



Richland County Council
Sewer Ad Hoc Committee
February 25, 2020 – 4:00 PM
Council Chambers
2020 Hampton Street, Columbia 29204

COMMITTEE MEMBERS PRESENT: Bill Malinowski and Dalhi Myers

OTHERS PRESENT: Allison Terracio, Chakisse Newton, Joyce Dickerson, Calvin Jackson, Yvonne McBride, Paul Livingston, Jessica Mancine, Michelle Onley, Leonardo Brown, John Thompson, Ashley Powell, Elizabeth McLean, Stacey Hamm and Tariq Hussain

1. **Call to Order** – Mr. Malinowski called the meeting to order at approximately 4:00 PM.
2. **Adoption of the Agenda** – Ms. Myers moved, seconded by Mr. Malinowski, to adopt the agenda as published.
In Favor: Malinowski and Myers
The vote in favor was unanimous.
3. **Election of Chair** – Ms. Myers moved, seconded by Mr. Malinowski, to elect Mr. Malinowski to the position of Chair.
4. **Council Motion: I move that Richland County staff reevaluate the sewer project methodology to potentially allow for usage based rather than flat rate fees [MYERS]**
5. **Council Motion: I move to direct the County Administrator to work with staff to develop a modified sewer plan that:**
 - **Corrects the disparity in sewer rates for the new Richland County sewer customers transferred from City of Columbia sewer service in January 2020; and**
 - **Assesses and updates the County’s long-term sewer strategy to ensure the sustained health of the system while also preserving fair, consistent rates for all sewer users.**

This plan should be comprehensive in nature and include a timeline, benchmarks, and a methodology for tracking its success. It should also identify the parties responsible for completing proposed work as well as a robust constituent communication strategy. The plan should move to Council for review and action as soon as possible and no later than Council March 17th meeting (or not more than four (4) weeks from the date of Council’s February 18th meeting). [NEWTON]

Mr. Brown stated one of the things they realized, in this process, as they try to deal with rate disparity, and a

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sustained healthy system, is there have been previous decisions on an acceptable rate tolerance for the customers (i.e. percentage or flat rate increase).

Ms. Myers stated historically we have looked at whatever is necessary to fund the system, and has not taken into consideration rate tolerance. She would support any efforts in that direction. Her only caveat is that she would like a sunset on these things when we go out for them.

Mr. Brown stated this will not be a rate study. This will be staff proposing what is the low-end and the high-end to determine the tolerance level of the body.

Ms. Myers stated the reason we are here, in part, is because we all raised concerns at the big increases. If we are going to put the increases in place, then we first need to do customer education. We need to let the customers know what is coming, why it is coming, how soon it is coming, and what they should expect, as a benefit. For her, an increase of \$20 is substantial because we are not dealing with people for whom \$20 is not recognizable. Frankly, she would like to see a percentage, so we are not flat rating it out.

Ms. Newton stated, from her perspective, when you are looking at either a percentage or dollar rate, she is looking at people that are experiencing a 50% increase. We need to set parameters, whether it is a dollar amount, or a percentage increase that is deemed more reasonable, because there are people who are having to make hard choices, and likely did not anticipate ever having to make. She noted it would interesting, and potentially helpful, to determine if there is a source of data that lets us know how these things usually run.

Mr. Malinowski inquired if we have already implemented new rates.

Mr. Brown responded in the affirmative.

Mr. Malinowski stated, for clarification, there are people that are already paying these new rates. He stated he has been inundated with lengthy emails. He inquired what we do since the customers are already paying the new rates (i.e. rebates, etc.)

Mr. Brown stated, depending on what the structure may be, customer's rates may be reduced, but in terms of rebates, that is further than he had anticipated. The County has implemented a rate study program, which was voted on by Council. In July 2020, a 2nd Phase was supposed to be happening. All of those have been included in the budgetary considerations. As we are tasking staff to come up with a healthy program for the entire system, it is important for us to understand both sides of the issue: (1) What does it cost to run the system? and (2) What are the constraints the customers are dealing with? Even if we are doing that, what would be some general guidance from those who are serving these constituents about what those ranges should look like? He requested Council to start thinking about this, and give feedback. They will take the feedback and put in the costs, to determine if we can support what we want to put in place.

