FSE Owner. The Director of Utilities and Engineering will be copied on this letter and, in the case of continued noncompliance after re-inspection, the inspector will notify the wastewater compliance manager who, in turn, will refer the continuing noncompliance to the Legal Department for an enforcement action pursuant to the City of Columbia Code of Ordinances, Chapter 23, and Part 29. The referral may include a recommendation to terminate the FSE's water or wastewater service pursuant to Section 23-111 of Chapter 23.

5.0 Records

5.1 It is extremely important that the inspector maintain thorough and accurate records, including, without limitation, notes on verbal communications, throughout the investigatory and remediation process. Photographs should be clearly labeled and filed with other documentation.

INDEX OF EXHIBITS TO CITY OF COLUMBIA STANDARD OPERATING PROCEDURES FOR GREASE FACILITY INSPECTIONS

Exhibit A: Grease Trap and Grease Interceptor Survey

Exhibit B: Grease Trap and Grease Interceptor Operation and Maintenance Program Form

Exhibit C: City of Columbia FOG (Fats, Oils and Grease) Brochure

Exhibit D: Prerecorded Letter 1 (PR1)

Exhibit E: Prerecorded Letter 2 (PR2)

Exhibit F: Prerecorded Letter 3 (PR3)

Exhibit G: Prerecorded Letter 4 (PR4)

Exhibit H: Prerecorded Letter 5 (PR5)

EXHIBIT A
Grease Trap and Grease Interceptor Survey

INSPECTION DATE:_____ **INSPECTOR NAME:** _____

NAME OF FACILITY:_____

ADDRESS (STREET #, NAME, TYPE & ZIP):_____

FACILITY PHONE #:_____

FACILITY CONTACT PERSON (MANAGER):_____

GREASE TRAP DEVICE AVAILABLE: YES _____NO_____

TRAP SIZE: _____ LOCATION: _____ **HAULER USED:** _____ # OF LIDS: __ **LAST PUMP DATE:** _____

TRAP SIZE: _____ LOCATION: _____ **HAULER USED:** _____ # OF LIDS: __ **LAST PUMP DATE:** _____

PUMP OUT FREQUENCY ON SCHEDULE? Y N HOW OFTEN ARE TRAP(S) CLEANED? _____

MAINTENANCE LOG MAINTAINED? Y N WILL IN FUTURE FURNISHED

PASS OR FAIL INSPECTION? _____ IF FAIL – TYPE OF ENFORCEMENT ACTION: _____ DATE MAILED: _____

IF NO TRAP

HOURS OF OPERATION: _____ SEAT COUNT: _____ FULL SERVICE OR NONWASHABLES

SINK MEASUREMENTS:_____ UNDER SINK MEASUREMENTS:_____

COPY OF MENU NEEDED ☐ **MENU ATTACHED**

FACILITY REPRESENTATIVE SIGNATURE: _____

FACILITY OWNER E-MAIL:_____

ADDITIONAL COMMENTS:

_____

_____

UPDATED 07/01/2013

ROA-1274

EXHIBIT B

Grease Trap and Grease Interceptor Operation and Maintenance Program

Note: You may use this form to assist in documenting maintenance of grease traps and/or grease interceptors both inside and outside of the building. Proper maintenance can help reduce stoppages on private property and in the City's sewage collection system.

ROA-1275

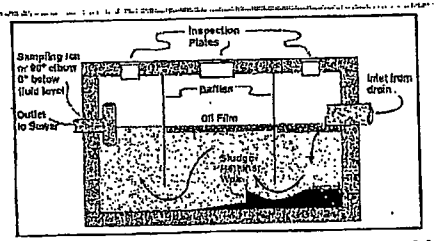
Company Information

Company Name:_____ Site Address:_____

Company Contact:_____

Date	Maintenance Performed List: Cleaned, Pumped, Repaired, etc.	Total Quantity In Gallons Removed	Cleaning, Pumping, Maintenance, or Repair Performed By	Signature of Inspector

EXHIBIT C



3. Measure oil floating on top of the water. When there are two inches or more of oil in any chamber, it should be removed. Older oil has a chance of becoming emulsified (broken up into smaller droplets).

Who do I call to clean it out?

The yellow pages will list companies that pump out and clean oil and water separators. These firms have special vacuum trucks that pump out materials with the consistency of anything from liquid slurry to solid dirt. The bulk liquid is shipped to a licensed treatment facility where the oils, solids and heavy metals are separated from the water. The treated water can be discharged to the sewer. You should never use a septic tank service to clean your oil and water separator or catch basin. Since vendors may have different requirements and/or treatment methods, costs could vary. Fees can include:

- Lab analysis of a sample of the separator's contents
- Wastewater disposal charges
- Surcharge for excessive oil and sludge
- Truck time, figured portal to portal, with a 2-4 hour minimum
- Tank truck rinse out at the treatment facility

What should not go through a separator?

Antifreeze, degreasers, and detergents will emulsify (break up) oil into small droplets so the oil doesn't float to the surface. This will allow these pollutants to drain into the sewer system.

Fuels, alcohols or solvents not only can emulsify oil, but accumulated vapors can pose a threat to line workers at the pump stations or treatment plant.

Concentrated amounts of oily products can overload the baffles or plates and pass through to the sewer.

Floating oils that are not skimmed from the surface of the separator will eventually become emulsified and appear to have a lighter color.

Heavy metal-bearing wastewater such as hot tank and cabinet washer solutions from auto repair or machine shops, any metal finishing, plating, or metal-recovery water, and water-soluble machine coolant should not go through a separator also.

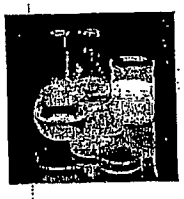
What can I do to maintain my oil and water separator?

You can save maintenance costs by diverting oils and sludge out of your separator. The sooner oils are removed, the less chance they will have to become emulsified. Oils that are free-floating can be carefully vacuumed off with a wet/dry vacuum. This oil should be stored in a separate drum and properly disposed of. Cleaners may contain certain chemicals that, when mixed with the oil, could make them a hazardous waste.

Another way to remove oil, is to use absorbent pads or socks. These float on top of the water and attract only oil. They can be placed in the inlet chamber to trap oil before it gets a chance to migrate. Pads should be checked often so they don't get saturated. Pads can be wrung out and reused if handled properly and are available at most chemical and safety supply stores.

Sludge is caked-on grease and oil dirt that builds up on the bottom of the separator. It is expensive to dispose of and difficult to clean out. A catch basin, installed before the separator will trap sludge before it washes into the separator. The sludge can then be shoveled out. This can be very helpful to businesses cleaning muddy equipment.

Grease Rendering & Recycling:



Rendering companies or "grease recyclers" will accept oil, grease, and other animal by-products, including deep-fry fat and bones, thereby turning a nuisance waste material into a beneficial product such as animal feeds. There are many benefits to this approach. They are listed below:

1. Compliance - Rendering prevents grease from reaching the City sewer system and thereby helps restaurants maintain compliance.
2. Cost Avoidance - The charge for pumping out a grease trap is considerably more than the service fee charged by a renderer.
3. Economic Incentives - Renderers' service fees are low and often provided at no charge. In some cases, rendering companies are willing to pay for restaurant oil and grease.
4. Environmental Savings - Natural resources and energy are conserved through source reduction and recycling. FOG recycling keeps these materials from clogging the City sewer lines, as well as from using valuable landfill space.

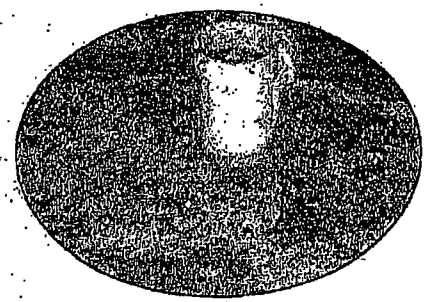
The following Grease Haulers and Recyclers are Approved to Dispose Directly at City of Columbia's Septage Receiving Station:

(location noted if not in Columbia, SC).

- Ameriguard Maintenance Service, LLC (Fresno, CA)
- Applerumbing
- AWS (Cayce, SC)
- C.E. Taylor and Son, Inc.
- C. Walker Septic Tank Service (Ridgeway, SC)
- Commercial Waste Management, Inc (Atlanta, GA)
- Connor Plumbing (Martinez, GA)
- Darling By-products (St. George, SC)
- Dreher Septic Service
- ECHO SOLVE, LLC (Charlotte, NC)
- G &K Tank Service (Sumter, SC)
- Gene Love Contracting
- Lucas Septic Tank & Utility Service
- Mac Service & Pumping
- Moye Construction
- PASCON, LLC
- Providence Environmental, Inc
- Sharp's Plumbing Service, Inc
- Sike's Septic Tank & Pumping
- Tidwell Septic Tanks (Sumter, SC)

CITY OF COLUMBIA, S.C. — JUSTITIA VIRTUTUM REGINA

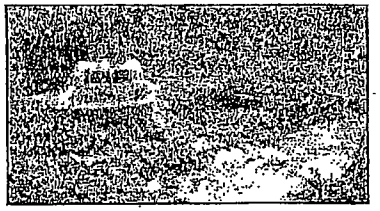
CITY OF COLUMBIA FOG PROGRAM (FATS, OIL & GREASE)



City of Columbia
Department of Utilities & Engineering
P.O. Box 147
Columbia, S.C. 29217
803-545-3400
www.columbiasc.net

ROA-1276

Fats, Oil and Grease...sound disgusting? Fats, Oil and Grease (commonly referred to as FOG) enter the City of Columbia's sanitary sewer system every day. These items present a big problem in the sewer system. Improper cleaning practices allow food particles, oil and grease, and cleaning products to flow to the sewer system. These types of problems create environmental and public health concerns. When not disposed of properly, FOG form thick layers inside the sewer system and prevent normal flow. Clogged systems result in sewage spills, overflows and odor problems. In addition to this, FOG also attract insects and small animals, causing worse odor problems.



Restaurants produce a significant amount of FOG since grease is used in cooking and other preperation work.

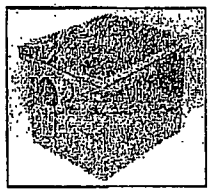
The City of Columbia has a FOG Program to address and prevent FOG from entering the sewer system. Standards and limitations on materials that may be discharged into the City's sanitary sewers are established in the City Code of Ordinances. This helps protect the equipment in the treatment process and is required by the United States Environmental Protection Agency. Appropriate portions of the Code, Chapter 23, Article IV, Section 23-111, can be viewed online at www.columbiasc.net or at www.municode.com. You may also call 545-3400 to request this information by mail.

City inspectors periodically check facilities to make sure they are properly handling grease. They will inspect grease traps and grease interceptors at facilities that are using the City's sewer system. Grease traps and/or grease interceptors must be cleaned out routinely in order to perform properly. Failing to do so may put a facility at risk of violating the City Code, which could lead to enforcement and fines. Facilities are responsible for keeping the grease traps and/or grease interceptors clean and for properly disposing of the fats, oil, grease, sludge, and solids that are removed. Some facilities gather their grease and sell it to companies that use it to make items such as pet food or cosmetics.

Grease traps and grease interceptors work by separating the grease and oil from wastewater. Greasy wastewater entering the trap passes through a vented flow-control fitting that regulates the flow of the wastewater. The wastewater then passes over a series of separator baffles or regulating devices within the trap that separate the FOG. The FOG then float to the top of the trap and accumulate until they are manually removed. Solids accumulate at the bottom of the trap and must also be manually removed. Wastewater without grease will continue to flow through the trap into a discharge pipe, and then to the City sewer system if the trap is clean and functioning properly. If the trap is full of grease, grease along with regular wastewater will flow into a discharge pipe, and then to the City sewer system possibly leading to Code violations and fines. Routine maintenance is key to keeping FOG out of the City's sewer system. It will also help reduce stoppages on private property and in the City's sewage collection system. By doing your part, you can contribute to a cleaner and healthier Columbia.

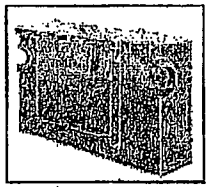
Best Management Practices for Grease Removal:

Grease Traps:



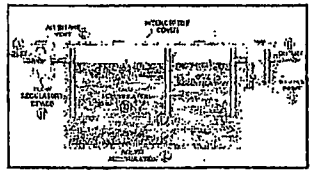
Grease traps are typically indoor fixtures located under or near a sink. They should be cleaned on a regular basis. Cleaning the trap is a simple procedure that can take little time. Traps can be cleaned by in-house staff or by a licensed grease hauler or recycler. The interval between cleaning depends on the individual establishment. A good rule of thumb is to clean the trap weekly. If the trap is more than 50% full of solids when cleaned weekly, increase the frequency of cleaning. Management should witness or inspect the cleaning to ensure it is done properly.

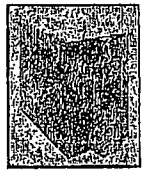
When cleaning:
1. Make sure that all flow going to the trap has stopped.
2. Remove the cover of the trap and scoop out any FOG that have collected on top.
3. Bail out the water remaining in the trap to facilitate cleaning.
4. Remove baffles if possible.
5. Scrape the sides, the lid and the baffles to remove as much FOG as possible and deposit it in a grease waste container.
6. Replace the baffle and lid.
7. Record the volume of grease removed on a maintenance log.
8. Keep the maintenance log up to date and readily accessible. This serves as a record of the cleaning frequency and can help the establishment manager optimize cleaning frequency to reduce costs.



Grease Interceptors:

A grease interceptor is much larger than a grease trap and is usually located in a vault outside of the establishment. The minimum size is 750 gallons. It too, should be cleaned on a regular basis, however, a licensed grease hauler or recycler should perform grease interceptor maintenance. Cleaning the interceptor vaults requires special training and equipment. It is very important that a restaurant representative be present during any cleaning, pumping, or skimming performed by a contractor to ensure that no shortcuts are taken. The minimum services should include:
1. Complete pumping and cleaning of the interceptor and sample box (not just skimming the grease layer).
2. Deodorizing and thorough cleaning of affected areas, as necessary.
3. Disposing or reclaiming of grease and oil at an approved location.
4. Refilling the vault with clean water (not with water already pumped out).





The cleaning frequency depends on the individual establishment. Interceptors require cleaning at least every six months. However, frequency depends on the capacity of the device, the amount of grease in the wastewater, and the degree to which the facility has contributed to blockages in the past. Thus, the frequency can range from every two weeks to every six months.

Oil and Water Separators:

Oil and water separators are large capacity, underground cement vaults installed between a drain and the connecting sewer pipe. These vaults are designed with baffles to trap sediments and retain floating oils while allowing the remaining wastewater to be discharged to the wastewater collection system by gravity. The large capacity of the vaults slows down the wastewater, allowing oil to float to the surface and solid material to settle out.

Any business that plans to discharge oily or sediment-laden wastewater to the sewer must install, use and maintain an oil and water separator. Businesses that typically need oil and water separators include:
- Quick lube stations
- Transportation fueling facilities
- Vehicle/heavy equipment repair facilities
- Businesses using steam or pressure washers

Many think that if the separator is still draining, it is working, but like any filter, an oil and water separator needs occasional cleaning. A separator's efficiency is most affected by settled solids or sludge and by oils. You should inspect the separator at least every six months.

When cleaning:
1. Open the inspection plates with a screwdriver and look in each chamber. Make sure the outlet chamber (usually the side closest to the street) has a sampling "T." It should have at least a six-inch extension below the water surface.
2. Take a long stick that will reach the bottom (about 8 feet). Any resistance to push through to the bottom will indicate a sludge buildup. Service the oil and water separator when the buildup is about 8 inches deep in the inlet chamber (typically the one closest to the drain).

EXHIBIT D

[DATE]

Re: Violation of the City of Columbia Code of Ordinances Concerning Treatment of Wastewater; [NAME OF RESTAURANT/FACILITY AND LOCATION]

[FSE Owner identified on Registration]
[BUSINESS NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

Dear [FSE Owner]:

The City of Columbia has a FOG (Fats, Oil and Grease) program to address and prevent FOG from entering the sanitary sewer system. Standards and limitations on materials that may be discharged into the City's sanitary sewers are established in the City Code of Ordinances, in conjunction with Utilities and Engineering's Regulations Part 29 and Part 30. The FOG program helps protect the City's wastewater collection and treatment system and is required by the United States Environmental Protection Agency. The Utilities and Engineering's Regulations Part 29 and Part 30 can be viewed in its entirety online at http://columbia.sc.gov/index.cfm/departments/utilities-engineering/engineering-regulations/.

On [DATE], City staff inspected the grease trap and/or grease interceptor associated with your Food Service Establishment (FSE) located at [LOCATION]. The inspector observed the following deficiencies that are in violation of the City of Columbia Utilities and Engineering Regulation Part 29:

☐ Failure to Clean, Maintain, Repair, and/or Replace Grease Trap and/or Grease Interceptor
☐ Failure to Identify all FSEs Connected to Shared Interceptor
☐ Excessive FOG Contribution ☐ Failure to Submit FOG Registration
☐ Sale/Change of Ownership ☐ Change in Operations
☐ Failure to Produce and/or Maintain Required Records
☐ Other Noncompliance:_____

The implementation of a cleaning and maintenance schedule consisting of routine inspections and grease removal in accordance with Part 29 is essential to ensuring compliance with the applicable ordinance and regulations in the City's FOG program. Another inspection will be made fifteen (15) days after the date of this letter to determine whether the deficiencies denoted above have been corrected. The City's next inspection will include, in part, a review of maintenance records for your grease trap(s) and grease interceptor(s). If upon re-inspection your FSE is not in full compliance or fails to remain in compliance thereafter, enforcement action may be initiated pursuant to the City of Columbia Code of Ordinances, Chapter 23, and Part 29,

including, but not limited to, termination of your facility's water or wastewater service pursuant to Section 23-111 of Chapter 23.

If you have questions concerning the inspection, please call the inspector [NAME] at [NUMBER].

Yours very truly,

Stephen B. Sealey
Wastewater Compliance Specialist

CC: Ms. Missy Smith Gentry, P.E., Assistant City Manager
Mr. Joseph D. Jaco, P.E., Director of Utilities and Engineering
Mr. William H. Davis, P.E., Wastewater Engineer

EXHIBIT E

[DATE]

Re: Violation of the City of Columbia Code of Ordinances Concerning Treatment of Wastewater; [NAME OF RESTAURANT/FACILITY AND LOCATION]

[FSE Owner identified on Registration]
[BUSINESS NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

Dear [FSE Owner]:

The City of Columbia has a FOG (Fats, Oil and Grease) program to address and prevent FOG from entering the sanitary sewer system. Standards and limitations on materials that may be discharged into the City's sanitary sewers are established in the City Code of Ordinances, in conjunction with Utilities and Engineering's Regulations Part 29 and Part 30. The FOG program helps protect the City's wastewater collection and treatment system and is required by the United States Environmental Protection Agency. The Utilities and Engineering's Regulations Part 29 and Part 30 can be viewed in their entirety online at http://columbia.sc.gov/index.cfm/departments/utilities-engineering/engineering-regulations/.

On [DATE], City staff inspected your Food Services Establishment (FSE) located at [LOCATION] and observed the following deficiencies that are in violation of Utilities and Engineering's Regulations Part 29 and Part 30.

☐ No Grease Trap/Grease Interceptor ☐ Irreparable Grease Trap/Interceptor
☐ Failure to comply with Section 3.2 of Part 29 following Change of Use, Remodeling, Expansion, and/or Modifications to Waste Plumbing System
☐ Failure to Have/Maintain Plumbing Connections

In order to bring your FSE into compliance with the applicable regulations, you must proceed with the following actions in accordance with the stated schedule of compliance:

a. Submit a corrective action plan which shall meet the standards and limitations stated in the Ordinance and Parts 29 and 30. Your corrective action plan must be submitted to the Wastewater Compliance Section, 1200 Simon Tree Lane, Columbia, SC 29201 within 15 days of the date of this letter for review and approval.

b. Upon your receipt of written notification of the City's approval of the corrective action plan, you must construct the improvements. Construction must be completed within 45 days of the date of the City's written approval of the

corrective action plan. You are required to notify the City when you plan to begin construction in order that a pre-construction inspection may be scheduled. You are responsible for providing the City with a minimum of 24 hours advance notice, during the normal work week, prior to the start of construction to allow appropriate time for scheduling.

c. Full compliance with the Ordinance and Regulations, including correction of the deficiencies denoted above, is required within the compliance schedule stated herein.

If you are unable to comply with the schedule set forth herein, you must request, in writing, an extension of the schedule. This request should be addressed to me and should contain specific reasons and justifications for the request. Only in the most extenuating of circumstances will such requests be granted. If such a request is granted, you will receive written notification of same within [INSERT] days of the date of your submission, which notification will include a new compliance deadline.

The City's next inspection will include, in part, a review of your maintenance records for your grease trap(s) and/or grease interceptor(s). If upon re-inspection your FSE is not in full compliance or fails to remain in compliance thereafter, an enforcement action may be initiated pursuant to the City of Columbia Code of Ordinances, Chapter 23, and Part 29, including, but not limited to, termination of your facility's water or wastewater service pursuant to Section 23-111 of Chapter 23. If you have questions concerning the inspection, please call the inspector [NAME] at [NUMBER].

Yours very truly,

Stephen B. Sealey
Wastewater Compliance Specialist

CC: Ms. Missy Smith Gentry, P.E., Assistant City Manager
Mr. Joseph D. Jaco, P.E., Director of Utilities and Engineering
Mr. William H. Davis, P.E., Wastewater Engineer

EXHIBIT F

[DATE]

Re: Violation of the City of Columbia Code of Ordinances Concerning Treatment of Wastewater; [NAME OF RESTAURANT/FACILITY AND LOCATION]

[FSE Owner identified on Registration]
[BUSINESS NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

Dear [FSE Owner]:

A follow-up inspection of the City's sanitary sewer system at the subject location was conducted on [DATE]. Based on this inspection, the excess grease discharge violation described in the letter from the City dated [DATE] appears to have been corrected. The City will take no further enforcement action at this time.

Discharges of fats, oil, and grease into the sanitary sewer system can usually be prevented through regular maintenance of an adequate grease removal system providing maintenance is scheduled at a frequency appropriate to the system loading.

The City will continue to review maintenance records for your [GREASE TRAP OR GREASE INTERCEPTOR] at future inspections. You will need to document maintenance on a continual basis if you are not already doing so.

Your prompt attention in correcting this violation is appreciated. Should you have any questions, please call the inspector at (803) 255-8927.

Yours very truly,

Stephen B. Sealey
Wastewater Compliance Specialist

CC: Mr. Joseph D. Jaco, P.E., City Engineer
Mr. William H. Davis, P.E., Wastewater Engineer

EXHIBIT G

[DATE]

Re: City Approval of Fats, Oils, and Grease Removal System; [NAME OF RESTAURANT/FACILITY AND LOCATION]

[FSE Owner identified on the FOG Registration]
[BUSINESS NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

Dear [FSE Owner]:

The City of Columbia has a FOG (Fats, Oil and Grease) program to address and prevent FOG from entering the sanitary sewer system. Standards and limitations on materials that may be discharged into the City's sanitary sewers are established in the City Code of Ordinances. The FOG program helps protect the wastewater collection and treatment system and is required by the United States Environmental Protection Agency.

On [DATE], City staff inspected a [Grease Trap or Grease Interceptor] at your Food Service Establishment (FSE) at [LOCATION] to confirm that the [Grease Trap or Grease Interceptor] complies with the sizing and design requirements in Regulation Part 30, *Specifications for Grease Traps and Grease Interceptors*. The inspector has conditionally approved your [Grease Trap or Grease Interceptor] based on future satisfactory performance of the system. A proper maintenance schedule of cleaning, pumping, and routine inspections is mandatory. The nature and quantity of future discharges may also make system improvements necessary. The City will review maintenance records for the disposal of FOG at future inspections. This conditional approval is limited to the City's assessment of the compliance of your FSE's [Grease Trap or Grease Interceptor] with the sizing and design requirements in Regulation Part 30, *Specifications for Grease Traps and Grease Interceptors*, and does not address or concern other matters related to the sufficiency of the installation, plumbing connections, performance, operation or maintenance of your FSE's [Grease Trap or Grease Interceptor].

Periodic inspections will be made to determine if proper maintenance has been conducted on your approved FOG removal system. If you have questions concerning the inspection, please call the inspector at (803) 255-8927.

Yours very truly,

Stephen B. Sealey
Wastewater Compliance Specialist

CC: Mr. Joseph D. Jaco, P.E., City Engineer
Mr. William H. Davis, P.E., Wastewater Engineer

EXHIBIT H

[DATE]

Re: Re-Inspection Violation of the City of Columbia Code of Ordinances Concerning Treatment of Wastewater; [NAME OF RESTAURANT/FACILITY AND LOCATION]

BY HAND DELIVERY
WITH ACKNOWLEDGMENT OF RECEIPT

[FSE Owner identified on FOG Registration]
[BUSINESS NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

Dear [FSE Owner]:

The City of Columbia notified you by letter dated [DATE], that your Food Service Establishment (FSE) was in violation of the City of Columbia Code of Ordinances. On [DATE], City staff re-inspected your FSE located at [LOCATION]. The inspector determined that proper actions had not been conducted to correct violations and/or that your FSE was in violation of the City of Columbia Code of Ordinances.

If your FSE is not in full compliance with the Code of Ordinances within seven calendar days of your receipt of this letter, this matter will be referred to the City Attorney to initiate an enforcement action pursuant to City of Columbia Code of Ordinances, Chapter 23, including, but not limited to, termination of your FSE's water and/or wastewater service. In addition, the City reserves the right to pursue any other remedies provided by law for the subject violation(s).

Should you have any questions, please call me at (803) 733-8566.

Yours very truly,

Stephen B. Sealey
Wastewater Compliance Specialist

cc: Ms. Teresa B. Wilson, City Manager
Mr. Kenneth E. Gaines, City Attorney
Mr. Joseph D. Jaco, P.E., City Engineer
Mr. William H. Davis, P.E., Wastewater Engineer

Appendix H

Appendix H

List of Pump Stations with Capacity Ratings Greater than 1000 GPM

Station ID #	Name	Reliable Capacity (GPM)*	Number of Pumps**	TDH (ft)
110	West Columbia	16,666	4	85
295	North Columbia	14,580	6	102
335	Broad River	6,300	4	217
065	Mill Creek	9,000	4	110
195	Saluda River	10,420	4	129

* Reliable capacity with largest pump out of service

** Includes redundant pump

Appendix I

APPENDIX I
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Pursuant to the terms set forth in Section VIII of this Consent Decree, Columbia will perform a Supplemental Environmental Project (SEP), implementing stream cleanup, flooding, and/or water quality improvement projects in the following three areas (designated as Area 1, Area 2, and Area 3) as described below. Columbia shall spend a total of at least $1,000,000 to implement this SEP. Columbia, in its sole discretion, may contract with third parties or utilize its own employees and equipment to perform any or all of this SEP. Columbia will be given credit against the total funding obligation for work performed utilizing its own employees or equipment, provided, however, that the work performed is not that which would have otherwise been performed by Columbia's employees. Any such credit for work performed utilizing Columbia's own employee or equipment must be supported by time and expense records.

In order to perform this SEP, Columbia must obtain the consent of private property owners and/or lessees to access certain areas designated for the work described herein. Columbia will make a reasonable effort to obtain the required consent for access, but is under no obligation to exercise its power of eminent domain in circumstances in which consent is not given voluntarily.

Columbia shall complete all work on Areas 1, 2 and 3 within five (5) years of the Effective Date of this Consent Decree; provided, however, that the deadline for any proposed work which requires an individual Clean Water Act Section 404 permit from the U.S. Army Corps of Engineers ("Corps") shall be tolled for the period of time from the submittal of the application for such permit to the Corps until the issuance of the permit to Columbia by the Corps. Columbia shall complete the water quality monitoring component to evaluate the effectiveness of the SEP within six (6) years of the Effective Date of this Consent Decree.

Area 1 – Stream Cleanup, Flooding, and/or Water Quality Improvement of the Upper Congaree River Watershed Along the Lower Reach of Rocky Branch

Purpose

Columbia has identified portions of Rocky Branch as a high-priority water body within the Upper Congaree River Watershed in need of long-term efforts to improve its water quality, minimize flooding, and identify areas in need of restoration and stabilization. The lower portion of Rocky Branch, starting at where it crosses under Assembly St. and ending at the Congaree River, are especially in need of attention. In a study conducted by PB America's Inc. on behalf of the City of Columbia, this area was identified as a significant contributor to upstream flooding (October 2007). This section of Rocky Branch is generally identified as Item 1 on the attached map (hereinafter referred to as "Rocky Branch") and flows through an environmental justice community. High volumes and velocities of stream flow have potentially contributed to stream bank degradation along this section of the watershed. Furthermore, reducing flooding in this region decreases the likelihood that floodwaters will enter the public sewer system through manholes, cleanouts, and faulty or improper connections and joints which will benefit the environment by reducing the likelihood and the volume of related SSOs.

Scope

Columbia will develop and implement, in conjunction with the Rocky Branch Watershed Alliance ("RBWA"), a multi-year, phased project designed to improve the water quality of Rocky Branch. During the initial phase of this project ("Phase I of the Rocky Branch Project"), Columbia will conduct a one time stream cleanup project in an effort to improve the overall quality and sustainability of Rocky Branch. The stream cleanup project shall consist of removal of debris, such as trash, furniture, household appliances, tires, and construction debris, from the banks and contiguous stream beds accessible from Rocky Branch. Columbia will secure necessary federal, state, and local permits for the project and will dispose of and/or recycle all removed debris consistent with applicable federal, state, and local requirements.

During the second phase of this project ("Phase II of the Rocky Branch Project"), Columbia will conduct an assessment of the general condition of Rocky Branch, utilizing existing water quality monitoring and GIS mapping, and on-site visual assessments. This information will be used to produce a preliminary report on the general condition of Rocky Branch. This report will be used to develop a plan to improve the water quality of Rocky Branch. This phase also includes implementing selected engineering techniques designed to improve water quality, minimize flooding, and restore and stabilize stream banks of Rocky Branch, such as stream and riparian buffer restoration, re-vegetation and low impact design standards. Additionally, Columbia shall maintain these selected engineering techniques until EPA determines that Columbia has satisfactorily completed this SEP pursuant to Paragraph 33 of the Consent Decree.

Within twenty-four (24) months of the Effective Date of this Consent Decree, Columbia will complete Phase I of the Rocky Branch Project.

Within three (3) years of the Effective Date of this Consent Decree, Columbia will submit to EPA the preliminary report on the condition of Rocky Branch and a plan for Phase II of the Rocky Branch Project, including Columbia's selected techniques designed to improve water quality, minimize flooding, and restore and stabilize stream banks of Rocky Branch.

As indicated above, all work in Area 1 shall be completed within five (5) years of the Effective Date of this Consent Decree.

Area 2 – Stream Cleanup and Water Quality Improvement of Smith Branch

Purpose

In conjunction with Congaree Riverkeeper, Columbia has identified Smith Branch as a high-priority water body in need of a long-term effort to improve its water quality. The Broad River watershed contains the northern area of the City of Columbia. It includes the I-26, I-20, and I-77 corridors, along with the U.S. Hwy. 321, U.S. Hwy. 21, and U.S. Hwy. 176. Located within the City of Columbia corporate limits, Smith Branch is the most urbanized tributary of the Broad River. Approximately 81% of this watershed is urban, 15% is forest, and 2% is farmland. Its

main stem headwater rises on property owned by the S.C. Department of Mental Health, and crosses Interstate 277 and North Main Street. Once the stream crosses Interstate 277, a tributary rising near the neighborhoods of Bethel-Bishop-Chappell Community, Booker Washington Heights Neighborhood, and the Colony Community flows southward to discharge into Smith Branch. Smith Branch then crosses Earlewood Park Neighborhood, Hyatt Park Neighborhood, and Colonial, Colonial West and Colonial Heights Neighborhoods before emptying into the Broad River. This section of Smith Branch from the Earlewood Park Neighborhood to the Broad River is generally described as Item 2 on the attached map (hereinafter referred to as "Smith Branch") and flows through an environmental justice community.

Smith Branch is impaired both for recreational use and for aquatic life uses. In water samples tested by DHEC from 1998 through 2002, 89% of samples taken from Smith Branch exceeded the 400 cfu/100 ml water quality standard for fecal coliform. High fecal coliform concentrations in Smith Branch is likely caused by stormwater runoff, pet excrement, leaking sewer pipes, and failing septic tanks. In 2005, DHEC developed a Total Maximum Daily Load ("TMDL") for fecal coliform in the Broad River, Crane Creek and Smith Branch. The TMDL for Smith Branch specifies a reduction in the load of fecal coliform bacteria into Smith Branch of 99% in order for the creek to meet the recreational use standard. As of 2010, Smith Branch still does not meet state water quality criteria to support recreational uses. Similarly, aquatic life in Smith Branch is impaired as demonstrated by the stream's loss of benthic habitat. According to DHEC, the likely cause of impaired aquatic life on Smith Branch is pollution entering the stream through stormwater runoff. Poor benthic habitat may also be associated with the canalization of the stream with very little opportunity for riffles and pools to form. There is also much evidence of littering in the stream. Smith Branch is one of the first two streams in South Carolina to be the subject of a TMDL to address impaired aquatic life.

Scope

Columbia will develop and implement, in conjunction with Congaree Riverkeeper, in partnership with the Earth Sciences and Resources Institute of the University of South Carolina (ESRI-SC), a multi-year, phased project designed to improve the water quality of Smith Branch. During the initial phase of this project ("Phase I of Smith Branch Project"), Columbia will conduct a one-time stream cleanup project in an effort to improve the overall quality and sustainability of Smith Branch. The stream cleanup project shall consist of removal of debris, such as trash, furniture, household appliances, tires, and construction debris, from the banks and contiguous stream beds accessible from Smith Branch. Columbia will secure necessary federal, state, and local permits for the project and will dispose of and/or recycle all removed debris consistent with applicable federal, state, and local requirements.

During the second phase of this project ("Phase II of Smith Branch Project"), Columbia will conduct an assessment of the general condition of Smith Branch, utilizing existing water quality monitoring and GIS mapping, as well as on-site visual assessments. This information will be used to produce a preliminary report on the general condition of Smith Branch. This report will be used to develop a plan to improve the water quality of Smith Branch. This phase also includes implementing selected engineering techniques designed to improve water quality, minimize

flooding, and restore and stabilize stream banks on Smith Branch, such as stream and riparian buffer restoration, re-vegetation and low impact design standards. Additionally, Columbia shall maintain these selected engineering techniques until EPA determines that Columbia has satisfactorily completed this SEP pursuant to Paragraph 33 of the Consent Decree.

Within twenty-four (24) months of the Effective Date of this Consent Decree, Columbia will complete Phase I of the Smith Branch Project.

Within three (3) years of the Effective Date of this Consent Decree, Columbia will submit to EPA the preliminary report on the condition of Smith Branch and a plan for Phase II of the Smith Branch Project, including Columbia's selected techniques designed to improve water quality, minimize flooding, and restore and stabilize stream banks on Smith Branch.

As indicated above, all work in Area 2 shall be completed within five (5) years of the Effective Date of this Consent Decree.

Area 3 – Stream Cleanup and Water Quality Improvements of Gills Creek

Purpose

Columbia has also identified Gills Creek as a high-priority water body in need of long-term efforts to improve its water quality. The Gills Creek Watershed contains over 70 miles of streams and encompasses multiple jurisdictions. Within the City of Columbia corporate limits, Gills Creek is primarily in the southeastern part of the city from the municipal border with Forest Acres down to where Gills Creek empties into the Congaree River. There is a high potential for continued growth in this urban watershed, which contains a portion of the City of Columbia. Although primarily residential, there are a substantial number of commercial and industrial areas. Almost the entire watershed, which runs through the City of Columbia, has water and sewer readily available. Growth is also projected along the newly connected I-77 beltway around the city (SCDHEC, Gills Creek Watershed Evaluation).

Besides the main stem of Gills Creek, there are many additional tributaries and associated wetlands that feed into the system; Penn Branch, Wildcat Creek and Kilbourne Creek are just a few. All waters feeding into Gills Creek are classified as FW (freshwater). DHEC issued TMDLs for two stations in Gills Creek: C-017 for Dissolved Oxygen, Fecal Coliform and C-001 for Fecal Coliform.

Scope

Columbia will develop and implement, in conjunction with the Gills Creek Watershed Association ("GCWA"), a multi-year, phased project designed to improve the water quality of Gills Creek. This project will focus on the section of Gills Creek which is generally described as Item 3 on the attached map (hereinafter referred to as "Gills Creek") and flows through an environmental justice community. During the initial phase of this project ("Phase I of the Gills

Creek Project"), Columbia will conduct a one-time stream cleanup project in an effort to improve the overall quality and sustainability of Gills Creek. The stream cleanup project shall consist of removal of debris, such as trash, furniture, household appliances, tires, and construction debris, from the banks and contiguous stream beds accessible from Gills Creek. Columbia will secure necessary federal, state, and local permits for the project and will dispose of and/or recycle all removed debris consistent with applicable federal, state, and local requirements.

During the second phase of this project ("Phase II of Gills Creek Project"), Columbia will conduct an assessment of the general condition of Gills Creek, utilizing existing water quality monitoring and GIS mapping, as well as on-site visual assessments. This information will be used to produce a preliminary report on the general condition of Gills Creek. Columbia will use this report to develop a plan to improve the water quality of Gills Creek. This phase also includes implementing selected engineering techniques designed to improve water quality, minimize flooding, and restore and stabilize stream banks on Gills Creek, such as stream and riparian buffer restoration, re-vegetation and low impact design standards. Additionally, Columbia shall maintain these selected engineering techniques until EPA determines that Columbia has satisfactorily completed this SEP pursuant to Paragraph 33 of the Consent Decree.

Within twenty-four (24) months of the Effective Date of this Consent Decree, Columbia will complete Phase I of the Gills Creek Project.

Within three (3) years of the Effective Date of this Consent Decree, Columbia will submit to EPA the preliminary report on the condition of Gills Creek and a plan for Phase II of the Gills Creek Project, including Columbia's selected techniques designed to improve water quality of the section of Gills Creek.

As indicated above, all work in Area 3 shall be completed within five (5) years of the Effective Date of this Consent Decree.

Water Quality Monitoring Component

In addition to the work described above, Columbia will conduct the water quality monitoring described below to assist in evaluation of the environmental benefits of the SEP in improving water quality in Smith Branch and Gills Creek.

I. Monitoring

The City of Columbia will implement a program for ambient monitoring of dissolved oxygen (DO), total suspended solids (TSS), temperature (temp) and *E. coli*[1] at the monitoring sites listed below. Columbia will conduct the monitoring in accordance with an approved South Carolina

[1] *E. coli* standard replaces the existing fecal coliform standard.

Department of Health and Environmental Control (DHEC) quality assurance project plan (QAPP). Columbia will have the TSS and *E. coli* data analyzed at a DHEC certified lab.[2] By using established monitoring sites, water quality data collected by Columbia will be available for comparison to historic water quality data taken by DHEC for assessment purposes. Within sixty (60) days of entry of the Consent Decree, Columbia will submit a QAPP to DHEC for review and approval. Columbia will begin monitoring within thirty (30) days of DHEC's approval of the QAPP. As indicated below, Columbia will monitor quarterly for the first 3 years under the Consent Decree and monthly (or every other month at Site C-17) from years 4 through 6 under the Consent Decree.

