



## Richland County Council

### Sewer Ad Hoc Committee June 30, 2020 - 2:00 PM Zoom Meeting

1. **CALL TO ORDER**
2. **APPROVAL OF MINUTES**
  - a. February 25, 2020 [PAGES 4-9]
3. **ADOPTION OF AGENDA**
4. **ITEMS FOR ACTION [PAGES 10-22]**
  - a. 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]
  - b. 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's March 17th

meeting (or not more than four (4) weeks from the date of Council's February 18th meeting). [NEWTON]

**5. ADJOURNMENT**



## Richland County Council



Special Accommodations and Interpreter Services Citizens may be present during any of the County's meetings. If requested, the agenda and backup materials will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), as amended and the federal rules and regulations adopted in implementation thereof. Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may request such modification, accommodation, aid or service by contacting the Clerk of Council's office either in person at 2020 Hampton Street, Columbia, SC, by telephone at (803) 576-2061, or TDD at 803-576-2045 no later than 24 hours prior to the scheduled meeting.



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, Jackson, Livingston and McBride  
  
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 17<sup>th</sup> meeting (or not more than four (4) weeks from the date of Council’s February 18<sup>th</sup> meeting). [NEWTON]**

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Mr. Brown stated one of the things they realized, in this process, as they try to deal with rate disparity, and a sustained healthy system, is have there 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 2<sup>nd</sup> 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

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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.

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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.

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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 3<sup>rd</sup> 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.

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If the City can provide the requested information, the next committee meeting will be held on Tuesday, March 3<sup>rd</sup> at 1:00 PM.

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

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**Agenda Briefing**

**To:** Committee Chair Bill Malinowski and Members of the Committee  
**Prepared by:** Leonardo Brown, County Administrator and Jessica Mancine, Manager of Administration  
**Department:** Utilities  
**Date Prepared:** June 22, 2020 **Meeting Date:** 06/30/2020

|                                    |   |                |
|------------------------------------|---|----------------|
| <b>Legal Review</b>                | Elizabeth McLean (in February) – Resubmitted to Attorney Larry Smith (in May) |                |
| <b>Budget Review</b>               | James Hayes   |                |
| <b>Finance Review</b>              | Stacey Hamm   |                |
| <b>Approved for consideration:</b> | County Administrator  | Leonardo Brown |
| <b>Committee</b>                   | Sewer Ad Hoc Committee  |                |
| <b>Subject:</b>                    | Customers’ Billing for Combined Utilities                                     |                |

**Recommended Action:**

Move to approve the Multi-Class Rate Structure approach. The Multi-Class Rate Structure approach, presented as Scenario 4 in this briefing document, offers a financially feasible and sustainable path forward that over time corrects the disparity in sewer rates for the new Richland County sewer customers transferred from the City of Columbia’s sewer service in January 2020. The approach accounts for the present as well as the future acquisition or transfer of customers and establishes the rate methodology to be applied to charge future customers who are transferred from another sewer service to Richland County’s sewer service. Most importantly, the financial health of the sewer system can be maintained while also preserving fair, consistent rates for all sewer customers by using the Multi-Class Rate Structure approach. Please see attached Exhibit 2.

Approving Staff’s recommended action will be approving the following:

- 1) Annual refers to Richland County’s fiscal year, which begins July 1 of the current year and ends June 30 of the following year.
- 2) Annual rate increases for all residential sewer customers will increase no more than 15% of the annual rate charged in the year immediately preceding the date of the scheduled increase.

Ex. current approved rates: FY20 = \$55.68; FY21 = \$64.03; FY22 = \$72.03

- 3) Richland County recognizes that its combined utility system is comprised of at least two distinct classes of sewer customers and that the two classes will be charged differently for a period of time, until all customers’ charges equal the relevant flat fee for sewer service approved by Richland County Council. Residents being served by the county’s Utilities department are grouped into the two classes based on whether the sewer customer is currently having their wastewater treated by Richland County’s facility or by the City of Columbia’s facility
  - a. Sewer customers whose wastewater is being treated by Richland County Utilities
    - i. Previously charged based on a flat fee for service model the County established
    - ii. Rates will continue to be charged according to the flat fee for service model
    - iii. The annual rate will increase no more than 15% of the annual rate charged in the year immediately preceding the date of the scheduled increase.

1. Initial base rate \$55.68 established from Feb 19, 2019 County Council meeting
- b. Sewer customers whose wastewater is being treated by the City of Columbia
  - i. Previously charged based on a usage rate model established by the City
  - ii. Rates will be converted over time to Richland County's flat fee for service model
  - iii. The annual rate will increase no more than 15% of the annual rate charged in the year immediately preceding the date of the scheduled increase.
    1. Initial base rate will be taken from City of Columbia 2019 data (Table 3)
    2. Rates will increase annually until aligned with Richland County flat rate

**Motion Requested:**

Move to approve the Multi-Class Rate Structure approach, as described in the briefing document.

Request for Council Reconsideration: Yes

**Fiscal Impact:**

The fiscal impact of the recommended action is that the county will be able to meet its utilities bond payment obligation, maintain compliance with the county's ordinance regarding debt coverage, and the utilities system will be financially in the black.

Addressing Fiscal Impact and Legal Implications

The Multi-Class Rate Structure approach, presented as Scenario 4 in this briefing document and recommended by staff for approval, effectively addresses the motions made by councilmembers. In reviewing Exhibit 2 of this document, you will see the projected revenue is enough to cover the Utilities Bond payment and meet the requirement of the county's ordinance to have debt coverage of 120% = 1.2. Additionally, consistent with best practices, projected expenditures will be modified to fit within actual revenues received, so that the system maintains a positive fund balance.