Mr. Malinowski noted, in previous requests, he made about installing usage meters he was told that was never going to happen because the City would not agree to do that, and it was going to cost the County a fortune. Now he is being told the City is more amenable to providing the County the information, but we will have to sort it out. If we are coming up with a new system of usage charges, such as metering, and the budget is based on everyone paying \$50 a month, but all of a sudden the meter comes into play and we find out half of the customers are only using \$25 a month, we have another problem that has to be addressed.

Ms. Myers stated it is an enterprise fund, which is a fee for service. She understands we have to pay for the system, but it is not fair for all of the customers to pay "X" amount for the service, when they use different levels of the services.

Mr. Brown stated, one of the things they have talked about, as they try to address what they believe the County's charge to have a unified system, with similar charges across the County, is meeting the compliance hurdles, but also the financial hurdles. He noted Council should be aware that the County pays a bulk water charge to the City of Columbia. As a part of that conversation, we do not want to turn around and pay the City to serve the customers on our program.

Ms. Newton stated, for clarification, in terms of the bulk water rate we are paying to the City for sewer, is it correct we are only paying that rate for the transfer customers.

Mr. Hussain responded the County pays a bulk sewer rate for transfer customers, a bulk water rate for Murray Point.

Ms. Newton stated she has had conversations, and that is something the County can revisit. The City is open to basing it on something that is fair. Right now, the bulk rate we are paying is a flat rate.

Mr. Brown stated that is something staff will explore as a part of this dialogue. Another thing they learned during this process is that we do have a group of customers who are well water, and we do not have a measuring tool for every resident we service. There are some customers that have unique situations we are going to have to try to make meet the compliance standards outline by legal.

Mr. Hussain stated, from the last meeting, they added additional information for Murray Point and Franklin Park. They also added tiers to fee structure. The main issue is getting the customers in the transfer area, which were paying their bills based upon their water usage, converted to a flat rate. The Broad River (\$44.00) and Lower Richland (\$34.00) customers were already paying a flat rate when the system was combined in 2019. The utility providers (i.e. Palmetto Utilities and Blue Granite) around us are paying a flat rate. He noted the County's rates are lower than these other utilities, and Blue Granite and Palmetto Utilities are proposing to raise their rates.

It is Mr. Hussain's understanding the County did not get the City of Columbia's water data when the transfer customers were added. The water data was not used when conducting the rate study; therefore, we did not know the usage for the customers in the transfer area. They assumed the majority of the people would have their bills reduced because their usage would be higher. He stated approximately 50% of the customers' bills are higher than what they were paying to the City of Columbia. The City was requested to provide the usage, so the County could address the issue. From the data provided, the County provided a tiered report, based on usage, and it was still above what the customers were paying with the City of Columbia.

Also, during the previous meeting it was requested to research the use of flow meters. Staff reached out to the manufacturers of the flow meters, which can be used to track sewer, but the amount of flow coming from each resident is so low the accuracy of the meter is not guaranteed. The flow meters will cost approximately \$2,865 - \$4,665. In addition, they will need a flume and a 5 X 5 easement from the landowner to place the flume.

Ms. Myers inquired if there are only 2 options for a flow meter.

Mr. Hussain stated there is also a magmeter, which is not listed in the briefing document, which costs approximately \$1,800. The magmeter will not work because the homes are provided 2-inch lines, and the magmeter needs to have a flow going at all times.

Ms. Myers inquired if there are only two (2) types of flow meters.

Mr. Hussain stated there are only two (2) types of meters used for sewer. Both of these meters are used in our system now, but are used at service land (i.e. Eastover).

Mr. Malinowski inquired about using the water meter, and basing the rate on “water in, water out”.

Mr. Hussain responded they have considered placing a water meter at the 2,000 homes that currently rely on their own well systems. For all of the homes that have City of Columbia meters, it is better to work with them instead of spending additional money. The majority of the consultants believe it is not a good idea to put your own meter beside another entities meter. The homeowners will be “ping-ponging” between the County and the City regarding the accuracy of the meters. The cost to provide the water meters to the homeowners with wells is approximately \$593, and installation will likely run about \$200.

Ms. Myers stated, for clarification, none of the flow measuring devices she has read about on the internet would work.