II. Water Quality Stations (see attached map):

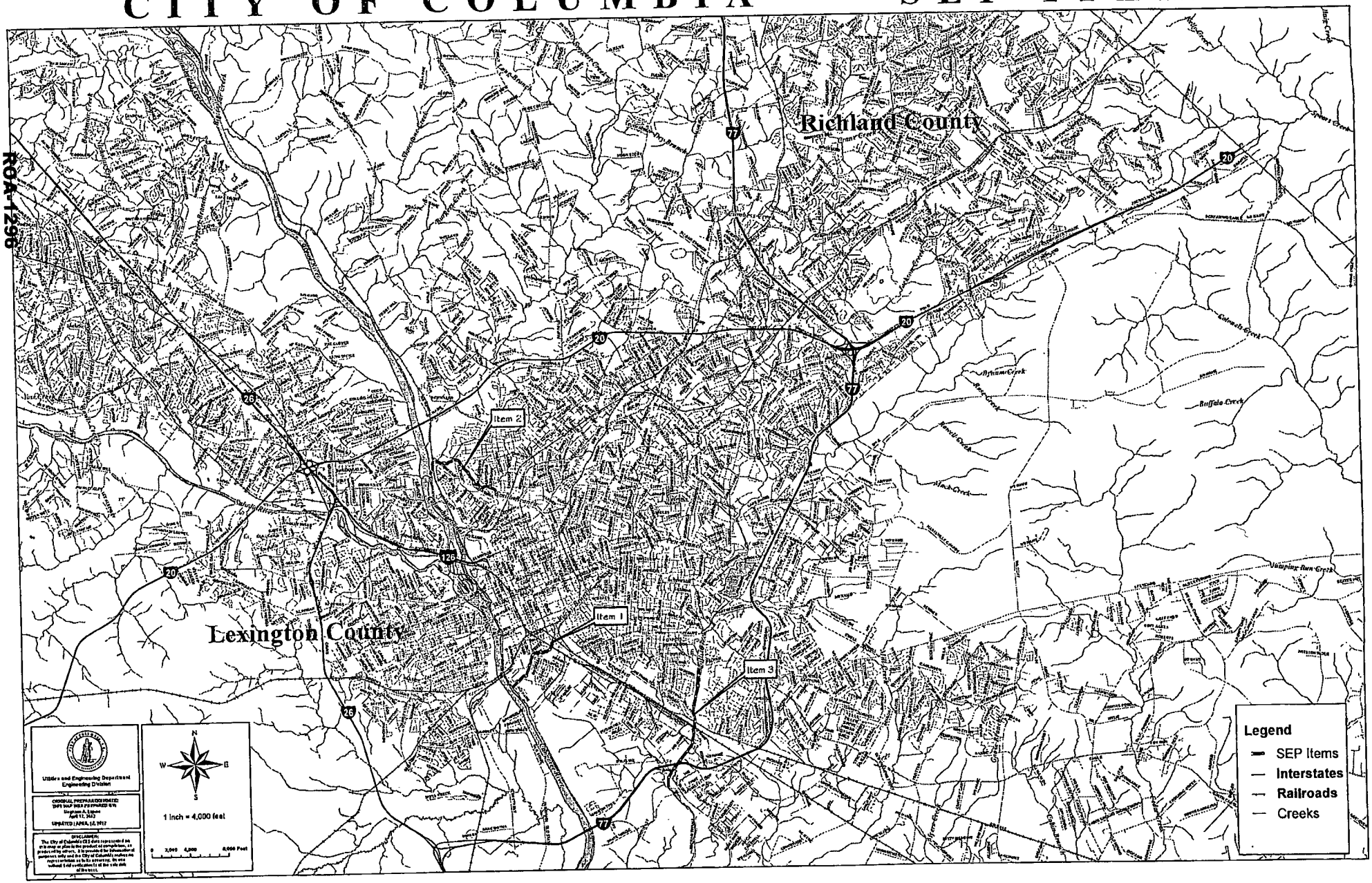
Site	Description	Impairment	TMDL	Monitoring Parameters	Frequency
C-001	Gills Creek at Garners Ferry Rd.	Fecal Coliform	Yes	DO *E. coli* Temp TSS	Quarterly during years 1-3, and monthly during year 4-6
B-280	Smith Branch at N. Main Street	Fecal Coliform	Yes	DO *E. coli* Temp TSS	Quarterly during years 1-3, and monthly years 4-6
C-017	Gills Creek at Bluff Road	Fecal Coliform DO	Yes	DO *E. coli* Temp TSS	Quarterly during years 1-3, and every other month (between DHEC samplings) years 4-6

Columbia shall provide EPA and DHEC the results of its water quality monitoring in the Quarterly Reports required under the Consent Decree.

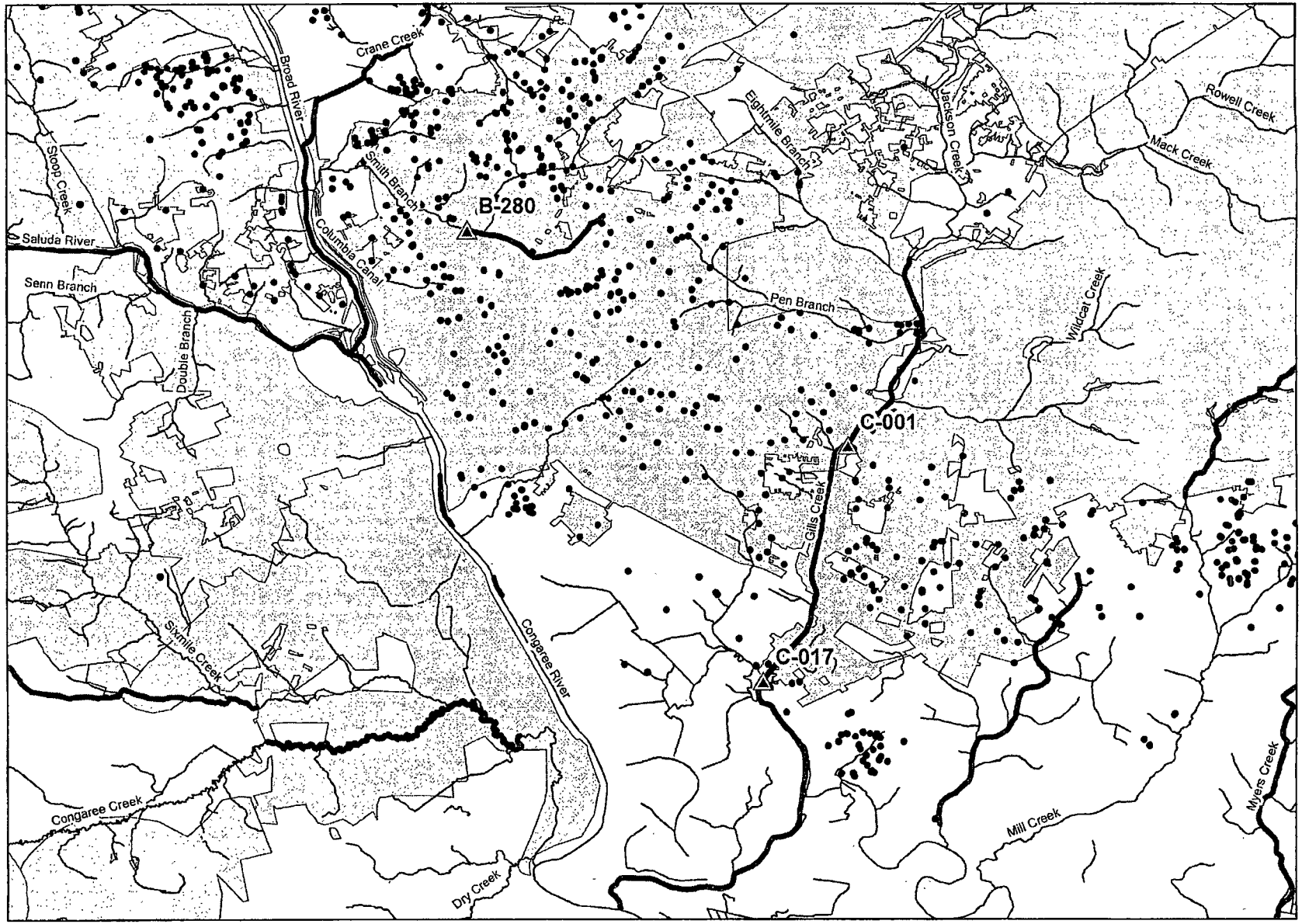
[2] The temp and DO parameters measured in the field with a probe are not subject to the certified laboratory requirement.

CITY OF COLUMBIA - SEP ITEMS

ROA-1296

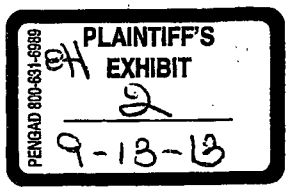


Columbia Water Quality Monitoring



Legend

- Columbia SEP Monitoring Sites
- SSOs
- 303(d) Waters-2010
- Populated Places



ORIGINAL
STAMPED IN RED

ORDINANCE NO.: 2013-013

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rate, and Sec. 23-149 Sewer service rates, (a) Generally

BE IT ORDAINED by the Mayor and Council this 26th day of March, 2013, that the 1998 Code of Ordinances of The City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates and Sec. 23-149 Sewer service rates, (a), Generally are amended to read as follows:

Sec. 23-143. **Water service rates.**

Generally. Except as otherwise provided by contract, monthly water service charges shall be as follows:

Monthly Water Use (cubic feet)	*Meter Size (inches)*	*In City*	*Out of City*
Minimum----300	5/8"	$ 6.00	$ 10.20
	1"	$ 10.02	$ 17.03
	1 1/2"	$ 15.00	$ 25.50
	2"	$ 24.00	$ 40.80
	3"	$ 48.00	$ 81.60
	4"	$ 75.00	$ 127.50
	6"	$ 150.18	$ 255.31
	8"	$ 240.00	$ 408.00
	10"	$ 476.52	$ 810.08
	Additional charge per 100 cubic fee		

Volumetric Charges are based on the customer category

Monthly Water Use (cubic feet)	*In City*	*Out of City*
Residential		
Next 9,700	$ 2.16	$ 3.67
Next 90,000	$ 2.05	$ 3.49
Over 100,000	$ 1.94	$ 3.30
Irrigation		
Next 9,700	$ 3.67	$ 6.24
Next 90,000	$ 3.49	$ 5.93
Over 100,000	$ 3.30	$ 5.61
All others		
Next 9,700	$ 2.05	$ 3.49
Next 90,000	$ 1.94	$ 3.30
Over 100,000	$ 1.82	$ 3.09

ORIGINAL
STAMPED IN RED

Sec. 23-149. Sewer service rates.

(a) *Generally.* Except as otherwise provided by contract, the monthly sewer service charge shall be as follows:

Size of Meter (inches)	*In City*	*Out of City*
5/8	$ 6.00	$ 10.20
1	$ 6.00	$ 10.20
1-1/2	$ 6.00	$ 10.20
2	$ 9.60	$ 16.32
3	$ 19.20	$ 32.64
4	$ 30.00	$ 51.00
6	$ 60.00	$102.00
8	$ 96.00	$163.20
10	$150.00	$255.00

Monthly Water Use (cubic feet)	*Monthly Sewer Service Charge*	
	In City	*Out of City*
Each additional 100 cubic feet	$ 3.13	$ 5.32

This ordinance is effective as of May 1, 2013.

Requested by:

Utilities and Engineering

Approved by:

City Manager

MAYOR

Approved as to form:

City Attorney

ATTEST:

City Clerk

Public Hearing: 3/19/2013
Introduced: 3/19/2013
Final Reading: 3/26/2013

ORIGINAL
STAMPED IN RED

ORDINANCE NO.: 2012-045

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article VII, Stormwater Management, Sec. 23-205 Stormwater service charge rates (b)

BE IT ORDAINED by the Mayor and Council this 26th day of June, 2012, that the 1998 Code of Ordinances of The City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article VII, Stormwater Management, Sec. 23-205 Stormwater service charge rates (b) is amended to read as follows:

Sec. 23-205. Stormwater service charge rates.

(a) Stormwater service charge rates may be determined and modified from time to time by the Columbia City Council so that the total revenue generated by said charges and any other sources of revenues or other resources allocated to stormwater management by the city council to the stormwater management utility shall be sufficient to meet the cost of stormwater management services, systems, and facilities, including but not limited to the payment of principal and interest on debt obligations, operating expense, capital outlays, non-operating expense, provisions for prudent reserves, and other costs as deemed appropriate by the city council. The following stormwater service charge rates shall apply:

(1) *Detached single-family dwelling units.* Detached single-family dwelling units, as defined by this ordinance, shall be billed for one equivalent residential unit, as defined in this article.

(2) *Other developed lands.* All developed lands not classified as detached single-family dwelling units, as defined by this ordinance, shall be billed for one equivalent residential unit for each 2,454 square feet or fraction thereof of impervious area on the subject property. There will be no service charge for developed lands with fewer than 600 square feet of impervious area.

(b) The stormwater service charge rate per equivalent residential unit, as defined in this ordinance, shall be $6.80 per month.

This ordinance shall be effective as of July 1, 2012.

Requested by:

Utilities and Engineering

Approved by:

City Manager

Approved as to form:

City Attorney

MAYOR

ATTEST

City Clerk

Public Hearing: 6/5/2012
Introduced: 6/5/2012
Final Reading: 6/26/2012

Last revised: 5/16/2012
12050783

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ORDINANCE NO.: 2011-027

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rates and Sec. 23-149 Sewer service rates, (a) Generally and (b) Consumers using water cooling towers for air conditioning

BE IT ORDAINED by the Mayor and Council this 21st day of June, 2011, that the 1998 Code of Ordinances of The City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, and Sec. 23-149 Sewer service rates, (a), Generally and (b) Consumers using water cooling towers for air conditioning are amended to read as follows:

Sec. 23-143. Water service rates.

Generally. Except as otherwise provided by contract, monthly water service charges shall be as follows:

Monthly Water Use (cubic feet)	*Meter Size (inches)*	*In City*	*Out of City*
Minimum----300	5/8"	5.84	9.45
	1"	9.74	15.76
	1 1/2"	13.66	22.08
	2"	21.42	34.66
	3"	37.03	59.90
	4"	68.20	110.30
	6"	146.16	236.40
	8"	196.25	317.43
	10"	463.79	750.16
	Additional charge per 100 cubic fee		

Volumetric Charges are based on the customer category

Monthly Water Use (cubic feet) *Residential*	*In City*	*Out of City*
Next 9,700	1.83	2.97
Next 90,000	1.71	2.77
Over 100,000	1.63	2.65
Irrigation		
Next 9,700	2.97	4.80
Next 90,000	2.77	4.49
Over 100,000	2.65	4.27
All others		
Next 9,700	1.74	2.84
Next 90,000	1.63	2.65
Over 100,000	1.55	2.51

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Sec. 23-149. Sewer service rates.

(a) *Generally.* Except as otherwise provided by contract, the monthly sewer service charge shall be as follows:

Monthly Water Use (cubic feet)	*Monthly Sewer Service Charge*	
	In City	*Out of City*
Base	5.17	9.28
Each additional 100 cubic feet	2.73	4.91

(b) *Consumers using water cooling towers for air conditioning.* Consumers using water cooling towers for air conditioning systems shall be given a credit of 30 cubic feet per ton per month during the service periods commencing in the months of April through October. The minimum charge shall be:

Size of Meter (inches)	*In City*	*Out of City*
5/8	9.73	12.37
1	13.72	18.11
1-1/2	17.70	23.85
2	25.66	35.31
3	41.59	58.25
4	73.44	104.13
6	153.06	218.84
8	216.75	310.60
10	477.50	686.26

This ordinance is effective as of July 1, 2011.

Requested by:

Utilities and Engineering

Approved by:

City Manager

MAYOR

Approved as to form:

City Attorney

ATTEST:

City Clerk

Public Hearing: 5/17/2011
Introduced: 6/7/2011
Final Reading: 6/21/2011

ORDINANCE NO.: 2010-089

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rates and Sec. 23-149 Sewer service rates, (a) Generally, (b) Consumers using water cooling towers for air conditioning and (f) Contaminated groundwater

BE IT ORDAINED by the Mayor and Council this 23rd day of June, 2010, that the 1998 Code of Ordinances of The City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, and Sec. 23-149 Sewer service rates, (a), Generally, (b) Consumers using water cooling towers for air conditioning and (f) Contaminated groundwater are amended to read as follows:

Sec. 23-143. Water service rates.

Generally. Except as otherwise provided by contract, monthly water service charges shall be as follows:

Monthly Water Use (cubic feet)	*Meter Size (inches)*	*In City*	*Out of City*
Minimum----300	5/8"	5.56	9.00
	1"	9.28	15.01
	1 1/2"	13.01	21.03
	2"	20.40	33.01
	3"	35.27	57.05
	4"	64.95	105.05
	6"	139.20	225.14
	8"	186.90	302.31
	10"	441.70	714.44
	Additional charge per 100 cubic fee		

Volumetric Charges are based on the customer category

Monthly Water Use (cubic feet) *Residential*	*In City*	*Out of City*
Next 9,700	1.74	2.83
Next 90,000	1.63	2.64
Over 100,000	1.55	2.52
Irrigation		
Next 9,700	2.83	4.57
Next 90,000	2.64	4.28
Over 100,000	2.52	4.07
All others		
Next 9,700	1.66	2.70
Next 90,000	1.55	2.52
Over 100,000	1.48	2.39

Sec. 23-149. Sewer service rates.

(a) *Generally.* Except as otherwise provided by contract, the monthly sewer service charge shall be as follows:

Monthly Water Use (cubic feet)	*Monthly Sewer Service Charge*	
	In City	*Out of City*
Base	4.92	8.84
Each additional 100 cubic feet	2.60	4.68

(b) *Consumers using water cooling towers for air conditioning.* Consumers using water cooling towers for air conditioning systems shall be given a credit of 30 cubic feet per ton per month during the service periods commencing in the months of April through October. The minimum charge shall be:

Size of Meter (inches)	*In City*	*Out of City*
5/8	9.27	11.78
1	13.07	17.25
1-1/2	16.86	22.71
2	24.44	33.63
3	39.61	55.48
4	69.94	99.17
6	145.77	208.42
8	206.43	295.81
10	454.76	653.58

(f) *Contaminated groundwater.* Separate meters for discharges of contaminated groundwater are required. In City or Out of City customers discharging contaminated ground water shall pay the Out of City base monthly sewer service charge times 1.5 plus the Out of City monthly sewer service charge for each 100 cubic feet times 1.5.

This ordinance is effective as of July 1, 2010.

Requested by:

Utilities and Engineering

Approved by:

City Manager

Approved as to form:

City Attorney

Public Hearing: 6/16/2010
Introduced: 6/16/2010
Final Reading: 6/23/2010

MAYOR

ATTEST:

City Clerk

Last revised: 5/27/2010
10030850

ORDINANCE NO.: 2008-039

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rates and Sec. 23-149 Sewer service rates, (a) Generally, (b) Consumers using water cooling towers for air conditioning and (i) Contaminated groundwater

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BE IT ORDAINED by the Mayor and Council this 18th day of June, 2008, that the 1998 Code of Ordinances of The City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, and Sec. 23-149 Sewer service rates, (a), Generally, (b) Consumers using water cooling towers for air conditioning and (i) Contaminated groundwater are amended to read as follows:

Sec. 23-143. Water service rates.

Generally. Except as otherwise provided by contract, monthly water service charges shall be as follows:

Monthly Water Use (cubic feet)	*Meter Size (inches)*	*In City*	*Out of City*
Minimum----300	5/8"	$5.45	$8.82
	1"	9.10	14.72
	1 1/2"	12.75	20.62
	2"	20.00	32.36
	3"	34.58	55.93
	4"	63.68	102.99
	6"	136.47	220.73
	8"	183.24	296.38
	10"	433.04	700.43
	Additional charge per 100 cubic fee		

Volumetric Charges are based on the customer category

Monthly Water Use (cubic feet)		
Residential	In City	Out of City
Next 9,700	$1.71	$2.77
Next 90,000	1.60	2.59
Over 100,000	1.52	2.47
Irrigation		
Next 9,700	2.77	4.48
Next 90,000	2.59	4.20
Over 100,000	2.47	3.99
All others		
Next 9,700	1.55	2.52
Next 90,000	1.45	2.35
Over 100,000	1.38	2.23

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Sec. 23-149. Sewer service rates.

(a) *Generally.* Except as otherwise provided by contract, the monthly sewer service charge shall be as follows:

Monthly Water Use	*Monthly Sewer Service Charge*	
(cubic feet)	*In City*	*Out of City*
Base	$4.82	$8.67
Each additional 100 cubic feet	2.55	4.59

(b) *Consumers using water cooling towers for air conditioning.* Consumers using water cooling towers for air conditioning systems shall be given a credit of 30 cubic feet per ton per month during the service periods commencing in the months of April through October. The minimum charge shall be:

Size of Meter (inches)	*In City*	*Out of City*
5/8	$9.09	$11.55
1	12.81	16.91
1-1/2	16.53	22.26
2	23.96	32.97
3	38.83	54.39
4	68.57	97.23
6	142.91	204.33
8	202.38	290.01
10	445.84	640.76

(f) *Contaminated groundwater.* Separate meters for discharges of contaminated groundwater are required. *In City or Out of City customers discharging contaminated ground water shall pay the Out of City base monthly sewer service charge times 1.5 plus the Out of City monthly sewer service charge for each 100 cubic feet times 1.5.*

This ordinance is effective as of July 1, 2008.

Requested by:

Utilities and Engineering

MAYOR

Approved by:

City Manager

Approved as to form:

City Attorney

ATTEST:

City Clerk

Public Hearing: 6/4/2008
Introduced: 6/11/2008
Final Reading: 6/18/2008

ORDINANCE NO.: 2007-044

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rates and Sec. 23-149 Sewer service rates, (a) Generally

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BE IT ORDAINED by the Mayor and Council this27th day of June, 2007, that the 1998 Code Ordinances of The City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article Water and Sewer Rates, and Sec. 23-149 Sewer service rates, (a), Generally are amended to read as follows:

Sec. 23-143. Water service rates.

Generally. Except as otherwise provided by contract, monthly water service charges shall be as follows:

Monthly Water Use (cubic feet)	Meter Size (inches)	In City	Out of City
Minimum----300	5/8"	$5.19	$8.40
	1"	8.67	14.02
	1 1/2"	12.14	19.64
	2"	19.05	30.82
	3"	32.93	53.27
	4"	60.65	98.09
	6"	129.97	210.22
	8"	174.51	282.27
	10"	412.42	667.08
Additional charge per 100 cubic feet			

Volumetric Charges are based on the customer category

Residential	In City	Out of City
Next 9,700	1.63	2.64
Next 90,000	1.52	2.47
Over 100,000	1.45	2.35
Irrigation		
Next 9,700	2.64	4.27
Next 90,000	2.47	4.00
Over 100,000	2.35	3.80

	In City	Out of City
All others	1.55	2.52
Next 9,700	1.45	2.35
Next 90,000	1.38	2.23
Over 100,000		

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Sec. 23-149. Sewer service rates.

(a) Generally. Except as otherwise provided by contract, the monthly sewer service charge shall be as follows:

Monthly Water Use (cubic feet)	Monthly Sewer Service Charge	
	In City	Out of City
Base	4.59	8.26
Each additional 100 cubic feet	2.43	4.37

This ordinance is effective as of final reading.

Requested by:

Utilities and Engineering

MAYOR

Approved by:

City Manager

Approved as to form:

Interim City Attorney

ATTEST:

City Clerk, Interim

Introduced: 6/20/2007
Final Reading: 6/27/2007

ORDINANCE NO.: 2006-046

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rates and Sec. 23-14 Sewer service rates, (a) Generally

ORIGINAL STAMPED IN RED

BE IT ORDAINED by the Mayor and Council this 8th day of November, 2006, that the 1998 Code of Ordinances of The City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, are amended to read as follows:

Sec. 23-143. Water service rates.

Generally. Except as otherwise provided by contract, monthly water service charges shall be as follows:

Monthly Water Use (cubic feet)	Meter Size (inches)	In City	Out of City	
Minimum----300	5/8"	$ 4.94	$ 8.00	
	1"	8.26	13.35	
	1 1/2"	11.56	18.70	
	2"	18.14	29.35	
	3"	31.36	50.73	
	4"	57.76	93.42	
	6"	123.78	200.21	
	8"	166.20	268.83	
	10"	392.78	635.31	Additional charge per 100 cubic feet

Volumetric Charges are based on the customer category

Residential	In City	Out of City
Next 9,700	1.55	2.51
Next 90,000	1.45	2.35
Over 100,000	1.38	2.24
Irrigation	**In City**	**Out of City**
Next 9,700	2.51	4.07
Next 90,000	2.35	3.81
Over 100,000	2.24	3.62
All others	**In City**	**Out of City**
Next 9,700	1.48	2.40
Next 90,000	1.38	2.24
Over 100,000	1.31	2.12

Sec. 23-149. Sewer service rates.

(a) Generally. Except as otherwise provided by contract, the monthly sewer service charge shall be as follows:

Monthly Water Use (cubic feet)	Monthly Sewer Service Charge	
	In City	Out of City
Base	4.37	7.87
Each additional 100 cubic feet		
Total	2.31	4.16

This ordinance is effective as of final reading.

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Requested by:

Utilities and Engineering

MAYOR

Approved by:

City Manager

Approved as to form:

City Attorney

ATTEST:

City Clerk

Introduced: 6/21/2006
Final Reading: 11/8/2006

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ORDINANCE NO.: 2011-027

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rates and Sec. 23-149 Sewer service rates, (a) Generally and (b) Consumers using water cooling towers for air conditioning

BE IT ORDAINED by the Mayor and Council this 21st day of June, 2011, that the 1998 Code of Ordinances of The City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, and Sec. 23-149 Sewer service rates, (a), Generally and (b) Consumers using water cooling towers for air conditioning are amended to read as follows:

Sec. 23-143. Water service rates.

Generally. Except as otherwise provided by contract, monthly water service charges shall be as follows:

Monthly Water Use (cubic feet)	*Meter Size (inches)*	*In City*	*Out of City*
Minimum----300	5/8"	5.84	9.45
	1"	9.74	15.76
	1 1/2"	13.66	22.08
	2"	21.42	34.66
	3"	37.03	59.90
	4"	68.20	110.30
	6"	146.16	236.40
	8"	196.25	317.43
	10"	463.79	750.16
	Additional charge per 100 cubic fee		

Volumetric Charges are based on the customer category

Monthly Water Use (cubic feet) *Residential*	*In City*	*Out of City*
Next 9,700	1.83	2.97
Next 90,000	1.71	2.77
Over 100,000	1.63	2.65
Irrigation		
Next 9,700	2.97	4.80
Next 90,000	2.77	4.49
Over 100,000	2.65	4.27
All others		
Next 9,700	1.74	2.84
Next 90,000	1.63	2.65
Over 100,000	1.55	2.51

Last revised: 4/27/2011
11040616

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A TRUE COPY
Erika D. Moore
CITY CLERK

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Sec. 23-149. Sewer service rates.

(a) *Generally.* Except as otherwise provided by contract, the monthly sewer service charge shall be as follows:

Monthly Water Use (cubic feet)	*Monthly Sewer Service Charge*	
	In City	*Out of City*
Base	5.17	9.28
Each additional 100 cubic feet	2.73	4.91

(b) *Consumers using water cooling towers for air conditioning.* Consumers using water cooling towers for air conditioning systems shall be given a credit of 30 cubic feet per ton per month during the service periods commencing in the months of April through October. The minimum charge shall be:

Size of Meter (inches)	*In City*	*Out of City*
	9.73	12.37
5/8	13.72	18.11
1	17.70	23.85
1-1/2	25.66	35.31
2	41.59	58.25
3	73.44	104.13
4	153.06	218.84
6	216.75	310.60
8	477.50	686.26
10		

This ordinance is effective as of **July 1, 2011.**

Requested by:

Utilities and Engineering

Approved by:

City Manager

Approved as to form:

City Attorney

Public Hearing: 5/17/2011
Introduced: 6/7/2011
Final Reading: 6/21/2011

MAYOR

ATTEST:

City Clerk

Last revised: 4/27/2011
11040616

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2010

City Manager
Steven A. Gantt

Finance Director
William H. Ellis, CPA

Prepared by the
Finance Department

CITY-0002277

ROA-1313

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CITY OF COLUMBIA, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2010

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We have concluded our discussion of the government-wide statements but as noted earlier in this analysis, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following paragraphs provide a discussion of these funds.

Financial Analysis of the City's Funds

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available to address interruption in cash flow due to timing of cash receipts (most of the taxes are collected in the middle of the fiscal year) or contribute to the next fiscal year's revenue requirement.

At the end of the current fiscal year, the City's governmental funds report a combined increase in fund balance of $3.8 million in comparison with the prior year decrease of $9.3 million. A portion of the total fund balance amount of $55.0 million constitutes unassigned fund balance of $14.0 million, which is available for allocation at the government's discretion. However, a significant part of the fund balance is assigned to indicate that it is not available because it has already been allocated to liquidate contracts and purchase orders of the prior period.

The general fund is the main operating fund of the City. At the end of the current fiscal year, an unassigned fund balance of $13.7 million existed, which is a measure of the general fund's liquidity. This is the result of an increase of $8.6 million during the current fiscal year. At the close of the same year the fund balance of the nonmajor special revenue funds decreased by $3.7 million. Also of note is the nonmajor Capital Project funds that decreased by $3.2 million due to significant capital outlay expenditures during the year.

Proprietary Funds. Proprietary funds are established and utilized to report the business functions of the City. The City of Columbia has two types of proprietary funds: enterprise and internal service. Enterprise funds are used to account for our departments that "sell" goods and services outside the government, such as our Water & Sewer Facilities.

Internal service funds account for our departments which "sell" goods and services primarily to departments and components of the City's government, such as our Fleet Management department.

The City's proprietary funds provide the same type of information found in the Government-wide financial statements, but in more detail.

The City's Water & Sewer Facilities is the largest of the enterprise funds with total assets of approximately $831.1 million and operating revenues of $108.9 million. Both of these measures reflect well upon the long-term management practices of the department.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2010 amounts to $805.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and infrastructure. To fairly report an estimated current value, much like a business entity would, the City employs a depreciation allocation method, which reduces the cost reported as the asset ages or decreases in value due to usage, obsolescence, or amortization.

DISCRETELY PRESENTED COMPONENT UNITS

The Discretely Presented Component Units are presented separately to emphasize that they are legally separate from the City, but are a part of the City's reporting entity.

Columbia Development Corporation assists the City in promoting and improving the growth and development of business concerns through the strengthening of the economic and residential base of the community. This Corporation also includes the activity of the formerly separate South Columbia Development Corporation.

Columbia Housing Development Corporation assists the City in the development of housing and to promote growth in the residential base of the community.

Eau Claire Development Corporation provides assistance in the conservation and redevelopment of neighborhoods located in North Columbia.

Midlands Authority for Conventions, Sports, and Tourism directs and manages activities and missions of the Columbia Metropolitan Convention Center and Visitor's Bureau.

TN Development Corporation promotes growth and develops opportunities for affordable rental housing.

Columbia Empowerment Zone, Inc. initiates, develops, and maintains projects and programs in economically depressed or blighted areas that encourage the attraction and utilization of both public and private investment capital.

CITY OF COLUMBIA, SOUTH CAROLINA

Miscellaneous Statistics

(UNAUDITED)

Year Ended June 30, 2010

Date of Incorporation	
Town	**December 21, 1805**
City	**December 21, 1854**
Form of Government	**Council-Manager**
Area - Square Miles	**136.23**
Miles of Streets and Sidewalks	
Streets	**476.70**
Sidewalks	**306.50**
Miles of Sanitary Sewers	**1,053.75**
Building Permits	
Permits issued	**4,204**
Estimated Cost - taxable property	**222,128,486**
Estimated Cost - nontaxable property	**2,114,562**
Fire Protection	
Number of stations	**12**
Number of employees	**238**
Police Protection	
Number of Stations	**14**
Authorized strength:	
Full-time swom	**378**
Part-time civilians	**7**
Full-time civilians	**67**
Recreation	
Parks and playgrounds - acres	**648**
City owned parks and playgrounds	**56**
Municipal Water Plants	**2**

	Inside City Limits	Outside City Limits	Total
Number of Meters Billed			
Water	**40,187**	**95,382**	**135,569**
Sewer	**32,601**	**36,690**	**69,291**
Daily Average consumption billed			**71,793,984**
Plant Capacity			**146,000,000**
Miles of water mains			**1,966.58**
Number of fire hydrants (in-City)			**5,300**

CITY-0002411

ROA-1319

Ledger: GL
Year: 2009

City of Columbia, SC
Budget and Expenditures - Detail
Report as of 6/30/2009
551 - Water and Sewer Operating

Object	Description	Original Budget	Amendments & Transfers	Working Budget	2009 Year-to-Date Expenditures	Encumbrances	Remaining Balance	Percent Spent
	Total for Debt Service:	17,290,984.00	0.00	17,290,984.00	6,802,036.26	0.00	10,488,947.74	39.33 %
	Total for Debt Service:	17,290,984.00	0.00	17,290,984.00	6,802,036.26	0.00	10,488,947.74	39.33 %
Division:	8406 - Tuition Reimbursement							
631200	Employee Training & Prof Dev.	10,000.00	0.00	10,000.00	6,905.00	0.00	3,095.00	69.05 %
632100	Telephone & Voice Mail	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
	Total for Other Services and Charges:	10,000.00	0.00	10,000.00	6,905.00	0.00	3,095.00	69.05 %
	Total for Tuition Reimbursement:	10,000.00	0.00	10,000.00	6,905.00	0.00	3,095.00	69.05 %
Division:	8411 - Employee Pay Raises							
610100	Regular Salaries	125,000.00	(60.00)	124,940.00	0.00	0.00	124,940.00	0.00 %
	Total for Personnel Services:	125,000.00	(60.00)	124,940.00	0.00	0.00	124,940.00	0.00 %
	Total for Employee Pay Raises:	125,000.00	(60.00)	124,940.00	0.00	0.00	124,940.00	0.00 %
Division:	8419 - Economic Dev Special Prj							
638500	Special Projects	657,000.00	0.00	657,000.00	624,267.29	0.00	32,732.71	95.01 %
638530	Business Improvement District	70,000.00	0.00	70,000.00	0.00	0.00	70,000.00	0.00 %
	Total for Other Services and Charges:	727,000.00	0.00	727,000.00	624,267.29	0.00	102,732.71	85.86 %
	Total for Economic Dev Special Prj:	727,000.00	0.00	727,000.00	624,267.29	0.00	102,732.71	85.86 %
Division:	8601 - Yr End Vac/Holiday/Sick							
619700	Yr End Vac/Holiday/Sick Adjust	0.00	0.00	0.00	78,568.41	0.00	(78,568.41)	0.00 %
	Total for Personnel Services:	0.00	0.00	0.00	78,568.41	0.00	(78,568.41)	0.00 %
	Total for Yr End Vac/Holiday/Sick:	0.00	0.00	0.00	78,568.41	0.00	(78,568.41)	0.00 %
Division:	8701 - Non-Departmental Administrativ							
658000	Capital Outlay/Contingency	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
	Total for Capital Outlay:	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
666000	Miscellaneous Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
	Total for Special Events:	0.00	0.00	0.00	0.00	0.00	0.00	0.00 %
681000	Miscellaneous Community Promo	0.00	1,053,522.00	1,053,522.00	1,053,522.00	0.00	0.00	100.00 %
	Total for Community Promotions:	0.00	1,053,522.00	1,053,522.00	1,053,522.00	0.00	0.00	100.00 %
	Total for Non-Departmental Administrativ:	0.00	1,053,522.00	1,053,522.00	1,053,522.00	0.00	0.00	100.00 %
Division:	8702 - Non-Departmental Bad Debt Exp							
621300	Bad Debt Expense	0.00	0.00	0.00	652,458.67	0.00	(652,458.67)	0.00 %
621400	Bad Debt Expense A/Receivable	0.00	0.00	0.00	(237,525.65)	0.00	237,525.65	0.00 %

CITY OF COLUMBIA - CUSTOMER SERVICE
P.O. BOX 147, COLUMBIA, S.C. 29217
PHONE: (803) 545-3300 | FAX: (803) 733-8219

(F) 01/21/11

APPLICATION FOR WATER SERVICE CONTRACT

☐ **NEW SERVICE REQUEST** — **Effective Date of Request:**

New Service Address: _____

_____ (City) SC (State) _____ (Zip Code) _____ (Plus 4)

☒ **TRANSER SERVICE REQUEST** — **Transfer Effective:** January 21, 2011

☐ **DISCONNECT CURRENT SERVICE** — **Disconnect Effective:**

Current Service Address: 4225 Mimosa Road

Columbia (City) SC (State) 29205 (Zip Code) 3643 (Plus 4)

New Service Address: 4225 Mimosa Road

Columbia (City) SC (State) 29205 (Zip Code) 3543 (Plus 4)

The undersigned hereby applies to the City of Columbia for a water/sewer supply, to be furnished through a meter, for which service the undersigned agrees to pay a monthly rate and minimum charge (whether the minimum volume of water is used or not) as may be established by the City of Columbia in accordance with its ordinances. It is understood and agreed that the applicant will comply with all rate schedules, rules, regulations and ordinances of the City of Columbia in connection with this service; that the City reserves the right at any time without notice to interrupt water service for maintenance, repairs or extensions without any liability to the undersigned or owner of such premises for damages resulting there from; that the undersigned will not receive water from any part of the City water system without a valid permit from the City engineer or without an in-service meter.

It is understood and agreed that at any future time should any part of the property described above become contiguous to the city limits of the City of Columbia, the owner will cause that property to be annexed. In this event, the City of Columbia reserves the right to discontinue service until the above described property is annexed.

The undersigned agrees to notify the City of Columbia when he/she desires to have this service terminated. Water Customer Service shall be allowed five (5) days after the receipt of such notice to take a final reading of the meter and to discontinue service. Your account responsibility does not end until a final reading of the meter is obtained and a bill marked "Final Bill" is mailed. **(You can not terminate an account the same day service is requested)**

The City of Columbia has the right pursuant to the South Carolina Setoff Debt Collection Act to collect any sum due and owed by the applicant through offset of the applicants state income tax refund. If the City of Columbia chooses to pursue debts owed by the applicant through the Setoff Debt Collection Act, the applicant agrees to pay all fees and costs incurred through the setoff process, including fees charges by the Department of Revenue.

A $30.00 NEW ACCOUNT FEE AND $15.00 SERVICE CHARGE WILL APPLY TO ALL NEW OR TRANSFER SERVICE REQUESTS (Section 23-141)

Name: Cumberland, Jr. (Last Name or Business Name) Frank (First Name) James (Middle Name)

Mailing Address: *(if different from New Service Address)* 4225 Mimosa Road

Columbia (City) SC (State) 29205 (Zip Code) 3543 (Plus 4)

Telephone Number: 803.238.5626 **Email Address:** fjcumberland@yahoo.com

Driver's License Number: Redacte **Issuing State:** 0 **Last Five of SSN:** Reda

Applicant Signature: _____ **Date:** 01/21/11

A Representative must speak with the applicant before the contract is processed.

For Office Use Only

Customer Service Representative Name		Date	1-21-11
Customer Number	1257543	Premise	1027140

City of Columbia Customer Service, PO Box 147, Columbia, SC 29217-0001

TOTAL P.01

CITY OF COLUMBIA - CUSTOMER SERVICE
P.O. BOX 147, COLUMBIA, S.C. 29217
PHONE: (803) 545-3300 | FAX: (803) 733-8219

T-
06/09/11

APPLICATION FOR WATER SERVICE CONTRACT

☒ **NEW SERVICE REQUEST** — **Effective Date of Request:** June 9, 2011

New Service Address: 2916 Forest Drive

Columbia (City) SC (State) 29204 (Zip Code) ____ (Plus 4)

☐ **TRANSER SERVICE REQUEST** — **Transfer Effective:**

☐ **DISCONNECT CURRENT SERVICE** — **Disconnect Effective:**

Current Service Address: ____

____ (City) SC (State) ____ (Zip Code) ____ (Plus 4)

New Service Address: ____

____ (City) SC (State) ____ (Zip Code) ____ (Plus 4)

The undersigned hereby applies to the City of Columbia for a water/sewer supply, to be furnished through a meter, for which service the undersigned agrees to pay a monthly rate and minimum charge (whether the minimum volume of water is used or not) as may be established by the City of Columbia in accordance with its ordinances. It is understood and agreed that the applicant will comply with all rate schedules, rules, regulations and ordinances of the City of Columbia in connection with this service; that the City reserves the right at any time without notice to interrupt water service for maintenance, repairs or extensions without any liability to the undersigned or owner of such premises for damages resulting there from; that the undersigned will not receive water from any part of the City water system without a valid permit from the City engineer or without an in-service meter.

It is understood and agreed that at any future time should any part of the property described above become contiguous to the city limits of the City of Columbia, the owner will cause that property to be annexed. In this event, the City of Columbia reserves the right to discontinue service until the above described property is annexed.

The undersigned agrees to notify the City of Columbia when he/she desires to have this service terminated. Water Customer Service shall be allowed five (5) days after the receipt of such notice to take a final reading of the meter and to discontinue service. Your account responsibility does not end until a final reading of the meter is obtained and a bill marked "Final Bill" is mailed. **(You can not terminate an account the same day service is requested)**

The City of Columbia has the right pursuant to the South Carolina Setoff Debt Collection Act to collect any sum due and owed by the applicant through offset of the applicants state income tax refund. If the City of Columbia chooses to pursue debts owed by the applicant through the Setoff Debt Collection Act, the applicant agrees to pay all fees and costs incurred through the setoff process, including fees charges by the Department of Revenue.

A $30.00 NEW ACCOUNT FEE AND $15.00 SERVICE CHARGE WILL APPLY TO ALL NEW OR TRANSFER SERVICE REQUESTS (Section 23-141)

Name: Cumberland, Jr. (Last Name or Business Name) Frank (First Name) James (Middle Name)

Mailing Address: (if different from New Service Address) 2916 Forest Drive

Columbia (City) SC (State) 29204 (Zip Code) ____ (Plus 4)

Telephone Number: 803-238-5626 **Email Address:** fjcumberland@yahoo.com

Driver's License Number: Redacte **Issuing State:** 0 **Last Five of SSN:** Redact

Applicant Signature: ____ **Date:** ____

A Representative must speak with the applicant before the contract is processed.

For Office Use Only

Customer Service Representative Name	[illegible]	Date	6/9/11
Customer Number	9257543	Premise	1016557

City of Columbia Customer Service, PO Box 147, Columbia, SC 29217-0001

TOTAL P.01

2:25

CITY-0003970

ROA-1322

CITY OF COLUMBIA, SOUTH CAROLINA

GENERAL BOND ORDINANCE NO. 93-43

AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATERWORKS AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF COLUMBIA, SOUTH CAROLINA; LIMITING THE PAYMENT OF THE BONDS SOLELY TO THE NET REVENUES DERIVED FROM THE OPERATION OF THE SYSTEM AND PLEDGING THE REVENUES TO SUCH PAYMENT; CREATING CERTAIN FUNDS AND PROVIDING FOR PAYMENTS INTO SUCH FUNDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

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(This Table of Contents for the Ordinance is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provision of the Ordinance).

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BE IT ORDAINED BY THE CITY COUNCIL OF COLUMBIA, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

ARTICLE I

DEFINITIONS

Unless the context shall clearly indicate some other meaning, the terms defined in this Section shall, for all purposes of this Ordinance and of any ordinance, resolution, certificate, opinion, instrument or other document herein or therein mentioned, have the meanings herein specified, with the definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined and vice versa. The term:

"Act" shall mean Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended (being The Revenue Bond Refinancing Act of 1937), and all other statutory authorizations, now or hereinafter enacted, authorizing and enabling the City to provide for the issuance of the Bonds, including, if applicable, with respect to any Series of refunding Bonds, Title 11, Chapter 21, Code of Laws of South Carolina 1976, as amended.

