

City Council approves transfer of control on U.S. Water

The Lexington City Council voted to sign an agreement for transfer of water production and distribution system assets on June 29, 2010. This was the next step for the citizens to acquire U.S. Water, Inc.

U.S. Water, Inc. assets were pur-

chased for 2.9 Million Dollars. The City will acquire all U.S. Water, Inc. assets except for some office furniture.

The City's plan is to offer employment to all U.S. Water, Inc. employees. This discussion will take place within a month.

There are numerous ongoing actions that are required prior to the final payment to U.S. Water, Inc. and will require six months to accomplish. More details will be provided in the near future.

Letter to the Editor

Dear Editor:

As a former resident of Lexington, I'm pleased that voters there have approved acquisition of the local water company. A municipal utility to provide a new source of revenue will help the City of Lexington in many ways.

Apparently, the City went about the acquisition of U.S. Water Co. in the right way this time — not what happened back in 1992 when I served on Lexington City Council. Enough said.

This new municipal water utility is an important first step into Lexington's future. Another step which needs to be taken ASAP is serious consideration by City officials of annexing suitable property along the new Highway 13 corridor, with the aim of forming a public-private partnership to build an industrial park there.

Jobs are the key to Lexington's future, and I believe this cannot be overstated. On June 22, the U.S. Census Bureau released its estimates of population from July 1, 2009: Lexington shows a projected 4,481 residents. This is not good news, as it shows in effect no growth at all during the past decade.

Best wishes to everyone in my old hometown!

Max R. Weller
Boulder, Colo.

EXHIBIT "C"

Voters okay city's purchase of water system

Auditorium issue gets thumbs down

By Joe Parmon
News Editor

The water system serving the city of Lexington is on its way to being in the hands of the city.

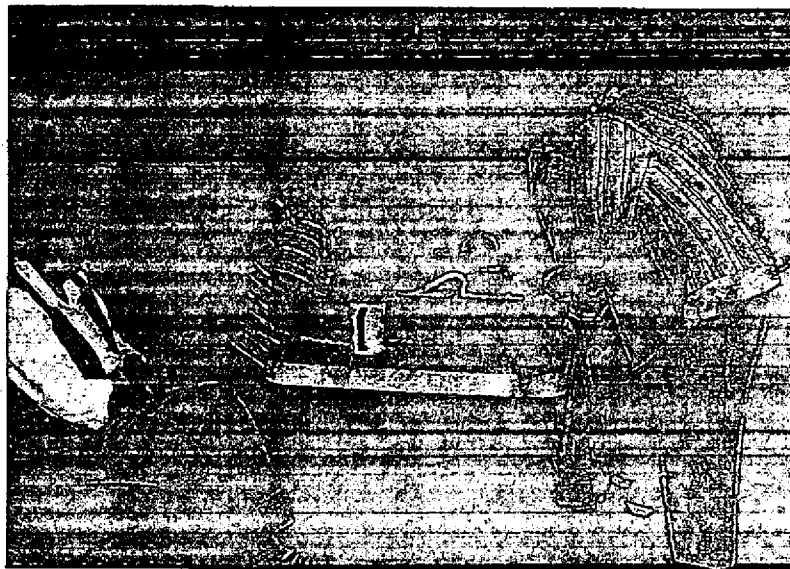
The fate of the Municipal Auditorium remains up in the air.

During voting on Tuesday, Lexington residents gave the green light for the city to purchase the water system from U.S. Water Company, with the referendum capturing 63 percent approval (447-259) among voters.

Meanwhile, in a non-binding referendum that asked residents if they were in favor of raising property taxes to fund \$920,000 worth of renovations to the auditorium, voters gave the thumbs down by a margin of 414-291.

A total of 707 residents turned out to vote at the Lexington United Methodist Church.

For the past several weeks, city officials have been touting the benefits of a city-con-



Residents sign in to vote Tuesday at the Lexington United Methodist Church.