Mr. Hussain responded, because sewer has solids in it, when the solids come to the flume it backs up, and the flow meter gives a higher number. There may be different manufacturers, but there are only two (2) concepts: magmeter and sonic.

Ms. Myers stated she believes we need to be more aggressive in looking at the prices for these meters.

Mr. Hussain stated whenever they prepare to install meters, for mass deployment, it is always bid out.

Mr. Malinowski inquired, if we are able to install the water meters, will that eliminate the need for the 5 X 5 easement.

Mr. Hussain responded in the affirmative. The water meter will go within the connectivity box, and will eliminate the need for the easement.

Option 1: The base rate for 1 – 4,000 gallons will be \$20.00, with each 1,000 gallons adding an additional \$8.00. For every additional 1,000 gallons above the 4,000 gallons there will be a \$10.00 fee charged.

Option 2: The base rate for 1 – 4,000 gallons will be \$20.00; the City is currently charging \$13.81 base rate. If the customers use 1 -2,000 gallons they will pay \$34.17; the City is charging \$33.17.

Option 3: Remain with the base rate, and giving some kind of discount to the customer. We would need to find a source of funding for this option.

Mr. Hussain stated, in order to monitor the well users usage, we would have to install water meters.

Ms. Myers stated, if the customers are utilizing a well, they may be using part of the sewer system, so she does not know if it is fair.

Mr. Hussain stated, on the City’s sewer side, every gallon that is on the meter is charged.

Ms. Myers responded because all of their gallons go through a meter, and are purchased through the City. The customers that utilize wells, and are not purchasing water, may use more water because they are not purchasing it from someone and do not have the same incentive.

Mr. Hussain stated the City is saying that regardless of the water purchased, the water metered out is the

water used as sewer treatment. Therefore, it does not matter whether they use the water to go into the yard, or it goes into sewer, they still charge them.

Mr. Malinowski stated it is the old water in is assumed to be water out through the sewer.

Ms. Myers stated, if she knows she is not paying an independent 3rd party for her water, she might use as much as she likes, and it would not have any correlation with the amount of sewer. She stated there needs to be a rational relationship between what is being put on the system, and what you are paying to use the system.

Mr. Hussain stated he tried reaching out to other counties, and no one uses a sewer meter. They either use a water meter or charge a flat rate. He understands the argument about the customers using their well water, and we may be able to install flow meters for their sewer to monitor only what goes through that line.

Ms. Myers stated that makes sense, but if it is cost prohibitive, it will not make sense.

Mr. Brown stated the installation of meters does not resolve the immediate concern. Part of it is system-wide, but there is also a charge on how we address today.

Ms. Newton inquired about the next steps, as staff ponders these questions, and when those steps will be brought back to the committee.

Mr. Brown stated the next steps go into the financial implications of the proposed decisions, so we can decide if the options are viable, and to what extent they are viable to address the disparity and system as a whole. The information they received from the City will help them to feel more confident about how we were utilizing the data. There are some additional things the City took into account we were not aware of when the information was initially put together.

Ms. Newton stated those next steps make sense presuming the data is correct. Otherwise, you are calculating a financial model based on information that may have some "wiggle" room. She inquired about how confident we are about the accuracy of the data. If we are not confident, are we pursuing that first before we look at financial implications, predicated on those numbers?

Mr. Brown stated, when they met with the City, some discrepancies were noted. The City if going to go back and look at the information, and provide the County with the updated information.

Ms. Newton inquired about the timeframe for these steps to take place.

Mr. Brown responded the timeframe would be between this week and next due to the deadline set in the original charge.

Ms. Myers inquired if staff is pursuing the request in the briefing document.

Mr. Brown responded we have a financial advisor, First Tryon. It was staff's intention to provide them the data, and they could tell us what that would look like financially. First Tryon stated they are not the entity to do that, so we currently do not need to address a motion.

Ms. Myers requested, by the end meeting, staff provide us concrete financial data that gives us the ability to begin putting fixes in place to remedy the problem.
If the City can provide the requested information, the next committee meeting will be held on Tuesday,

March 3rd at 1:00 PM.

6. **ADJOURN** – The meeting adjourned at approximately 4:56 PM.