"Accountant" shall mean a firm of independent certified public accountants selected by the City.

"Accreted Value" shall mean, except as otherwise provided by Supplemental Ordinance, with respect to any Capital Appreciation Bond an amount equal to the principal amount of such Capital Appreciation Bond (determined on the basis of the principal amount per $5,000 at maturity thereof) plus the amount, assuming semi-annual compounding of earnings, which would be produced on the investment of such principal amount, beginning on the date of original issue of such Capital Appreciation Bond and ending at the maturity date thereof, at a yield which, if produced until maturity, will produce $5,000 at maturity. The Accreted Value of any Capital Appreciation Bond shall mean, as of any Valuation Date, the amount set forth for such date in the Supplemental Ordinance authorizing such Capital Appreciation Bond, and as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, and (2) the difference between the Accreted Values for such Valuation Dates.

"Annual Budget" shall mean the annual budget required by Section 7.9 hereof and adopted in conformance therewith.

respect to and capitalized interest on Bonds issued for such purpose. Cost of Acquisition and Construction shall include the payment of amounts due on bond anticipation notes, the proceeds of which were used for Cost of Acquisition and Construction.

"Cost of Issuance" shall mean all items of expense, directly or indirectly payable or reimbursable by or to the City and related to the authorization, sale and issuance of Bonds including, but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Registrar or Paying Agent, legal fees and charges, auditing and accounting fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for insurance of the payment of Bonds, financing charges, accrued interest with respect to the initial investment of proceeds of Bonds and any other costs, charges or fees in connection with the original issuance of Bonds.

"Council" shall mean the City Council of the City of Columbia, South Carolina.

"Custodian" shall mean any bank, depository or trust company duly qualified and doing business within the State selected by the City as a depositary of moneys or securities held in the Construction Fund.

"Debt Service" shall mean, with respect to each Series of Bonds and with respect to any particular Fiscal Year, the aggregate of the amounts to be paid or set aside (or estimated to be required to be paid or set aside) in the applicable Debt Service Fund in such Fiscal Year for the payment of the principal of, redemption premium, if any, and interest (to the extent not capitalized) on such Series of Bonds.

"Debt Service Fund" shall mean the funds of that name established pursuant to Section 6.6 of the Ordinance and so designated pursuant to a Supplemental Ordinance to provide for the payment of the principal of and interest on the respective Series of Bonds issued pursuant to the Ordinance as the same respectively become due and payable.

"Debt Service Reserve Fund" shall mean the funds, if any, of that name established pursuant to Section 6.7 of the Ordinance and so designated pursuant to a Supplemental Ordinance.

"Default" or "Event of Default" shall mean any of those defaults specified in and defined by Article X hereof.

"Expenses of Operating and Maintaining the System" shall mean the costs and expenses of operating and maintaining the System

in good repair and working order including wages, salaries, costs of materials and supplies, costs of routine repairs, renewals, replacements or alterations occurring in the normal course of business, the reasonable fees and charges of any Paying Agents and Registrars of any Bonds issued pursuant to the Ordinance or any Supplemental Ordinance, the costs of any audit required by the Ordinance and the premium for all insurance required with respect to the System. Expenses of Operating and Maintaining the System shall not include any allowance for depreciation or renewals or replacements of capital assets of the System and amounts deemed to be payments in lieu of taxes or other equity transfers.

"Fiscal Year" shall mean the fiscal year for the System as determined by the Council, initially being the period from July 1 in any year to and including June 30 in the following year.

"Government Obligations" shall mean any of the following:

(a) non-callable bonds, notes or direct obligations and general obligations of the United States;

(b) non-callable, U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - "SLGS");

(c) non-callable, direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury;

(d) non-callable, obligations issued by any agency or instrumentality of the United States of America which are backed by the full faith and credit of the United States of America; and

(e) prerefunded municipal bonds which are rated "Aaa" by Moody's or "AAA" by S&P.

"Interest Account" shall mean the account by that name created within each respective Debt Service Fund.

"Junior Bonds" shall mean either (a) bonds secured by a pledge of Net Revenues junior and subordinate in all respects to the pledge securing the Bonds or (b) any other obligation or form of indebtedness, including lease purchase obligations secured by Net Revenues after provision has been made for all payments required to be made with respect to the Bonds which obligation or indebtedness may be authorized by an ordinance of Council which is not supplemental to the Ordinance.

"Maximum Debt Service" shall mean the highest principal and interest requirements (to the extent not payable from the proceeds of Bonds) on the Senior Lien Bonds and Bonds then Outstanding during any Fiscal Year.

"Moody's" shall mean Moody's Investors Service, Inc., or its successors.

"Net Revenues" shall mean the Revenues of the System after deducting the Expenses of Operating and Maintaining the System.

"Ordinance" shall mean this ordinance as from time to time amended or supplemented by one or more Supplemental Ordinances.

"Outstanding" (a) when used with respect to any Bond shall have the construction given to such word in Article XII hereof; i.e., a Bond shall not be Outstanding if such Bond is not, or would not be, at the time, deemed to be Outstanding by reason of the operation and effect of said Article XII; and (b) when used with respect to any Senior Lien Bonds or Tax Increment Bonds of 1986 shall have the meaning given that term in the proceedings authorizing the issuance of such bonds.

"Paying Agent" shall mean for each Series of Bonds the respective paying agent or paying agents appointed pursuant to the Supplemental Ordinance authorizing such Bonds.

"Permitted Investments" shall mean (a) any one or more of the investments now or hereafter permitted by Section 6-5-10, Code of Laws of South Carolina 1976, as amended and in effect from time to time, or any authorization relating to the investment of City funds; and (b) the South Carolina Pooled Investment Fund or similar State administered pool investment fund.

"Principal Account" shall mean the account by that name created within each respective Debt Service Fund.

"Project" shall mean any and all replacements, enlargements, improvements, extensions, additions and betterments to the System, and all appurtenances, facilities, lands, rights in land, water rights, franchises and structures in connection therewith or incidental thereto, and any other project which may be financed through the issuance of bonds under the Act, including the acquisition of any system which shall be combined with or consolidated into the System pursuant to law.

"Rate Covenant" shall mean the covenant as to fees, rates and other charges described in Section 7.1 hereof.

"Record Date" shall mean with respect to any Series of Bonds the fifteenth (15th) day (whether or not a business day) of the calendar month immediately preceding an interest payment date or such other day as may be provided in the Supplemental Ordinance authorizing the issuance of such Series of Bonds.

"Refunded Prior Bonds" shall mean, collectively, the Bonds of 1971, the Bonds of 1973, the Bonds of 1976, the Bonds of 1980 and the Bonds of 1984, for which a portion of the proceeds of the Bonds of 1985 have been used to provide for the payment of the principal of, redemption premium, if any, and interest on which as the same become due.

"Registrar" shall mean for each Series of Bonds the respective bank, trust company, depository or transfer agent appointed as registrar pursuant to the Supplemental Ordinance authorizing such Series of Bonds.

"Reserve Fund Requirement" shall mean, as of the date of calculation, the debt service reserve fund requirement, if any, established pursuant to a Supplemental Ordinance authorizing the issuance of a Series of Bonds.

"Revenues" shall mean all fees, tolls, rates, rentals and other charges to be levied and collected in connection with and all other income and receipts of whatever kind or character derived by the City from the operation of the System or arising from the System excluding the receipts, income, revenues, fees and other charges derived from the operation of Special Facilities.

"S&P" shall mean Standard & Poor's Corporation or its successor.

"Securities Depositories" shall mean the Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax (312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax (215) 496-5058; or to such other addresses and/or such other securities depositories as the City may designate.

"Senior Lien Bonds" shall mean the Outstanding Bonds of 1985 and Bonds of 1991, which Senior Lien Bonds are secured by a pledge of the Revenues prior and senior to the pledge of such Revenues securing payment of the Bonds.

"Series" or "Series of Bonds" or "Bonds of Series" shall mean all Bonds designated as being of the same series issued and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu thereof or in substitution therefor pursuant to the Ordinance.

"Special Facilities" shall mean any Project, the revenues and expenses resulting from the operation of which can be segregated from the revenues and expenses of the System and which the City shall designate as such pursuant to ordinance of Council.

"State" shall mean the State of South Carolina.

"Supplemental Ordinance" shall mean any ordinance of Council providing for the issuance of Bonds or any other ordinance of Council pursuant to and in compliance with the provisions of Article IX hereof amending or supplementing the provisions of the Ordinance.

"System" shall mean the existing Waterworks and Sewer System of the City, as the same is now constituted, all properties, real and personal, and matters and things used or useful in the maintenance, operation or functioning thereof, all apparatus and equipment used in connection therewith, and all replacements, enlargements, improvements, extensions, additions, and betterments thereto that may be made thereto at any time hereafter, including any Project, and any other public utility system with which the System may hereafter be combined pursuant to ordinance of Council.

"Tax Increment Bonds of 1986" shall mean the $10,000,000 Tax Increment Bonds, Series of 1986, dated December 1, 1986, and outstanding as of the date of the Ordinance in the principal amount of $6,990,000.

"Test Period" shall mean that period defined in Section 3.3 hereof.

"Valuation Date," with respect to any Capital Appreciation Bonds, shall have the meaning ascribed to such term in the Supplemental Ordinance authorizing the issuance of such Capital Appreciation Bonds.

"Variable Rate Indebtedness" shall mean indebtedness in the form of Bonds the interest rate on which is not established at a fixed or constant rate at the time such indebtedness is incurred.

CITY-0004747

ROA-1330

ARTICLE II

FINDINGS AND DETERMINATIONS

The Council hereby finds and determines:

A. The City is an incorporated municipality located in Richland County, State of South Carolina, and as such possesses all powers and duties granted to municipalities by the Constitution and laws of this State.

B. In the exercise of the powers vested in it by the Constitution and statutes of the State of South Carolina, and proceeding in conformity with the provisions thereof, the City has heretofore acquired and constructed a waterworks system and a sewer system which the City has, by resolution adopted on August 26, 1949, combined into a single combined system, designated and known as the Waterworks and Sewer System of the City (the "System," as more particularly defined herein and in the Bond Ordinance of 1985). The System is and shall be operated on the same fiscal year basis as the City, which presently commences on July 1 of each year and ends on June 30 of the following year.

C. The System is operated under the direction of the City Manager, and furnishes water and sewer service throughout the City and in certain territories adjacent thereto.

D. The Act provides that any municipality may refinance or refinance and improve any enterprise, such as the System, and for such purpose may borrow money and issue revenue bonds from time to time.

E. The City has heretofore issued the Refunded Prior Bonds, the Senior Lien Bonds and the Tax Increment Bonds of 1986. The Refunded Prior Bonds, the Senior Lien Bonds and the Tax Increment Bonds of 1986 are and will be subject to a lien upon the Revenues which is prior and paramount to the lien upon the Revenues securing the payment of the Bonds. The Bonds issued pursuant to the Ordinance will be junior and subordinate to the lien and pledge on the Revenues created for the payment and security of the Refunded Prior Bonds, the Senior Lien Bonds and the Tax Increment Bonds of 1986.

F. The City is further authorized by the Act to effect the advanced refunding of any of its outstanding bonds.

G. By the enactment of the Ordinance, the City intends to provide for the issuance of the revenue bonds at the time and on the terms and conditions set forth in the Ordinance and Supplemental Ordinances hereto.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF BONDS

Section 3.1. Authorization of Bonds. There is hereby authorized to be issued Bonds of the City to be designated "City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds," or such otherwise as may be provided in the Supplemental Ordinance, which Bonds may be issued pursuant to the Ordinance and in accordance with the terms, conditions and limitations set forth herein, in Series, in such amounts and from time to time as the City may deem to be necessary or advisable for any corporate purpose of the City for which Bonds may be issued under the Ordinance and the Act.

Section 3.2. General Provisions For Issuance of Bonds. (a) The Bonds shall be issued in Series by means of Supplemental Ordinances enacted by the Council in accordance with the provisions of this Article and Article IX hereof. Each Supplemental Ordinance shall designate the Bonds provided for thereby by an appropriate Series designation and by such further particular designations, if any, as the City deems appropriate, and shall, unless or except as is otherwise set forth herein, also specify: (i) the authorized principal amount and designation of such Series of Bonds; (ii) the purpose or purposes for which the Bonds of such Series are being issued, which shall be one or more of the purposes set forth in Sections 3.3 or 3.4 hereof; (iii) if the Bonds of the Series are being issued for a purpose specified in Section 3.3 hereof, the Project for which such Bonds are being issued; (iv) an estimate of the Costs of Acquisition and Construction for any Project to be financed by such Series of Bonds, and, in the event of the acquisition by purchase or condemnation of any facilities already constructed, a determination of what repairs, replacements, additions and betterments will be necessary in order that such facilities may be effective for their purpose and an estimate of the cost required therefor; (v) the date or dates of the Bonds of the Series; (vi) the maturity date or dates of the Bonds of the Series and the mandatory sinking fund redemption provisions (including amounts and due dates) for the Term Bonds of the Series, if any; (vii) the interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, the initial interest payment date therefor, and the subsequent interest payment dates; (viii) the denominations of (if other than as provided in the Ordinance), and manner of numbering and lettering, the Bonds of such Series; (ix) the redemption premium or premiums, if any, or the redemption price or prices to be paid upon the redemption of the Bonds of such Series, the period or periods, if any, during which such premiums or prices shall be payable, and the terms and conditions, if any, of such redemption; (x) the place or places of payment of the Bonds of the Series and interest thereon, the Paying Agent and Registrar therefor and any Custodian of the funds and accounts created with respect thereto; (xi) the

provisions for the sale or other disposition of the Bonds of the Series and the use, application and investment, if any, of the proceeds of such sale or other disposition, which use, application and investment shall not be inconsistent or in conflict with the provisions hereof; (xii) whether such Series of Bonds will be subject to a Reserve Fund Requirement and the manner of satisfaction of the Reserve Fund Requirement; (xiii) any other provisions which may be required to be inserted therein by other provisions of the Ordinance; and (xv) any other necessary or desirable provisions not inconsistent or in conflict with the provisions of the Ordinance.

(b) Bonds of a Series may be executed and delivered to the Registrar by the City and authenticated and delivered to the City or upon its order upon compliance with Section 3.3 or 3.4 hereof.

Bonds issued upon compliance with this Section and Section 3.3 and Section 3.4 hereof shall be on a parity with respect to the pledge and lien on the Net Revenues of the System inter sese, but not with respect to the particular Debt Service Fund or Debt Service Reserve Fund created for the benefit of the Holders of the Bonds of a Series, notwithstanding, that they may be in different form, and bear different dates, interest rates, number, date of issuance or date of execution; and in all such instances, the pledge of Net Revenues made hereunder, and the covenants and remedies hereby granted shall be applicable and available to the Holders of such Bonds.

Section 3.3. Conditions for the Issuance of Bonds under the Ordinance Other than Refunding Bonds.

Anytime and from time to time, one or more Series of Bonds (exclusive of bonds issued to refund Bonds or Senior Lien Bonds) may be issued for such purposes as may be permitted by the Act upon compliance with the provisions of Section 3.2 hereof and this Section in such principal amounts as may be determined by the Council for the purpose of paying all or part of the Costs of Acquisition and Construction of one or more Projects, upon compliance with the following conditions:

A. There shall be executed a certificate of the Finance Director, City Manager or chief administrative official of the City stating (i) either (a) that no default exists in the payment of the principal of, premium, if any, or interest on the Refunded Prior Bonds, the Senior Lien Bonds, the Tax Increment Bonds of 1986, or Junior Bonds and no Default exists in the payment of the principal of premium, if any or interest on the Bonds, and all mandatory sinking fund redemptions, if any, required to have been made shall have been made, or (b) that the application of the proceeds of sale of the Series of Bonds to be issued as required by the Supplemental Ordinance authorizing their issuance will cure any such default or

Default or permit such redemptions; and (ii) either (a) that to the best of his or her knowledge, the City is not in Default in the performance of any other of its covenants and agreements contained in the Ordinance, or (b) setting forth the circumstances of each such Default known to him or her.

B. If a certificate executed pursuant to part (A) of this Section should disclose a default or Default, there shall be filed with the City an opinion of Bond Counsel that, in the case of any default or Default disclosed in a certificate filed pursuant to part (A) of this Section, each such default or Default does not deprive the Bondholders of the security afforded by the Ordinance in any material aspect.

C. For the issuance of Bonds (other than the initial Series of Bonds hereunder) to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, there shall be delivered a report, which report is not required to be based upon the latest audit of the City, from an Accountant stating that the amount of the Net Revenues of the System for any consecutive twelve (12) month period out of the last twenty-four (24) month period (the "Test Period") is not less than one hundred thirty percent (130%) of the sum of the Maximum Debt Service on the Senior Lien Bonds and the Bonds to be Outstanding after the issuance of such Bonds for any succeeding Fiscal Year, provided the amount of Net Revenues for such twelve (12) month period may be adjusted by adding the following:

(1) in case the rates and charges for the services furnished by the System shall have been revised and such revised rates and charges shall have gone into effect prior to the delivery of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such rates and charges had been in effect during such Test Period as determined by a Consulting Engineer or an Accountant, and

(2) in case an existing sewer system, existing water system or any other public utility system is to be acquired and combined or made a part of the System from the proceeds of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such existing system or systems to be acquired had been a part of the System during such Test Period (which computation of the additional amount of Net Revenues shall be based upon the method of computing Net Revenues under the Ordinance and approved by a Consulting Engineer or an Accountant).

D. Such Bonds shall be issued to secure funds to defray the Cost of Acquisition and Construction of a Project; or to refund Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction,

improvement, enlargement or repair of the System or another enterprise combined with the System.

E. The Supplemental Ordinance may provide for the funding of the Debt Service Reserve Fund with respect to such Series of Bonds in the amount of the Reserve Fund Requirement, if any, with respect to such Series of Bonds.

Section 3.4. Refunding Bonds. Without complying with the provisions of Section 3.3 hereof except as otherwise provided herein, the City by means of a Supplemental Ordinance enacted in compliance with the provisions of the Act and any other statutory provisions authorizing the issuance of revenue refunding bonds, including advance refunding bonds, may issue hereunder refunding Bonds as follows:

A. Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity or prior to any sinking fund installment due date, the Senior Lien Bonds or Bonds maturing on such date (or an amount of Senior Lien Bonds or Bonds subject to redemption from such sinking fund installments not in excess of the amount of Senior Lien Bonds or Bonds required to be redeemed on such due date) for the payment of which sufficient Revenues are not available. Any Bonds issued for such purpose shall mature (or sinking fund installments therefor shall commence) not earlier than the latest stated maturity of any Senior Lien Bond or Bond not then refunded to be Outstanding after such refunding.

B. Bonds may be issued at any time for the purpose of refunding (including by purchase) Senior Lien Bonds or Bonds, including amounts to pay principal, redemption premium and interest to the date of redemption (or purchase) of the refunded Senior Lien Bonds or Bonds and the Costs of Issuance; provided that (i) the Debt Service on all Senior Lien Bonds and Bonds to be Outstanding after the issuance of the proposed Series of refunding Bonds shall not be greater than would have been the Debt Service on all Senior Lien Bonds and Bonds not then refunded and the Senior Lien Bonds and Bonds to be refunded or (ii) the requirements of parts (A), (B), (C) and (E) of Section 3.3 hereof are met with respect to the refunding Bonds.

Section 3.5. Junior Bonds. The City may at any time issue Junior Bonds in such amount as it may from time to time determine, payable from the Revenues, provided that such Junior Bonds are issued to secure funds to defray the cost of improving, extending, enlarging, or repairing the System, some part thereof, including the acquisition of any system which may be combined with or consolidated into the System pursuant to law, or to refund Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction, or improvement of the System, and provided further

that the pledge of Net Revenues securing Junior Bonds shall at all times be subordinate and inferior to the pledge securing the Bonds.

Section 3.6. Special Facilities Bonds. The City shall also have the right to issue, from time to time, Special Facilities Bonds to defray the costs of acquiring or constructing Special Facilities subject to the following conditions:

A. The City shall determine that the receipts, income, revenues, fees and other charges to be levied and collected in connection with the Special Facilities shall be at least equal to: (1) the estimated costs of operating and maintaining such Special Facilities; (2) the principal and interest requirements of the Special Facilities Bonds; (3) the amounts to be deposited in any reserve funds with respect thereto; and (4) any other costs and expenses relating to such Special Facilities.

B. The receipts, income, revenues, fees and other charges derived from the operation of the Special Facilities shall be segregated from the Revenues of the System.

C. The debt service payments and other costs and expenses related to such Special Facilities shall not be paid from Revenues of the System.

ARTICLE IV

THE BONDS

Section 4.1. Execution. Unless or except as is otherwise set forth in the Supplemental Ordinance providing for the issuance of a Series of Bonds, the Bonds shall be executed on behalf of the City by the Mayor of the City by his or her manual or facsimile signature and the corporate seal of the City or a facsimile thereof shall be impressed or reproduced thereon and attested by the Clerk of the City by his or her manual or facsimile signature.

In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, as if he had remained in office until delivery.

Section 4.2. Authentication. Upon compliance with the provisions of Section 3.3, 3.4, 3.5 or 3.6 hereof, and upon the order of the City, the Registrar shall authenticate Bonds authorized to be issued hereunder. Only such Bonds as shall have endorsed thereon a certificate of authentication, duly executed manually by the Registrar shall be entitled to any right or benefit under the Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder or on all of the Bonds of a particular Series. The Registrar's certificate of authentication shall be in substantially the following form:

FORM OF REGISTRAR CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance of City of Columbia, South Carolina.

_____
Registrar

Dated: _____ By: _____
Authorized Officer

Section 4.3. Registration and Transfer of Bonds; Persons Treated as Holders. Each Bond shall be fully registered and transferable only upon the Books of Registry of the City, which shall be kept for that purpose at the corporate trust office of the Registrar described in the Supplemental Ordinance authorizing such Bonds by the Holder thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder or his duly authorized attorney. Upon the transfer of any Bond, the City shall issue, subject to the provisions of Section 4.6 hereof, in the name of the transferee, a new Bond or Bonds of the same series and of the same aggregate principal amount, interest rate and maturity as the unpaid principal amount of the surrendered Bond.

Any Holder requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal, redemption premium, if any, and interest on any Bond shall be made only to or upon the order of the Holder thereof, or his duly authorized attorney, and neither the City nor the Registrar, shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 4.4. Form of Bonds; Denominations; Medium of Payment. Except as provided in the Supplemental Ordinance authorizing their issuance, the Bonds: (a) shall be in fully registered form without coupons, provided, such Bonds may be issued in book-entry form; (b) shall be issued in denominations of $5,000, or any integral multiple thereof, provided that, upon partial redemption of a Bond requiring surrender thereof and the issuance of a new Bond, such new Bond may be in the denomination of the unredeemed balance; and (c) shall be payable with respect to principal, interest, and premium, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 4.5. Numbers, Date, and Payment Provisions. (a) The Bonds shall be numbered and designated in such manner as the City, with the concurrence of the Registrar, shall determine. Each Bond of a Series shall bear interest from the interest payment date immediately preceding the date of its authentication, unless authentication shall be upon an interest payment date, in which case it shall bear interest from its date of authentication, or unless its date of authentication shall precede the first interest payment date for such Bond, in which case it shall bear interest as otherwise provided in the Supplemental Ordinance authorizing its issuance; provided, however, that if the date of authentication of

any Bond of any Series is after a Record Date and before the corresponding interest payment date therefor, such Bond shall bear interest from such succeeding interest payment date; notwithstanding the foregoing, if at the time of authentication of any Bond any interest on such Bond is in default, such Bond shall bear interest from the date to which interest on such Bond has been paid or if no interest has been paid, such Bond shall bear interest from the date of delivery thereof or from its dated date or as otherwise provided in the Supplemental Ordinance authorizing the issuance of such Bond.

(b) The principal of and redemption premium, if any, on the Bonds and interest on any Capital Appreciation Bonds shall be payable when due in lawful money of the United States of America upon presentation and surrender of such Bonds at the principal office of the Paying Agent described in the Supplemental Ordinance authorizing the issuance of such Bonds. Except as otherwise provided in a Supplemental Ordinance, payment of interest on Bonds other than Capital Appreciation Bonds shall be made by check or draft drawn upon the Paying Agent and mailed to the Holder at his address as it appears upon the Books of Registry. The Paying Agent shall maintain a record of the amount and date of any payment of principal and/or interest on the Bonds (whether at the maturity date or the redemption date prior to the maturity or upon the maturity thereof by declaration or otherwise).

Section 4.6. Exchange of Bonds. Bonds, upon surrender thereof at the corporate trust office of the Registrar described in the Supplemental Ordinance authorizing the issuance of such Series of Bonds, with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder or his duly authorized attorney, may, at the option of the Holder thereof, and upon payment by such Bondholder of any charges which the Registrar may make as provided in Section 4.7, be exchanged for a principal amount of Bonds of the same Series and maturity of any other authorized denomination equal to the unpaid principal amount of surrendered Bonds.

Section 4.7. Regulations with Respect to Exchanges and Transfer. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. There shall be no charge to the Holder for such exchange or transfer of Bonds except that the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor any Registrar shall be required (a) to exchange or transfer Bonds (i) from the Record Date to the succeeding interest payment date or (ii) for a period of fifteen (15) days following any selection of Bonds to be redeemed or

thereafter until after the first publication or mailing of any notice of redemption, or (b) to transfer any Bonds called for redemption.

Section 4.8. Temporary Bonds. Any Series of Bonds may be initially issued in temporary form, exchangeable for definitive Bonds to be delivered as soon as practicable and subject to the agreement of the City and the purchaser. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, shall be without coupons, and may contain such reference to any of the provisions of the Ordinance as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds, it will execute and furnish definitive Bonds without delay; and thereupon the temporary Bonds shall be surrendered for cancellation at the principal office of the Registrar, and the Registrar shall deliver and exchange for such temporary Bonds an equal, aggregate principal amount of definitive Bonds of like aggregate principal amount and in authorized denominations of the same Series, maturity or maturities and interest rate or rates. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under the Ordinance as definitive Bonds under the Ordinance.

Section 4.9. Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the Holder, the City shall execute and the Registrar shall authenticate and deliver at the corporate trust office of the Registrar, or send by registered mail to the Holder at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the City evidence or proof satisfactory to the City of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State of South Carolina or such greater amount as may be required by the City. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under the Ordinance or any Supplemental Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder. Neither the City nor any Registrar or Paying Agent shall be required to treat both the original Bond and any duplicate

Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same. The City and any Registrar may charge the Holder of such Bond with their reasonable fees and expenses in this connection.

ARTICLE V

REDEMPTION OF BONDS

Section 5.1. Redemption of Bonds. The Bonds of a Series may be subject to redemption prior to their stated maturities upon such terms and conditions and at such dates and redemption price or prices or premium or premiums as shall be set forth in the Supplemental Ordinance providing for the issuance of such Bonds, and upon the further terms and conditions as are hereinafter set forth.

Section 5.2. Selection of Bonds for Redemption. In the event of the redemption at any time of only part of the Bonds of a Series, the Bonds to be redeemed shall be redeemed in such order as is set forth in the Supplemental Ordinance providing for the issuance of such Bonds. Unless otherwise provided by Supplemental Ordinance, if less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Registrar in such manner as the Registrar in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond of a denomination (or, in the case of Capital Appreciation Bonds, Accreted Value at maturity) of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and that, in selecting portions of such Bonds for redemption, the Registrar shall treat each such Bond as representing that number of Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Bond by $5,000 or Accreted Value at maturity which is obtained by dividing the principal amount or Accreted Value at maturity of such Bond by $5,000.

Section 5.3. Notice of Redemption. Unless or except as otherwise provided in the Supplemental Ordinance authorizing their issuance, the provisions of this Section 5.3 apply to each Series of Bonds.

In the event any of the Bonds or portions thereof are called for redemption, the Registrar shall give notice, in the name of the City, of redemption of Bonds by first-class mail, postage prepaid, to the Holder thereof as shown on the Books of Registry of the City and to such Securities Depositories as the City may designate not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for the redemption thereof. Such notice of redemption shall state: (a) the title of such Bonds to be redeemed, CUSIP numbers, date of issue, the series designation (if any) thereof, the redemption date, the place or places of redemption and the redemption price or redemption premium, if any, payable upon such redemption; (b) if less than all such Bonds of a particular Series are to be redeemed, the distinctive number of such Bonds to be redeemed; (c) that the interest on such Bonds

ARTICLE VI

ESTABLISHMENT OF FUNDS;
SECURITY FOR AND PAYMENT OF THE BONDS;
INVESTMENT OF MONEYS

Section 6.1. Listing of Funds and Accounts. So long as any Senior Lien Bonds are Outstanding, the funds created pursuant to the proceedings authorizing the issuance of such Senior Lien Bonds shall remain in effect. The following are the funds and accounts created and established by the Ordinance:

(i) Debt Service Fund to be held by the City, including an Interest Account and Principal Account.

(ii) Debt Service Reserve Fund to be held by the City.

One or more accounts may, by direction of the City or by the terms of a Supplemental Ordinance, be established within any of the above funds. It is intended by the Ordinance that the funds referred to in this Article (other than the funds created pursuant to the proceedings authorizing the Senior Lien Bonds and the Construction Fund) shall remain in existence for so long a time as any sum remains due and payable by way of principal of and interest on the Bonds, and that deposits and withdrawals therefrom be made in the manner herein prescribed and in the order of priority hereinafter set forth in Section 6.2 hereof.

Section 6.2. Disposition of Revenues. So long as any of the Senior Lien Bonds are Outstanding, the Revenues of the System shall be applied at the times, in the amounts and for the purposes as provided or permitted by the proceedings authorizing the Senior Lien Bonds and the Ordinance, and in the following order of priority:

First, provision shall be made for the payment of Expenses of Operating and Maintaining the System;

Second, provision shall be made for the payment of the principal of and interest on the Senior Lien Bonds;

Third, provision shall be made for any deposits to the respective debt service reserve funds established for the Senior Lien Bonds;

Fourth, provision shall be made for the payment, if required, of the principal of and interest on the Tax Increment Bonds of 1986 and to the debt service reserve fund therefor to the extent required by the proceedings authorizing such bonds,;

provision of this Section 6.3 shall not preclude the issuance of Junior Bonds, if such Junior Bonds be issued in conformity with the provisions of Article 3.5 hereof, but the pledge herein made shall preclude the issuance of bonds payable from or secured by a pledge or lien on Net Revenues superior to that herein made to secure the Bonds.

The Bonds do not constitute an indebtedness of the City within any State Constitutional provision (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. The full faith, credit and taxing powers of the City are not pledged to the payment of the principal of and interest on the Bonds.

The covenants and agreements herein set forth to be performed by the City shall be for the equal and proportionate benefit, security and protection of all Holders of the Bonds without preference, priority or distinction as to payment or security or otherwise (except as to maturity) of any of the Bonds for any reason or cause whatsoever, except as expressly provided herein or in the Bonds, and, except as aforesaid, all Bonds shall rank pari passu and shall be secured equally and ratably hereunder without discrimination or preference whatsoever.

Section 6.4. Provision for Operation and Maintenance. The City hereby covenants and agrees with the Holders of the Bonds that, so long as any of the Bonds remain Outstanding and unpaid, adequate provision shall be made for the Expenses of Operating and Maintaining the System.

Section 6.5. Debt Service Fund. There shall be established and maintained special funds of the City to be designated the Debt Service Fund for each Series of Bonds then Outstanding which shall be kept on deposit with the City, and withdrawals therefrom shall be made for the purposes provided in the Ordinance. Each Debt Service Fund shall bear a separate series designation as may be necessary to distinguish such Debt Service Fund.

The respective Debt Service Funds are intended to provide for the payment of the principal of, redemption premium, if any, and interest on each Series of Bonds as the same respectively fall due. Payments into such Funds shall be made in the manner prescribed by the Ordinance and all moneys in the respective Debt Service Funds shall be used solely to pay the principal of, redemption premium, if any, and interest on the respective Series of Bonds, and for no other purpose, and withdrawals therefrom shall be made only to effect payment of the principal of, redemption

premium, if any, and interest on the respective Series of Bonds. Earnings on investments in the Debt Service Fund, including the accounts therein, shall be added to and become a part of such respective Funds and the accounts therein.

There may be established in the respective Debt Service Funds from time to time a capitalized interest account to provide for the payment of interest on the Bonds of a particular Series as may be permitted hereunder. Any such account shall be created by a Supplemental Ordinance relating to the issuance of the Bonds of such Series. Any earnings from the investment of funds in the capitalized interest account not required to pay interest on the Bonds of any Series during the period for which interest on the Bonds of such Series is capitalized may remain in the respective Debt Service Fund or may be deposited in the Construction Fund created by the Supplemental Ordinance relating to such Bonds or, if such Construction Fund has been terminated or no such fund was created, such earnings shall be retained in the appropriate Debt Service Fund.

There shall be transferred from the Revenues of the System into the Debt Service Fund sufficient moneys so as to comply with the following provisions for the payment of the Bonds then Outstanding. The City shall transfer Revenues of the System for deposit into the respective Debt Service Funds the amounts hereinafter set forth.

(a) There shall be established and maintained, for the purpose of paying the interest on the respective Series of Bonds as the same becomes due and payable, an Interest Account in the respective Debt Service Funds. Not later than the fifth (5th) day preceding an interest payment date (or if such fifth (5th) preceding day is not a business day, then on the next preceding business day), the City shall transfer for deposit into the respective Debt Service Funds for credit to the Interest Account an amount which will, together with any other funds on deposit from whatever source in the Interest Account of the respective Debt Service Fund, on such date be equal to the installment of interest then falling due on the respective Series of Bonds then Outstanding. In making any of the deposits to the Interest Account required by this paragraph (a), consideration shall be given to and allowance made for accrued interest received upon delivery of each Series of Bonds to the initial purchasers and for any other credits otherwise made to such Account.

(b) There shall be established and maintained, for the purpose of paying the principal of the Bonds as it becomes due, whether at maturity or by mandatory sinking fund redemption, a Principal Account in the respective Debt Service Funds. Not later than the fifth (5th) day preceding any principal payment date or mandatory sinking fund redemption date on any Bond (or if such fifth (5th) preceding day is not a business day, then on the next

preceding business day), the City shall transfer into the respective Debt Service Funds to the credit of the Principal Account an amount which will, together with any other funds on deposit from whatever source in the Principal Account of the Debt Service Fund, provide sufficient funds to pay the aggregate amount of the principal of Bonds coming due on such principal payment date or mandatory sinking fund redemption date. In making any of the deposits to the Principal Account required by this paragraph (b), consideration shall be given to and allowance made for any other credits otherwise made to such Account.

(c) If, on the dates when the payments required by paragraphs (a) and (b) of this Section are to be made, the payments required by said paragraphs (a) and (b) will be less than the sum required to be transferred to a Debt Service Fund to effect the payment of the succeeding installment of principal or interest, or both, as the case may be, moneys in the applicable Debt Service Reserve Fund, if any, equal to such deficiency shall be added to the payment to be made pursuant to said paragraphs (a) and (b).

Moneys in the respective Debt Service Funds shall be used and applied solely to the payment of the interest on and the retirement of the principal of and redemption premium, if any, on the respective Series of Bonds and shall be used and applied in accordance with the provisions of this Section and the Ordinance. The moneys paid into the respective Debt Service Fund shall be held by the City in trust solely for the purpose of paying the interest on and the retirement of the principal of and redemption premium, if any, on the respective Series of Bonds and withdrawals from such Funds shall be made by the City in order to transfer such moneys to the Paying Agent for the respective Series of Bonds. Such withdrawals shall be made so that the necessary moneys shall be available to the Paying Agent not later than one (1) business day prior to the day on which principal or interest or both, and redemption premium, if any, as the case may be, are payable on the Bonds.

Section 6.6. Debt Service Reserve Fund. A Supplemental Ordinance may provide for the establishment of a Debt Service Reserve Fund for any Series of Bonds. Each Debt Service Reserve Fund shall bear a separate Series designation as may be necessary to distinguish such Debt Service Reserve Fund and shall, subject to certain provisions of the Ordinance, be maintained in an amount equal to the applicable Reserve Fund Requirement, as determined pursuant to a Supplemental Ordinance, and in the manner determined pursuant to such Supplemental Ordinance, so long as the applicable Series of Bonds shall be Outstanding. Each such Debt Service Reserve Fund is intended to insure the timely payment of the principal of and interest on the applicable Series of Bonds and to provide for the redemption of such Series of Bonds prior to their stated maturities. The respective Debt Service Reserve Funds shall

be kept on deposit with the City, and withdrawals therefrom shall be made for the purposes provided in the Ordinance.

Moneys in each Debt Service Reserve Fund shall be used for the following purposes, and for no other:

(a) To prevent a Default in the payment of the principal of or interest on the applicable Series of Bonds, by reason of the fact that moneys in the applicable Debt Service Fund are insufficient for such purposes;

(b) To pay the principal of, interest on, and redemption premium, if any, of the applicable Series of Bonds in the event that all Outstanding Bonds of such Series be redeemed as a whole;

(c) To effect partial redemption of the applicable Series of Bonds, provided that such redemption be undertaken in accordance with the provisions of the Ordinance permitting a partial redemption of the applicable Series of Bonds and the balance remaining in the applicable Debt Service Reserve Fund following such partial redemption shall not be less than the Reserve Fund Requirement; and

(d) To effect the retirement of a Series of Bonds through purchase under the conditions herein prescribed.

Whenever the market value (determined as of the evaluation date specified in Section 6.11 hereof) of the cash and securities in the applicable Debt Service Reserve Fund shall exceed the applicable Reserve Fund Requirement, such excess may be used at the direction of the City (i) to repurchase and retire the applicable Series of Bonds at prices not exceeding the call price first to become available or then prevailing or (ii) be considered Revenues or, (iii) at the option of the City, transferred to the Construction Fund during the period of construction or acquisition of a Project. Purchases of Bonds shall be effected by the City through the Paying Agent, and whenever Bonds shall have been purchased pursuant to this authorization, it shall be the duty of the Paying Agent to cancel and destroy such Bonds and to deliver certificates evidencing such act to the City.

Whenever the aggregate value of cash and securities in a Debt Service Reserve Fund shall be less than the such Reserve Fund Requirement, there shall be deposited in such Debt Service Reserve Fund that amount which, together with equal, successive, monthly deposits in the same amount, will restore the value of cash and securities in such Debt Service Reserve Fund to the applicable Reserve Fund Requirement during the succeeding twelve (12) months.

If the City obtains a surety bond, insurance policy or letter of credit in substitution for moneys deposited to the

applicable Debt Service Reserve Fund as may be permitted under the applicable Supplemental Ordinance, excess moneys shall be transferred to the applicable Construction Fund, or if one does not exist, be considered Revenues.

Section 6.7. Application of Remaining Revenues. After making payment for the Expenses of Operating and Maintaining the System, and after making payments on the Senior Lien Bonds the Tax Increment Bonds of 1986, if required, and the Bonds, the Revenues of the System shall then be used first for the payment of Junior Bonds or to meet any other obligations of the City which are or which shall become charges, liens or encumbrances upon the Revenues of the System; second to provide adequate funds for improvements to the System and to build up proper reserves for depreciation and against contingencies; and third as the Council shall from time to time determine to be in the best interest of the City.

Section 6.8. Establishment of Construction Fund. There shall be established a Construction Fund with respect to each Series of Bonds (other than for Bonds issued pursuant to Section 3.4 hereof or to refund other bonds under Section 3.3 hereof) in the Supplemental Ordinance providing for their issuance, the moneys which shall be used to defray the Costs of Acquisition and Construction with respect to the Project so financed.

Section 6.9. Deposits Into Construction Fund. On the occasion of the delivery of any Series of Bonds, the proceeds therefrom shall be paid into the Construction Fund established for such Series as set forth in a Supplemental Ordinance authorizing their issue.

Section 6.10. Withdrawals from Construction Fund. Withdrawals from the Construction Fund shall not be made except as provided in the Supplemental Ordinance establishing such Construction Fund.

Section 6.11. Investment of Funds. Moneys held for the credit of the respective Debt Service Funds shall be invested, to the fullest extent practicable and reasonable, in Permitted Investments which shall mature prior to the respective dates when the moneys held for the credit of such Fund will be required for the purpose intended. Moneys in the respective Debt Service Reserve Funds established by the Ordinance shall be invested, to the fullest extent practicable, in Permitted Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such funds.

The City shall evaluate on an annual basis Permitted Investments in the various funds established by this Ordinance. Such evaluation shall be made on May 15 of each year and the value of such investments shall be determined as of the preceding May 1. If as a result of such evaluation, there is a shortage in the

amount or amounts to be deposited in such fund or funds, the City shall replenish such funds to the required levels in equal, successive monthly installments within twelve (12) months of such shortage.

The value of Permitted Investments (except investment agreements) shall be determined by the City or other depositary at the market value thereof, exclusive of accrued interest, provided, however, Permitted Investments in any Debt Service Reserve Fund shall be valued at cost if the maturity thereof is one year or less and shall be valued at market value and marked to market annually if the maturity thereof is longer than one (1) year.