Joe Parmon

trolled water system — both in terms of the number of short- and long-term upgrades to the system that are planned along with how it could boost economic development efforts.

Bonds will be issued for \$5 million to allow for the purchase of the system and also for improvements to the sys-

tem. Water bills are expected to rise about \$10 a month, although officials have noted a larger increase — the first city water users have seen since 1989 — was on the way under the former owners.

During Tuesday night's City Council meeting, Mayor Jerry Brown thanked all those who voted in favor of the pur-

chase. Brown also thanked council members for their efforts to drum up support, along with Community Betterment for their backing as well.

Brown added that the city will not waste any time in preparing to take over the system. A special council meeting was planned for last

night to hear proposals from several engineering firms in regard to the preliminary report due to USDA on the system.

While the future of the city's water system is coming into focus, the future of the auditorium remains cloudy after Tuesday's vote. If Tuesday's referendum passed, the same question was expected to be placed on the ballot in November as a binding referendum.

As they embarked on a campaign to sway voters earlier this spring, members of the Friends of the Lexington Auditorium announced big plans for the building, which they envisioned hosting a variety of events from meetings and conferences to plays, proms, and receptions. In transforming the building into a vibrant community center, members said it could have a big economic impact on the community.

Members said that rent generated from the events could make the building a self-sufficient entity while providing a revenue stream to fund future upgrades and renovations. The building has been closed since last year

due to handicap accessibility concerns.

FOLA member Abigail Tempel said she was disappointed with the vote but added, "I always see the glass as half full. Forty-two percent really is a decent figure, and while we didn't make 51, it would not have taken much more to be there," said Tempel. "It shows that many people believe in the auditorium as an essential economic tool."

Supporters of the auditorium are far from giving up. Tempel said the FOLA members would be meeting among themselves and with city officials to discuss where to turn from here. Tempel said the group would continue to track down grant possibilities to fund renovation work, adding she'd still like to see a binding referendum put on the November ballot.

"(The auditorium) is an economic tool that we still have to look at seriously and do everything we can to protect," said Tempel.

"We think it still has a viable future. We just have to look at what's going to be the best way we can make that happen."

Administrator passionate about proposed takeover of water system

P.1 By Joe Parmon
News Editor

To City Administrator Bill Lewis, the proposed takeover of the city's water system is more than about providing a much-needed revenue stream for the city's coffers.

To him, the future stability of the city could be on the line when voters head to the polls June 8 for a special election to decide the issue.

The referendum will be asking residents whether to allow the city to issue \$5 million in bonds to purchase and improve the water distribution system serving the city. The cost of operating and maintaining the system — and the principal and interest on the bonds as they become due — would be paid for through revenues generated by operation of the system. The city would also establish and collect rates and charges for the services provided. J.S. Water currently operates the system.

During Wednesday's meeting of the Lexington Rotary Club, Lewis said residents would see a \$10 a month increase in their water bills if the city were to take control of the system. But after 20 years without any water rate increases, Lewis said a larger hike was planned anyway by the system's current operator.

Lewis also outlined a host



Joe Parmon

City Administrator Bill Lewis talks with Lexington Rotarians about the proposed takeover of the water system by the city.

of planned improvements to the water system. Initially, Lewis said the city would like to place stand-by power systems at the wastewater treatment plant, adding the city would currently run out of water within just a few hours in the event of a disaster.

In addition, plans call for construction of a new elevated water tower along S. Highway 13 to increase water storage capacity and address water pressure problems in a portion of the city. Increasing the capacity would be of great use in the event of a major fire or natural disaster, said Lewis.

Lewis said the city would

also like to evaluate and possibly replace fire hydrants, many of which are more than 50 years old. The city would like to do the same with its water meters.

Lewis added that plans also call to treat the water with fluoride to protect the teeth of young children, while addressing taste and water quality issues as well.