ARTICLE VII

COVENANTS

Section 7.1. Rates and Charges. The City covenants and agrees to operate the System in an efficient and economical manner and establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities furnished by the System as may be necessary or proper, which fees, rates, and other charges, together with other Revenues and other available moneys, shall at all times be at least sufficient after making due and reasonable allowances for contingencies and for a margin of error in estimates to provide an amount equal to (a) one hundred percent (100%) of the amounts required to pay Expenses of Operating and Maintaining the System for the then current Fiscal Year; (b) at least one hundred ten percent (110%) of the annual principal and interest requirements on the Outstanding Senior Lien Bonds, so long as any Senior Lien Bonds are Outstanding, and otherwise sufficient to comply with all covenants set forth in the proceedings authorizing the issuance of such Senior Lien Bonds for the then current Fiscal Year; (c) one hundred ten percent (110%) of the amounts required to be deposited into each Debt Service Fund for the then current Fiscal Year; (d) one hundred percent (100%) of the amounts required to be deposited into each Debt Service Reserve Fund for the then current Fiscal Year; (e) one hundred percent (100%) of the amounts required to provide for payment of any Junior Bonds for the then current Fiscal Year; and (f) the amounts necessary to comply in all respects with the terms of the Ordinance or any other contract or agreement with the Holder of a Bond (the "Rate Covenant").

Section 7.2. To Pay Principal, Premium, and Interest on the Bonds. The City covenants and agrees to punctually pay, or cause to be paid, out of the Net Revenues pledged to such payment in Article VI hereof, the principal of, redemption premium, if any, and the interest on each and every Bond issued under the provisions of the Ordinance, at the place, on the dates and in the manner provided herein.

Section 7.3. Operation of System. The City covenants and agrees it shall at all times operate the System properly and in an efficient and economical manner and will maintain, preserve and keep the same with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make all necessary and proper repairs and replacements so that at all times the operation of the System may be properly and advantageously conducted.

Section 7.4. Covenant with Respect to Senior Lien Bonds. On and after the date of the delivery of the Bonds of 1993 issued pursuant to the Ordinance, the City covenants, agrees and confirms for the benefit of the Holders of the Bonds that it will not issue

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any further bonds pursuant to the authorization of the Bond Ordinance of 1985.

Section 7.5. Records, Accounts and Audits. The City covenants and agrees to keep proper books of records and accounts (separate from all other records and accounts), in which complete and correct entries shall be made of all transactions relating to the System. A complete financial statement of the System shall be prepared within 180 days after the end of each Fiscal Year and shall be prepared in accordance with generally accepted accounting principles and audited by an Accountant. The City will cause to be furnished to any Holder of any of the Bonds, who make written request therefor, a copy of such statement. Such records shall be kept in accordance with the standards from time to time prescribed by the Governmental Accounting Standards Board or its successor. The City will cause to be furnished to any Holder of any of the Bonds, who make written request therefor, copies of financial statements certified by an accountant.

Section 7.6. Sale, Lease or Other Encumbrances. The City covenants and agrees not to issue any bonds, notes, certificates or other obligations or evidences of indebtedness other than the Bonds or obligations authorized or permitted hereby secured by a pledge of the Net Revenues, and it will not create or cause to be created any lien or charge on the Revenues other than the liens and charges created or permitted to be created hereby, and no part of the System will be sold, mortgaged, leased or otherwise disposed of or encumbered; provided, however, the City may from time to time permanently abandon the use of, sell, trade or lease any property forming a part of the System, but only if there shall be filed with the Clerk of the City prior to such abandonment, sale or lease a certificate, signed by the City Manager, stating:

(a) that the City is not then in Default in the performance of any of the covenants, conditions, agreements or provisions contained in the Ordinance, and

(b) that the Net Revenues for the preceding Fiscal Year, after giving effect to such abandonment, sale or lease and any replacement and after adjustment to reflect the moneys which would have been received if the rate schedule in effect on the date of such certificate had been in effect throughout such Fiscal Year, are not less than one hundred percent (100%) of the Debt Service for any Fiscal Year thereafter. Amounts received from any such sale or disposition shall be considered Revenues of the System.

Section 7.7. Insurance. The City covenants and agrees to make provision to maintain adequate insurance(including self-insurance) on the works, plants, facilities and properties comprising the System against the risks, accidents or casualties, of the kinds and in at least the amounts which are usually and

customarily carried on similar plants, properties and systems which are owned and operated by a public or municipal corporation, including without limiting the generality of the foregoing, fire, extended coverage, general liability and workmen's compensation, and also all additional insurance covering such risks as may be deemed necessary or desirable by the City or recommended by a competent independent engineer or other advisor employed for the purpose of making such recommendations.

Section 7.8. No Free Service. The City covenants and agrees that no free service will be furnished by the System to the City or to any agency, instrumentality or person. The reasonable costs and value of any services of the System rendered to the City through the operation of the System shall be charged against the City and shall be paid as the service accrues from the current funds and such funds, when so paid, shall be accounted for in the same manner as other Revenues of the System.

Section 7.9. Annual Budget. Prior to the beginning of each Fiscal Year, the City covenants and agrees to prepare an annual budget for the ensuing Fiscal Year which shall set forth in reasonable detail the estimated Revenues and operation and maintenance expenses. The City also may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year.

ARTICLE VIII

CUSTODIANS

Section 8.1. Custodians. The Debt Service Fund, Debt Service Reserve Fund and the Construction Fund or any one or more of such funds, shall at the option of the City be held by a bank, a trust company, a national banking association or a national association as Custodian under the Ordinance or a Supplemental Ordinance.

Section 8.2. Duties and Obligations of Custodians. The recitals of fact made in the Ordinance and in the Bonds shall be taken as statements of the City, and the Custodian shall be deemed to have made any representation as to the correctness of the same. Nor shall the Custodian be deemed to have made any representation whatsoever as to the validity or sufficiency of the Ordinance or of the Bonds issued hereunder. Nor shall the Custodian be under any responsibility or duty with respect to the issuance of the Bonds or the application of the proceeds thereof, except to the extent provided for herein and in a Supplemental Ordinance. Nor shall any Custodian be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in response to the Ordinance, or to the Bonds issued hereunder, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Nor shall any Custodian be liable in connection with the performance of its duties hereunder, except for its own negligence or default.

Section 8.3. Custodians Protected in Relying upon Resolutions, etc. All Custodians shall at all times be protected in acting upon any notice, resolution, request, consent, order, certificate, statement, opinion, bond, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

ARTICLE IX

AMENDMENTS OR SUPPLEMENTS TO THE ORDINANCE

The City shall not amend the Ordinance except in accordance with the provisions of this Article.

A. The City may, from time to time and without the consent of any Holder of the Bonds enact an ordinance amendatory hereof or supplemental thereto (1) for the purpose of providing for the issuance of Bonds pursuant to the provisions of Article III hereof, or (2) (a) making any amendments or modifications hereto which may be required to permit the Ordinance to be qualified under the Trust Indenture Act of 1939, as amended; (b) making any modification or amendment to the Ordinance not inconsistent herewith required for the correction of language or to cure any ambiguity or defective provisions, omission, mistake or manifest error herein contained; (c) making any amendments or supplements hereto to grant to or confer upon the Holders additional rights, remedies, power and authority, or to grant to or confer upon any Holders, committee or trustee for the Holders any additional rights, power or authority; or (d) to add to the security of the Holders of the Bonds.

B. From time to time the Holders of sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds then Outstanding, by an instrument or instruments in writing signed by such Holders and filed with the City, shall have power to assent to and authorize any modification or amendment to the provisions of the Ordinance that may be proposed by the City or of the rights and obligations of the City and of the Holders of Bonds issued hereunder; and any action herein authorized to be taken with the assent and authority given as aforesaid of the Holders of sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds at the time Outstanding shall be effective and binding upon all of the Holders of Bonds issued hereunder; and any action herein authorized to be taken with the assent and authority given as aforesaid of the Holders of sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds at the time Outstanding shall be effective and binding upon all of the Holders of Bonds Outstanding and upon the City as fully as though such action were specifically and expressly authorized by the terms of the Ordinance; provided always, that without the consent of the Holder of each Bond affected thereby, no such modification shall be made which will (1) extend the time of payment of principal of or the interest on any Bond, or reduce the principal amount thereof or the rate of interest thereon or the premium payable upon the redemption thereof, or (2) give to any Bond or Bonds any preference over any other Bond or Bonds, or (3) authorize the creation of any pledge prior to or, except as provided herein for the issuance of Series of Bonds, on a parity with the pledge afforded by the Ordinance, or (4) reduce the percentage in principal amount of the Bonds required

to assent to or authorize any such modification to the Ordinance. For the purpose of computations required by this paragraph, Bonds directly or indirectly owned or controlled by the City shall be disregarded.

Any modification or amendment or supplement to the provisions of the Ordinance or of any Supplemental Ordinance supplemental hereto shall be set forth in an ordinance to be enacted by the City.

ARTICLE X

EVENTS OF DEFAULT

With respect to the Bonds, the following shall constitute "Events of Default":

A. If payment of the principal of any Bond, whether at maturity or by proceedings for redemption, by declaration as provided in Article XI hereof, or otherwise, is not made by the City after the same has become due and payable; or

B. If payment of any installment of interest on any Bond is not made by the City as the same becomes due and payable; or

C. If the City shall fail or refuse to comply with the essential provisions of the Act, or shall fail in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in the Ordinance or in any Supplemental Ordinance on the part of the City to be performed, and such failure continues for thirty (30) days after written notice specifying such failure and requiring the same to be remedied has been given to the City by the Holders of not less than twenty percent (20%) in principal amount of the Bonds then Outstanding or any trustee or committee therefor; or

D. If any proceedings are instituted, with the consent or acquiescence of the City, for the purpose of effecting a composition between the City and its creditors and if the claim of such creditors is in any circumstance payable from any of the Revenues or any other moneys pledged and charged in the Ordinance or any Supplemental Ordinance for the payment of the Bonds, or any such proceedings are instituted for the purpose of adjusting the claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted; or

E. If an order or decree is entered (1) with the consent or acquiescence of the City, appointing a receiver or receivers of the System or any of the facilities thereof; or (2) without the consent or acquiescence of the City, appointing a receiver or receivers of the System or any of the facilities thereof and if, in either case, such order or decree having been entered is not vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

F. If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the System or any of the facilities thereof, and such custody or control is not terminated within ninety (90) days from the date of assumption of such custody or control; or

G. If the City is for any reason rendered incapable of fulfilling its obligations hereunder in any material respect.

Subject to the provisions, limitations and conditions of Sections 11.1 and 11.2 of Article XI hereof, insofar as the remedies provided in said provisions are concerned, nothing in Section 11.3 of Article XI hereof or in this Article, and particularly nothing in paragraph C of this Article, shall prohibit or limit, or be construed as prohibiting or limiting any Holder of a Bond from enforcing the duties of the City, or any of the officers thereof, under any provisions of the Ordinance (including, without limiting the generality of the foregoing, the duties imposed by or referred to in Section 11.3 of Article XI hereof) by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, even though the failure of the City or any of the officers thereof to perform any such duty may not then constitute an "Event of Default" as defined in this Article.

ARTICLE XI

REMEDIES UPON EVENT OF DEFAULT

Section 11.1. Declaration of Principal and Interest as Due. Upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then and in each and every case the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding hereunder may, by written notice to the City filed in the office of the Clerk of the City, declare the principal of all Bonds then Outstanding, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same shall become and be due and payable immediately, anything contained in the Ordinance or any Supplemental Ordinance hereto or in any of the Bonds to the contrary notwithstanding. This provision is also subject, however, to the condition that, if at any time after the principal of the Bonds, together with the accrued and unpaid interest thereon and other moneys secured hereby, have been so declared due and payable and before any further action has been taken (other than the making of the above declaration), the principal amount of all Bonds which have matured either according to the maturity date or dates otherwise specified therein (except as a result of such declaration) and all arrears of interest upon all Bonds, except interest accrued but not yet due on said Bonds, have been paid or caused to be paid, and all other Events of Default, if any, which have occurred have been remedied, cured or secured, then and in each and every such case the Holders of twenty-five percent (25%) in principal amount of the Bonds then Outstanding, by notice in writing delivered to the City, may waive such Default and its consequences and rescind and annul such declaration. No such waiver or rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power related to such subsequent Default.

Section 11.2 Appointment of a Receiver. Upon the occurrence of an Event of Default described in paragraphs A and B of Article X hereof, and at any time thereafter while such default continues, any court of competent jurisdiction may appoint a receiver; provided, however, if application is made by the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding or any trustee therefor, such court shall appoint a receiver. Any receiver so appointed shall (a) enter into and upon and take possession of the System, to the exclusion of the City if such court so directs; (b) have, hold, use, operate, manage and control the System as such receiver may deem best; and (c) exercise all rights and powers of the City with respect to the System as the City itself may do. In addition, the receiver shall (a) maintain, restore and insure the System and from time to time make all necessary and proper repairs to the System as such receiver may deem expedient; (b) establish, levy, maintain and

collect such fees, rentals and other charges in connection with the System as such receiver may deem necessary or proper and reasonable; and (c) collect and receive all Revenues, deposit such Revenues in a separate account and apply such Revenues so collected and received in such manner as the court shall direct.

Notwithstanding anything contained in this Ordinance or the Act, such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of whatever kind or character of the City and useful to the System.

Section 11.3. Suits at Law or in Equity and Mandamus. In case any one or more of the Events of Default shall happen and be continuing, then and in every such case, but subject to the provisions, limitations and conditions of Sections 11.1 and 11.2 of this Article so far as the remedies provided in said provisions are concerned, the Holder of any Bond at the time Outstanding, or trustee therefor, may, for the equal benefit and protection of all Holders of the Bonds similarly situated,

(a) by mandamus or other suit, action or proceedings at law or in the equity, enforce such Holder's right against the City and require and compel the City to perform and carry out its duties and obligations under the Act and this Ordinance, and to perform and carry out its covenants and agreements with the Bondholders;

(b) by action or suit in equity require the City to account as if such City were the trustee of an express trust;

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; or

(d) bring suit upon the Bonds.

Section 11.4. Remedies Not Exclusive; Effect of Waiver of Default; Effect of Abandonment of Proceedings or Adverse Determination. The Holders from time to time of the Bonds shall be entitled to all the remedies and benefits of the Ordinance as are and as shall be provided by law, and, subject to the provisions of Sections 11.1 and 11.2 of this Article, nothing herein shall be construed to limit the rights or remedies of any such Holders under any applicable statute that may now exist or be enacted thereafter. No remedy conferred by the Act and this Article upon any Holder of any Bond is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Act and this Article or by any other law now or hereafter existing. Every substantive right and remedy conferred upon the Holders of the Bonds may be enforced and exercised from time to time and as often as may be deemed expedient.

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No waiver of any default or breach of duty or contract by any Holder of any Bond shall extend to or affect any subsequent default or breach of duty or contract, or shall impair any rights or remedies thereon. No delay or omission of any Holder of a Bond to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, or shall be determined adversely to Holders of the Bonds then and in every such case, the City and such Holders shall be restored to their former positions and rights and remedies as if no suit, action or proceeding had been brought or taken.

Section 11.5. Restrictions on Bondholder's Action.

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Ordinance or the execution of any trust under the Ordinance or for any remedy under the Ordinance unless such Holder shall have previously given to the City written notice of the happening of an Event of Default and the Holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have filed a written request with the City and shall have offered the City reasonable opportunity, either to exercise the powers granted in the Ordinance or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the City adequate security and indemnity against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the City shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request an offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Ordinance, or to enforce any right under the Ordinance, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Ordinance shall be instituted, had and maintained in the manner provided in the Ordinance and for the equal benefit of all Holders of the Outstanding Bonds.

(b) Nothing in the Ordinance or in the Bonds contained shall affect or impair the obligation of the City, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and redemption premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of

action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

Section 11.6. Application of Revenues and Other Moneys After Default. During the continuance of an Event of Default, all moneys received by the City or any receiver pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the City or any receiver with respect thereto, be deposited in the Debt Service Fund, and all amounts held by the City or any receiver hereunder shall be applied as follows:

(a) Unless the principal of all Outstanding Bonds shall have become or have been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the person entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal amounts or redemption premium, if any, of any Bonds which shall have become due (other than Bonds previously called for redemption in accordance with the provisions hereof), whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or redemption premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal amounts of all Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal amounts and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amounts and interest, to the persons entitled thereto without any discrimination or preference.

(c) If the principal amounts of all Outstanding Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of

ARTICLE XII

DEFEASANCE

The obligations of the City under the Ordinance and the liens, pledges, charges, trusts and the covenants and agreements of the City herein made or provided for, shall be fully discharged and satisfied as to any Bond; and, unless or except as otherwise provided in the Supplemental Ordinance providing for the issuance of any Series of Bonds, such Bond or Series of Bonds shall no longer be deemed to be Outstanding hereunder when:

(a) such Bond or Series of Bonds shall have been purchased by the City and surrendered to the City for cancellation or otherwise surrendered to the City or the Registrar, and is canceled or subject to cancellation by the City or Registrar, or

(b) payment of the principal of, redemption premium, if any, and interest on such Bond or Series of Bonds, either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Paying Agent or such other depository as the City may designate in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government Obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Paying Agent and the Registrar. At such time as a Bond or Series of Bonds shall no longer be deemed to be Outstanding hereunder, as aforesaid, such Bond or Series of Bonds shall cease to draw interest from the redemption date thereof, and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.

Any moneys so deposited with the Paying Agent or such other depository as the City may designate as provided in this Article may at the direction of the City also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of such Paying Agent which is not required for the payment of the Bonds or Series of Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be considered Revenues of the System.

Notwithstanding any provision hereof which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds or Series of Bonds shall be applied to and used solely for the payment of the particular Bonds or Series of Bonds with respect to which such moneys and Government Obligations have been so set aside in trust.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Benefits of Ordinance Limited to the City and Holders of the Bonds. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from the Ordinance or the Bonds is intended or should be construed to confer upon or give to any person other than the City and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to the Ordinance or any covenant, condition, stipulation, promise, agreement or provision herein contained. The Ordinance and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City and the Holders from time to time of the Bonds as herein and therein provided.

Section 13.2. Ordinance Binding Upon Successors or Assigns of the City. All the terms, provisions, conditions, covenants, warranties and agreements contained in the Ordinance shall be binding upon the successors and assigns of the City and shall inure to the benefit of the Holders of the Bonds.

Section 13.3. No Personal Liability. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the City contained in this Ordinance or the Bonds, against any member of the City, any officer or employee, as such, in his or her individual capacity, past, present or future, of the City, either directly or through the City, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that the Ordinance and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such past, present or future, of the City, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the City and any Bondholder or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Ordinance and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of the Ordinance and the execution of the Bonds, expressly waived and released. The immunity of members, officers and employees of the City under the provisions contained in this Section 13.3 shall survive the termination of the Ordinance.

Section 13.4. Effect of Saturdays, Sundays and Legal Holidays. Whenever the Ordinance requires any action to be taken on a Saturday, Sunday, legal holiday or bank holiday in the State

of South Carolina, such action shall be taken on the first business day occurring thereafter. Whenever in the Ordinance the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, legal holiday or bank holiday, in the State of South Carolina, such time shall continue to run until midnight on the succeeding business day.

Section 13.5. Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in the Ordinance on the part of the City or any Registrar or Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements and portions thereof provided in the Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of the Ordinance or of the Bonds, but the Holders of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provisions of the Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because of conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 13.6. Law and Place of Enforcement of the Ordinance. The Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of the Ordinance shall be instituted in a court of competent jurisdiction in said State.

Section 13.7. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Ordinance.

Section 13.8. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with the Ordinance are hereby repealed to the extent of such inconsistency.

Section 13.9. Effectiveness of this Ordinance. This Ordinance shall become effective upon its enactment; provided,

however, that it shall not be necessary for the City to establish the funds and accounts created in Article VI hereof prior to the issuance of any Bonds.

Section 13.10. Notices. All notices, certificates, or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the City:

City of Columbia
1737 Main Street
Columbia, South Carolina 29201
Attention: City Manager

Section 13.11. Codification. This Ordinance shall be forthwith codified in the Code of City Ordinances in the manner required by law and the name shall be indexed under the general heading "General Bond Ordinance - Waterworks and Sewer System Revenue Bonds."

CITY-0004782

Enacted by the City Council of the City of Columbia, South Carolina, this 21st day of May, 1993.

CITY COUNCIL OF THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Mayor

(SEAL)

ATTEST:

_____
Clerk

Date of First Reading: May 12, 1993

Date of Second Reading: May 21, 1993

CITY 0004783

ROA-1366

CITY OF COLUMBIA, SOUTH CAROLINA

SEVENTH SUPPLEMENTAL ORDINANCE NO. 2009-83

A SEVENTH SUPPLEMENTAL ORDINANCE SUPPLEMENTING FIFTH SUPPLEMENTAL ORDINANCE NO. 2007-072 AND PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF COLUMBIA, SOUTH CAROLINA, WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2009, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING $105,000,000; DELEGATING THE AUTHORITY TO THE MAYOR AND INTERIM CITY MANAGER TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE BONDS; MAKING CERTAIN AMENDMENTS TO GENERAL BOND ORDINANCE NO. 93-43 AND OTHER MATTERS RELATING THERETO.

Enacted: August 19, 2009

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. Definitions. The terms in this Section 1 and all words and terms defined in General Bond Ordinance No. 93-43 (the "General Bond Ordinance") enacted by the Council on May 21, 1993 (such General Bond Ordinance as from time to time amended or supplemented by Supplemental Ordinances being defined in the General Bond Ordinance as the "Ordinance") (except as herein otherwise expressly provided or unless the context otherwise requires), shall for all purposes of this Seventh Supplemental Ordinance have the respective meanings given to them in the Ordinance and in Section 1 hereof.

"2009 Debt Service Fund" shall mean the Fund established pursuant to Section 13 hereof to provide for the payment of the principal and interest on the Series 2009 Bonds.

"2009 Projects" shall mean, collectively, the improvements, extensions and enlargements to the System, including any one or more of the projects described in Schedule I hereto, and such other improvements as the City may deem necessary or incidental to the System.

"Alternate Credit Facility" means a replacement irrevocable direct-pay letter of credit, an insurance policy, a surety bond, line or lines of credit or other similar agreement or agreements or any other agreement or agreements used to provide credit support to the Series 2009 Bonds, containing administrative provisions reasonably satisfactory to the Paying Agent, issued to the Paying Agent in accordance with Section 16; provided, however, that any amendment, extension, renewal or substitution of the Credit Facility then in effect for the purpose of extending the expiration date thereof or modifying the Credit Facility pursuant to its terms shall not be deemed to be an Alternate Credit Facility for purposes of this Seventh Supplemental Ordinance.

"Alternate Liquidity Facility" means a replacement Liquidity Facility which is accepted by the Paying Agent pursuant to Section 22 of this Seventh Supplemental Ordinance; provided, however, that any amendment, extension, renewal or substitution of the Liquidity Facility then in effect for the purpose of extending the expiration date thereof shall not be deemed to be an Alternate Liquidity Facility for purposes of this Seventh Supplemental Ordinance.

"Authorized Denominations" means (i) with respect to any Long-Term Interest Rate Period, $5,000 and any integral multiple thereof; and (ii) with respect to any Short-Term Interest Rate Period, Daily Interest Rate Period or Weekly Interest Rate Period, $100,000 and any integral multiple of $5,000 in excess of $100,000.

"Authorized Representative" means a Person designated to act on behalf of the City (which may or may not be an employee or elected official of the City) in a certificate, bearing such Person's specimen signature, signed by the Mayor or Interim City Manager and provided to the Paying Agent.

CITY-0005063

ROA-1368

"Available Moneys" means, if a Credit Facility is in effect, (i) moneys which have been paid to the Paying Agent by the City and have been on deposit with the Paying Agent for at least 124 days during which no Event of Bankruptcy shall have occurred, (ii) proceeds on deposit with the Tender Agent from the remarketing by the Remarketing Agent of such Series 2009 Bonds purchased as described in Section 6 hereof, which were at all times since their receipt by the Tender Agent held in a separate and segregated account or accounts or subaccount or subaccounts in which no moneys which were not Available Moneys were at any time held, (iii) moneys drawn under any Credit Facility which at all times since their receipt by the Paying Agent or the Tender Agent were held in a separate segregated account or accounts or sub-account or sub-accounts in which no moneys (other than those drawn under any Credit Facility) were at any time held, (iv) the proceeds of the sale of refunding obligations, and (v) investment earnings on any of the moneys described in clauses (i), (ii), (iii) or (iv) of this definition.

"Bank Bond" means a Series 2009 Bond which is owned by the Credit Provider or Liquidity Facility Provider (or its respective nominee or custodian) and which is purchased by the Credit Provider or Liquidity Facility Provider (as applicable) pursuant to the Credit Facility Provider Agreement or Liquidity Facility; provided, however, that any Series 2009 Bonds shall cease to be Bank Bonds upon any Bank Bond Return Date.

"Bank Bond Rate" means the interest rate, if any, specified in the Liquidity Facility or Credit Facility Provider Agreement then in effect as the rate at which Bank Bonds shall bear interest, such rate not to exceed the Maximum Bank Bond Interest Rate; provided, however, that if no such rate is specified in the Liquidity Facility or Credit Facility Provider Agreement then in effect, then Bank Bonds shall bear interest (in any event not to exceed the Maximum Bank Bond Interest Rate) during any Daily Interest Rate Period or Weekly Interest Rate Period (A) with respect to any period in which ALL the Bonds constitute Bank Bonds, at the rate equal to 100% of the SIFMA Municipal Swap Index; and (B) with respect to any period in which some but LESS THAN all of the Bonds constitute Bank Bonds, at the rate equal to the rate borne by such Bonds not constituting Bank Bonds; and (C) during any Short-Term Interest Rate Period, at the rate equal to 100% of the SIFMA Municipal Swap Index. For the avoidance of doubt, the Bank Bonds Rate is a rate separate and distinct from any rate of interest or other amount charged by a Liquidity Facility Provider or Credit Facility Provider with respect to any loan or advance made or deemed made by it to fund the Purchase Price of tendered Bonds.

"Bank Bond Return Date" shall mean the time of any sale of Bank Bonds and payment to the holder of the Bank Bonds of the outstanding principal and interest accrued on the Bank Bonds so sold, or any election by a holder of Bank Bonds not to sell such Bank Bonds or any portion thereof through the Remarketing Agent pursuant to the Credit Facility Provider Agreement or Liquidity Facility (as applicable) and to retain such Bank Bonds as a holder of Series 2009 Bonds (other than Bank Bonds).

"Beneficial Holder" shall mean any purchaser who acquires beneficial ownership interest in any Initial Bond held by the Depository. In determining any Beneficial Holder, the City, the Registrar and the Paying Agent may rely exclusively upon written representations made and information given to the City, the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any Series 2009 Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

"Bond Interest Term" means, with respect to any Series 2009 Bond, each period established in accordance with Section 5(g) during which such Series 2009 Bond shall bear interest at a Bond Interest Term Rate.

"Bond Interest Term Rate" means, with respect to each Series 2009 Bond, a term, non-variable interest rate on such Bond established periodically in accordance with Section 5(g).

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement to be dated the date of execution and delivery thereof between the Underwriters and the City, as amended or supplemented thereto.

"Bonds of 1993" shall mean the original principal amount $74,765,000 Waterworks and Sewer System Revenue Bonds, Series 1993, dated May 1, 1993, and outstanding as of the date of this Seventh Supplemental Ordinance in the principal amount of $24,470,000.

"Bonds of 1999" shall mean the original principal amount $61,125,000 Waterworks and Sewer System Revenue Bonds, Series 1999, dated October 1, 1999, and outstanding as of the date of this Seventh Supplemental Ordinance in the principal amount of $3,025,000.

"Bonds of 2001" shall mean the original principal amount $41,500,000 Water and Sewer System Refunding Revenue Bonds, Series 2001, dated November 1, 2001, and outstanding as of the date of this Seventh Supplemental Ordinance in the principal amount of $37,550,000.

"Bonds of 2005" shall mean the original principal amount $60,000,000 Waterworks and Sewer System Revenue Bonds, Series 2005, dated June 15, 2005, and outstanding as of the date of this Seventh Supplemental Ordinance in the principal amount of $60,000,000.

"Book-Entry Form" or "Book-Entry System" shall mean with respect to the Series 2009 Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Series 2009 Bonds may be transferred only through a book-entry and (b) physical bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Holder, with the physical bond certificates "immobilized" in the custody of the Depository. The book-entry maintained by the Depository is the record that identifies the owners of participatory interests in the Series 2009 Bonds, when subject to the Book-Entry System.

"Business Day" shall mean a day other than (i) a Saturday or Sunday, (ii) a day on which banks located in New York, New York or the cities in which the principal office of the City, the Liquidity Facility Provider, if any, the Remarketing Agent, the Paying Agent, the Tender Agent and the Credit Provider, if any, are required or authorized by law to remain closed, or (iii) a day on which the New York Stock Exchange is closed.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Construction Fund of 2009" shall mean the Fund established pursuant to Section 38 hereof into which a portion of the proceeds of the Series 2009 Bonds will be deposited and from

which such proceeds will be disbursed to pay the Costs of Acquisition and Construction of the 2009 Projects and Costs of Issuance.

"Council" shall mean the City Council of the City.

"Credit Facility" means, initially, the Letter of Credit, and, upon the effectiveness of an Alternate Credit Facility, shall mean such Alternate Credit Facility, and all amendments, extensions, renewals or substitutions of any of the foregoing.

"Credit Facility Provider Agreement" means, initially, the Letter of Credit and Reimbursement Agreement dated its date of execution, between the City and U.S. Bank National Association, as the initial Credit Provider, as the same may be amended from time to time, and any agreement of the City with a Credit Provider setting forth the obligations of the City to such Credit Facility Provider arising out of any payments under a Credit Facility and which provides that it shall be deemed to be a Credit Facility Provider Agreement for the purpose of this Seventh Supplemental Ordinance.

"Credit Provider" means U.S. Bank National Association, as the initial Credit Provider, or any bank or other financial institution (or its successors and assigns), in its capacity as issuer of a Credit Facility, and upon the effectiveness of an Alternate Credit Facility, means the bank or banks or other financial institution or financial institutions which are then parties to such Alternate Credit Facility.

"Custodian" shall mean the bank, depository or trust company selected by the Mayor or Interim City Manager, or either of them acting alone, as Custodian (as defined in the General Bond Ordinance) of the Construction Fund of 2009.

"Daily Interest Rate" shall mean the interest rate on the Series 2009 Bonds established pursuant to Section 5(d).

"Daily Interest Rate Period" shall mean each period during which a Daily Interest Rate is in effect.

"Depository" shall mean any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the Series 2009 Bonds, and to effect transfers of the Series 2009 Bonds, in Book-Entry Form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

"Event of Bankruptcy" means the commencement of a case by the City under the United States Bankruptcy Code or under any other domestic bankruptcy act or any similar act which hereafter may be enacted (other than such proceedings initiated by the City against third parties other than the City), unless such case shall have been dismissed and such dismissal shall be final and not subject to appeal.

"Event of Immediate Termination" means any event that allows the Liquidity

Facility Provider pursuant to the terms of the Liquidity Facility to terminate or suspend its obligation to provide funds for the purchase of the Series 2009 Bonds immediately upon the occurrence of certain events without giving any notice to the Paying Agent or the City.

"Favorable Opinion of Bond Counsel" means an opinion of Bond Counsel, addressed to the City, the Remarketing Agent, the Credit Provider, if any, or Liquidity Facility Provider, if any, and the Paying Agent to the effect that the action proposed to be taken is authorized or permitted by the laws of the State and this Seventh Supplemental Ordinance and will not adversely affect any exclusion from gross income for federal income tax purposes, or any exemption from State of South Carolina income taxes, of interest on the Series 2009 Bonds.

"Fifth Supplemental Ordinance" shall mean Fifth Supplemental Ordinance No. 2007-072 of the Council of the City enacted on September 19, 2007.

"First Supplemental Ordinance" shall mean First Supplemental Ordinance No. 1993-44 of the Council of the City enacted on May 21, 1993.

"Fourth Supplemental Ordinance" shall mean Fourth Supplemental Ordinance No. 2005-013 of the Council of the City enacted on May 18, 2005.

"General Bond Ordinance" shall mean Ordinance No. 93-43 of the Council of the City enacted on May 21, 1993.

"Initial Bonds" shall mean the Series 2009 Bonds initially issued in Book-Entry Form as provided in Section 7 hereof.

"Interest Accrual Date" means (i) with respect to any Daily Interest Rate Period, the first day thereof and, thereafter, the first day of each calendar month, (ii) with respect to any Weekly Interest Rate Period, the first day thereof and, thereafter, the first Thursday of each calendar month during that Weekly Interest Rate Period, (iii) with respect to any Long-Term Interest Rate Period, the first day thereof and, thereafter, each Interest Payment Date in respect thereof, other than the last such Interest Payment Date, (iv) with respect to each Bond Interest Term within a Short-Term Interest Rate Period, the first day thereof and (v) for Bank Bonds, as set forth in the Liquidity Facility or the Credit Facility Provider Agreement then in effect; provided that if no such Interest Accrual Date is specified in the Liquidity Facility or the Credit Facility Provider Agreement, then the Interest Accrual Date for Bank Bonds shall be the Interest Accrual Date which would apply if such Bank Bonds were not Bank Bonds.

"Interest Payment Date" means (i) with respect to any Daily Interest Rate Period, the fifth Business Day of each calendar month, (ii) with respect to any Weekly Interest Rate Period, the first Thursday of each calendar month, or, if such first Thursday shall not be a Business Day, the next succeeding Business Day, (iii) with respect to any Long-Term Interest Rate Period, each June 1 and December 1, or, if any such June 1 or December 1 shall not be a Business Day, the next succeeding Business Day, (iv) with respect to any Short-Term Interest Rate Period, the day next succeeding the last day thereof, and (v) for Bank Bonds, as set forth in the Liquidity Facility or the Credit Facility Provider Agreement then in effect; provided that if no such Interest Payment Date is specified in the Liquidity Facility or the Credit Facility Provider Agreement, then the Interest Payment Date for Bank Bonds shall be the date upon which interest would be payable if such Bank

Bonds were not Bank Bonds. The initial Interest Payment Date shall be determined by the Mayor and Interim City Manager, or either of them acting alone, pursuant to Section 36 hereof.

"Interest Rate Period" means any Daily Interest Rate Period, Weekly Interest Rate Period, Short-Term Interest Rate Period or Long-Term Interest Rate Period.

"Investment Contract" shall mean, collectively, the BMA Master Repurchase Agreement (September 1996 Version) dated as of December 12, 2006, as supplemented by Annex I thereto, between Citigroup Global Markets Inc., as provider (the "Provider"), and the City, as buyer (the "Buyer"), and a Custodial Undertaking in Connection with Master Repurchase Agreement dated as of December 12, 2006, among the Provider, the Buyer and The Bank of New York, as custodian.

"Issue Date" shall mean the date on which the Series 2009 Bonds are delivered to the Underwriter upon original issuance, as shall be determined by the Mayor and Interim City Manager, or either of them acting alone, pursuant to Section 36 hereof.

"Letter of Credit" shall mean the irrevocable direct-pay letter of credit, which provides for the payment of principal and interest and Purchase Price with respect to the Series 2009 Bonds, issued by U.S. Bank National Association, as the initial Credit Provider, pursuant to the initial Credit Facility Provider Agreement.

"Letter of Representations" shall mean the Blanket Letter of Representations dated October 5, 1999, executed and delivered by the City to the Depository.

"Liquidity Facility" shall mean a letter of credit, standby bond purchase agreement, line of credit, loan, guaranty or similar agreement (including any renewals or extensions of the same) by a Liquidity Facility Provider to provide liquidity support to pay the Purchase Price of the Series 2009 Bonds tendered for purchase in accordance with the provisions of this Seventh Supplemental Ordinance and, upon the issuance and delivery of an Alternate Liquidity Facility, "Liquidity Facility" shall mean such Alternate Liquidity Facility. The initial Credit Facility shall not constitute a "Liquidity Facility" for purposes of this Seventh Supplemental Ordinance.

"Liquidity Facility Provider" shall mean the provider of a Liquidity Facility, and its successors and permitted assigns, and, upon the issuance and delivery of an Alternate Liquidity Facility, the issuer of such Alternate Liquidity Facility and each of their successors in such capacity.

"Long-Term Interest Rate" means, with respect to each Series 2009 Bond, a term, non-variable interest rate on such Series 2009 Bond established in accordance with Section 5(f).

"Long-Term Interest Rate Period" means each period during which a Long-Term Interest Rate is in effect.

"Maturity Date" shall mean February 1, 2038, or such other date as may be determined by the Mayor and Interim City Manager, or either of them acting alone, pursuant to Section 36 hereof.

"Maximum Bank Bond Interest Rate" means the lesser of (a) the rate of 25% per

annum and (b) the Maximum Lawful Rate.

"Maximum Bond Interest Rate" means the lesser of 12% per annum and the Maximum Lawful Rate.

"Maximum Lawful Rate" means the maximum rate of interest on the relevant obligation permitted by applicable law.

"Moody's" shall mean Moody's Investors Service, Inc., or its successor.

"Officer's Certificate" shall mean a certificate signed by an Authorized Representative.

"Official Statement" shall mean the Official Statement of the City to be prepared and distributed in connection with the sale and delivery of the Series 2009 Bonds.

"Parity Bonds" shall mean the Bonds of 1993, the Bonds of 1999, the Bonds of 2001 and the Bonds of 2005.

"Participant" shall mean any bank, brokerage house or other financial institution for which, from time to time, the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

"Paying Agent" shall mean U.S. Bank National Association, as Paying Agent for the Series 2009 Bonds. The Paying Agent shall also be the Custodian (as defined in the General Bond Ordinance) of the 2009 Debt Service Fund.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"Preliminary Official Statement" shall mean the Official Statement of the City to be prepared and distributed in connection with the sale and delivery of the Series 2009 Bonds.

"Principal Office" means, with respect to the Paying Agent, the Registrar, the Tender Agent, the Credit Provider, if any, the Liquidity Facility, if any, or the Remarketing Agent, the address for such party set forth in Section 44, as it may be changed from time to time pursuant to the provisions of Section 44.

"Purchase Date" when used with respect to any Series 2009 Bond, means the date upon which the Tender Agent is obligated to purchase such Series 2009 Bond pursuant to this Seventh Supplemental Ordinance.

"Purchase Fund" means the fund so designated which is established with the Tender Agent pursuant to the Tender Agreement and Section 29 hereof.

"Purchase Price" means, with respect to any Series 2009 Bond required to be purchased by the Tender Agent pursuant to this Seventh Supplemental Ordinance, an amount equal

to the principal amount of such Series 2009 Bond plus, if the Purchase Date is other than an Interest Payment Date, accrued interest thereon at the rate applicable to the Series 2009 Bonds from the most recent Interest Accrual Date to but excluding the Purchase Date, and plus the redemption premium (if any) set forth in Section 8(b)(iii) pursuant to Section 6(c) hereof.

"Rating Agency" shall mean Moody's and/or S&P, as applicable.

"Registrar" shall mean U.S. Bank National Association, as Registrar for the Series 2009 Bonds.

"Regular Record Date" means (a) with respect to any Interest Payment Date in respect of any Daily Interest Rate Period, the last Business Day of each calendar month and, in the case of the last Interest Payment Date in respect to a Daily Interest Rate Period, the Business Day immediately preceding such Interest Payment Date, (b) with respect to any Interest Payment Date in respect of any Weekly Interest Rate Period or any Short-Term Interest Rate Period, the Business Day immediately preceding such Interest Payment Date, and (c) with respect to any Interest Payment Date in respect of any Long-Term Interest Rate Period, the fifteenth day immediately preceding such Interest Payment Date or, in the event that an Interest Payment Date shall occur less than 15 days after the first day of a Long-Term Interest Rate Period, such first day.

"Remarketing Agreement" shall mean the Remarketing Agreement between the City and the Remarketing Agent, as supplemented or amended.

"Remarketing Agent" shall mean the remarketing agent or agents appointed in accordance with Section 25, and any successor or successors appointed pursuant to the provisions of this Seventh Supplemental Ordinance.

"S&P" shall mean Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., or its successor.

"Second Supplemental Ordinance" shall mean Second Supplemental Ordinance No. 99-082 of the Council of the City enacted on September 22, 1999.

"Series 2009 Bonds" shall mean the City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, Series 2009, in the aggregate principal amount of not exceeding $105,000,000, authorized to be issued hereunder.

"Seventh Supplemental Ordinance" shall mean this Seventh Supplemental Ordinance No. 2009-83 of the Council of the City enacted on August 19, 2009.

"Short-Term Interest Rate Period" means each period, comprised of Bond Interest Terms, during which Bond Interest Term Rates are in effect.

"SIFMA Municipal Swap Index" shall mean the Securities Industry and Financial Markets Association Municipal Swap Index (previously known as the "Bond Market Association Municipal Swap Index" or the "PSA Municipal Swap Index") announced by Municipal Market Data; provided, that if such Municipal Swap Index is no longer produced, any reasonably equivalent nationally recognized index as determined by the Remarketing Agent, with notice to the

City, the Credit Provider, if any, and the Liquidity Facility Provider, if any, for use in its stead.

"Sixth Supplemental Ordinance" shall mean Sixth Supplemental Ordinance No. 2009-87 of the Council of the City enacted on August 19, 2009.

"Subseries" shall mean any Subseries of Series 2009 Bonds established pursuant to Section 4.

"Swap" shall mean the interest rate swap transaction entered into under the authorization of the Fifth Supplemental Ordinance.

"Swap Provider" shall mean JPMorgan Chase Bank, N.A., as the provider of the Swap.

"Tender Agent" shall mean U.S. Bank National Association, and its successor or successors as Tender Agent appointed pursuant to the provisions of this Seventh Supplemental Ordinance.

"Tender Agreement" means the Tender Agent Agreement among the Paying Agent, the City, the Tender Agent and the Remarketing Agent, as supplemented or amended.

"Third Supplemental Ordinance" shall mean Third Supplemental Ordinance No. 2001-090 of the Council of the City enacted on October 24, 2001.

"Undelivered Bonds" means any Bond so designated in accordance with the provisions of Sections 6(f)(i) or 6(g)(ii).

"Underwriters" shall mean Morgan Keegan & Company, Inc., and Grigsby & Associates.

"Value" or "Values," with respect to any Permitted Investments for the 2009 Debt Service Fund, calculated under the Ordinance, shall be determined as of any date of calculation as follows:

(a) the bid price published by a nationally recognized pricing service as selected by the City in its sole discretion;

(b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(c) as to any investment not specified above: the value thereof established by the City in any reasonable manner.

"Weekly Interest Rate" shall mean the interest rate on the Series 2009 Bonds established pursuant to Section 5(e).

"Weekly Interest Rate Period" shall mean each period during which a Weekly Interest Rate is in effect.

Section 2. Certain Findings and Determinations.

The Council hereby finds and determines:

(a) The Council has heretofore enacted the Fifth Supplemental Ordinance, providing for the issuance of not exceeding $105,000,000 principal amount of the City's waterworks and sewer revenue bonds. The Fifth Supplemental Ordinance contemplates that such bonds would either be issued as fixed or variable rate obligations and that the Council would enact a Supplemental Bond Ordinance (as defined in the Fifth Supplemental Ordinance) to authorize the specific terms of such bonds. This Seventh Supplemental Ordinance supplements the Ordinance (including particularly the Fifth Supplemental Ordinance), constitutes and is a "Supplemental Ordinance" within the meaning of such quoted term as defined and used in the Ordinance, and is enacted under and pursuant to the Ordinance. The provisions of the Fifth Supplemental Ordinance, including particularly the findings and determinations set forth in Sections 2 and 4 thereof, are hereby repeated as if fully set forth in this Seventh Supplemental Ordinance.

(b) The Series 2009 Bonds constitute and are "Bonds" within the meaning of the quoted word as defined and used in the Ordinance.

(c) Subject to the following sentence, the Net Revenues pledged under the Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than (i) the lien and charge thereon and the pledge thereof created by the General Bond Ordinance and the First Supplemental Ordinance for the payment and security of the Bonds of 1993; (ii) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the Second Supplemental Ordinance for the payment and security of the Bonds of 1999; (iii) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the Third Supplemental Ordinance for the payment and security of the Bonds of 2001; (iv) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the Fourth Supplemental Ordinance for the payment and security of the Bonds of 2005; and (v) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and this Supplemental Ordinance for the payment and security of the Series 2009 Bonds. The City has heretofore entered into (1) the Swap which is secured by a pledge of and lien and charge upon the Net Revenues of the System, which lien and charge is subordinate and inferior to the lien and charge thereof securing the Outstanding Parity Bonds and any other Bonds issued pursuant to the General Bond Ordinance on a parity with the Outstanding Parity Bonds (including the Series 2009 Bonds) and (2) the Investment Contract, the City's payment obligations under which are limited to Net Revenues of the System available "to meet any obligations of the City which are or which shall become charges, liens or encumbrances upon the Revenues of the System" as provided in Section 6.7 of the General Bond Ordinance.

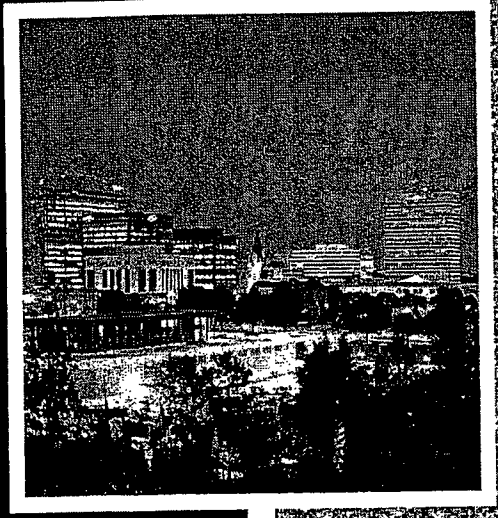
(d) There does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute such Event of Default.

(e) The period of usefulness of the System is in excess of thirty (30) years from the date hereof.

Comprehensive Water and Wastewater Rate Study

For

The City of Columbia, South Carolina



March 2006

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CITY-0005133

ROA-1378

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Executive Summary

This Executive Summary provides the key assumptions and recommendations from a water and wastewater rate study conducted for the City of Columbia, South Carolina (the City). The discussion provided here is compressed into a series of brief comments to provide for a very high level overview of the project. More thorough explanations are provided in the remainder of the report, including the attached exhibits.

Key Assumptions

In the development of the proposed user rates and charges, a significant amount of historical review and analysis has been performed, together with the application of assumptions based on prudent financial, operational and ratemaking relationships. The cost criteria and customer usage characteristics associated with general ratemaking procedures are representative of averages and are not intended as indicators of any individual customer.

In the preparation of the study and projected operating results, certain assumptions have been made with respect to conditions that may occur in the future. While it is believed that these assumptions are reasonable for the purpose of this study, they are dependent upon future events and actual conditions may differ from those assumed. In addition, this study used and relied upon certain information provided by others. This information includes, among other things, the City's audited financial statements, annual operating budgets, periodic reports, and other information and data provided by the City, its independent auditors, and other sources. While the sources are believed to be reliable, there has been no independent verification of the information and no assurances are offered with respect thereto. To the extent that future conditions differ from those assumed herein or provided by others, the actual results may vary from those projected.

Recommendations

1. **Adopt Recommended Rates** – It is recommended that the City adopt the recommended rates presented in this report. The recommended rate schedule moves the City's rates toward a cost-based approach, reflecting the demand and service characteristics of the City's customer classes. The recommended rates start to provide a foundation for funding of required projects, and will help to keep the utility in a financially strong position over the next several years.

The recommended rates for FY 2007 are shown below. These rates reflect an average increase of five percent over current (FY 2006) rates. Additional increases of five percent in each year of the study period are recommended to meet ongoing increases in costs resulting from regulatory requirements and system rehabilitation needs.

Recommended 2007 Rates

	2007 Inside	2007 Outside	
Water			
Minimum Monthly Charge	$ 4.94	$ 8.00	
Volumetric Charge			
Block 1 (0 to 300 CF)	$ 0.00	$ 0.00	
Block 2 (301 to 10,000 CF)	1.55	2.51	*per 100 cubic feet*
Block 3 (10,001 to 100,000 CF)	1.45	2.35	*per 100 cubic feet*
Block 4 (Over 100,000 CF)	1.38	2.24	*per 100 cubic feet*
Wastewater			
Minimum Charge*	$ 4.37	$ 7.87	
Volumetric Charge	2.31	4.16	*per 100 cubic feet*

**Does not include any volume with the minimum charge.*

The recommended rates will result in an increase in bills to the City's customers of about five percent on average. For a typical customer using 7 CCF, (about 5,250 gallons), of water, the monthly bill would go up by five percent to approximately $31.68 for inside customers and $55.02 for outside customers. These amounts reflect customers on both the water and sewer system; water-only customers would experience smaller increases.

Typical 2007 Monthly Bill using 7ccf

	7ccf Inside	7ccf Outside
Water		
Minimum Bill	$ 4.94	$ 8.00
Consumption (ccf)		
0-3	$ 0.00	$ 0.00
3.01 - 7	6.20	10.04
Total	**$ 6.20**	**$ 10.04**
Total Water Bill	**$ 11.14**	**$ 18.04**
Wastewater		
Minimum Bill	$ 4.37	$ 7.87
Consumption Charge	16.17	29.11
Total Wastewater Bill	$ 20.54	$ 36.98
TOTAL MONTHLY BILL	**$ 31.68**	**$ 55.02**

The complete rate schedule by customer class covers a full five-year forecast period and is provided in Section 2 of this report.

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2. **Funding the CIP** – The City faces a large capital improvements plan. This report makes the following recommendations regarding this CIP:

   - The recommended rates described above are sufficient to fund the CIP. Fully funding the CIP is important to maintaining the ability of the systems to meet the operating, rehabilitation, and regulatory needs of the systems.

   - Second, it is important that the City explicitly embrace an increased level of spending on capital projects. In recent years budget constraints have resulted in numerous project postponements. The impact of these postponements is being felt in the form of negative impacts on operations and in that the prices for certain capital projects are now higher than they would have been if the City had been able to implement the project when it was first identified. System maintenance has recently received an increase in funding, which is a positive development. However, the City's investment in water and sewer assets is significant, and it would be appropriate to expect that these needs may continue to increase.

   - Third, the City can rely on its water and wastewater utility as a source of positive support and financial stability, but only for as long as the utility itself is financially sound. Utility operations are capital intensive and involve ongoing expenditures to maintain the ability of the systems to provide the required level of service. Maintenance, rehabilitation, renewal, and repair needs must be planned for, funded, and addressed.

   - The CIP is presently high relative to recent years because of the deferrals of the past. Suppression of the CIP can work for a brief period, but several years of suppression will lead to negative consequences. The currently high level of planned spending represents a "catch-up" opportunity which should be embraced.

3. **Cost Of Service** – It is recommended that the City take two actions to take advantage of the knowledge which can be gleaned from this cost of service analysis.

   - First, move toward a cost of service rate structure by implementing the gradual changes reflected in the recommended rate schedule. The recommended rate schedule reflects the costs of providing service by adjusting some rates upwards while letting other rates hold constant for one or two rate change cycles. This gradual approach keeps the City from implementing dramatic or conflicting shifts in rates which could occur if a wholesale change to a cost driven rate structure were attempted on the basis of a single study.

   - Second, continue to accumulate customer data as requested during this project to provide a foundation for future analyses. As with many utilities, the City's customer database did not provide ready access to the necessary data on demand characteristics by customer class. City staff members and

outside billing system consultants worked to generate the data needed for this study, and this work effort can provide a foundation to make future studies significantly less time consuming and more informative. An update of this study after an additional year or two of data becomes available could provide an increased level of information about the City's customers, thereby further supporting the refinement of the rate schedule to reflect true costs of service.

4. **Inside / Outside Rate Differential** – As is common for many municipal utilities, the City charges higher rates to outside customers. Drivers for such a rate differential include

   - Demand Differences – observed differences in demands between inside and outside customers;
   - Differences in Growth Rates – Outside-City growth is occurring at a more rapid pace than inside-city growth;
   - Resource Based Differentials – Different parts of the water and sewer systems serve different groups of customers. The most obvious example of this is the investment in assets outside of City limits;
   - Equity Investment Differentials – recognizing the City's past expenditures to build the water and wastewater systems; and
   - Owner's Risk – the risks associated with regulatory changes, catastrophes, or the potential loss of demands from outside the City.

   For Columbia, the recommended rate differentials are

   - 1.62 for the water system, and
   - 1.80 for the sewer system.

5. **Connection Charges** – This report provides recommended Capital Contribution Fees for future connections to the City's water and wastewater systems. The CCFs are calculated to reflect the City's costs of providing capacity. The recommended CCF for the wastewater system is $2,647 for a standard residential customer and the water CCF for a standard residential customer is $762. Customers with meters larger than 5/8-inch or 3/4-inch would pay higher charges based on the hydraulic capacity of the larger meter as described in this report. The recommended CCFs will replace the current sewer expansion fee for wastewater and add a capacity fee for water where there has not been one in the past. These fees will help keep increasing system demands from forcing large increases in rates.

6. **System Buy-In Charges** – The City occasionally has opportunities to provide water or wastewater services to wholesale entities outside of its normal service practices. A wide variety of contractual arrangements can be developed under which a city would provide service to neighboring utilities, but a common thread is the desire that the purchasing utility make a payment to reflect the costs of providing capacity.

   This analysis included the development of capital contribution fees, and the unit costs developed in that process are relevant to the question of system buy-in charges. This report recommends that the City adopt buy-in charges within the range established by its average costs of capacity on the low end and its marginal costs of capacity on the high end. The average cost figures are $7.95 per gallon per day of capacity on the wastewater side and $4.40 per gallon per day of capacity on the water side. The marginal cost figures are substantially higher, reflecting increasingly stringent regulatory requirements and uncertainty with regard to future capacity costs at $19.60 for wastewater and $9.20 for water.

7. **Developer-Led Extensions (Water and Sanitary Sewer Extension Agreements)** – The City should consider changing the sewer participation program to a cash-payment plan for connections. This will eliminate the recordkeeping associated with tap certificates that never expire and reduce the unmanaged liability of the existence of such certificates.

   Additionally, the City should consider capping participation at the final project cost and removing the concept of capping at the lesser of project cost or the approved project estimate. The City obviously would still need to monitor, evaluate, and approve the design and construction effort, but these activities are being conducted now and should be sufficient to protect the City's interests.

   It is recommended that the City adopt a five year participation period for wastewater projects and adopt the same five year period for water projects. This is longer than currently allowed for water projects, but it will limit City participation in some sewer projects.

   The City should continue to allow credit only for taps made on the lines in question. Excess connections on one project should not be included in the participation calculations for other projects. Similarly, tap certificates, should they continue to be issued, should not be transferable to any location within the system.

   It is recommended that the City adopt participation rates of $540.78 per connection for the water system and $637.68 for the sewer system. These figures link the City's participation to the future revenue stream from new customers.

8. **Main Line Taps** – The City should move cautiously if at all toward any policy change to allow contractors hired by developers to make taps on City mains. Many utilities restrict tapping to utility personnel or contractors specifically engaged by the utility for that purpose. Before making any change, the City must be confident that the process will represent no degradation in its ability to maintain the integrity of the system. As an alternative to allowing non-City personnel to make taps, the City could budget to increase staffing and equipment to a level which would support completing tap requests in a more timely fashion. The costs of this change could be built into a new schedule of charges for taps onto the City's systems. The key concept is to ensure that the City's quality control standards are met in every case where critical "backbone" lines are being tapped.

9. **Return to Sewer** – The City allows certain customers a rate discount to reflect water consumption not returned to the sewer system. This policy is difficult to apply in an equitable manner and the City should consider discontinuing the practice. Eliminating the discount program for customers without the requisite meters will increase the equity of cost recovery for the City's wastewater system and simplify the administration of water billing. Customers with significant unsewered water usage should be allowed time to install deduct meters to allow the City to bill appropriately for water and wastewater services.

10. **Fats, Oil, and Grease** – The City is conducting a number of activities to keep fats, oil, and grease out of the sewer system. Should additional measures be desired, the City could consider broadening the outreach program to the school system and adopting a schedule of fines to penalize customers who fail to keep grease out of the collection system.

11. **Update The Study** – a comprehensive study like this one does not need to be repeated annually, but should be repeated periodically. A frequency of every five years would be appropriate for a system like Columbia's.

Exhibit 2-13
Columbia, South Carolina
2005 Comprehensive Water
& Wastewater Rate Study

System CIP & Sources of Funding

	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	TOTAL
CIP Summary							
Water Projects	$ 17,545,731	$ 24,380,636	$ 47,275,937	$ 11,802,076	$ 24,021,709	$ 13,177,959	$ 138,204,049
Sewer Projects	32,284,898	39,130,719	33,822,100	52,371,300	33,921,940	21,173,813	212,704,769
Total CIP	$ 49,830,629	$ 63,511,355	$ 81,098,037	$ 64,173,376	$ 57,943,649	$ 34,351,772	$ 350,908,818
Sources of Funding							
Bond Funding	$ 39,864,503	50,809,084	68,933,331	49,037,263	43,826,111	15,598,985	$ 268,069,277
Other							
Total Sources of Funding	$ 39,864,503	$ 50,809,084	$ 68,933,331	$ 49,037,263	$ 43,826,111	$ 15,598,985	$ 268,069,277
Projects Funded by Revenues	$ 9,966,126	$ 12,702,271	$ 12,164,706	$ 15,136,113	$ 14,117,538	$ 18,752,787	$ 82,839,541

Exhibit 2-14
Columbia, South Carolina
2005 Comprehensive Water
& Wastewater Rate Study

Existing and Proposed Rates

	2005 Existing	Proposed 2006	2007	2008	2009	2010	2011
WATER - INSIDE							
Minimum Monthly Charge	$ 4.09	$ 4.70	$ 4.94	$ 5.19	$ 5.45	$ 5.72	$ 6.01
Minimum Monthly Charge							
5/8 Inch	$ 4.09	$ 4.70	$ 4.94	$ 5.19	$ 5.45	$ 5.72	$ 6.01
1 Inch	$ 6.84	7.86	8.26	8.68	9.11	9.57	10.05
1.5Inch	$ 9.57	11.00	11.56	12.14	12.75	13.38	14.06
2 Inch	$ 15.02	17.26	18.14	19.06	20.01	21.01	22.07
3 Inch	$ 25.96	29.83	31.36	32.94	34.59	36.31	38.15
4 Inch	$ 47.82	54.95	57.76	60.68	63.72	66.88	70.27
6 Inch	$ 102.48	117.76	123.78	130.04	136.56	143.32	150.59
8 Inch	$ 137.60	158.12	166.20	174.61	183.35	192.44	202.19
10 Inch	$ 325.20	373.70	392.78	412.66	433.33	454.80	477.86

	2005 Existing	Proposed 2006	2007	2008	2009	2010	2011
WATER - OUTSIDE							
Minimum Monthly Charge	$ 8.19	$ 9.42	$ 8.00	$ 8.41	$ 8.83	$ 9.27	$ 9.74
Minimum Monthly Charge							
5/8 Inch	$ 8.19	$ 9.42	$ 8.00	$ 8.41	$ 8.83	$ 9.27	$ 9.74
1 Inch	$ 13.67	15.72	13.35	14.04	14.74	15.47	16.26
1.5Inch	$ 19.14	22.01	18.70	19.65	20.64	21.66	22.76
2 Inch	$ 30.05	34.56	29.35	30.86	32.40	34.01	35.74
3 Inch	$ 51.93	59.73	50.73	53.32	55.99	58.78	61.76
4 Inch	$ 95.64	110.00	93.42	98.21	103.11	108.25	113.74
6 Inch	$ 204.96	235.74	200.21	210.47	220.98	231.99	243.75
8 Inch	$ 275.21	316.54	268.83	282.60	296.72	311.50	327.29
10 Inch	$ 650.40	748.08	635.31	667.87	701.22	736.17	773.49

	2005 Existing	Proposed 2006	2007	2008	2009	2010	2011
WASTEWATER							
WASTEWATER - INSIDE							
0							
Minimum Monthly Charge	$ 3.62	$ 4.16	$ 4.37	$ 4.59	$ 4.82	$ 5.06	$ 5.31
Proposed Structure		$ 4.16	$ 4.37	$ 4.59	$ 4.82	$ 5.06	$ 5.31
5/8 Inch	3.62	$ 4.16	$ 4.37	$ 4.59	$ 4.82	$ 5.06	$ 5.31
1 Inch	6.05	6.95	7.30	7.67	8.05	8.45	8.87
1.5Inch	8.47	9.74	10.23	10.74	11.28	11.84	12.43
2 Inch	13.29	15.28	16.04	16.84	17.68	18.56	19.49
3 Inch	22.99	26.44	27.76	29.15	30.61	32.14	33.75
4 Inch	42.32	48.67	51.10	53.66	56.34	59.16	62.12
6 Inch	90.72	104.32	109.54	115.02	120.77	126.81	133.15
8 Inch	121.78	140.04	147.04	154.39	162.11	170.22	178.73
10 Inch	287.83	331.00	347.55	364.93	383.18	402.34	422.46
Billing Charge (Per Account)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Volumetric Rates Per 100 CF - Wastewater							
All Flow	$ 1.91	$ 2.20	$ 2.31	$ 2.43	$ 2.55	$ 2.68	$ 2.81
WASTEWATER - OUTSIDE							
Minimum Monthly Charge							
Existing Structure	$ 3.62	$ 4.16	$ 7.87	$ 8.26	$ 8.68	$ 9.11	$ 9.56
Proposed Structure		$ 4.16	$ 7.87	$ 8.26	$ 8.68	$ 9.11	$ 9.56
5/8 Inch	3.62	$ 4.16	$ 7.87	$ 8.26	$ 8.67	$ 9.10	$ 9.56
1 Inch	6.05	6.95	13.14	13.80	14.49	15.21	15.96
1.5Inch	8.47	9.74	18.41	19.33	20.30	21.31	22.37
2 Inch	13.29	15.28	28.87	30.32	31.84	33.43	35.08
3 Inch	22.99	26.44	49.95	52.46	55.09	57.84	60.69
4 Inch	42.32	48.67	91.95	96.58	101.42	106.47	111.73
6 Inch	90.72	104.32	197.12	207.05	217.42	228.25	239.52
8 Inch	121.78	140.04	264.61	277.93	291.86	306.39	321.53
10 Inch	287.83	331.00	625.43	656.91	689.83	724.18	759.96
Billing Charge (Per Account)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Volumetric Rates Per 100 CF - Wastewater							
All Flow	$ 2.75	$ 3.16	$ 4.16	$ 4.37	$ 4.59	$ 4.82	$ 5.06

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Exhibit 3-7
Columbia, South Carolina
2005 Comprehensive Water
& Wastewater Rate Differential Study

Water Rate Differential Calculation

Line	Description	Value	Allocation Rate Inside	Allocation Rate Outside	Basis	Allocation Inside	Allocation Outside
1	Return on Investment	$ 11,603,850	14%	86%	ROI Differential	$ 1,569,934	$ 10,033,916
2	Depreciation	9,801,405	36%	64%	Percentage Peak	3,483,303	6,318,101
3	O&M-Plant Operations	10,449,263	39%	61%	Average Day	4,093,119	6,356,144
4	O&M-Customer Service	17,533,001	24%	76%	Adjusted Customers	4,144,975	13,388,026
5	O&M-System	10,293,693	36%	64%	Percentage Peak	3,658,257	6,635,437
6	Total	$ 59,681,212				$ 16,949,589	$ 42,731,624
7	Average Billable Volumes					39%	61%
8	Weighted Annual Cost					43,270,354	70,249,192
9	(Allocated Cost / Average Flow Weight)						
10	**Water Rate Differential** (Weighted Outside Cost / Weighted Inside Cost)						1.62

	1	2	3	4	5	6
Outside ROI Greater then Inside	0.0%	1.0%	2.0%	3.0%	4.0%	5.0%
Resulting Water Differential	1.34	1.43	1.52	1.62	1.74	1.86

Exhibit 3-12
Columbia, South Carolina
2005 Comprehensive Water
& Wastewater Rate Differential Study

Wastewater Rate Differential Calculation

Line	Description	Value	Allocation Rate Inside	Allocation Rate Outside	Basis	Allocation Rate Inside	Allocation Rate Outside
1	Return on Investment	$ 22,610,406	30%	70%	ROI Differential	$ 6,829,604	$ 15,780,801
2	Depreciation	5,197,724	47%	53%	Adjusted Customers	2,430,137	2,767,587
3	O&M-Plant Operations	8,524,601	59%	41%	Average Day	5,062,322	3,462,279
4	O&M-Customer Service	3,004,353	47%	53%	Adjusted Customers	1,404,651	1,599,702
5	O&M-System	12,946,786	59%	41%	Average Day	7,688,430	5,258,356
6	Total	$ 52,283,870				$ 23,415,144	$ 28,868,726
						59%	41%
7	Average Billable Volumes					39,429,488	71,078,721
8	Weighted Annual Cost						
9	(Allocated Cost / Average Flow Weight)						
10	**Wastewater Rate Differential** (Weighted Outside Cost / Weighted Inside Cost)						1.80

	1	2	3	4	5	6
Outside ROI Greater then Inside	0.0%	1.0%	2.0%	3.0%	4.0%	5.0%
Resulting Sewer Rate Differential	1.50	1.60	1.70	1.80	1.92	2.04

Chapter 1

GENERAL PROVISIONS

Sec. 1-1. Designation and citation of Code.
Sec. 1-2. Definitions and rules of construction.
Sec. 1-3. Provisions considered as continuation of existing ordinances.
Sec. 1-4. Jurisdiction of Code and ordinances.
Sec. 1-5. General penalty; continuing violations.
Sec. 1-6. Catchlines, history notes and references.
Sec. 1-7. Severability of parts of Code.
Sec. 1-8. Amendments to Code.
Sec. 1-9. Applicability of penalties to amended provisions.
Sec. 1-10. Supplementation of Code.
Sec. 1-11. Certain ordinances not affected by Code.

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Sec. 1-1. Designation and citation of Code.

The ordinances embraced in this and the following chapters and sections shall constitute and be designated "Code of Ordinances, City of Columbia, South Carolina," and may be so cited. Such ordinances may also be cited as "Columbia City Code."

Sec. 1-2. Definitions and rules of construction.

(a) In the construction of this Code and of all ordinances of the city, the following definitions and rules of construction shall be observed, unless inconsistent with the manifest intent of the city council or the text clearly requires otherwise:

And, or. The word "and" may be read as "or," and the word "or" as "and," where the sense requires it.

Bond. When a bond is required, an undertaking in writing shall be sufficient.

City. The term "the city" means the City of Columbia, in the County of Richland and State of South Carolina, except as otherwise provided.

Code. Whenever the words "Code" or "this Code" are used they shall mean and refer to the Code of Ordinances, City of Columbia, South Carolina, as designated in section 1-1.

Computation of time. The time within which an act is to be done shall be computed by excluding the first day and including the last day, and if the last day is Sunday or a legal holiday, that day shall be excluded.

Council and *city council.* The terms "the council" and "the city council" mean the City Council of Columbia, South Carolina, and shall be inclusive of the mayor.

County. The term "county" means the County of Richland and/or the County of Lexington in the State of South Carolina.

Delegation of authority. Whenever a provision appears in this Code requiring or authorizing the head of a department or other officer of the city to do some act or perform some duty, it shall be construed to authorize such department head or other officer to designate, delegate and authorize subordinates to do the required act or perform the required duty unless the terms of the provision specifically designate otherwise.

Gender. Words importing the masculine gender include the feminine and neuter.

In the city. The term "in the city" means and includes any territory within the corporate limits of the City of Columbia, South Carolina, and the police jurisdiction thereof, and any other territory over which regulatory power has been conferred on the city by general or special act, except as otherwise specified.

Interpretation. In the interpretation and application of any provision of this Code, it shall be held to be the minimum requirement adopted for the promotion of the public health, safety,

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comfort, convenience and general welfare. Where any provision of this Code imposes greater restrictions upon the subject matter than any general provisions imposed by this Code, the provisions imposing the greater restriction or regulation shall be applicable.

Joint authority. All words giving joint authority to three or more persons or officers shall be construed as giving such authority to a majority of such persons or officers.

Minor. The term "minor" means any person under the age of 18 years, unless otherwise governed by state law.

Month. The term "month" means a calendar month.

Municipal clerk and *clerk.* The terms "municipal clerk" and "clerk" mean the Municipal Clerk of the City of Columbia as described in S.C. Code 1976, § 5-7-220.

Number. Words used in the singular number include the plural, and words used in the plural number include the singular.

Oath. The term "oath" includes an affirmation in all cases in which, by law, an affirmation may be substituted for an oath, and in such cases the words "swear" and "sworn" shall be equivalent to the words "affirm" and "affirmed."

Officers, employees, departments. The title of any officer, employee, department, board or commission used in this Code shall be construed as if the words "of the City of Columbia, South Carolina" followed it.

Owner. The term "owner," applied to a building or land, includes any part owner, joint owner, tenant in common, joint tenant, or tenant by the entirety of the whole or a part of such building or land.

Person. The term "person" includes a corporation, firm, partnership, association, organization and any other group acting as a unit, as well as an individual.

Personal property. The term "personal property" includes every species of property except real property.

Preceding, following. The terms "preceding" and "following" mean next before and next after, respectively.

Property. The term "property" includes real and personal property.

Public property. The term "public property" includes all land owned or leased by the city within or without the city.

Real property and *real estate.* The terms "real property" and "real estate" include lands, tenements and hereditaments.

Roadway. The term "roadway" means that portion of a street improved, designated or ordinarily used for vehicular travel.

Shall, may. The word "shall" is mandatory; the word "may" is permissive.

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Sidewalk. The term "sidewalk" means any portion of a street between the curbline, or the lateral line of a roadway where there is no curb, and the adjacent property line, intended for the use of pedestrians.

Signature and *subscription.* The terms "signature" and "subscription" include a mark when the person cannot write.

State. The terms "the state" and "this state" mean the State of South Carolina.

Statute references. Whenever reference is made to state law or to the state statutes, it shall be construed to refer to the latest edition of the Code of Laws of South Carolina, as amended.

Street. The term "street" includes avenues, boulevards, highways, roads, alleys, lanes, viaducts, bridges and the approaches thereto and all other public thoroughfares in the city, and means the entire width thereof between opposed abutting property lines. It shall be construed to include a sidewalk or footpath, unless the contrary is expressed or unless such construction would be inconsistent with the manifest intent of the city council.

Tenant and *occupant.* The term "tenant" or "occupant," applied to a building or land, includes any person who occupies the whole or a part of such building or land, whether alone or with others.

Tense. Words used in the past or present tense include the future as well as the past and present.

Writing and *written.* The terms "writing" and "written" include printing and any other mode of representing words and letters.

Year. The term "year" means a calendar year.

(b) In the construction of this Code and of all ordinances of the city, all officers, agents, employees and other persons, together with all things and places therein referred to, unless a contrary intention appears, shall be construed to mean the officers, agents, employees, and other persons, things and places situate in the city or employed by or appertaining to the city.

Sec. 1-3. Provisions considered as continuation of existing ordinances.

The provisions appearing in this Code, so far as they are the same as those of the 1979 Code and all ordinances adopted subsequent to the 1979 Code and included herein, shall be considered as continuations thereof and not as new enactments.

Sec. 1-4. Jurisdiction of Code and ordinances.

In the construction of this Code and of all ordinances of the city, all acts prohibited or punishable under this Code or under any particular ordinance, unless a contrary intent appears, shall be construed to refer to such acts when committed or occurring within the limits of the city or in other places over which the municipal court and city police have authority or

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jurisdiction under the laws of the state, even though the Code or the particular ordinance only provides that such acts shall be prohibited or punishable and shall not specifically designate the jurisdiction or scope thereof.

Sec. 1-5. General penalty; continuing violations.

(a) Wherever in the Code, or in any ordinance or resolution of the city, or rule or regulation or order promulgated by any officer or agency of the city under authority duly vested in him or it, any act is prohibited or is declared to be unlawful or an offense or misdemeanor, or the doing of any act is required, or the failure to do any act is declared to be unlawful or an offense or misdemeanor, and no specific penalty is provided for the violation thereof, the violation of any such provision of the code or any such ordinance, resolution, rule, regulation or order shall be punished by a fine of not more than $500.00 or by imprisonment for not more than 30 days, or both.

(b) Except as may otherwise be provided, each day any violation of the Code or any such ordinance, resolution, rule, regulation or order shall continue shall constitute a separate offense.

(c) Any person or entity who violates any provision of the Code or any code adopted pursuant to this Code, excluding any provision regulating the use of motor vehicles on public roads, may be issued a uniform ordinance summons in a form prescribed by South Carolina Code Ann. Section 56-7-80. Issuance of the uniform ordinance summons shall vest jurisdiction in the municipal court to hear and dispose of the charge for which the uniform ordinance summons was issued and served. The uniform ordinance summons may be issued by any city law enforcement officer or any other city official or employee designated by the city manager as a code enforcement officer. The amount of the bond prescribed by the municipal judge for the offense and the procedure for posting the bond shall be noted on the uniform ordinance summons. City law enforcement officers or code enforcement officers are prohibited from accepting bonds. The uniform ordinance summons shall not be used to perform a custodial arrest. The uniform ordinance summons shall contain a notice that failure to appear before the court without having posted bond or without having been granted a continuance is a misdemeanor punishable by a fine up to $500.00 or imprisonment for up to 30 days, or both. (Ord. No. 2000-052, 7-26-00)

State law reference—General limit on municipal penalty, S.C. Code 1976, § 5-7-30.

Sec. 1-6. Catchlines, history notes and references.

(a) The headings of the several sections of this Code printed in boldface type are intended as mere catchwords to indicate the contents of the sections, and shall not be deemed or taken to be titles of such sections, or any part of the sections, nor, unless expressly so provided, shall they be so deemed when any of such sections, including the catchlines, are amended or reenacted.

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(b) The history notes appearing in parentheses after sections of the Code and the references and notes scattered throughout the Code are for the benefit of the user of the Code and shall have no legal effect.

Sec. 1-7. Severability of parts of Code.

It is hereby declared to be the intention of the city council that the sections, paragraphs, sentences, clauses and phrases of this Code are severable, and if any phrase, clause, sentence, paragraph or section of this Code shall be declared unconstitutional or invalid by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Code.

Sec. 1-8. Amendments to Code.

(a) Any and all additions and amendments to this Code, when passed in such form as to indicate the intention of the city council to make the addition or amendment a part of this Code, shall be deemed to be incorporated in this Code, so that reference to the "Code of Ordinances, City of Columbia, South Carolina" shall be understood and intended to include such additions and amendments.

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Erika D. Moore
CITY CLERK 3-20-2012

CITY-0008627

ROA-1396

(b) All ordinances passed subsequent to the adoption of this Code which amend, repeal or in any way affect this Code may be numbered in accordance with the numbering system of this Code and printed for inclusion in the Code, or, in the case of the repeal of chapters, sections and subsections, or any part thereof, by subsequent ordinances, such repealed portions may be excluded from the Code by omission from reprinted pages affected thereby; and the subsequent ordinances, as numbered and printed, or omitted in the case of repeal, shall be prima facie evidence of such subsequent ordinances until such time that this Code and subsequent ordinances numbered or omitted are readopted as a new code of ordinances by the city council.

(c) Amendments to any of the provisions of this Code should be made by amending such provisions by specific reference to the section of this Code in substantially the following language: "That section _____ of the Code of Ordinances, City of Columbia, South Carolina, is hereby amended to read as follows: . . . " (set out new provisions in full).

(d) If a new section not heretofore existing in the Code is to be added, the following language may be used: "That the Code of Ordinances, City of Columbia, South Carolina, is hereby amended by adding a section (or article, chapter or other designation as the case may be), to be numbered _____, which reads as follows: . . . " (set out new provisions in full).

(e) In lieu of subsection (d) of this section, when the city council desires to enact an ordinance of a general and permanent nature embracing a subject not previously existing in the Code, which the council desires to incorporate into the Code, a provision in substantially the following language may be made part of such ordinance: "It is the intention of the city council, and it is hereby ordained, that the provisions of this ordinance shall become and be made part of the Code of Ordinances, City of Columbia, South Carolina, and the sections of this ordinance may be renumbered to accomplish such intention."

(f) All sections, articles, chapters or other provisions of this Code desired to be repealed should be specifically repealed by section number, article number, chapter number or other number, as the case may be.

Sec. 1-9. Applicability of penalties to amended provisions.

In case of the amendment by the city council of any section of this Code for which a penalty is not provided, the general penalty, as provided in section 1-5, shall apply to the section as amended; or, in case such amendment contains provisions for which a penalty other than such general penalty is provided in another section in the same chapter, the penalty so provided in such other section shall be held to relate to the section so amended, unless such penalty is specifically repealed therein.

Sec. 1-10. Supplementation of Code.

(a) By contract or by city personnel, supplements to this Code shall be prepared and printed whenever authorized or directed by the city council. A supplement to the Code shall include all substantive permanent and general parts of ordinances passed by the council during the period covered by the supplement and all changes made thereby in the Code. The pages of a

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Tika D. Hall

CITY-0008628

ROA-1397

supplement shall be so numbered that they will fit properly into the Code and will, when necessary, replace pages which have become obsolete or partially obsolete, and the new pages shall be so prepared that, when they have been inserted, the Code will be current through the date of the adoption of the latest ordinance included in the supplement.

(b) In preparing a supplement to this Code, all portions of the Code which have been repealed shall be excluded from the Code by the omission thereof from reprinted pages.

(c) When preparing a supplement to this Code, the codifier (meaning the person, agency or organization authorized to prepare the supplement) may make formal, nonsubstantive changes in ordinances and parts of ordinances included in the supplement, insofar as it is necessary to do so to embody them into a unified Code. For example, the codifier may:

(1) Organize the ordinance material into appropriate subdivisions.

(2) Provide appropriate catchlines, headings and titles for sections and other subdivisions of the Code printed in the supplement, and make changes in such catchlines, headings and titles.

(3) Assign appropriate numbers to sections and other subdivisions to be inserted in the Code and, where necessary to accommodate new material, change existing section or other subdivision numbers.

(4) Change the words "this ordinance" or words of the same meaning to "this chapter," "this article," "this division," etc., as the case may be, or to "sections _____ to _____" (inserting section numbers to indicate the sections of the Code which embody the substantive sections of the ordinance incorporated into the Code).

(5) Make other nonsubstantive changes necessary to preserve the original meaning of ordinance sections inserted into the Code, but in no case shall the codifier make any change in the meaning or effect of ordinance material included in the supplement or already embodied in the Code.

Sec. 1-11. Certain ordinances not affected by Code.

Nothing in this Code or the ordinance adopting this Code shall affect any ordinance:

(1) Promising or guaranteeing the payment of money for the city, or authorizing the issuance of any bonds of the city or any evidence of the city's indebtedness, or any contract or obligations assumed by the city.

(2) Providing for zoning map amendments.

(3) Prescribing rates, charges and fees for any city service.

(4) Granting any right or franchise and establishing any rates therefor.

(5) Dedicating, naming, establishing, locating, relocating, opening, paving, widening, vacating, etc., any street or public way in the city.

(6) Making any appropriation.

CERTIFIED

(7) Levying or imposing taxes, not inconsistent with this Code.

(8) Adopting community antenna television system regulations.

(9) Providing for local improvements and assessing taxes therefor.

(10) Dedicating or accepting any plat or subdivision in the city.

(11) Adopting, extending or contracting the boundaries of the city.

(12) Prescribing the number, classification or compensation of any city officers, employees or agents, not inconsistent with this Code.

(13) Which is not of a general and permanent nature.

(14) Which contracts with the state municipal association for the collection of business license taxes or with the county for the collection of taxes.

All such ordinances are hereby recognized as continuing in full force and effect to the same extent as if set out at length in this Code. Such ordinances are on file in the office of the city clerk.

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CITY-0008630

New Meter

CITY OF COLUMBIA
SOUTH CAROLINA
CUSTOMER SERVICE/P.O. BOX 147/ COLUMBIA, S.C. 29217/ (803) 733-8285

APPLICATION FOR SERVICE CONTRACT

Owner New ____ Prev. ✓ Tenant New ____ Prev. ____ Guarantor ____

Name: M. A Letts

Account Number: ~~5819~~ 5819-1806

Service Location: 2 STAGBRIAR

Mailing Address: 11 " 29223

The undersigned hereby applies to the City of Columbia for a water/sewer supply, to be furnished through a meter, for which service the undersigned agrees to pay a monthly rate and minimum charge (whether the minimum volume of water is used or not) as may be established by the City of Columbia in accordance with its ordinances. It is understood and agreed that the applicant will comply with all rate schedules, rules, regulations and ordinances (Section 5-4012) of the City of Columbia in connection with this service; that the City reserves the right at any time without notice to interrupt water service for maintenance, repairs or extensions without any liability to the undersigned or owner of such premises for damages resulting therefrom; that the undersigned will not receive water from any part of the City water system without a valid permit from the City Engineer or without an in-service meter and that unpaid charges for water service shall be posted against the undersigned applicant's Security Deposit.

It is understood and agreed that at any future time should any part of the property described above become contiguous to the city limits of the City of Columbia, the owner will cause that property to be annexed. In this event, the City of Columbia reserves the right to discontinue service until the above described property is annexed.

The undersigned agrees to notify the City of Columbia in person or in writing with proper identification, when he/she desires to have his service terminated. Water Customer Service shall be allowed five (5) days after the receipt of such notice to take a final reading of the meter and to discontinue service. For all new services, or if your service is terminated for nonpayment, you will be subject to a maximum deposit of up to $100.00.

Redacted Driver's License # Redacted

(S) SS # ____ (S) Driver's License # ____

(G) SS # ____ (G) Driver's License # ____

Work Place: ____ HP # 736-9915 BP # 788-8300

Work Place: ____ HP # ____ BP # ____

Previous or Guarantor Account: 5770-3446-9 Bill Paid (Yes) No

Previous or Guarantor Address: 132 WINDRIDGE Rd.