"We would also like to meld the water and sewer systems together and create a Department of Water and Sewer," said Lewis, adding water and sewer employees would be cross-trained so they could handle work in

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Council retains Lewis as administrator

By Joe Parmon
News Editor

citing health issues with himself and within his family as the reason. Lewis was hired as a full-time city administrator last fall.

Bill Lewis will be staying on as city administrator — at least on a part-time basis.

The City Council Tuesday night voted to retain Lewis as administrator and allow him to work one week a month for the next six months at City Hall.

Lewis recently announced his resignation from the position effective April 30.

Lewis will be working from his home when he's not at City Hall via telephone and the Internet, said Mayor Jerry Brown.

"This provides the city of Lexington and the City Council with a professional city administrator until issues with his family are resolved," said Brown. "As

mayor, I am delighted with the City Council's decision and Mr. Lewis' agreement to provide the citizens of Lexington with extremely strong professional services."

Prior to coming to Lexington, Lewis had served for the past five years as the city manager of Perryville, a city of around 9,800 located near the eastern edge of the state. A native of Springfield, Ill., Lewis has worked in similar positions in Sugarland, Tex. and Portland, Tex.

Voters to decide future of auditorium, water system

By Joe Parmon
News Editor

The fate of the Lexington Municipal Auditorium — along with the future of the city water system — will be in the hands of Lexington voters during a special election June 8.

During a special meeting of the City Council Wednesday night, council members approved putting up for public vote whether or not to issue \$5 million in bonds to purchase and improve the water system serving the city.

The cost of operating and maintaining the system — and the principal and interest on the bonds as they become due — would be paid for

through revenues generated by operation of the system. The city would also establish and collect rates and charges for the services provided.

U.S. Water currently operates the system.

City Administrator Bill Lewis said the rationale behind a city takeover of the water system is fairly simple.

"The city would like to purchase the system for the benefit of residents. By keeping revenues from the system in Lexington, we'll be able to do some other additional improvements on the system, rather than having an outside owner own the facility," remarked Lewis. "Most cities own their water system, and we do feel we would benefit to have that

system."

Lewis said city officials would also like to bring the city's water and sewer services under one umbrella and develop a Department of Water and Sewer to oversee operations of both the water and sewer systems.

Lewis added that the city would pursue raising water rates if it took over the water system, but stated that any rate hike would likely be less than what residents would otherwise see down the road.

"We are looking at an increase in water fees — right now we're way below average," said Lewis. "We've been told U.S. Water is preparing a rather large increase, and we do know

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Voters

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ours will be likely be less than what they will request from the PSC (Public Service Commission)."

Meanwhile, the council Wednesday night also approved putting up for vote raising property taxes to fund \$920,000 worth of upgrades to the Municipal Auditorium, which was closed last year due to concerns over handicap accessibility.

The cost of the renovation project would be financed over a 20-year period. The property tax increase on a

home valued at \$100,000 would be around \$35 annually.

The renovations that would be funded by the tax increase include:

- \$694,150 for interior restoration and compliance with the Americans With Disabilities Act;
- \$62,550 for heating and cooling the facility;
- \$15,770 for kitchen facilities;
- \$11,130 for facilities and equipment for meetings and receptions;
- \$3,900 for lobby equip-

ment;

- \$15,500 for fixed seating;
- \$90,000 for sound and lighting systems; and
- \$27,000 for bond issuance fees.

The Friends of the Lexington Auditorium group has been looking for ways to raise funds for needed repairs and improvements in an effort to save the structure. Group member Abigail Tempel told council members during Tuesday night's regular meeting that an engineer had recommended \$1.2

million worth of renovation work. But she said the \$920,000 will definitely be enough to address the ADA concerns and re-open the building.

Lewis stated, "We're at the point where we feel like it's time to let the public decide what will happen with the building."

Added Lewis, "If it all goes forward, I'd like to see the auditorium group get a 501c3 and have the city still own the building but turn over operations to the group."