Deposit Amount $ ____ IE # ____

Signature: M. A Letts Signature: ____

Received By: ____ Dated: 10/25/93

CITY-0005409

ROA-1400

RESOLUTION

Adoption of Policy on Water and Sewer Fund Transfers to General Fund

WHEREAS, the waterworks and sewer system (the "System") of the City of Columbia (the "City") serve approximately 90,000 customers throughout the metropolitan area of the City; and

WHEREAS, the City has made a substantial capital investment in the System since its inception; and

WHEREAS, the System has in recent years produced annual revenues in excess of the sum of the expenses of operating and maintaining the System and debt service on the debt payable from System revenues (the "Net Revenues"); and

WHEREAS, the Net Revenues have been attributable to many factors, including, but not limited to, the City:

(a) maintaining the rates and charges for services provided by the System at levels sufficient to allow the City to meet the financial covenants of its Bond Ordinances and to provide sufficient debt service coverage to allow the City to meet the capital needs of the System, and providing a rate of return to the City on the capital it has invested in the System;

(b) operating and maintaining the System in an efficient and businesslike manner; and

(c) providing for a record of debt service coverage sufficient to achieve and maintain a credit rating of AA on the System's debt, thus minimizing the System's cost of borrowing; and

WHEREAS, the City has no policy governing the amount of Net Revenues, if any, to be transferred in each fiscal year

C-1-C

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Linda D. Hare
CITY CLERK 5.22.2013

CITY-0008476

from its water and sewer fund (the "Water and Sewer Fund"), and prudent financial practice dictates that a policy be adopted so that Net Revenues transfers in future years impair neither the City's ability to operate and maintain the System and to borrow moneys to finance capital improvements to the System nor the creditworthiness of the City's General Obligation Bonds (which could result if the transfers to the General Fund were inordinately large compared to other General Fund revenues); NOW, THEREFORE,

BE IT RESOLVED by the Mayor and Council this 27th day of October, 1993, that the following general policy is 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 issued and to make payment of any required debt service, (c) maintain all financial and capital reserves at their required levels or (d) maintain the capacity to fund capital improvements to the System without unduly relying on bonded indebtedness (e.g. using debt to finance more than approximately 50% of capital requirements);

2. The City shall not transfer Net Revenues from the Water and Sewer Fund to the General Fund in amounts which would make necessary increases to the rates and charges of the System that would make such rates and charges uncompetitive compared to the rates and charges of surrounding water and sewer providers or those providers of water and sewer services in the State's other major metropolitan areas;

3. 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;

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Erika D. Wood
CITY CLERK 5-22-2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2011

City Manager
Steven A. Gantt

Finance Director
William H. Ellis, CPA

Prepared by the
Finance Department

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VIII. SUBSEQUENT EVENTS

On December 8, 2011, the City issued $127,265,000 of Waterworks and Sewer System Revenue Bonds. The bonds are to be repaid from revenues derived from the City's water and sewer system. Of the proceeds from the bonds, $100,000,000 (Series 2011A) is for improving and enlarging the sewer system. $27,265,000 (Series 2011B) is to refund a portion of the system's 2001 bond issue. Annual principal installments for Series 2011A range from $1,955,000 to $23,520,000 with interest rates of 2.0% to 5.0%. Payments will commence on 2/1/2013 and end on 2/1/2041. Periodic interest payments will be paid semi-annually through 2/1/2013 until principal payments begin at that time. Annual principal installments for Series 2011B range from $3,420,000 to $4,455,000 with interest rates of 4.0% to 5.0%. Payments will commence on 2/1/2013 and end on 2/1/2019. Periodic interest payments will be paid semi-annually through 2/1/2013 until principal payments begin at that time.

Also subsequent to year end, the City had made preliminary plans to authorize up to $6,000,000 of General Obligation Bonds. An ordinance permitting this bond issue had not been enacted at the date of issuance of these financial statements.

Lastly, subsequent to year end, City Council approved a modification of the retiree health benefit program. The City changed from a defined benefit to a defined contribution plan.

CITY-0008569

ROA-1405

CITY OF COLUMBIA, SOUTH CAROLINA

Revenue Bond Coverage
Water and Sewer Bonds

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
2002	$ 77,671,344	$ 29,891,043	$ 47,780,301	$ 13,420,000	$ 6,985,440	$ 20,405,440	2.34
2003	78,738,660	34,344,036	44,394,624	9,033,368	11,062,110	20,095,478	2.21
2004	77,856,380	41,513,901	36,342,479	8,969,249	11,124,590	20,093,839	1.81
2005	78,864,065	44,812,297	34,051,768	8,965,071	11,122,212	20,087,283	1.70
2006	92,726,369	51,852,947	40,873,422	14,915,000	7,052,737	21,967,737	1.86
2007	101,657,409	53,436,775	48,220,634	9,275,000	7,889,584	17,164,584	2.81
2008	118,014,221	61,347,698	56,666,523	9,865,000	7,419,673	17,284,673	3.28
2009	110,181,495	58,541,111	51,640,384	10,410,000	6,880,982	17,290,982	2.99
2010	113,389,385	76,393,887	36,995,498	11,295,000	7,673,174	18,968,174	1.95
2011	110,749,377	79,584,775	31,164,602	11,905,000	12,724,467	24,629,467	1.27

(1) Gross revenues are defined by the bond ordinance of 1991 as "all fees, tolls, rates, rentals and charges to be levied and collected in connection with, and all other income and receipts of whatever kind of character derived by the City from the operation of the system or arising from the system." Accordingly, gross revenues include operating revenues, interest revenues, and gains/losses on disposals of capital assets.

(2) Direct operating expenses include all operating and maintenance expenses except depreciation.

The next highest annual debt service requirement is $25,917,772 for fiscal year ending June 30, 2012

CITY-0008612

ROA-1406

Dixon Lee

From: Tommy Lydon <tlydon@mgclaw.com>
Sent: Thursday, June 07, 2012 11:43 AM
To: Kinard, J. Ernest Jr.; Gene Connell
Cc: Mullen Taylor; Dixon Lee; Frankie Odonnell
Subject: RE: Azar vs Columbia
Attachments: Order denying class certification.doc

Wilson,
Attached is a proposed Order Denying Plaintiffs' Motion for Class Certification. I am mailing a hard copy to Judge Kinard's post office box in Camden. However, in the event that he wants to make revisions to the Order, I thought it might help if I sent an electronic copy to you.

<http://mm1.lettermark.net/mgclaw/card/VEQV_6.map>
Thomas E. Lydon III
Attorney
803-227-2292
tlydon@mgclaw.com<http://mm1.lettermark.net/mgclaw/card/VEQV_6.gif>

-----Original Message-----
From: Kinard, J. Ernest Jr. [EKinardJ@sccourts.org]
Sent: Monday, June 04, 2012 11:42 AM
To: Gene Connell
Cc: Mullen Taylor; Tommy Lydon; Dixon Lee (DLEE@mclarenandlee.com); Frankie Odonnell
Subject: RE: Azar vs Columbia

Attorneys,

If you are willing to wait for your case to be heard, Judge Kinard is willing to put your case down for the 3:30 time slot for tomorrow and Judge Kinard hear your case after the other motions scheduled at 3:30 have been heard.

Please advice if this is acceptable.

Best Regards,

Wilson P. Davis
Law Clerk
The Honorable J. Ernest Kinard, Jr.

From: Gene Connell [gconnell@classactlaw.net]
Sent: Monday, June 04, 2012 10:54 AM
To: Kinard, J. Ernest Jr.
Cc: Mullen Taylor (Mullen.Taylor@mgclaw.com); Tommy Lydon (tlydon@mgclaw.com); Dixon Lee (DLEE@mclarenandlee.com); Frankie Odonnell
Subject: Azar vs Columbia

Dear Judge Kinard;

I have attached our brief in support of class certification in this case(the original was mailed to the clerk Friday). Dixon Lee my co-counsel will file our response to the motion to dismiss today and email a copy to you. I have talked to Tommy Lydon, attorney for the defense and we believe these motions will take an hour. I just learned 15 minutes ago the hearing in Georgetown is cancelled so I will do whatever the court advises me to do. If you want us to proceed today then I will leave at once. It takes 2 hours and 45 minutes to get to Columbia from Surfside. Also, Dixon has knee surgery on June 6 and is unavailable that day. Please advise when you have a chance to review this matter. Gene Connell

CONFIDENTIALITY NOTE: THIS E MAIL HAS BEEN SENT FROM A LAW FIRM. IT MAY CONTAIN PRIVILEGED AND CONFIDENTIAL INFORMATION AND IS INTENDED SOLELY FOR THE USE OF PERSON OR PERSONS NAMED ABOVE. IF YOU ARE NOT AN INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION OR DUPLICATION OF THIS E MAIL IS PROHIBITED AND THAT THERE SHALL BE NO WAIVER OF ANY PRIVILEGE OR CONFIDENCE BY YOUR RECEIPT OF THIS TRANSMISSION. IF YOU HAVE RECEIVED THIS EMAIL IN ERROR, PLEASE NOTIFY US IMMEDIATELY AT (843)238-5648.

STATE OF SOUTH CAROLINA	)	
	)	IN THE COURT OF COMMON PLEAS
COUNTY OF RICHLAND	)	
Joseph S. Azar, Frank J. Cumberland, Jr., and Michael A. Letts, Individually and as Class Representatives,	)	Civil Action No. 2011-CP-40-6705
Plaintiffs,	)	
vs.	)	
City of Columbia,	)	
Defendant.	)	

ORDER DENYING PLAINTIFFS' MOTION FOR CLASS CERTIFICATION

This matter came before the Court for a hearing on Plaintiffs' Motion for Class Certification. Specifically, the motion before the Court seeks to certify a class of water customers of the City of Columbia, past and present as of three years prior to the filing of the Complaint. Having reviewed the pleadings, the motion, and the memoranda submitted by Plaintiffs and Defendant, I find and conclude that class certification is not necessary or appropriate in this case.

The primary issue presented in the case is whether the City of Columbia's water and sewer charges are subject to limitations found in Section 6-1-330 of the South Carolina Code, which provides that service fees collected by local governments must be used for costs related to the service or program for which it was paid. Plaintiffs allege that the City of Columbia violated this statute by using some of its water and sewer revenues for purposes that they contend are unrelated to water and sewer service, such as funding economic development activities. Plaintiffs also allege that the City's annual transfer of up to $4.5 million dollars from its water and sewer enterprise fund to its

general fund violates Section 6-1-330 of the South Carolina Code. Plaintiffs seek a permanent injunction requiring Defendant in the future "to place all fees collected for operations of and/or capital improvement of the water and sewer system in a segregated account and to only be used for such purposes," and to replace all monies Defendant expended in the past for other purposes.

Plaintiffs are seeking to have a class certified in connection with their claim for injunctive relief. South Carolina appellate courts have not had an opportunity to address a situation involving a proposed class action seeking an injunction against a municipality. However, other courts have held in such cases that, regardless of whether the elements of Rule 23(a) are satisfied, a class should only be certified if there is a need for the complexities and extra costs associated with class suits. *See Craft v. Memphis Light, Gas and Water Division*, 534 F.2d 684 (6th Cir. 1976); *United Farmworkers of Florida Housing Project, Inc. v. City of Delray Beach,* 493 F.2d 799, 812 (5th Cir. 1974). These courts concluded that class certification was unnecessary because any declaratory or injunctive relief given in the individual action of the named plaintiffs would inure to the benefit of other similarly situated individuals.

The principle set forth in cases like *Craft v. Memphis Light, Gas and Water Division* and *United Farmworkers of Florida Housing Project, Inc. v. City of Delray Beach* is directly applicable in this case. Plaintiffs seek injunctive relief directing the City of Columbia to comply with Section 6-1-330 of the South Carolina Code. The named Plaintiffs can fully and adequately present this claim, and the Court can assume that the City will comply with an injunction if the Court ultimately deems it appropriate to enter

such relief. Thus, there is no need for the complexities and extra costs associated with class actions, and no useful purpose will be served by class treatment.

Not only is class certification unnecessary in this case, but Plaintiffs have not established all five of the requirements of Rule 23(a), SCRCP, which are necessary for class certification. The South Carolina Supreme Court has held that proponents of class certification bear the burden of proving five prerequisites under South Carolina law. *Waller v. Seabrook Island Property Owners Ass'n,* 300 S.C. 465, 388 S.E.2d 799 (1990); Rule 23(a), SCRCP. The prerequisites are: 1) the class must be so numerous that joinder of all members is impracticable; 2) there must be questions of law or fact common to the class; 3) the claims or defenses of the representative parties must be typical of the claims or defenses of the class; 4) the representative parties must fairly and adequately protect the interests of the class; and 5) in cases in which the relief primarily sought is not injunctive or declaratory with respect to the class as a whole, the amount in controversy must exceed one hundred dollars for each member of the class. Rule 23(a), SCRCP. In deciding whether class certification is proper, the court must apply a rigorous analysis to determine whether each prerequisite is satisfied. Failure to satisfy even one prerequisite is fatal to class certification. *Gardner v. South Carolina Department of Revenue*, 353 S.C. 1, 577 S.E.2d 190 (2003).

Plaintiffs seek to certify a class of "all Columbia water customers, past and present as of three years prior to the filing of the Complaint." However, Plaintiffs cannot establish the third and fifth requirements for class certification. The third element is that the claims of the representative parties are typical of the claims of the class. No evidence has been presented that any other potential class members wish to assert a claim.

Plaintiffs are complaining about the manner in which the City is spending water and sewer revenues. Plaintiffs have not shown that other citizens have presented similar complaints.

Plaintiffs also fail to meet the fifth requirement for class certification because the relief sought is not primarily injunctive or declaratory with respect to the class as a whole, and the amount in controversy does not exceed one hundred dollars for each class member. Plaintiffs apparently concede that the amount in controversy does not exceed one hundred dollars for each class member. In their Motion, they state that "Plaintiffs request injunctive relief such that the amount in controversy is not in issue." However, a review of Plaintiffs' Second Amended Complaint indicates that the relief primarily sought is not injunctive or declaratory, as required by Rule 23(a)(5), SCRCP.

In their First Cause of Action, the relief primarily sought by Plaintiffs is injunctive relief. However, Plaintiffs allege three additional causes of action which do not seek injunctive or declaratory relief. In the Second Cause of Action, Plaintiffs assert a claim for breach of contract and seek "a refund of all fees collected." In the Third Cause of Action, Plaintiffs assert a claim for "Unconstitutional Collection." The relief sought in that cause of action is the creation of a common fund of all fees collected by the City for water improvements for the past three years. Finally, in the Fourth Cause of Action, Plaintiffs assert a claim for "Unconstitutional Tax." That cause of action asks for "judgment for the class and a common fund and for actual damages and the costs of the action." Thus, only one of the four causes of action alleged by Plaintiffs seeks an injunction as its primary relief. As such, Plaintiffs fail to satisfy the requirement set forth in Rule 23(c)(5) of the South Carolina Rules of Civil Procedure.

Based on the foregoing, class certification is both unnecessary and inappropriate in this case. If it is ultimately determined that the relief sought by Plaintiffs in this case should be granted, the Court may presume the good faith of government officials to respect such a ruling without the necessity of making this a class action. Moreover, a review of the record in this case indicates that Plaintiffs cannot establish all five elements required for class certification. Accordingly,

Plaintiffs' Motion for Class Certification is DENIED.

AND IT IS SO ORDERED.

_____

J. Ernest Kinard, Jr.
Presiding Judge
Fifth Judicial Circuit

June __, 2012

_____, South Carolina

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June 8, 2012

VIA FEDERAL EXPRESS AND VIA EMAIL

The Honorable J. Ernest Kinard, Jr.
Active/Retired Circuit Court Judge
Kershaw County Courthouse
1121 Broad Street
Camden, SC 29020

Re: Joseph S. Azar, et al. v. City of Columbia
C/A No. 2011-CP-40-6705
Our File No. 2011-0275C

Dear Judge Kinard:

This is the case the Court indicated to us on Tuesday that we should submit proposed Orders and that if we wanted to come to Camden to argue it, the Court would let us know about a time next week. I have enclosed for your review, the following documents which I believe are relevant to the Court's decision in certifying the class:

1. Our proposed Order Certifying Class along with two copies.

2. An Affidavit of Gene M. Connell, Jr. as class counsel.

3. A copy of *Littlefield v. S.C. Forestry Commission*, 337 S.C. 348, 523 S.E.2d 781 (1991) in which the Supreme Court reversed class certification based on a rejection of the argument by the State that a class action was not necessary against the State because the State would comply with any injunctive relief. This is exactly the same argument that is made by Defendant in their brief; however, they do not cite *Littlefield*, nor do they cite the other major class action cases in South Carolina regarding numerous plaintiffs and one main issue of law. See *Grazia v. S.C. State Plastering, LLC*, 390 S.C. 562, 703 S.E.2d 197 (2010) also attached. (Class actions are favored in South Carolina.)

4. Finally, I enclose two additional copies of our Memorandum in Support of Class Certification.

I appreciate you taking the time to review the case, the case law and the briefs. As indicated, I am happy to appear in Camden at your convenience to discuss this matter with you.

I am by copy of this letter advising defense counsel that we have forwarded our proposed Order Certifying Class and the attachments to you.

Sincerely yours,

Gene M. Connell, Jr.

GMC,Jr.:sm
Enclosures

cc w/enc.: Thomas E. Lydon, Esq. – Via Email and U.S. Mail
M. McMullen Taylor, Esq. – Via Email and U.S. Mail
C. Dixon Lee, III, Esq. – Via Email and U.S. Mail

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FIFTH JUDICIAL CIRCUIT
C/A NO. 2011-CP-40-6705

Joseph S. Azar, Frank J. Cumberland, Jr., and Michael A. Letts, Individually and as Class Representatives,

Plaintiff,

vs.

City of Columbia,

Defendant.

ORDER CERTIFYING CLASS

I. BACKGROUND FACTS

This is a class action which involves a challenge by customers of the City of Columbia's water and sewer system to the fiscal practice of the City of Columbia of transferring monies collected by the City of Columbia as water and sewer fees to the City of Columbia's General Fund where those monies are spent for purposes other than the water and sewer system.

On a fiscal basis, the City of Columbia collects in excess of $100 Million in water and sewer fees (see fiscal year 2010-2011 equals $103,708,234.00). Water and sewer fees collected by the City of Columbia are approximately 48% to 49% of the City of Columbia's total annual budget. Each year the City of Columbia transfers $4.5 Million from monies collected as water and sewer fees to the General Fund and has done so for many years. Further, the City funds the Office of Business Opportunities, the Economic Development Department, the Public Relations Department, various Development Corporations and the Economic Development Contingency Fund from this account. The City also uses money from this account for Community Promotions and for the City Center Partnership. The Plaintiffs' lawsuit alleges that such transfers are illegal

and in violation of well-established South Carolina Supreme Court case law and statutory authority.

Plaintiffs in this lawsuit seek a declaratory classwide judgment on behalf of all City water customers to require the City of Columbia to repay the utility fund those funds illegally transferred to the General Fund of the City for the last three years and to recover all money expended by the City from water and sewer fees for purposes other than the water and sewer service. Monies in the water and sewer utility fund are specifically designated for use for water and sewer services only and may not be used for other purposes. See S.C. Code Ann. § 6-1-330(b) (Supp. 2011) ("The revenue derived from a service or user fee imposed to finance the provisions of public services must be used to pay costs related to the provision of the service or program for which the fee was paid.")

The essence of this case and the central legal issue turns on whether or not the City of Columbia may use monies collected as water and sewer fees for other purposes. The Plaintiffs assert that South Carolina law prohibits the City of Columbia from using those monies for other than the operation, repair, upgrade, maintenance and/or expansion of the water and sewer system of the City. S.C. Code § 6-1-330 and § 6-1-300(6) (2011) define a service or user fee as follows:

> A charge required to be paid in return for a particular government service or program made available to the payer that benefits the payer in some manner different from the members of the general public not paying the fee.

A number of South Carolina Supreme Court cases have held that a sewer service charge is a fee and cannot be used for other purposes by the governmental entity. See *J.K. Construction, Inc. v. Western Carolina Regional Sewer Authority*, 519 S.C.2d 561 (1991); *Campbell Construction Co. v. City of Charleston*, 481 S.E.2d 437 (1997); *Ford v. Georgetown County Water and Sewer District*, 532 S.E.2d 873 (2000); and *Brown v. County of Horry*, 308

S.C. 180, 417 S.E.2d 565 (1992). (South Carolina Supreme Court explained that "a service charge is imposed on the theory that the portion of the community which is required to pay the charge receives some special benefit as a result of the improvement made with the proceeds of the charge.")

II. SOUTH CAROLINA'S CLASS ACTION RULE IS EXPANSIVE.

South Carolina Rule of Civil Procedure 23 provides as follows:

> (a) Prerequisites to a Class Action. One or more members of a class may sue or be sued as representative parties on behalf of all only if the court finds (1) the class is so numerous that joinder of all members is impractical; (2) there are questions of law or fact common to the class; (3) the claims of the representative parties are typical of the claims of the class; (4) the representative parties will fairly and adequately protect the interests of the class; (5) in cases in which the relief primarily sought is not injunctive or declaratory with respect to the class as a whole, the amount in controversy exceeds One Hundred Dollars to each member of the class.

To begin with, the Court notes that the Complaint in this matter does not seek a return of money to individual class members but seeks a declaratory and/or injunctive relief that the fiscal practice of the City of Columbia of using water and sewer utility fund money to fund other parts of the City government is illegal. Accordingly, the Court will only consider the first four prerequisites of SCRCP 23. In doing so, this Court is mindful of the numerous South Carolina cases which have held that South Carolina's class action rule is more expansive than the federal rule. In *Littlefield v. South Carolina Forestry Commission*, 337 S.C. 348, 523 S.E.2d 781 (1991), a group of former State employees challenged the manner in which State agencies were calculating pay for unused annual leave of retiring State employees. The Supreme Court reversed the denial of class certification that relied on several federal cases. The Court went on to note that the South Carolina class action rule differs significantly from Federal Rule 23. The

Court stated "this State endorses a more expansive use of class action availability than its federal counterpart." (523 S.E.2d at 784).

The Court's Opinion in *Littlefield* was followed by *Kennedy v. South Carolina Retirement System*, 549 S.E.2d 243 (2000) in which the Supreme Court against reversed denial of class certification. The Court again noted that the South Carolina Class Action Rule is different from the Federal Class Action Rule. In its opinion, the Court then unequivocally observed "the adoption of the new Rule 23 in 1985 signaled the end of our restrictive view of class certification. This court will not read into a class action rule additional requirements based on federal law." (*Kennedy* at 549 S.E.2d at 244).

In 2010, the Supreme Court again was faced with this exact issue in *Grazia v. S. C. State Plastering, LLC*, 390 S.C. 562, 569, 703 S.E.2d 197 (2010). In that case, the Court held that class actions are favored in this State and that we have a more expansive view of class actions here than our federal counterparts. The Court reversed the trial court's denial of class certification.

It is with this backdrop that this Court now considers the prerequisites to certifying a class in this case.

A. The Plaintiffs meet the numerosity requirement of the class action rule.

In order to prove that this matter should be certified as a class, the Plaintiffs must first meet the numerosity requirement. While South Carolina has not decided how many class members are needed to meet numerosity, this is not an issue in this case. First, Defendant's Brief admits that numerosity has been satisfied. Also, the documents presented by Plaintiffs' counsel and attached to Plaintiffs' brief clearly indicate that the City of Columbia has over 114,000 water customers and 59,000 wastewater customers. South Carolina courts have certified class actions

with fewer than twenty members. See *Premium Investment Corp. v. Green*, 283 S.C. 464, 324 S.E.2d 72 (S.C. App. 1984). Here, the vast number of water and sewer customers proves numerosity and the fact that this action seeks only to return money to the water and sewer utility fund for all customers shows that numerosity has been easily proven.

B. This case involves a common question of fact and law.

South Carolina's class action rule requires common questions of law and fact exist as to members of the class. The commonality requirement is liberally construed and given permissive application so that common questions have been found to exist in a wide range of context. See *McGann v. Mungo*, 287 S.C. 561, 568, 340 S.E.2d 54, 157-58 (Ct.App. 1986) which held:

> It is important to note that the subsection does not demand all questions of law and fact to be common, only that there be common issues among the class. **In fact, a single common issue will suffice....**

The *McGann* case has become a mainstay in South Carolina Class Action law and has been cited numerous times by the Supreme Court and Court of Appeals. Here, common issues abound since all 114,000 water customers and 59,000 sewer customers have the same interest in seeing that the service fees are being used to improve and/or maintain the water and sewer service. All class members have this common interest and want their service fees to repair and/or maintain the system. The central common legal issue in this case involves whether or not the City of Columbia may transfer funds from the water and sewer utility fund to the general fund for purposes other than water and sewer expansion, maintenance and repair. This common legal question pervades this case and applies equally to all class members as do the claims and defenses of the Defendants.

Kennedy v. South Carolina Retirement System withdrawn on unrelated grounds and superseded by substitute opinion, 345 S.C. 339, 549 S.E.2d 243, *rehearing denied*, 349 S.C. 339,

534 S.E.2d 322 (2001) is authority for a class action in this case. In the original *Kennedy* opinion, the Supreme Court stated:

> We believe the current case especially appropriate for class treatment. The number of potential plaintiffs is very large, there is one main issue of law, that issue is identical for each plaintiff, all injuries result from the same misapplication of the statute by the Retirement System and individual calculation of damages would be simple.

This line of judicial reasoning was adopted from *Littlefield v. S.C. Forestry Commission*, 337 S.C. 348, 521 S.E.2d 781 (1999). In fact, *Littlefield* is on point because the Defendant argues exactly what the Court in *Littlefield* decided was not a defense to class actions. In this case, the Defendant City of Columbia states that the Court should assume the City "will comply with an injunction if the Court determines it appropriate to enter such relief, thus, no useful purpose will be served by class treatment." (Defendant's Brief at page 3). In *Littlefield*, the Circuit Court ruled that state agencies should be afforded an opportunity to comply voluntarily with any final judgment invalidating certain agency rules. (*Littlefield*, 521 S.E.2d at 782.) The Circuit Court relied on two federal cases for adopting this proposition. The Supreme Court noted that this was error because the drafters of South Carolina's Rules of Civil Procedure intentionally omitted from South Carolina's rule the additional requirements found in the federal rule. By admitting these additional requirements, the *Littlefield* Court found that South Carolina endorsed a more expansive view of class action availability than its federal counterpart. In sum, based on *Littlefield*, the City cannot argue that the class action rule (SCRCP 23) does not apply since it will voluntarily comply with any injunctive relief.

The Court further notes the voluminous discovery which has been produced in this matter supports class certification on these common issues. In at least two documents presented to the Court by Plaintiffs' counsel as exhibits to their motion to certify, it was pointed out by

consultants of the City that transfers of monies by the City from the water and sewer utility fund to the General Fund was problematic. The "2007 Black & Veatch Indirect Cost of Service" study clearly recommends that monies collected in the utility enterprise fund be used for the water and sewer system only which is exactly what the issue is in this case. (See Black & Veatch corporate study for City of Columbia dated March 19, 2007 City Document 0004633-0004636).

Accordingly, the Court finds that common legal and factual issues abound in this case and that all water and sewer customers have a united interest in resolution of this matter.

C. The claim of the class representative is typical of all claims of class members.

The tenets of commonality and typicality most often are dealt with as one in terms of class certification. See *General Telephone Company of the Southwest v. Falcon*, 457 U.S. 147, 158 (1982) (The commonality and typicality requirements of Rule 23(a) tend to merge). The typicality requirements of Rule 23(a)(3), requires that the claims or defenses of the class be typical. To satisfy the typicality requirement, the named representatives' claims must be similar enough to those of the class to assure that the class's interests are vigorously prosecuted. 7A Charles Alan Wright & Arthur R. Miller, Federal Practice & Procedure, (2nd Ed. 1986).

Here, the claims and defenses of the representative Plaintiffs are typical of the claims and defenses of the class. Each Plaintiff asserts his or her claim based on payment of water and sewer fees and that these monies are paid into the City's water and sewer utility fund but are not used for water and sewer repair and/or maintenance. Instead the monies are being used by the City of Columbia for other unrelated purposes. Thus, all class members (water and sewer customers) have the same claim. This common set of facts applies uniformly to all class members just as it did in the *Littlefield* and *Kennedy* cases cited above.

Further, Defendant City of Columbia, through its discovery including the Black & Veatch Study committed its acts uniformly with regard to each of the class members and admits that it takes monies from the water and sewer utility fund and uses those monies for other unrelated purposes. Accordingly, by virtue of the acts committed, if the act is illegal or inappropriate as to the named Plaintiff, it is also illegal as to all water and sewer customers of the City of Columbia. Accordingly, there is no individual advantage in proceeding separately. In fact, there is a distinct disadvantage when compared with the potential costs of bringing this action, because the expense and burden of this litigation is unjustifiable for individual actions. Further, judicial economy requires that the court not be required to try each case since to do so would be duplicitous. The class action device resolves those issues in a single action. Accordingly, because all water and sewer customers have the same interests as the class representatives, the typicality provision of the class action rule has been met.

D. The named Plaintiffs are adequate representatives.

South Carolina Rule of Civil Procedure 23(a)(4) requires that the named plaintiff fairly and adequately protect the interests of the class. The protection involves two factors: (1) counsel must be qualified, experienced and generally able to conduct the proposed litigation; and (2) Plaintiffs' claims must be sufficiently interrelated and not antagonistic to the class claims. See *Waller v. Seabrook Island Property Assn.*, 300 S.C. 465, 388 S.E.2d 799 (1990).

Here there is no argument that Azar, Cumberland or Letts will not fairly and adequately protect the interest of the class. All are Columbia water and sewer customers and all have identical interests in making sure that the fees they paid go towards water and sewer utility repairs, maintenance and upgrades. Each class Representative has the identical claim to the claim of every water and sewer customer for the City of Columbia. There are no conflicts

between class members and the class representatives. Each class representative challenges the City of Columbia's legal authority to use monies from the water and sewer fund for other purposes such as transferring those monies to the general fund. Because each class representative's claim is exactly like all other water and sewer customers, the class representatives have satisfied the requirement that they are adequate representatives.

Finally, Petitioner's counsel has advised the Court that he has extensive experience in class actions, litigation and appellate practice in this state. Plaintiffs' counsel has submitted an Affidavit which details his experience in class actions and the Court is satisfied that Plaintiffs' counsel will fairly, adequately and correctly represent the class. (See attached Affidavit of Gene M. Connell, Jr. dated June 8, 2012).

III. SOUTH CAROLINA COURTS FAVOR CLASS ACTIONS IN DECLARATORY JUDGMENTS.

Plaintiffs' counsel has advised the Court that the class does not seek monetary damages and the pleadings do not request individual damages for class members. This is a class action for injunctive and declaratory relief that seeks an order of this Court that funds collected for water and sewer charges cannot be used by the City of Columbia for any other purposes. South Carolina Rule 23(a)(5) makes it clear that equitable or declaratory relief is permitted in state court class actions and that the One Hundred Dollar rule does not apply. SCRCP 23(a)(5) provides as follows:

> (5) in cases in which the relief primarily sought is not injunctive or declaratory with respect to the class as a whole, the amount in controversy exceeds One Hundred Dollars to each member of the class.

Here, Plaintiffs' claims are injunctive and declaratory only. Plaintiffs do not seek a return of monies to any class member. The State Supreme Court has consistently affirmed certification of a class action for declaratory judgment actions. See *South Carolina Public*

Service Authority v. C&S National Bank of South Carolina, 300 S.C. 142, 386 S.E.2d 775 (1989). In that case, a class consisting of bondholders was certified in a declaratory judgment brought by a utility concerning its rights to change its fiscal year.

Further, the Court is aware of the many cases involving Edward D. Sloan, a Greenville County resident who has brought declaratory class actions concerning the spending of public monies. Each of those cases was a class action. See *Sloan v. Friends of the Hunley*, 393 S.C. 152, 711 S.E.2d 895 (2011); *Sloan v. Greenville Hospital Systems*, 388 S.C. 152, 694 S.E.2d 532 (2010); *Sloan v. Greenville County*, 380 S.C. 528, 670 S.E.2d 663 (Ct.App. 2009); *Sloan v. Department of Transportation*, 379 S.C. 160, 666 S.E.2d 236 (2008); *Sloan v. Hardee*, 371 S.C. 495, 640 S.E.2d 457 (2007); *Sloan v. Friends of the Hunley*, 369 S.C. 20, 630 S.E.2d 474 (2006); *Sloan v. Department of Transportation*, 365 S.C. 299, 618 S.E. 2d 876 (2005); *Sloan v. Wilkins*, 362 S.C. 430, 608 S.E.2d 579 (2005); *Sloan v. Greenville County*, 361 S.C. 568, 606 S.E.2d 464 (2004); *Sloan v. Sanford*, 357 S.C. 431, 593 S.E.2d 470 (2004); *Sloan v. Greenville County*, 356 S.C. 531, 590 S.E.2d 338 (Ct.App. 2003); and *Sloan v. School District of Greenville County*, 342 S.C. 515, 537 S.E.2nd 299 (Ct.App. 2006).

Ten of the twelve *Sloan* cases involve challenges concerning the expenditure of public monies by government or quasi-governmental entity. In each of those, Sloan was granted class action status. Similar to the *Sloan* cases, Plaintiffs' lawsuit challenges the unlawful past, present and future unlawful expenditure of tens of millions of dollars collected by the City of Columbia as water and sewer fees for purposes other than its water and sewer system. Plaintiffs and others similarly situated have been directly harmed by the City of Columbia's unlawful appropriation of these monies for purposes other than its water and sewer system. Accordingly, the Court finds that class certification is appropriate in this case especially in light of the large number of people

involved, the fact there is one main legal issue, that the issues are identical for all water and sewer customers and that all injuries result from misapplication of the same South Carolina statute.

IV. NOTICE IS NOT REQUIRED.

Finally, the Court notes in granting class certification that notice is not required under the South Carolina class action rule in this case. The reason notice is not required is because the Plaintiff class does not seek individual damages but injunctive and declaratory relief. Actual notice is only required to all members of the class who can be identified who seek damages. Courts have uniformly held that class actions seeking declaratory or injunctive relief are not subject to the individual notice requirements. See *Stolz v. United Broth. of Carpenters and Joiners of America, Local Union No. 971*, 620 F.Supp. 396 (D.Nev. 1985); *Olenhouse v. Commodity Credit Corp.*, 136 F.R.D. 671 (D. Kan. 1991); *Bell v. American Title Ins. Co.*, 226 Cal. App. 3d 1589, 277 Cal. Rptr. 583 (1st District 1991). [1] (See all Newberg on Class Actions, 4th Edition §8.5.)

In sum, the Court finds notice is not required in this case. Accordingly,

IT IS ORDERED that Plaintiffs' Motion for Class Certification is granted and that the class is defined as water and sewer customers of the City of Columbia for the three years prior to the filing of this lawsuit.

AND IT IS SO ORDERED.

_____
The Honorable J. Ernest Kinard, Jr

_____, 2012
_____, South Carolina.

[1] Indeed, none of the *Sloan* cases which were class actions involved notice to class members because they were declaratory judgments.

Dixon Lee

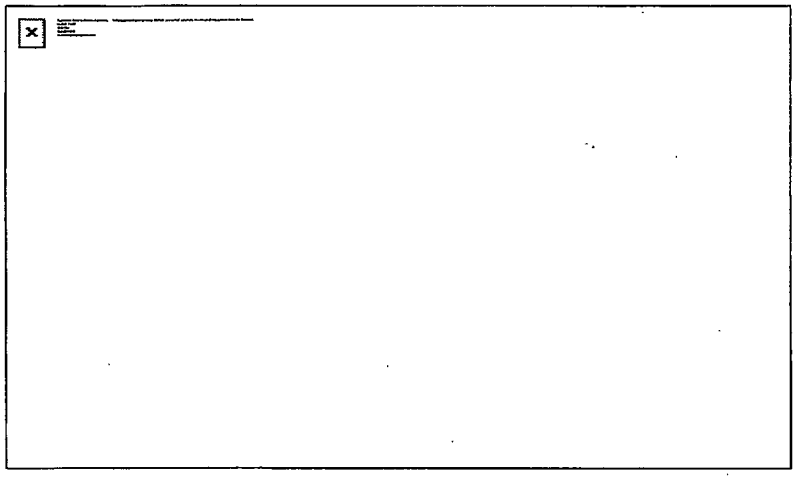
From: Mullen Taylor <Mullen.Taylor@mgclaw.com>
Sent: Wednesday, August 01, 2012 10:45 AM
To: Kinard, J. Ernest Jr. Law Clerk (Wilson Davis); Tommy Lydon; GConnell@classactlaw.net; Dixon Lee
Subject: [WARNING - NOT VIRUS SCANNED] RE: Azar v. City of Columbia

Mr. Davis,

During the motion hearing on June 5, Judge Kinard denied Defendant's 12(b)(1) Motion to Dismiss for Lack of Standing. Judge Kinard did not request a proposed order, and to our knowledge, an order has not yet been entered. The motion was put back on the docket and scheduled for hearing before Judge Goldsmith today. The parties notified Judge Goldsmith that the motion had already been argued and asked that the motion be removed from his docket. Would you like me to send you a Form 4 denying the motion?

Thanks for your attention to this matter.

Mullen Taylor
Counsel for Defendant City of Columbia



From: Kinard, J. Ernest Jr. Law Clerk (Wilson Davis) [mailto:EKinardLC@sccourts.org]
Sent: Friday, June 22, 2012 2:18 PM
To: Tommy Lydon; GConnell@classactlaw.net; Mullen Taylor
Subject: Azar v. City of Columbia

Attorneys,

Judge Kinard has signed the Order Denying Plaintiff's Motion for Class Certification. The order is currently being mailed to the Richland County Clerk of Court with directions for the order to be mailed to you.

Best Regards,

Wilson P. Davis
Law Clerk
The Honorable J. Ernest Kinard, Jr.

STATE OF SOUTH CAROLINA	)	**IN THE COURT OF COMMON PLEAS**
	)	**FIFTH JUDICIAL CIRCUIT**
COUNTY OF RICHLAND	)	
	)	C/A No. 2011-CP-40-6705
Joseph S. Azar, Frank J. Cumberland, Jr., and Michael A. Letts, Individually and as Class Representatives,	)	
	)	
Plaintiffs,	)	**ORDER GRANTING DEFENDANT'S MOTION FOR SUMMARY JUDGMENT**
	)	
vs.	)	
	)	
City of Columbia,	)	
	)	
Defendant.	)	

In this action, Plaintiffs challenge Defendant City of Columbia's ("City") use of revenues derived from monthly water and sewer charges. Specifically, Plaintiffs claim that the City's expenditures of water and sewer revenue to fund its economic development activities, as well as transfers of water and sewer revenue to its general fund, constitute: 1) a breach of the water and sewer service contract between Plaintiffs and the City; 2) an invalid fee under *Brown v. Horry County*, 308 S.C. 180, 417 S.E.2d 565 (1992), as applied to municipalities in *C.R. Campbell Constr. Co. v. City of Charleston*, 325 S.C. 235, 236 481 S.E.2d 437, 438 (1997), thereby constituting an unconstitutional collection thereof; and 3) a violation of S.C. Code Ann. § 6-1-330. Both parties moved for summary judgment, and a hearing was held on August 5, 2013. Having reviewed the motions, memoranda, affidavits, and other material presented to the Court, and having heard the arguments of counsel, I grant the City's Motion for Summary Judgment and deny Plaintiffs' Motion for Summary Judgment, as more fully discussed below.

FINDINGS OF FACT

The City owns and operates a water and sewer utility that serves the Midlands region. The City provides water and sewer to customers who voluntarily enter into contracts with the City whereby customers pay for water and sewer actually consumed. Plaintiff Azar does not pay water and sewer charges to the City, and has no contract for water and sewer service with the City. Plaintiff Cumberland resides within the City of Columbia and is a residential water and sewer customer as manifested by a service contract with the City of Columbia, and pays the City for this service. Plaintiff Letts resides outside of the City's corporate limits, is also a residential water and sewer customer by virtue of a service contract with the City, and pays the City for this service. As of June 28, 2012, the City provided water to 137,066 customers and provided sewer to 69,910 customers. The City's water and sewer rates, along with other fees and income, generate approximately $110 million dollars per year in gross revenue. Most years, the utility generates a profit.

The City of Columbia manages the fiscal operations of its water and sewer utility in a proprietary manner. The City collects its water and sewer charges, fees and other income, and deposits them into a segregated enterprise fund. An enterprise fund is used to account for business operations, whereas a governmental fund is used to account for government services. From this enterprise fund, the City expends monies for operation, maintenance, improvements, and administration of its utility, as well as for debt service for revenue bonds secured by water and sewer charges issued for capital replacements or improvements to its system.

By an ordinance enacted by the City Council in 1895, the City established "rates of water rents" for provision of water from its waterworks to those who made application for connection to the City's water utility (hereinafter referred to as "Water Rate Ordinance"). Since 1895, the

City's Water Rate Ordinance has remained in force and effect. In 1970, the City enacted an ordinance establishing a sewer rate structure (hereinafter referred to as "Sewer Rate Ordinance"). Since 1970, the City's Sewer Rate Ordinance has remained in force and effect. The City has amended both its Water Rate Ordinance and its Sewer Rate Ordinance numerous times. The City's amendments to its water and sewer rates operate to revise its existing rate structure established in 1895 and 1970, respectively.

If a person wishes to receive water and sewer from the City, he or she submits an application for a water service contract to the City. The City provides water and sewer to its customers according to the terms set forth by this contract ("Service Contract"). The Service Contract states that:

> The undersigned hereby applies to the City of Columbia for a water/sewer supply, to be furnished through a meter, for which service the undersigned agrees to pay a monthly rate and minimum charge (whether the minimum volume of water is used or not) as may be established by the City of Columbia in accordance with its ordinances. It is understood and agreed that the applicant will comply with all rate schedules, rules, regulations and ordinances (Section 5-4012) of the City of Columbia in connection with this service; that the City reserves the right at any time without notice to interrupt water service for maintenance, repairs or extensions without any liability to the undersigned or owner of such premises for damages resulting therefrom; that the undersigned will not receive water from any part of the City water system without a valid permit from the City Engineer or without an in-service meter and that unpaid charges for water service shall be posted against the undersigned applicant's Security Deposit.

The City's water service rate consists of a monthly base charge for the first 300 cubic feet of water consumed that varies according to meter size and whether the customer resides within the City limits ("Resident") or outside City limits ("Non-Resident"). Customers are then charged for additional water consumption as determined by customer category. Similarly, the City has established a base sewer rate for Resident customers and Non-Resident customers, with an additional charge for each 100 cubic feet of wastewater consumed.

Most of the City's water and sewer revenue is derived from Non-Resident customers, as shown in the table below:

Fiscal Year	Non-Resident Charges	Resident Charges
2008/2009	$64.1 million dollars	$32 million dollars
2009/2010	$66 million dollars	$33.1 million dollars
2010/2011	$65.7 million dollars	$33.5 million dollars

During the past three fiscal years, water and sewer rates were increased in a manner consistent with a water rate study prepared by the engineering, consulting and construction company Black & Veatch ("Black & Veatch Study") recommending rate and fee revisions over a five-year period ending June 30, 2011. The Black & Veatch Study based its analysis on the City's projected costs and other factors. It included a return on investment built into the City's water and sewer rates. The Black & Veatch Study also factored into the proposed rates a projection of capital improvements over five years totaling approximately $350 million dollars.[1]

Pursuant to its authority to issue revenue bonds to fund construction, improvement and repair of its water and sewer utility,[2] the City has pledged its water and sewer revenues to secure bonds issued to pay for water and sewer maintenance, construction, and improvement. *See* S.C. Code Ann. § 6-21-340. Water and sewer rates must be sufficient to provide for the payment of the interest on and the principal of all such bonds, a bond and interest redemption fund, the payment of the expenses of administration, operation and maintenance of the system "as necessary to preserve it in good repair and working order," to build up a reserve for depreciation

[1] Water and sewer infrastructure is extremely expensive. Every fiscal year, the City prepares and approves a capital improvement plan for water and sewer construction, repair and maintenance projects. The City completed all of the capital improvement projects contained in the Black & Veatch Study within five years.

[2] Under Title 6, municipalities are authorized to issue revenue bonds for the acquisition, construction, improvement, enlargement, and repair of its water and sewer utility. S.C. Code Ann. § 6-21-190; S.C. Code Ann. § 6-17-30.

of the existing system, and to build up a reserve for improvements, betterments and extensions to the existing system. S.C. Code Ann. § 6-21-390; S.C. Code Ann. § 6-21-440; S.C. Code Ann. § 6-17-180(3). Any surplus funds remaining after application of revenues to payments of principal and interest, operation and maintenance, and reserves for depreciation and improvements "shall be disposed of by the [City] as it may determine from time to time to be for the best interest of the [City]." S.C. Code Ann. § 6-21-440.

In 1993, the City enacted a revenue bond ordinance ("Bond Ordinance") which authorized the issuance of water and sewer revenue bonds with the bond payments paid solely from net water and sewer revenues remaining after payment for operation and maintenance of the system was made. In subsequent years, including the time period relevant to this case, the City enacted revenue bond ordinances that supplemented the 1993 ordinance to authorize additional bond issuances. Pursuant to § 6.7 of the City's Bond Ordinance, after fulfilling its obligation to pay for operation and maintenance of the system, to pay principal and interest on outstanding bonds, and to fund various reserve funds, the Council may apply the net water and sewer revenues as Council determines from time to time "to be in the best interest of the City."

Also in 1993, the City Council adopted a resolution establishing a policy regarding use of net water and sewer revenues to offset the cost of general government operations ("Resolution").[3] The Resolution provided limitations on the circumstances and amount that the City could transfer from its water and sewer enterprise fund to its general fund. The Resolution prohibited transfer of water and sewer revenues if such transfer would impair the City's ability to: 1) operate and maintain the utility in a "sound and businesslike manner," 2) satisfy the covenants of its Bond Ordinance, 3) maintain all financial and capital reserves at their required

[3] In 2013, the City repealed the Resolution and enacted in its place a new policy. The 2013 Resolution, enacted over a year after this litigation was commenced, is not at issue.

levels, and 4) maintain the capacity to fund capital improvements without unduly relying on bond issuances. *Id.* Additionally, the Resolution prohibited transfer of surplus revenues in amounts that would result in uncompetitive rate increases, or reduction in creditworthiness in the City's general obligation bonds. *Id.* Lastly, the Resolution limited any transfer to no more than 50% of net earnings of the utility or one-twelfth of the City's total general fund expenditures, whichever is less. *Id.*

Adequate water supply is an important economic development tool. The City's utility attracts businesses to the Midlands region. New businesses locating in the region help grow the City's water and sewer customer base. The City has used monies from its water and sewer enterprise fund to pay for all or part of the costs of its economic development department, economic development special projects, office of business opportunities, and four development corporations. The City expended $814,543.70 in fiscal year 2008/2009, $774, 879.02 in fiscal year 2009/2010, and $772,267.33 in fiscal year 2010/2011 from its water and sewer enterprise fund for its economic development department. The City expended $624,267.29 in fiscal year 2008/2009, $590,857.11 in fiscal year 2009/2010, and $585,936.77 in fiscal year 2010/2011 from its water and sewer enterprise fund for its economic development special projects. The City expended $393,934.55 in fiscal year 2008/2009, $297,179.54 in fiscal year 2009/2010, and $210,663.51 in fiscal year 2010/2011 to fund its office of business opportunities. Collectively, the City expended $1,053,522.00 in fiscal year 2008/2009, $1,154,478.00 in fiscal year 2009/2010, and $1,047,242.42 in fiscal year 2010/2011 to fund its four development corporations.

Additionally, the City has transferred up to $4.5 million dollars of the utility's net revenues annually to its general fund to defray the costs of ordinary municipal services. If the

City did not transfer the entire $4.5 million dollars to its general fund on an annual basis, City residents' property tax bills would increase by nine to ten mils. Transfer of some portion of water and sewer revenues from a city's water and sewer utility to its general fund is a common practice in South Carolina.

STANDARD OF REVIEW

Summary judgment is appropriate when the pleadings, depositions, affidavits, and discovery on file show there is no genuine issue of material fact such that the moving party must prevail as a matter of law. Rule 56(c), SCRCP. "The evidence and all reasonable inferences must be viewed in the light most favorable to the non-moving party." *Fleming v. Rose*, 350 S.C. 488, 493-94, 567 S.E.2d 857, 860 (2002). A grant of summary judgment is "completely appropriate when a properly supported motion sets forth facts that remain undisputed or are contested in a deficient manner." *David v. McLeod Reg. Med. Ctr.*, 367 S.C. 242, 250, 626 S.E.2d 1, 5 (2006). This case involves questions of law, with no genuine issue of material fact in dispute.

CONCLUSIONS OF LAW

In their Second Amended Complaint, Plaintiffs assert that the City's use of water and sewer charges for purposes other than operation, maintenance and improvement of its water and sewer systems amount to: 1) a breach of implied or express contract; 2) an invalid uniform service fee under *Brown v. Horry County*, 308 S.C. 180, 417 S.E.2d 565 (1992) and applied to municipalities in *C.R. Campbell Constr. Co. v. City of Charleston*, 325 S.C. 235, 481 S.E.2d 437 (1997), thereby constituting an unconstitutional collection thereof; and 3) an invalid user or service fee under S.C. Code Ann. § 6-1-330 ("Service Fee Statute"). Plaintiffs' Motion for Summary Judgment, corresponding Memorandum of Law, and oral argument before this Court

addressed only the second and third arguments described above. Defendant's Motion for Summary Judgment, corresponding Memorandum of Law, and oral argument before this Court addressed all of Plaintiffs' claims raised in its Second Amended Complaint, as well as its argument that Plaintiffs Azar and Letts lack standing to bring their claims.[4]

1. **STANDING OF PLAINTIFFS AZAR AND LETTS**

"Standing to sue is a fundamental requirement in instituting an action." *Connor Holdings, LLC v. Cousins*, 373 S.C. 81, 84, 644 S.E.2d 58, 60 (2007). "Standing may be acquired "through the rubric of constitutional standing" or "under the 'public importance' exception." *ATC South, Inc. v. Charleston County*, 380 S.C. 191, 195, 669 S.E.2d 337 (2008). Each Plaintiff bears the burden of establishing that he has standing to bring each cause of action asserted in their Complaint. *See Quality Towing, Inc. v. City of Myrtle Beach*, 340 S.C. 29, 34, 530 S.E.2d 369, 371 (2000) (deciding issue of whether plaintiff had standing to challenge certain sections of an ordinance); *Citizens for Lee County, Inc. v. Lee County*, 308 S.C. 23, 28, 416 S.E.2d 641, 645 (1992) (examining whether plaintiffs had standing to bring a particular cause of action). "To establish constitutional standing, a plaintiff must first show he has suffered an "injury in fact - an invasion of a legally protected interest which is (a) concrete and

[4] The Defendant previously moved to dismiss all of Plaintiffs Azar and Letts' claims for lack of standing, and Plaintiff Cumberland's contract claim for lack of standing. During a hearing held on June 5, 2012, the trial judge orally denied this motion, indicating that the public importance exception applied. However, a written order was never entered. "No order is final until it is written and entered." *First Union Nat'l Bank v. Hitman*, 306 S.C. 327, 329, 411 S.E.2d 681, 682 (Ct. App. 1991), *citing to* Rule 58(a), SCRCP. Subsequent to this hearing, the South Carolina Supreme Court decided *Freemantle v. Preston*, 398 S.C. 186, 728 S.E.2d 40 (2012), which held that the purpose and spirit of public importance exception is not consistent with claims for monetary relief. The Plaintiffs in this case seek an injunction requiring the City to refund monies allegedly spent unlawfully and place this money in a common fund. As part of its Motion for Summary Judgment, Defendant reasserted its standing arguments concerning Messrs. Azar and Letts, but withdrew its argument that Mr. Cumberland lacked standing to bring his contract claim.

particularized, and (b) actual or imminent, not conjectural or hypothetical." *Freemantle v. Preston*, 398 S.C. 186, 192-193, 728 S.E.2d 40, 43 (2012).

a. Mr. Azar

The City asserts that Mr. Azar lacks standing to bring any of his causes of action because he does not pay water and sewer fees to the City, is under no contract with the City, and has no property or personal interest at stake in this action. I agree.

Mr. Azar is not a water and sewer customer of the City. He has no water and sewer account in his name. He has no contract with the City for provision of water and sewer service. Mr. Azar does not pay water and sewer fees to the City of Columbia. *Compare Brown v. Horry County*, 308 S.C. 180, 417 S.E.2d 565 (1992) (plaintiffs paid road maintenance fee). Under these facts, Mr. Azar lacks standing to bring any of his causes of action. *See Freemantle v. Preston*, 398 S.C. 186, 192-193, 728 S.E.2d 40, 43 (2012) ("To establish constitutional standing, a plaintiff must first show he has suffered an "injury in fact - an invasion of a legally protected interest which is (a) concrete and particularized, and (b) actual or imminent, not conjectural or hypothetical.").

b. Mr. Letts

Plaintiff Letts lives outside the corporate limits of the City of Columbia. He has executed a Service Contract with the City of Columbia for water and sewer service. However, the fact that Mr. Letts has a contractual relationship with the City does not end the inquiry. The Service Contract must evidence a protected interest in how the City uses its water and sewer revenue that has been injured by the City's actions. The Service Contract with the City does not contain any express term or condition that addresses how the City must use collected revenues from water and sewer charges.

Plaintiffs assert that the Service Fee Statute is either incorporated or implied as a term in the Service Contract. There is no language in the contract that could be construed as incorporating the Service Fee Statute. *See Stevens Aviation, Inc. v. DynCorp Int'l LLC*, 394 S.C. 300, 307-08, 715 S.E2d 655, 659 (Ct. App. 2011) ("To incorporate the terms of extrinsic material, the contract must explicitly, or at least precisely, identify the written material being incorporated and must clearly communicate that the purpose of the reference is to incorporate the referenced material into the contract ...."). Nor is there any reason for this Court to hold that the Service Fee Statute is an implied term of the Service Contract. *See Maccaro v. Andrick Dev. Corp.*, 280 S.C. 96, 101, 311 S.E.2d 91, 94 (Ct. App. 1984) ("Implied terms are not favored in the law" unless "necessary to effectuate the intention of the parties ...."). Mr. Letts lacks standing to bring a breach of contract claim when the contract at issue affords him no protected interest in how the City uses its water and sewer revenues.[5]

Moreover, other than any rights acquired by contract, a Non-Resident water and sewer customer has no rights against the city. *Childs v. City of Columbia*, 87 S.C. 566, 571, 70 S.E. 296, 298 (1911); *see also Sloan v. City of Conway*, 347 S.C. 324, 330, 555 S.E.2d 684, 686 (2001); *Calcaterra v. City of Columbia*, 315 S.C. 196, 198, 432 S.E.2d 498, 499 (1993); *see also* S.C. Code Ann. § 5-31-1910. Non-Residents do not enjoy any statutory rights unless the statute expressly applies to Non-Residents. *Sloan v. City of Conway*, 347 S.C. 324, 330, 555 S.E.2d 684, 687 (2001). In *Sloan*, the court rejected the plaintiff's contention that the requirement of reasonable water and sewer charges found in S.C. Code Ann. § 5-31-670 applied to non-resident customers. 347 S.C. 324, 330, 555 S.E.2d 684, 687 (2001). The statute referred to water and sewer charges in a generic sense with no distinction between resident and non-resident

[5] For the same reason, Mr. Letts lacks standing to assert a taking of property without just compensation and a violation of due process. *See* section 5 of this Order, *infra*.

customers. *Id.* The court held that it did not apply to non-resident charges because the statute did not specifically refer to non-residents. *Id.* Likewise, the Service Fee Statute makes no mention of charges to non-residents. Mr. Letts lacks standing to bring his claim under the Service Fee Statute.

As for Mr. Letts' claim under the *Brown* line of cases, the *Brown* test addresses whether a uniform service charge, as authorized under S.C. Code Ann. § 5-7-30, is valid. *C.R. Campbell Const. Co. Inc. v. City of Charleston*, 325 S.C. 235, 236, 481 S.E.2d 437, 438 (1997). Pursuant to S.C. Code Ann. § 5-7-30, a municipality is empowered to exercise police power; however, such power "shall not extend the effect of the laws of the municipality beyond its corporate boundaries." Thus, S.C. Code Ann. § 5-7-30 does not govern charges to customers who reside outside of the City's corporate limits.

The operative statute applicable to Non-Residents is S.C. Code Ann. § 5-7-60, which authorizes cities to "perform any of its functions, furnish any of its services, except services of police officers, and make charges therefor and may participate in the financing thereof in areas outside the corporate limits of such municipality by contract with any individual ...." If the City chooses to provide water and sewer service to Non-Residents, it is obligated "to sell its surplus water for the sole benefit of the city at the highest price obtainable." *Childs*, at 571, 298 (emphasis added). Absent any sort of contract provision, a municipality is not limited as to how revenues derived from non-resident water rates may be expended. 2008 S.C. AG LEXIS 117 (Aug. 18, 2008) (opining that municipalities are not limited in how revenues collected from non-residents are used). It follows that *Brown* and its progeny do not apply to charges for water and sewer service to Non-Resident customers. *See* 1989 S.C. A.G. LEXIS 168, * 7 (July 17, 1989) (opining that "uniform service fee" under S.C. Code Ann. § 5-7-30 not applicable to non-resident

utility rates). Thus, Mr. Letts lacks standing to challenge the City's use of its water and sewer revenues under *Brown*.

c. The Public Importance Exception

The City contends that Mr. Azar and Mr. Letts fail to meet the test for the "public importance" exception to constitutional standing requirements. I agree.

The South Carolina Supreme Court has recognized a "public importance" exception to constitutional standing requirements. *ATC South, Inc. v. Charleston County*, 380 S.C. 191, 198, 669 S.E.2d 337, 341 (2008). Standing may be conferred "when an issue is of such public importance as to require its resolution for future guidance." *Id.* Not every legislative or executive action rises to the level of importance great enough to confer standing. *Id.* at 199, 341. The issue presented must be significant and "of wide concern." *Baird v. Charleston County*, 333 S.C. 519, 531, 511 S.E.2d 69, 75 (1999). Additionally, "... the matter of importance must, in the context of the case, be inextricably connected to the public need for court resolution for future guidance." *ATC South,* 380 S.C. 191, 199, 669 S.E.2d 337, 341 (2008). The issue presented must be of a public nature, not some mere private interest. *Id.*

A claim that the City has breached the terms of a private contract for water and sewer service is not public in nature. *See Sloan v. Greenville County*, 356 S.C. 531, 545, 590 S.E.2d 338, 346 (Ct. App. 2003) (finding that the "public importance" exception applied because the plaintiff was bringing his claims "not as a private individual seeking redress under the terms of a particular contract," but "to prevent the County from awarding future public works contracts in the manner employed in the present case.") Mr. Azar and Mr. Letts are bringing a breach of contract claim as private individuals seeking redress under the terms of an express contract. The "public importance" exception has no application to a breach of contract claim.

In determining whether the "public importance" exception applies, the court must engage in a "cautious balancing" of competing interests. *ATC South*, 380 S.C. 191, 198, 669 S.E.2d 337, 341 (2008). In *Sloan v. Sanford*, the South Carolina Supreme Court explained this balancing process as follows:

> An appropriate balance between the competing policy concerns underlying the issue of standing must be realized. Citizens must be afforded access to the judicial process to address alleged injustices. On the other hand, standing cannot be granted to every individual who has a grievance against a public official. Otherwise, public officials would be subject to numerous lawsuits at the expense of both judicial economy and the freedom from frivolous lawsuits. *Sloan v. Sanford*, 357 S.C. 431, 434, 593 S.E.2d 470, 472 (2004).

Messrs. Azar and Letts' remaining claims fall outside of the "public importance" exception. The "public importance" exception has been recognized only where the relief sought is purely injunctive or declaratory. *Freemantle v. Preston*, 398 S.C. 186, 194, 728 S.E.2d 40, 44 (2012). In this case, Plaintiffs seek more than an injunction preventing future unlawful action, or a declaration that such action is unlawful. They are asking this Court for an order requiring the City to recover monies that have already been budgeted, allocated, and spent over the past three years, and to direct the City to use this money solely for improvements to its wastewater system. This relief is far more expansive than any case where the "public importance" exception was granted. Therefore, Plaintiffs have postured themselves in a manner where the exception does not apply.

In *Freemantle v. Preston*, the South Carolina Supreme Court frowned upon the plaintiff's invocation of the "public importance" exception when he asked for monetary relief. 398 S.C. 186, 194, 728 S.E.2d 40, 44 (2012). The Court emphasized that the "nexus between the public importance exception and the need for future guidance from the Court is invariably linked to a need for and entitlement to injunctive relief." *Id.* "That Appellant sought monetary damages for

himself in his common law causes of action, while claiming to represent the taxpayers ..., directly conflicts with the purpose and spirit of the public importance exception." *Id.* Here, the Plaintiffs seek injunctive relief, yet the relief sought is an order directing the City to refund allegedly misspent monies. That the Plaintiffs ask this Court not to refund the monies directly to the fee payers, but to place this refunded money in a common fund, does not transform Plaintiffs' claims into a matter of public interest.

Further, by demanding that the City deposit millions of dollars in a common fund and dictating that the money should then be used specifically for utility improvements as opposed to other equally important uses, Plaintiffs are in effect seeking to impose their own personal views on how the City's utility ought to be managed, and in the process, significantly disrupt the City's financial condition. Plaintiffs have no inherent right to direct municipal affairs. *Ancrum v. Camden Water, Light & Ice Co.*, 82 S.C. 284, 293, 64 S.E. 151, 154 (1909). Plaintiffs want this court to exercise its power in a manner that goes well beyond a determination of whether the City's actions are lawful. What Plaintiffs seek impermissibly intrudes upon the City's legislative discretion. *See Sanders v. County Commissioners*, 7 S.C. 359, 363-364, 1876 S.C. LEXIS 52 (1876) (holding that a court cannot exercise the discretion of a legislative body). This sort of overreaching diminishes any justification for casting Plaintiffs' claims as a public issue of great importance. *See ATC South,* 380 S.C. 191, 198, 669 S.E.2d 337, 341 (2008) (holding that plaintiff failed to meet public importance exception because it was "a disgruntled competitor, nothing more.").

Moreover, the City no longer disputes Mr. Cumberland's standing to bring all claims. Consequently, the claims against the City are not lost by the dismissal of Messrs. Azar and Letts from this case. *See ATC South, Inc.*, 380 S.C. 191, 199, 669 S.E.2d 337, 341 (2008) ("... the

matter of importance must, in the context of the case, be inextricably connected to the public need for court resolution for future guidance."). Messrs. Azar and Letts are dismissed from this case, leaving Mr. Cumberland as the sole Plaintiff.

2. BREACH OF CONTRACT

The City argues that the Plaintiff has, as a matter of law, failed to establish that the City breached its Service Contract by spending water and sewer revenues in the manner that it does. I agree. Nothing in Mr. Cumberland's contract with the City contains any sort of express condition that restricts the City's use of collected revenues from water and sewer charges in any manner whatsoever. There is no language in the contract that could be construed as incorporating the Service Fee Statute or the *Brown* test. *See Stevens Aviation, Inc. v. DynCorp Int'l LLC*, 394 S.C. 300, 307-08, 715 S.E2d 655, 659 (Ct. App. 2011) ("To incorporate the terms of extrinsic material, the contract must explicitly, or at least precisely, identify the written material being incorporated and must clearly communicate that the purpose of the reference is to incorporate the referenced material into the contract ...."). Nor is there any reason for this Court to hold that the Service Fee Statute or *Brown* is an implied term of the contract. *See Maccaro v. Andrick Dev. Corp.*, 280 S.C. 96, 101, 311 S.E.2d 91, 94 (Ct. App. 1984) ("Implied terms are not favored in the law," and recognized only "when necessary to effectuate the intention of the parties."). Without any such express or implied term in the Service Contract, Plaintiff cannot establish that a breach of the Service Contract occurred.[6]

[6] What is more, Mr. Cumberland cannot successfully argue that the Service Fee Statute creates a contractual right in and of itself. There is a well-established presumption in South Carolina that "statutes do not create contractual rights." *Ahrens v. South Carolina Police Officers Retirement Sys.*, 392 S.C. 340, 349, 709 S.E.2d 54, 58 (2011). The only way the Legislature can create contractual rights in a statute is "through the express language of the statute." *Id.* at 349, 59. The statute must include unambiguous language that demonstrates legislative intent to create a binding contract. *Layman v. South Carolina*, 368 S.C. 631, 639, 630 S.E.2d 265, 269 (2006). The Service Fee Statute does not use terms indicative of a contract. *Compare Layman*, 368 S.C. at 639-642, 630 S.E.2d at 269-271. Thus, Mr. Cumberland cannot rely on the Service Fee Statute itself to create a contract that was allegedly breached by the City.

3. VALID FEE OR ILLEGAL TAX

Plaintiff argues that *Brown v. Horry County*, 308 S.C. 180, 417 S.E.2d 565 (1992), as applied to municipalities in *C.R. Campbell Constr. Co. v. City of Charleston*, 325 S.C. 235, 236 481 S.E.2d 437, 438 (1997) is applicable to the City's water and sewer charges and that the City's water and sewer charges violate this test. Consequently, the City's water and sewer charges are allegedly an illegal tax. The City argues that its water and sewer charges are a valid fee and not a tax, and further, that the *Brown* test is inapplicable to the City's water and sewer service charges.

A fee is a charge in exchange for a particular service that benefits the person paying it in a manner not shared by the general public, whereas taxes are imposed on all property for the maintenance of government. *Robinson v. Richland County Council*, 293 S.C. 27, 33, 358 S.E.2d 392, 396 (1987); *Casey v. Richland County Council*, 282 S.C. 387, 390, 320 S.E.2d 443, 444 (1984). Here, Plaintiff has entered into a contract with the City to receive water and sewer supply delivered through the City's water and sewer infrastructure. In return for this access to and use of City property and consumption of water supply, he pays a monthly base rate for up to 300 gallons of water used and an additional rate based upon actual consumption beyond 300 gallons per month. For sewer, he also pays a base rate and an additional rate based upon cubic feet of wastewater created. In other words, Plaintiff has a *quid pro quo* arrangement with the City where he receives the benefit of water and sewer in exchange for monetary payment. Thus, the City's water and sewer rates clearly constitute a lawful fee.

Plaintiff does not dispute that he has a contractual arrangement with the City in which he pays a monthly charge in return for consumption of water and collection of wastewater. His dispute lies in how the City uses its water and sewer revenues. Plaintiff argues that the City

cannot spend monies from its water and sewer enterprise fund in the manner that it does, and turns to *Brown v. Horry County* as a means to control the City's expenditures. 308 S.C. 180, 417 S.E.2d 565 (1992).

The City argues that the *Brown* test does not apply to municipal water and sewer charges. I agree. In *Brown*, the plaintiff challenged a road maintenance fee imposed upon owners of motor vehicles in Horry County. 308 S.C. 180, 181, 417 S.E.2d 565, 566 (1992). The revenues derived from the fee were dedicated to improving the County road system. *Id.* at 182, 566. At issue in *Brown* was whether Horry County's road maintenance fee was a uniform service charge or a tax. *Id.* The court crafted the following test to determine if the particular road maintenance fee was a valid uniform service charge and not a tax:

> (1) the revenue generated is used to the benefit of the payers, even if the general public also benefits (2) the revenue generated is used only for the specific improvement contemplated (3) the revenue generated by the fee does not exceed the cost of the improvement and (4) the fee is uniformly imposed on all the payers. *C.R. Campbell Constr. Co. v. City of Charleston*, 325 S.C. 235, 236 481 S.E.2d 437, 438 (1997) *citing to Brown v. Horry County*, 308 S.C. 180, 417 S.E.2d 565 (1992).

Brown is inapplicable for several reasons.

First, *Brown* and its progeny concern situations where the benefit derived from paying the fee was not immediately or directly received by the fee payer.[7] Thus, the central issue in *Brown* was whether the payer of the charge received a benefit from the proceeds of the charge. *Brown*,

[7] This test has been applied in challenges to the imposition of a real estate transfer fee, a road maintenance fee, a solid waste assessment, and a sewer impact fee. *See, e.g., Ford v. Georgetown County Water & Sewer District, 341 S.C. 10, 532 S.E.2d 873 (2000)* (sewer impact fee imposed to pay for capital improvements to sewer system); *J.K. Construction, Inc. v. Western Carolina Regional Sewer Authority*, 336 S.C. 162, 519 S.E.2d 561 (1999) (sewer impact fee imposed to pay for sewer improvements); C.R. *Campbell Constr. Co. v. City of Charleston*, 325 S.C. 235, 481 S.E.2d 437 (1997) (real estate transfer fee imposed to fund acquisition, improvement, operation and maintenance of parks and public recreational facilities); *Fairway Ford v. County of Greenville*, 324 S.C. 84, 476 S.E.2d 490 (1996) (motor vehicle license plate fee imposed to fund road improvements); *Skyscraper Corp. v. County of Newberry*, 323 S.C. 412, 475 S.E.2d 764 (1996) (solid waste disposal fee imposed to pay for garbage disposal); *Brown v. Horry County*, 308 S.C. 180, 417 S.E.2d 565 (1992) (revenues of road maintenance fee to be used for maintenance and improvement of the county road system).

308 S.C. 180, 185, 417 S.E.2d 565, 568 (1992). Nowhere in these cases did the *Brown* test apply to a *quid pro quo* exchange in the receipt of a commodity for payment of a monthly service charge. The benefit Plaintiff receives under his contractual arrangement is not in how the City expends the revenue derived from water and sewer fees. The benefit is in the immediate delivery of water and sewer service when Plaintiff turns on the faucet within his residence. In such a situation, it is unnecessary to apply the *Brown* test.

The South Carolina Supreme Court made this distinction in *BellSouth Telecommunications v. City of Orangeburg*, in which BellSouth challenged a franchise fee as an illegal tax. 337 S.C. 35, 522 S.E.2d 804 (1999). The franchise fee was imposed in exchange for BellSouth's use of the City's streets for placement of telecommunications equipment. The court held that in situations "where the benefit to the payer derives not from the municipality's use of the revenue but is a benefit given directly and solely to the [payer] in exchange for the fee," the *Brown* test is irrelevant. *BellSouth*, at 39-40, 806. Likewise, Plaintiff receives the direct benefit of access to and use of water and sewer infrastructure in exchange for a monthly fee based upon his actual consumption of such service; therefore, *Brown* is irrelevant.

Moreover, it is well settled that a monthly water or sewer charge is defined by our courts not as a tax or assessment, but rather, as a rent or charge for services rendered, collected merely as compensation by those who choose to receive and use the water. *Ruggles v. Padgett*, 240 S.C. 494, 510, 126 S.E.2d 553, 561 (1962); *Simons v. City Council of Charleston*, 181 S.C. 353, 358, 187 S.E. 545, 547 (1936); *Green v. City of Rock Hill*, 149 S.C. 234, 264, 147 S.E. 346, 357 (1929). Under the specific statutory authority of S.C. Code § 5-31-610, S.C. Code Ann. § 5-31-20, and S.C. Code Ann. § 5-31-810, the City of Columbia operates its water and sewer utility as a business enterprise like any other utility. *Sossamon v. Greater Gaffney Metro Utilities Area*,

236 S.C. 173, 181, 113 S.E.2d 534, 538 (1960); *Simons*, 181 S.C. 353, 357, 187 S.E. 545, 546 (1936); *Green*, 149 S.C. 234, 264, 147 S.E. 346, 356-57 (1929). A municipality may charge a utility rate that will yield a reasonable profit, just the same as any other utility. *Mims v. Edgefield County Water & Sewer Authority*, 278 S.C. 554, 556, 299 S.E.2d 484, 486 (1983); *Sossamon*, 236 S.C. 173, 181, 113 S.E.2d 534, 538 (1960); *Simons*, 181 S.C. 353, 357, 187 S.E. 545, 546 (1936); 64 AM JUR 2D *Public Utilities* § 133. The only limitation on water and sewer rates is found in in S.C. Code Ann. § 5-31-670, which requires municipal water and sewer charges to be reasonable.[8] A municipal utility rate that generates more revenue than is needed to operate the system is not unreasonable. *Simons*, at 357, 546. So long as the City's water and sewer rates are reasonable, the court will not interfere with the City's discretion in how it uses its water and sewer revenues. *Id.* at 547.

The fact that the City realizes a profit from its utility and transfers a portion of its net revenues to its general fund does not make its water and sewer charges a tax. The Ohio Supreme Court's analysis is particularly instructive:

> The rate charged in excess of cost is not a tax or in the nature of a tax, regardless of how the fund derived therefrom is ultimately used. A municipality, acting in a proprietary capacity, cannot impose taxes. While thus engaged, it is engaged in business but not in the business of government. A municipality may impose and collect taxes only when acting as an arm or agency of the state, but when engaged in business, it does not so act. A tax is a tribute levied for the support of government. A rate charged for a public utility service or product is not a tax, but a price at which and for which the public utility service or product, is sold and the excess charged over and above cost, as a profit, enters into and becomes a part of the price. Payment of a tax is an obligation imposed. Payment of a price for a utility product or service furnished by a municipality is voluntarily assumed. *Niles v. Union Ice Corp.*, 133 Ohio St. 169, 182-83, 12 N.E.2d 483, 489 (1938).

[8] This rule of reasonableness is consistent with common and statutory law governing public utilities. "It is well recognized that a public utility is entitled to a reasonable compensation in return for the service that it furnishes and that it may exact reasonable charges in accordance with the service provided or the rates established therefor." 64 AM JUR 2D *Public Utilities* § 38.

"Since the rate charged is not a tax in its inception, ultimate use of surplus funds derived therefrom for the support of municipal government will not convert it into taxes or cause it to assume the nature of taxes." *Id.*; *see also Cox v. Bates*, 237 S.C. 198, 215 (1960) ("where a surplus remains after payment of appropriations, it may be appropriated to other purposes."); *Simons*, 181 SC 353, 357 (1936) (stating that a municipal utility that generates more revenue than cost of operation is not unreasonable); AM JUR 2D *Municipal Corp, Counties, Other Political Subdivision* § 515 ("Net revenue derived from a municipally owned utility belongs to the municipality and may be used for any municipal purpose."); McQuillin, MUNICIPAL CORPORATIONS, § 35:59 ("A city is entitled to a reasonable profit and it may even use that profit for other valid municipal uses."). The City's water and sewer rates are not a tax.

Plaintiff asks this Court to ignore well-settled law establishing the City's right to a profit by insisting that its profit be used entirely for some undetermined expense of the utility, even though the City Council has, in its discretion as a legislative body and as a proprietary owner, adopted operating budgets and capital improvement plans that already provide for its utility. "Profit" is defined as "excess of revenues over expenditures" or "gain." BLACK'S LAW DICTIONARY (5th ed. 1979). Plaintiff impermissibly seeks to extinguish the City's right to charge a reasonable water and sewer rate pursuant to S.C. Code Ann. § 5-31-670. *See* S.C. Const. art. VIII, § 7 ("all laws concerning local government shall be liberally construed in their favor."). A reasonable water and sewer rate includes a fair profit. *Mims*, 278 S.C. 554, 556, 299 S.E.2d 484, 486 (1983); *Sossamon*, 236 S.C. 173, 181, 113 S.E.2d 534, 538 (1960); *Simons*, 181 S.C. 353, 357, 187 S.E. 545, 546 (1936); 64 AM JUR 2D *Public Utilities* § 133. The City, in its discretion, has chosen to reinvest most of its profits back into its utility, but it also has decided to appropriate $4.5 million dollars of its profits to offset the costs of general government operations

and thereby avoid raising property taxes. This the City may lawfully do. *See Green v. City of Rock Hill*, 149 S.C. 234, 262, 147 S.E.2d 346, 356 (1929) (stating that municipality, in operating and maintaining its property, "has discretion in the choice of means and methods ...."); *McKinney v. Greenville*, 262 S.C. 227, 247, 203 S.E.2d 680, 690 (1974) ("... courts will not interfere with legislatively declared policy and legislatively approved functions of government unless the judicial mind is convinced that action by the legislative body is without reasonable relation to the public interest or welfare and is beyond the scope of legitimate government activity ....").

Even if *Brown* did apply to water and sewer charges, the City's Non-Resident water and sewer charges nonetheless fall outside of the ambit of *Brown*. As discussed above, *Brown* concerns uniform service fees chargeable within a city's corporate limits. *See* S.C. Code Ann. § 5-7-30 (authorizing uniform service fees within a municipality's corporate limits). The City's revenue generated from Non-Resident charges totaled approximately $64.1 million dollars in FY 2008/2009, $66 million dollars in FY 2009/2010, and $65.7 million dollars in FY 2010/2011. The City's accounting practices are consistent with generally accepted accounting principles pertaining to local governments, but do not provide a means to ascertain whether Non-Resident or Resident revenues were used for the expenditures challenged by the Plaintiff. Therefore, Plaintiff cannot show that the City's use of revenues he challenges is derived from Resident water and sewer customers. Without this showing, Plaintiff's challenge is unavailing. The amount of revenue generated by Non-Resident customers more than covers the expenditures Plaintiff complains of.

4. THE SERVICE FEE STATUTE

Plaintiff argues that the City's water and sewer charges violate S.C. Code Ann. § 6-1-330 ("Service Fee Statute"), which governs local fees. The Service Fee Statute defines "service or user fee" as "a charge required to be paid in return for a particular government service or program made available to the payer that benefits the payer in some manner different from the members of the general public not paying the fee," and "also includes 'uniform service charges.'" S.C. Code Ann. § 6-1-300. The Service Fee Statute states in relevant part:

> (A) A local governing body, by ordinance approved by a positive majority, is authorized to charge and collect a service or user fee. A local governing body must provide public notice of any new service or user fee being considered and the governing body is required to hold a public hearing on any proposed new service or user fee prior to final adoption of any new service or user fee. Public comment must be received by the governing body prior to the final reading of the ordinance to adopt a new service or user fee. A fee adopted or imposed by a local governing body prior to December 31, 1996, remains in force and effect until repealed by the enacting local governing body, notwithstanding the provisions of this section.
>
> (B) The revenue derived from a service or user fee imposed to finance the provision of public services must be used to pay costs related to the provision of the service or program for which the fee was paid. If the revenue generated by a fee is five percent or more of the imposing entity's prior fiscal year's total budget, the proceeds of the fee must be kept in a separate and segregated fund from the general fund of the imposing governmental entity.

The City argues that the Service Fee Statute does not apply to its water and sewer charges. I agree.

The Service Fee Statute was enacted as part of Act 138 of the South Carolina General Assembly, 112th Session (1997-1998), with an effective date of July 1, 1997, except as otherwise provided. Subsection (A) of the Service Fee Statute provides that "a fee adopted or imposed by

a local governing body prior to December 31, 1996, remains in force and effect until repealed by the enacting local governing body, notwithstanding the provisions of this section." S.C. Code Ann. § 6-1-330(A). The statute has prospective effect only.[9] *See, e.g., C.R. Campbell*, 325 S.C. 235, 481 S.E.2d 437, 438 fn. 2 (1997) (stating that law enacted after City's enactment of real estate transfer fee does not apply).

In applying a statute, words must be given their plain and ordinary meaning without resort to a subtle or forced construction that would limit or expand the statute's operation. *Harris v. Anderson County Sheriff's Office*, 381 S.C. 357, 362, 673 S.E.2d 423, 425 (2009). The word "adopt" is defined as "to accept, appropriate, choose, or select ... to make that one's own (property or act) which was not so originally." BLACK'S LAW DICTIONARY (5th ed. 1979). In other words, to "adopt" a fee is to establish a fee for the first time. The language of the Service Fee Statute reinforces this definition by referring to "adopt" or "adoption" of a "new service or user fee." *See* S.C. Code Ann. 6-1-300(A) ("A local governing body must provide public notice of any new service or user fee" and "hold a public hearing prior to final adoption of any new service or user fee ....").

The City's Water and Sewer Rate Ordinances were adopted long before the effective date of the Service Fee Statute. The City first enacted its water rate ordinance in 1895 and a sewer rate ordinance in 1970. Each subsequent codification of the City's ordinances contained the same or similar language explicitly stating that ordinances enacted prior to a particular codification "shall be considered as continuations thereof and not as new enactments." § 1-3,

[9] Even without this specific provision, "absent a specific provision or clear legislative intent to the contrary, statutes are to be construed prospectively rather than retroactively, unless the statute is remedial or procedural in nature." *Edwards v. State Law Enforcement Div.*, 395 S.C. 571, 579, 720 S.E.2d 462, 466 (2011). "A statute is remedial where it creates new remedies for existing rights or enlarges the rights of persons under disability." *Id.* A statute is procedural in nature where it provides for a procedure in court or provides for a means to enforce a right. *Id.* S.C. Code Ann. § 6-1-330 does neither of these things; instead, it limits local governments' exercise of police power, and imposes new obligations or duties upon local governments. When a statute impairs pre-existing rights, or imposes new obligations or duties, the statute has prospective effect. *Edwards*, at 579, 466.

Columbia City Code (1998). Further, the City's 1998 codification states that the City Council's enactment of the Code does not affect any existing ordinance "prescribing rates, charges and fees for city services." § 1-11, Columbia City Code (1998). Thus, the City's codification of its ordinances in 1998 does not amount to an adoption of water and sewer fees subject to the Service Fee Statute.

The City has amended its water and sewer rate ordinances on several occasions after the effective date of the Service Fee Statute. However, S.C. Code Ann. § 6-1-330 does not apply to amendments. Section 6-1-330(A) provides that fees "adopted or imposed by a local governing body prior to December 31, 1996, remains in force and effect until repealed by the enacting local governing body, notwithstanding the provisions of this section." (emphasis added). No mention is made of amendments to a pre-existing ordinance that already established a fee. Plaintiff cannot read the word "amendment" into the statute. *See Kinard v. Moore*, 220 S.C. 376, 68 S.E.2d 321, ***14 (1951) ("The court has no right to add the words [the legislature] omitted, nor to interpolate them on conceits of symmetry and policy"). The legislature could have added the word "amend" or "amendment" to this section but chose not to do so.[10] And the term "adopt" cannot be read to include amendments without eviscerating the Service Fee Statute's grandfathering of fees adopted or imposed before December 31, 1996 until repealed.

The City's amendments to its long-standing water and sewer rate ordinances are not subject to the limitations found in S.C. Code Ann. § 6-1-330(B). To hold otherwise would upset the stability and continuity of pre-existing fee structures that the legislature intended to preserve under subsection (A) of the Service Fee Statute. *See Sloan v. S.C. Bd. of Physical Therapy Exam'rs*, 370 S.C. 452, 468, 636 S.E.2d 598, 607 (2006) ("A statute as a whole must receive

[10] Within Act 138, compare S.C. Code Ann. § 6-1-330(B) with S.C. Code Ann. § 6-1-315, in which local governments are authorized to "impose a business license tax or increase the rate of a business license tax." (emphasis added).

practical, reasonable, and fair interpretation consonant with the purpose, design, and policy of lawmakers"); *see also* S.C. Const. art. VIII, § 7 ("all laws concerning local government shall be liberally construed in their favor.").

Even assuming that the City's amendments to its Water Rate Ordinance and Sewer Rate Ordinance enacted in 2008, 2010 and 2011 would trigger the fee limitations in subsection (B) of the Service Fee Statute, subsection (B) does not, by its plain language, apply to water and sewer charges. S.C. Code Ann. § 6-1-300 defines "service or user fee" as "a charge required to be paid in return for a particular government service or program made available to the payer that benefits the payer in some manner different from the members of the general public not paying the fee," and "also includes 'uniform service charges.'" This definition of "service or user fee" is broad, and the City concedes that its water and sewer charges meet this statutory definition.

Nevertheless, subsection (B) narrows the applicability of its requirements to a "service or user fee imposed to finance the provision of public services." The word "impose" is defined as to "establish as something to be obeyed or complied with; enforce." *Collins English Dictionary - Complete & Unabridged 10th Edition* (HarperCollins Publishers 2013) (available at http://dictionary .reference.com/browse/impose). The word "public" is defined as "relating to, or concerning the people as a whole." *Id.* at http://dictionary.reference.com/browse/public. Thus, subsection (B) applies to only a set fee that a person has no choice but to pay, for services that are public as opposed to private in nature. Most municipal fees fall under subsection (B), such as the road maintenance fees, solid waste fees, and sewer impact fees challenged in the *Brown* line of cases; however, the characteristics of water and sewer charges take such charges out of the reach of subsection (B).

As stated earlier, no one is commanded or required to purchase water and sewer from the City. *See Ruggles v. Padgett*, 240 S.C. 494, 510, 126 S.E.2d 553, 561 (1962) (holding that a water charge is a rent or charge for services rendered, collected merely as compensation by those who choose to receive and use the water). If a person wishes to receive water and sewer from the City, he or she submits an application for a water service contract to the City. The contract is voluntary. Moreover, a water and sewer customer is paying for access to the City's water and sewer system for water and sewer services actually consumed.[11] As a result, the amount of the fee paid by a water and sewer customer can be controlled by the customer. A pre-determined water and sewer charge is not unilaterally imposed on anyone.

Further, through a private contract with individual customers, the City sells a retail commodity. *Sossamon*, 236 S.C. 173, 181, 113 S.E.2d 534, 538 (1960); *Simons*, 181 S.C. 353, 357, 187 S.E. 545, 546 (1936); *Green*, 149 S.C. 234, 264, 147 S.E. 346, 356-57 (1929). "A contract has been defined as a private, voluntary, allocation by which two or more parties distribute specific entitlements and obligations." 17A AM. JUR. 2D *Contracts* § 1 (2004). Water and sewer service is a voluntary contractual sale entered for the benefit of the parties. *See Peeples v. South Carolina Power Co.*, 166 S.C. 150, 156, 164 S.E. 605, 607 (1932) ("... parties contract for their own benefit, and not for that of others not parties to the contract ..."). Subsection (B) of the Service Fee Statute applies to public services, not the sale of a commodity under the terms of a contract, utilizing the City's property, i.e., water and sewer infrastructure, to access such commodity. Under the facts of this case, subsection (B) of the Service Fee Statute does not apply to the City's water and sewer charges.

[11] Water and sewer charges are unique in comparison to most other municipal fees; however, the City has identified other charges similar in nature to its water and sewer charges, such as monthly or daily charges for access and use of the City's parking garages, and monthly or daily charges for access and use of the City's Drew Wellness Center.

Nevertheless, if the Service Fee Statute did apply to monthly water and sewer charges generally, the Service Fee Statute does not apply to revenues derived from Non-Resident customers. *Sloan v. City of Conway*, 347 S.C. 324, 330, 555 S.E.2d 684, 687 (2001); *see also* 2012 S.C. AG LEXIS 79 (Aug. 23, 2012) (opining that the Service Fee Statute applies to fees imposed within the city limits, but not for fees imposed outside the city limits). The Service Fee Statute makes no mention of charges to Non-Residents. Consequently, the City may use its water and sewer revenues derived from Non-Resident water and sewer charges however it chooses, including those expenditures challenged by Plaintiff. Because the City's accounting practices do not provide a means to ascertain whether Non-Resident or Resident revenues were used for the expenditures challenged by Plaintiff, he cannot show that the City's use of revenues derived from Resident water and sewer customers violates S.C. Code Ann. § 6-1-330(B). The City's water and sewer revenues derived from Non-Resident charges more than cover the expenditures Plaintiff complains of.

Even if the City's use of water and sewer revenue to fund its economic development activities could be traced to revenues derived from fees paid by Resident customers, such expenditures are lawful under the Service Fee Statute.[12] Section 6-1-330(B) states that "the revenue generated from a service or user fee imposed to finance the provision of public services must be used to pay costs related to the provision of the services or program for which the fee was paid." Plaintiff argues that the City can only spend water and sewer revenues for expenses "directly attributable to supply, treatment and distribution of water" and "collection, treatment

[12] Plaintiff also asserted in its Memorandum of Law and during oral argument that the City funds "community promotions," such as festivals, from its water and sewer enterprise fund. However, the former City Manager testified that the City has not funded community promotions from its water and sewer enterprise fund in the past three fiscal years, and Plaintiff did not bring forward any evidence to dispute his statement. Because the applicable statute of limitations is three years, any expenditure made by the City for community promotions beyond three years is not subject to judicial review. Similarly, Plaintiff makes a passing reference in his Memorandum of Law to the City using water and sewer funds to purchase a building, Washington Square, which mostly houses the utility's offices. The evidence shows that this purchase occurred prior to 2007, well past the three-year statute of limitations.

and disposal of wastewater." Plaintiff takes an overly narrow view of how service fee proceeds must be used under the Service Fee Statute.

The key phrase at issue within Section 6-1-330(B) is its directive that "the revenue generated from a service or user fee imposed to finance the provision of public services must be used to pay costs related to the provision of the services or program for which the fee was paid." (emphasis added). According to its plain and ordinary meaning, the word "related" is commonly defined as "connected by reason of an established or discoverable relation," with "relation" defined as an "aspect or quality (as resemblance) that connects two or more things or parts as being or belonging or working together or as being of the same kind." *See* Merriam-Webster Dictionary, http://www.merriam-webster.com/dictionary/related?show=0&t=1369940142 and http://www.merriam-webster.com/dictionary/relation. Because "all laws concerning local government shall be liberally construed in their favor," a municipality's determination of what expenses are related to the provision of water and sewer service should be given deference. S.C. Const. art. VIII, § 7.

The purpose of a municipal water and sewer utility "is as comprehensive as the public interests which the supply of water ... tends to promote." *Green v. City of Rock Hill*, 149 S.C. 234, 264, 147 S.E. 346, 357 (1929). "The general purpose of a water supply is to promote the prosperity of a city." *Id.*; *Ancrum v. Camden Water*, 82 S.C. 284, 295, 64 S.E. 151, 155 (1909); *Babb v. Green*, 222 S.C. 534, 73 S.E.2d 699 (1952). A water and sewer utility promotes prosperity "by lowering the rate of insurance, increasing the general sense of security, and therefore the general happiness, diminishing the risk of numbers of persons being thrown out of employment, and generally in giving steadiness and confidence to the life and the enterprises of a city." *Green*, 149 S.C. at 264-65, 357. Another important function of a municipal water and

sewer utility is to serve the needs of industry "upon which the prosperity of so many modern urban communities vitally depends." *Id.* Adequate water supply is an important economic development tool. The City's utility attracts businesses to the Midlands region.

The undisputed evidence in this case shows that the City's economic development office and economic development special project fund serves to promote economic development in the region. New businesses locating in the region help grow the City's water and sewer customer base. Economic development special projects, such as the downtown business improvement district, works to enhance new development or redevelopment of Main Street. These economic development activities are related to the provision of water and sewer service, and therefore, the City's expenditures from its water and sewer revenues to fund its economic development office and economic development special projects are lawful under the Service Fee Statute.

The undisputed evidence in this case shows that the City's office of business opportunities builds the capacity of minority businesses being able to bid on and compete for utility construction projects. The former City Manager testified that coaching small businesses how to bid on water and sewer projects increases the number of bids received, which will strengthen the local economy and over time, lower the City's construction costs. The City's office of business opportunities is related to the provision of water and sewer service, and therefore, the City's expenditures from its water and sewer revenues to fund this office are lawful under the Service Fee Statute.

The undisputed evidence in this case shows that the City's four development corporations assist the City in promoting and improving the growth and development of business concerns through the strengthening of the economic and residential base of the community. The Columbia Development Corporation was instrumental in transforming a declining warehouse district into a

successful entertainment district. The Eau Claire Development Corporation provides assistance in the conservation and redevelopment of neighborhoods located in North Columbia. It developed commercial sites in the North Columbia area. The Columbia Housing Development Corporation assists the City in the development of housing and to promote growth in the residential base of the community. The TN Development Corporation promotes growth and develops opportunities for affordable rental housing. The former City Manager testified that these latter two corporations are important to economic development because the appearance of neighborhoods and affordable housing is a major driver when people look to relocate a business or to expand their business in the Columbia area. The City's development corporations are related to the provision of water and sewer service, and therefore, the City's expenditures from its water and sewer revenues to fund these corporations are lawful under the Service Fee Statute.

Lastly, the Service Fee Statute does not prohibit the City's transfer of $4.5 million dollars from its water and sewer enterprise fund to its general fund. "It is well settled that statutes dealing with the same subject matter are in *pari materia* and must be construed together, if possible, to produce a single, harmonious result." *Beaufort County v. S.C. State Election Comm'n*, 395 S.C. 366, 371, 718 S.E.2d 432, 435 (2011). All statutes covering the same subject must be given effect, if it can be done by any reasonable construction. *Hodges v. Rainey*, 341 S.C. 79, 88-89, 533 S.E.2d 578, 583 (2000); *Cullum Mechanical Constr., Inc. v. Charleston*, 272 S.C. 553, 557, 253 S.E.2d 106, 108 (1979). The City's statutory authority under the Revenue Bond Refinancing Act of 1937 and the Revenue Bond Act for Utilities found within Title 6 (collectively referred to as the "Revenue Bond Acts") must be read together in *pari materia* with the Service Fee Statute in order to determine whether the City's transfer is unlawful.

The plain language of the Service Fee Statute states that revenue derived from a service fee "must be used to pay costs related to the provision of the service or program for which the fee was paid." Notably, this language does not expressly state that a local governing body cannot use any revenues left over for some other purpose after costs are met.[13] Thus, at the outset, no clear conflict exists between the Service Fee Statute and the Revenue Bond Acts. The Service Fee Statute does not prevent the City from using any surplus water and sewer revenues for purposes other than the costs of the water and sewer system. *See* S.C. Const. art. VIII, § 7 ("all laws concerning local government shall be liberally construed in their favor").

Under the Revenue Bond Acts, a municipality is authorized to issue revenue bonds for the acquisition, construction, improvement, enlargement, and repair of its water and sewer utility. S.C. Code Ann. § 6-21-190; S.C. Code Ann. § 6-17-30. Municipalities may pledge its water and sewer revenues to secure such bond issues. S.C. Code Ann. § 6-17-30; S.C. Code Ann. § 6-21-340. Any surplus funds remaining after application of revenues to payments of principal and interest, operation and maintenance, and reserves for depreciation and improvements "shall be disposed of by the [City] as it may determine from time to time to be for the best interest of the [City]." S.C. Code Ann. § 6-21-440. This statutory authority cannot be impaired, as evidenced by the legislature's use of the word "shall" in conferring such power. This provision "shall be liberally construed." S.C. Code Ann. § 6-21-570.

Reading the Service Fee Statute together with S.C. Code Ann. § 6-21-440, the City's transfer of surplus water and sewer revenues from its water and sewer enterprise fund to its general fund is lawful. The City has outstanding revenue bonds and has, through its Bond

[13] In contrast, other provisions within Act 138, which enacted the Service Fee Statute and other provisions relating to local government taxes and fees, used restrictive language. For example, under provisions authorizing a local accommodations tax and a local hospitality tax, the legislature directed that the revenue generated by these taxes "must be used exclusively for [certain specified] purposes." Act 138, § 6-1-520 & § 6-1-730 (June 13, 1997) (emphasis added).

Ordinance and Resolution, exercised its legislative authority to apply surplus water and sewer revenues "as Council determines from time to time to be in the best interest of the City." S.C. Code Ann. § 6-21-440. Thus, under the facts of this case, the City is authorized to use surplus water and sewer revenues in a manner it believes to be best for the City, and the Service Fee Statute does not interfere with this discretion.

5. RESIDUAL CONSTITUTIONAL CLAIMS

Within his third cause of action alleging unconstitutional collection of water and sewer charges, Plaintiff asserts that the City's actions constitute a taking of property without just compensation, and a violation of due process and equal protection under the law. To the extent that these constitutional claims have not been disposed of by virtue of this Court's decision regarding whether the City's water and sewer charges violate *Brown* and the Service Fee Statute, these claims lack merit.[14]

Government action can affect no taking unless it has deprived an owner of a property interest. *Grimsley v. S.C. Law Enforcement Div.*, 396 S.C. 276, 283-284, 721 S.E.2d 423, 427 (2012); *Hardin v. S.C. DOT*, 371 S.C. 598, 609, 641 S.E.2d 437, 443 fn. 4 (2007). Likewise, to prove a denial of due process, a party must show that he was deprived of an interest in life, liberty or property. *Grimsley*, 396 S.C. 276, 283-284, 721 S.E.2d 423, 427 (2012); *Robert K. v. City of Camden Planning Comm'n*, 376 S.C. 165, 171, 656 S.E.2d 346, 350 (2008). Because Plaintiff has not come forward with a valid property interest, he has failed to establish a takings

[14] Plaintiff, in his Memorandum of Law in Support of Summary Judgment, asserted in a conclusory fashion without citing any authority, that the City's transfer of $4.5 million dollars to its general fund amounted to taxation without representation. Plaintiff's Second Amended Complaint alleges that the City's $4.5 million dollar transfer constitutes an unconstitutional tax, without specifically mentioning the issue of taxation without representation. To the extent Plaintiff properly raised a claim of taxation without representation, it is denied. *See Hagley Homeowner's Ass'n. v. Hagley Water, Fire & Sewer District*, 326 S.C. 67, 75-76, 485 S.E.2d 92, 96 (1997) (denying claim of taxation without representation because "the imposition of a charge in exchange for a service does not constitute taxation for constitutional purposes.").

claim[15] or a due process claim. *See Anonymous Taxpayer v. S.C. Dep't of Revenue*, 377 S.C. 425, 438, 661 S.E.2d 73, 79 (2008) ("Having found that section 9-1-1680 did not create a contract entitling Appellant to tax exemptions, we conclude that there are no property rights infringed upon by Act 189."); *Hamilton v. Board of Trustees*, 282 S.C. 519, 525-526, 319 S.E.2d 717, 721 (Ct. App. 1984) (holding that no property interest in a contract existed where no contract term entitled plaintiff to future employment).

As for any equal protection claim, "if a classification is reasonably related to a proper legislative purpose and the members of each class are treated equally, any challenge under the equal protection clause fails." *Skyscraper Corp. v. County of Newberry*, 323 S.C. 412, 417, 475 S.E.2d 764, 766 (1996). "Equal protection is satisfied if: (1) the classification bears a reasonable relation to the legislative purpose; (2) the members of the class are treated alike under similar circumstances; and (3) the classification rests on some reasonable basis." *Id.* "In determining whether a statute violates equal protection, this Court accords great deference to a legislatively created classification; the classification will be upheld if it is not plainly arbitrary and there is any reasonable hypothesis to support it." *Id.* "The party attacking an ordinance bears the burden of proving its unconstitutionality beyond reasonable doubt." *Id.* Plaintiff has not identified what legislation has allegedly created a class or who comprises this class, nor has he alleged or explained how he has been injured by disparate treatment. Plaintiff has failed to meet his burden to establish an equal protection claim.

[15] Furthermore, "it is beyond dispute that taxes and user fees are not takings." *Koontz v. St. John's River Water Management District*, 570 U.S. ___, 133 S. Ct. 2586, 2601 (2013).

CONCLUSION

THEREFORE, it is ordered that Defendant's Motion for Summary Judgment is GRANTED and Plaintiff's Motion for Summary Judgment is DENIED.

AND IT IS SO ORDERED.

_____
The Honorable G. Thomas Cooper
Circuit Court Judge

_____, 2013

STATE OF SOUTH CAROLINA **COUNTY OF RICHLAND**	**IN THE COURT OF COMMON PLEAS** **FIFTH JUDICIAL CIRCUIT** **C/A NO. 2011-CP-40-6705**
Joseph S. Azar, Frank J. Cumberland, Jr., and Michael A. Letts, Individually and as Class Representatives, Plaintiffs, vs. City of Columbia, Defendant.	**ORDER ON MOTIONS FOR SUMMARY JUDGMENT**

Hearing Date:	August 5, 2013
Presiding Judge:	G. Thomas Cooper
Plaintiffs' Attorneys:	Gene M. Connell, Jr. C. Dixon Lee, III
Defendant's Attorneys:	Thomas E. Lydon M. Mullen Taylor
Court Reporter:	Karen Ambroziak

This matter was heard before the undersigned at Columbia, South Carolina on August 5, 2013. Both parties appeared through their respective attorneys.

The matter is before the Court on cross motions for summary judgment. Plaintiffs filed and served a Motion for Summary Judgment dated September 18, 2013. Defendant (City of Columbia") filed and served a Motion for Summary Judgment dated August 14, 2013.

The material facts in this case are undisputed. The dispute in this case, which this Court is now called upon to resolve, is the applicable law which the Court should apply to decide the causes of action raised in the Plaintiffs' Complaint.

The record reflects that this action was commenced by Plaintiff Azar filing a Summons and Complaint with this Court on October 10, 2011 and subsequence service of the same on The

City of Columbia. An Amended Complaint was filed on October 13, 2011 which, in part, added Plaintiff Cumberland as a party to this action. A Second Amended Complaint was filed on January 17, 2012 which, in part, added Plaintiff Letts as a party to this action. Each of the foregoing Complaints was properly served upon the City of Columbia. In response to the foregoing Complaints the City of Columbia has timely served an Answer denying Plaintiffs' entitlement to the relief requested in those Complaints and pleading various defenses as are more fully set forth in those pleadings.[1]

Plaintiffs' Second Amended Complaint seeks (1) an injunction requiring the City of Columbia to prospectively deposit all water and sewers fees collected by the City of Columbia into a separate segregated account and to use the same only for the operation, maintenance, repair and future expansion of the water and sewer system; and, (2) to require the City of Columbia to refund to the water and sewer account the ("Enterprise Fund") within the three year statute of limitations before this case was commenced on October 10, 2011 (a) all monies transferred from that account to the City of Columbia's general fund and (b) all monies spent from that account by other departments or agencies of the City of Columbia. Class action certification and related relief requested by the Plaintiffs was previously denied as is discussed below.

The Honorable J. Ernest Kinard, Jr., sitting as a Judge of this Court, previously heard Plaintiff's Motion for Class Action Certification and the City of Columbia's Motion to Dismiss for Lack of Standing on June 5, 2012. Judge Kinard ruled on those issues denying Plaintiff's Motion for Class Action Certification and denying The City of Columbia's Motion to Dismiss

[1] Defendant City of Columbia's Answer to Amended Complaint filed November 14, 2011 and Defendant's Answer to Plaintiff's Second Amended Complaint dated February 21, 2012.

for Lack of Standing, ruling that all three Plaintiffs have the legal standing to bring the subject action.

Based upon the evidence and record, and after duly considering the able argument made by counsel for the parties, the Court makes the following findings of fact, conclusions of law and disposition:

1. Plaintiff Azar is a citizen and resident of the City of Columbia, County of Richland, State of South Carolina.
2. Plaintiff Cumberland is a citizen and resident of the City of Columbia, County of Richland, State of South Carolina.
3. Plaintiff Letts is a citizen and resident of the County of Richland, State of South Carolina, who lives outside the corporate limits of the City of Columbia.
4. The City of Columbia is a body politic and is a governmental entity organized and existing pursuant to the laws of the State of South Carolina.
5. The City of Columbia owns and operates a municipal water and sewer service and provides water and sewer service to approximately 130,000 water customers and 70,000 sewer customers. 45% of those customers are within the Columbia city limits. 55% of those customers are outside the Columbia city limits.
6. Plaintiffs Azar, Cumberland and Letts are each customers of the Columbia water and sewer service.
7. On a fiscal year basis The City of Columbia collects in excess of $100,000,000.00 in water and sewer fees.[2] All water and sewer fees collected by the City of Columbia are initially deposited into the "Enterprise Fund" account, which holds only water and sewer fees and no other City of Columbia revenues. Water and sewer fees are approximately

[2] Fiscal year 2010-2011 = $103,708,234.00. Fiscal year 2011-2012 = $110,400,499.00.

48% to 49% of the City of Columbia's total annual budget. Each year the City of Columbia transfers at least $4.5 Million from monies collected as water and sewer fees into the City of Columbia's general fund and had done so for many years. Money is fungible. Once deposited into the City of Columbia's general fund and comingled with tax revenues and other monies collected by the City of Columbia and deposited into its general fund it is impossible for anyone to tell where those transferred water and sewer monies were spent.

8. In addition to the monies directly transferred from the "Enterprise Fund" account, where all water and sewer fees are initially deposited, to the City of Columbia's general fund, the City of Columbia funds it's Office of Business Opportunities, the Economic Development Department, the Public Relations Department, various City Development Departments, the Economic Development Contingency Fund, the City Center Partnership and Community Promotions by using money collected as water and sewer fees directly out of the "Enterprise Fund". These expenditures average approximately $2.27 Million annually.[3]

9. The City of Columbia's water and sewer system is in need of significant repair or replacement which, according to estimates procured by the City of Columbia from Black & Veatch, an engineering, consulting and construction company, will likely cost in the $100's of millions. The City of Columbia is currently in negotiations with the U.S. Environmental Protection Agency and S.C. Department of Health and Environmental Control over this subject. To date no agreement has been reached as to the work the City of Columbia must do on its water and sewer system.

[3] The Columbia Development Corporation, the Eau Claire Development Corporation, the Columbia Housing Development Corporation and the TN Development Corporation collectively expended $1, 053,552.00 in FY 2008/2009; $1,154.478.00 in FY 2009/2010; and, $1,147,242.42 in FY 2010/2011 from the "Enterprise Fund".

10. The Court notes that Plaintiffs' presented Exhibits 11 and 12 at the hearing of this case. Those Exhibits were reports from Black & Veatch concerning a study commissioned by the City of Columbia regarding direct and indirect costs of water and sewer service. In the City of Columbia's study Thomas Peterson of Black & Veatch noted:

> Based on our cost casual analysis, of the Utility's 2006 budget of $96.8 million in Exhibits 2a and 2b, approximately $7.5 million of directly funded costs should not be funded by the Utility Enterprise Fund and are more appropriately funded through general budget funds. This includes $3.6 million for non-departmental, capital improvements and component units (development corporation). Our analysis is not intended to suggest the activities and functions provided by these departments is not of value to the City; rather, or analysis indicates no direct costs causation or benefit could be attributed to the Utility for these services, and therefore no cost causal based justification for direct funding from the Utility was supported for the purposes of this study.

11. Plaintiff's Complaint is principally based upon S.C. Code Ann. § 6-1-330 (Supp. 2012) which provides, in relevant part:

> § 6-1-330. Local fee imposition limitations.
>
> (A) A local governing body, by ordinance approved by a positive majority, is authorized to charge and collect a service or user fee. A local governing body must provide public notice of any new service or user fee being considered and the governing body is required to hold a public hearing on any proposed new service or user fee prior to final adoption of any new service or user fee. Public comment must be received by the governing body prior to the final reading of the ordinance to adopt a new service or user fee. A fee adopted or imposed by a local governing body prior to December 31, 1996, remains in force and effect until repealed by the enacting local governing body, notwithstanding the provisions of this section.
>
> (B) The revenue derived from a service or user fee imposed to finance the provision of public services must be used to pay costs related to the provision of the service or program for which the fee was paid. If the revenue generated by a fee is five percent or more of the imposing entity's prior fiscal year's total budget, the proceeds of the fee must be kept in a separate and segregated fund from the general fund of the imposing governmental entity. (emphasis added).....

12. The initial issue which the Court must address is whether the water and sewer charges made by the City of Columbia are a "service or user fee" or a tax. S.C. Code Ann. § 6-1-300 (Supp. 2012) defines a "service or user fee" as:

> (6) "Service or user fee" means a charge required to be paid in return for a particular government service or program made available to the payer that benefits the payer in some manner different from the members of the general public not paying the fee. "Service or user fee" also includes "uniform service charges".

13. A number of South Carolina cases have previously held that a sewer charge is a service or user fee and cannot be used for other purposes. See *J.K. Construction, Inc. v. Western Carolina Regional Sewer Authority*, 519 S.E. 2d 561 (1999); *Campbell Construction Co. v. City of Charleston*, 325 S.C. 235, 481 S.E.2d 437 (1997); *Ford v. Georgetown County Water and Sewer District*, 532 S.E.2d 873 (2000); and *Brown v. County of Horry*, 308 S.C. 180, 417 S.E.2d 565 (1992). As stated in *Campbell Construction Co. v. City of Charleston*, Supra.

> Under *Brown*, a fee is valid as a uniform service charge if (1) the revenue generated is used to the benefit of the payers, even if the general public also benefits (2) the revenue generated is used only for the specific improvement contemplated (3) the revenue generated by the fee does not exceed the cost of the improvement and (4) the fee is uniformly imposed on all the payers....481 S.E.2d at 438.

14. The water and sewer charges paid to the City of Columbia are paid only by customers of the City of Columbia water and sewer service. Property owners both inside and outside the city limits who do not use the City of Columbia water and sewer services are not charged for and do not pay water and sewer charges. The use of the revenue generated from of the City of Columbia water and sewer service, which is the subject of this litigation, is currently used by the City of Columbia for the water and sewer system and for other purposes. Water and sewer fees charged by the City of Columbia are uniform within classes of users.

15. Based upon the foregoing, the Court finds and concludes that water and sewer charges made and collected by the City of Columbia are a "service or user fee", not a "tax" and, thus, subject to limitations or restrictions imposed by S.C. Code Ann. § 6-1-330 (Supp. 2012).

16. The City of Columbia argues that S.C. Code Ann. § 6-1-330 (Supp. 2012) is unconstitutional and violates Article VIII, Section 17 of the South Carolina Constitution, which provides:

> **SECTION 17.** Construction of Constitution and laws.
>
> The provisions of this Constitution and all laws concerning local government shall be liberally construed in their favor. Powers, duties, and responsibilities granted local government subdivisions by this Constitution and by law shall include those fairly implied and not prohibited by this Constitution. (1972 (57) 3184; 1973 (58) 67.)

17. As stated in *State v. White*, 348 S.C. 532, 560 S.E.2d 420 (2002):

> Our precedent establishes a general presumption of validity for legislative acts when subjected to constitutional attack, which can be overcome only by a clear showing that the act violates some provision of the Constitution. *Main v. Thomason,* 342 S.C. 79, 535 S.E.2d 918 (2000); *State v. Brown,* 317 S.C. 55, 451 S.E.2d 888 (1994). This presumption places the initial burden on the party challenging the constitutionality of the legislation to show it violates a provision of the Constitution. If the challenging party is able to show the act is invalid, leaving "no room for reasonable doubt that it violates some provision of the Constitution," the burden shifts to the state. *Thomason,* 342 S.C. at 86, 535 S.E.2d at 921 (citing *Westvaco Corp. v. South Carolina Dep't of Revenue,* 321 S.C. 59, 467 S.E.2d 739 (1995)). If the challenging party is unable to do so, however, it has not met its burden, and the challenge fails under this analysis. State v. White, 560 S.E.2d at 423, 424.
>
> The rational basis analysis set out in our precedent to test the legislature's authority under its police power gives the statute a strong presumption of validity. State v. White, 560 S.E.2d at 421

18. As stated in SCDSS v. Sarah W., 402 S.C. 324, 741 S.E.2d 739 (2013):

> In deciding the constitutionality of a statute, every presumption will be made in favor of its validity, and no statute will be considered unconstitutional unless its invalidity leaves no doubt that it conflicts with the constitution. *State v. Gaster,* 349 S.C. 545, 549–50, 564 S.E.2d 87, 89–90 (2002). "This presumption places the initial burden on the party challenging the constitutionality of the legislation to show it violates a provision of the constitution *State v. White*, 348 S.C. 532, 560

S.E.2d 420 (2002). SCDSS v. Sarah W., 741 S.E.2d at 745.

19. As stated in *Rainey v. Haley*, South Carolina Supreme Court Opinion # 2012–211048, filed June 12, 2013:

> The cardinal rule of statutory construction is to ascertain and effectuate the intent of the legislature. *Hodges v. Rainey,* 341 S.C. 79, 85, 533 S.E.2d 578, 581 (2000). "Where the statute's language is plain and unambiguous, and conveys a clear and definite meaning, the rules of statutory interpretation are not needed and the court has no right to impose another meaning." Id. ("Under the plain meaning rule, it is not the court's place to change the meaning of a clear and unambiguous statute."). *Rainey v. Haley*, South Carolina Supreme Court Opinion # 2012–211048, June 12, 2013
>
> "The canon of construction 'expressio unius est exclusio alterius' or 'inclusio unius est exclusio alterius' holds that 'to express or include one thing implies the exclusion of another, or of the alternative.' " *Hodges,* 341 S.C. at 86, 533 S.E.2d at 582 (quoting Black's Law Dictionary 602 (7th ed. 1999)). *Rainey v. Haley*, supra

20. S.C. Code § 6-1-300 ET. seq. (Supp. 2012) was enacted by the S.C. Legislature in 1997, Act No. 138. Section 7, Chapter 1 of that Act, which is codified at S.C. Code § 6-1-300 ET. seq., addresses the subject of "Authority of Local Governments to Assess Taxes and Fees."

21. Nothing in S.C. Code § 6-1-300 ET. seq. (Supp. 2012), of which S.C. Code Ann. § 6-1-330 is a part, offends Article VIII, Section 17 of the South Carolina Constitution. As such, the Court rejects the City of Columbia claim that S.C. Code Ann. § 6-1-330 is unconstitutional.

22. The City of Columbia also argues they are exempt from application of S.C. Code Ann. § 6-1-330 (Supp. 2012) by reason of the last sentence in S.C. Code Ann. § 6-1-330(A) (Supp. 2012), which reads: "A fee adopted or imposed by a local governing body prior to December 31, 1996, remains in force and effect until repealed by the enacting local governing body, notwithstanding the provisions of this section."

23. The Court disagrees. The City of Columbia has amended its Ordinance governing water and/or sewer rates on numerous occasions since December 31, 1996. For example, Ordinance No. 2013-013, effective May 2013; Ordinance No. 2012-450, effective July 1, 2012; Ordinance No. 2011—27, effective July 1, 2011; Ordinance No. 2010-089, effective July 1, 2010; Ordinance No. 2006-039, effective July 1, 2008; Ordinance No. 2007-044, effective June 27, 2007; and, Ordinance No. 2006-046, effective November 8, 2006. The Court takes judicial notice of the foregoing City of Columbia Ordinances. The water and sewer fees adopted by the City of Columbia prior to December 31, 1996 have not been in force and effect at any time going back to the three (3) year statute of limitations prior to the commencement of this action on October 10, 2011. Accordingly, the savings clause in S.C. Code Ann. § 6-1-330(A) (Supp. 2012) has no application in this case and presents no defense for the City of Columbia to Plaintiffs' case.

24. The City of Columbia also argues that the Court should use an expansive or broad definition of the language in the second sentence of S.C. Code Ann. § 6-1-330(B) (Supp. 2012), which reads, "The revenue derived from a service or user fee imposed to finance the provision of public services must be used to pay costs related to the provision of the service or program for which the fee was paid." (emphasis added).

25. In substance, the City of Columbia argues that an expansive or broad reading of the language ".....must be used to pay costs related to the provision of the service or program for which the fee was paid." allows the City of Columba to spend monies collected as water and sewer fees for the purpose of expansion, development and growth of industry, business and residential use in the City which, in turn, indirectly results in adding new customers for its water and sewer system. Thus, the City of Columbia reasons, the City

of Columbia's Office of Business Opportunities, the Economic Development Department, the Public Relations Department, various City development departments, the Economic Development Contingency Fund, the City Center Partnership and Community Promotions are properly using money collected by the City of Columbia as water and sewer fees to fund their programs.

26. The Court acknowledges that municipalities can and do make themselves more attractive locations for new business seeking to relocate or start up as well as existing business to expand through a variety of means. This is equally true for residential renovation, expansion and new residential development. Well run public safety departments, such as police and fire, help lower the crime rate and make a city or town a safer place to live. Parks, walking paths, museums and other art venues make a city or town an attractive place for new businesses or new residents. Clean and well maintained streets, sidewalks and other public areas make a city or town an attractive place for new businesses or new residents. A well maintained and modern road system makes a city or town an attractive place for new businesses or new residents. Community promotions such as festivals, concerts, and other events make a city or town an attractive place for new businesses or new residents. Carried to its logical conclusion, the City of Columbia's argument for an expansive or broad reading of the subject statute would ultimately result in the City of Columbia being able to fund virtually all of its operations, such as fire, police, parks, recreations, streets, museums, etc., out of water and sewer fee revenues. Both subject statute and case law on this issue strongly suggest otherwise. The statutes plainly says ".....must be used to pay costs related to the provision of the service or program for which the fee was paid." (emphasis added). Existing case law on this subject establishes

that 2 prongs of the 4 prong test in determining if a fee is valid under South Carolina law are:

> Under *Brown,* a fee is valid as a uniform service charge if (1) the revenue generated is used to the benefit of the payers, even if the general public also benefits (2) the revenue generated is used only for the specific improvement contemplated (3) the revenue generated by the fee does not exceed the cost of the improvement and (4) the fee is uniformly imposed on all the payers... (emphasis added). *Campbell Construction Co. v. City of Charleston*, 481 S.E.2d at 438.

27. If the revenue from the City of Columbia's water and sewer fees is supposed to be used "...only for the specific improvement contemplated..." i.e., the operation, maintenance, improvements and expansion of the water and sewer system, it cannot logically be used for other purposes such as encouraging business or residential development or expansion. This logic is further supported by the third prong of the four prong test, "....the revenue generated by the fee does not exceed the cost of the improvement..." If the revenue generated from water and sewer fees does not exceed the costs of the City of Columbia's water and sewer system, then why is the City transferring part of that revenue to its general fund and allowing other departments and agencies to spend money from the account where those fees are deposited, particularly while the City is allowing its water and sewer system to degrade to a level where the U.S. Environmental Protection Agency and the S.C. Department of Health and Environmental Control have become involved.

28. As stated previously, "The cardinal rule of statutory construction is to ascertain and effectuate the intent of the legislature." *Hodges v. Rainey,* Supra. The City of Columbia advocates an expansive or broad interpretation of the statute which renders the statute substantively meaningless as it would effectively impose no limitation on the expenditure of water and sewer fees collected by the City. The Court presumes that legislature intended the statute to have a purpose and that the purpose was a stated in the statute, to

impose local fee "limitations" and to protect the ratepayer from funding other government functions. For the statute to accomplish that end it must be read in the manner advocated by Plaintiff.

29. The Court finds and concludes that the statutory language ".....must be used to pay costs related to the provision of the service or program for which the fee was paid." refers to the specific program for which the fee was paid, i.e. the City of Columbia's water and sewer system, rather than the expansive or broad definition of that language advocated by the City of Columbia.

30. The City of Columbia argues that it has a right to make a "profit" on its water and sewer system. Plaintiffs agree that revenues derived by the City of Columbia in any year or even a number of years may exceed the total amount spent by the City of Columbia on its water and sewer system in those years and thus result in a "profit" in any such years. Plaintiffs disagree that the City of Columbia making a "profit" from the operation of its water and sewer system in any year or even a number of years justifies or allows the City of Columbia to spend that "profit" for any purpose other than its water and sewer system.

31. Again, S.C. Code Ann. § 6-1-330(B) (Supp. 2012), which reads as is set forth below, is instructive as to resolving that dispute.

> "The revenue derived from a service or user fee imposed to finance the provision of public services must be used to pay costs related to the provision of the service or program for which the fee was paid." (Emphasis added).

32. The Court agrees that the City has a right to and may make a "profit" on its water and sewer system in any year or even any number of years resulting from the total revenues from its water and sewer system exceeding the total costs of the operation, maintenance, repair, replacement and future of its water and sewer system in those years. However, the

Court agrees with Plaintiffs that any such "profit" from the operation of the water and sewer system ".....must [ultimately] be used to pay costs related to the provision of the service or program for which the fee was paid." In other words, any "profit" or excess in one year must be saved or accumulated and ultimately spent on the water and sewer system and not elsewhere. The subject statute does not require that all monies collected by a municipality or any other political subdivision in any year as a "service or user fee" be spent on the specific service or program for which it was collected in the same year as it was collected. The subject statute only requires that such monies ultimately be spent on the specific service or program for which it was collected. The timing of when that money is spent remains in the sound discretion of the municipality or other political subdivision collecting those fees.

Based upon the foregoing, it is, accordingly,

ORDERED AS FOLLOWS:

1. The City of Columbia is permanently restrained and enjoined from using any monies it collects as water and sewer fees for any purpose other than directly and specifically for the operation, maintenance, repair, replacement and future expansion of its water and sewer system.
2. The City of Columbia is ordered to forthwith repay to the "Enterprise Fund" account (a) all monies it transferred from its "Enterprise Fund" account, where water and sewer fees are initially deposited, to its general fund and (b) all monies spent out of its "Enterprise Fund" account by its (i) Office of Business Opportunities, (ii) the Economic Development Department, (iii) the Public Relations Department, (iv) various City development departments, (v) the Economic Development Contingency

Fund, (vi) the City Center Partnership, (vii) Community Promotions, and (viii) each and every other department, agency and subdivision of the City of Columbia other that the water and sewer departments at any time during the time period October 10, 2008[4]

3. S.C. Code Ann. § 6-1-330 (Supp. 2012) is held to be constitutional in all respects and applies to the City of Columbia's water and sewer system.

4. S.C. Code Ann. § 6-1-330 (Supp. 2012) has been in effect at all times since 1997 and is retroactive, not prospective, as has been argued by the City of Columbia. Further, this Order only requires money be returned or refunded by the City of Columbia to the water and sewer enterprise fund for the time period dating back to three years before this action was commenced (October 10, 2008) through the date the injunction granted in paragraph # 1 above takes effect.

5. The City of Columbia shall not use monies collected as future water and sewer fees to pay for, directly or indirectly, any programs other than the operation, maintenance, repair, replacement and future expansion of its water and sewer system as to do so would be a "tax" and would be in contravention of South Carolina law governing levying of taxes.

6. The Court finds that the City of Columbia may make a "profit" (total revenue in any year may exceed total expenses in that year), however, all monies constituting a profit in any year or years must ultimately be spent or used pursuant to the mandates of S.C. Code Ann. § 6-1-330 (Supp. 2012). If the Court were to rule otherwise, the City of Columbia could raise water rates to pay for legitimate government services

[4] The three (3)year statute of limitations prior to the commencement of this action on October 10, 2011

and activities which should, by law, be funded and paid for by taxes and thus making the "profit" method advocated by the City of Columbia of funding impermissible.

IT IS SO ORDERED.

_____
G. Thomas Cooper, Judge
Court of Common Pleas
Fifth Judicial Circuit

Camden, South Carolina

Dated: _____, 2013

STATE OF SOUTH CAROLINA
In the Court of Appeals

RECEIVED
JAN 06 2014
SC Court of Appeals

APPEAL FROM RICHLAND COUNTY
Court of Common Pleas for the Third Judicial Circuit
G. Thomas Cooper, Circuit Court Judge
J. Ernest Kinard, Jr., Circuit Court Judge

Docket No. 2011-CP-40-6705

JOSEPH S. AZAR, FRANK J. CUMBERLAND, JR., AND MICHAEL A. LETTS, INDIVIDUALLY AND AS CLASS REPRESENTATIVES,

Appellants,

vs.

CITY OF COLUMBIA,

Respondent.

NOTICE OF APPEAL

Joseph S. Azar, Frank J. Cumberland, Jr., and Michael A. Letts, Individually And As Class Representatives, appeal (1) the Order Denying Plaintiff's Motion for Class Action Certification of the Honorable J. Ernest Kinard, Jr., Circuit Court Judge, dated June 22, 2012 and filed June 26, 2012; (2) the Order Denying Plaintiff's Motion for Reconsideration of the Honorable J. Ernest Kinard, Jr., Circuit Court Judge, dated September 19, 2012 and filed September 20, 2012; (3) the Order Granting Defendant's Motion for Summary Judgment of the Honorable G. Thomas Cooper, Circuit Court Judge, dated September 26, 2013 and filed September 26, 2013; and, (4) the Order Denying Plaintiff's Motion for Reconsideration of the

Honorable G. Thomas Cooper, Circuit Court Judge, dated November 26, 2013 and filed November 27, 2013. Appellant received written notice of entry of the November 27, 2013 Order Denying Plaintiff's Motion for Reconsideration of the Honorable G. Thomas Cooper, Circuit Court Judge, on December 6, 2013.

Dated January 6, 2014 at Columbia, South Carolina.

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CERTIFICATION OF COUNSEL

The undersigned attorney for Appellants hereby certifies that the foregoing Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

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Columbia, South Carolina

Dated: October 9, 2014

STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM RICHLAND COUNTY
Court of Common Pleas for the Fifth Judicial Circuit
G. Thomas Cooper, Circuit Court Judge
J. Ernest Kinard, Jr., Circuit Court Judge

RECEIVED
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SC Court of Appeals

Docket No. 2011-CP-40-6705
Appellate Case No. 2014-000032

JOSEPH S. AZAR, FRANK J. CUMBERLAND, JR., AND MICHAEL A. LETTS, INDIVIDUALLY AND AS CLASS REPRESENTATIVES,

Appellants,

vs.

CITY OF COLUMBIA,

Respondent.

PROOF OF SERVICE

The undersigned hereby certifies that on the 15th day of October 2014 he/she did serve one (1) copy of the Record on Appeal in this case on opposing counsel by hand delivering the same to the law office of opposing counsel at the following street address:

M. Mullen Taylor
Mullen Taylor, LLC
1230 Richland Street
Columbia, SC 29201

TS

Dated this 15th day of October 2014 at Columbia, South Carolina.