The Multi-Class Rate Structure approach takes into account that when Richland County added the group of customers from the City of Columbia, it inherently created two classes of customers within the county's Unified/Combined system. The differentiation between the classes is directly tied to wastewater treatment services. The customers added from the City of Columbia in January 2020 comprise one class, while the rest of the customers on the county's system make up the other class. The added customers from the City of Columbia are different because their wastewater is not being treated by Richland County, but by the City of Columbia. This noted distinction is why some of those customers may see an initial rate difference, which will eventually become comparable to the county's flat rate. This process will involve annual rate increases for this class of customers until their rates are aligned with Richland County's flat rate. The impact will be felt by the customers transferred from the City of Columbia to Richland County, but the increase will be capped at 15% annually. As the County Attorney's Office has previously opined, within the unified system, if the county intends to charge different rates to different customers, those customers need to be grouped together in classes wherein each class member is treated equally. The Multi-Class Rate Structure approach meets the guidance outlined in a way that is fair, equitable, and more affordable, allowing for all customers to plan for the financial impact based on gradual increases. Under

the Multi-Class Rate Structure approach, only 7% of all customers will be below the county's flat rate in the first year. After the second year that number will decrease to approximately 5%. Furthermore, given that the County Attorney's Office has also previously communicated that it is unlikely that a subsidy scenario would be considered constitutional, the Multi-Class Rate Structure approach presents itself as the best path forward, positively accounting for fiscal impact and legal implications.

In response to the motions made by councilmembers, staff also evaluated other potential billing methodologies, including charging fees based on water usage and based on a tiered rate structure.

Charging fees based on water usage and charging fees based on a tiered rate structure both would require the purchase and installation of meters. Additionally, it would require the purchase of a billing system that would allow the Finance department to account for the individual data per user and bill accordingly. Neither of these options are viable because of time constraints, funding constraints, and projected billing disputes arising from placing a county meter where another provider's meter already exists.

Charging fees based on a flat fee will maintain status quo by assessing all residential sewer customers the same flat fee for service rate of \$55.68/month, with the rate increasing to \$64.03 on July 1, 2020 and \$72.03 on July 1, 2021. This scenario does not address the motions made by councilmembers and is therefore not the recommended option.

### Motions of Origin:

1. I move that Richland County staff reevaluate the sewer project methodology to potentially allow for usage-based rather than flat-rate fees. [MYERS]
2. I move to direct the County Administrator to work with staff to develop a modified sewer plan that:
  - a. Corrects the disparity in sewer rates for the new Richland County sewer customers transferred from City of Columbia sewer service in January 2020; and
  - b. 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’s March 17th meeting (or not more than four (4) weeks from the date of Council’s February 18th meeting). [NEWTON]

|                |  |
|----------------|--|
| Council Member | Dalhi Myers, District 10, and Chakisse Newton, District 11 |
| Meeting        | Special Called   |
| Date           | February 11, 2020  |

### Discussion:

The Central Midlands Council of Governments is a designated region wide water quality planning agency tasked with developing and maintaining a 208 Regional Water Quality Management Plan. This plan is a regulatory compliance activity under Section 208 of the Clean Water Act. According to the 208 Regional Water Quality Management Plan, the City of Columbia was recently required to transfer approximately 1300 customers to Richland County Utilities. However, the transfer generated concerns from the customers within the transfer area. After receiving the January 2020 sewer bill from Richland County, several customers in the transfer area called, expressing concerns that their bill was too high, as they were paying less than \$30 with the City of Columbia. The variation in costs is based on the difference in billing systems between the two utilities. While the City of Columbia charges sewer based on water consumption, Richland County charges a flat rate of \$55.68. The implication of this is that customers with low water consumption will have bills that are higher than their historical bills.

In response to the customers’ concerns and following County Council’s directives, staff explored possible alternatives to the current billing system. Alternatives explored follow below.

### Scenario – Water Usage

1. **Charging based on water usage:** This option will require having a minimum flat rate for each customer and adding additional cost based on usage (See Table 1). Using this process will require water consumption data from the water provider. The usage data will be reviewed yearly to make the necessary billing rate increase with Council approval.

**Table 1: Billing System Based on Water Usage**

| Additional Volumetric Rates | 2020              | Transfer Area Customers | Broad River Customers | Murray Point | Hopkins |
|-----------------------------|-------------------|-------------------------|-----------------------|--------------|---------|
| Base Rate                   | \$20              | 17                      | 58                    |              | 2       |
| 1-4000 Gal/Mo               | \$8/1000 gallons  | 702                     | 3049                  | 9            | 25      |
| 4,001-10,000 Gal/Mo         | \$10/1000 gallons | 537                     | 4646                  | 4            | 20      |
| 10,001-100,000 Gal/Mo       | \$10/1000 gallons |                         | 1468                  | 1            | 2       |
| 100,001-250,000 Gal/Mo      | \$10/1000 gallons |                         |                       |              |         |
| Over 250,001 Gal/Mo         | \$10/1000 gallons |                         |                       |              |         |

*Example: This option has a base rate is \$20 and then if a customer uses 20 gallons then the total charge will be \$20(base) + \$8(gallons used)= \$28. If next month the customer use 1100 gallons then the total charge will be \$20(Base) + \$16(gallons used)=\$36*

**Cons:**

i. Based on the analysis of the water consumption data from the City of Columbia, there are about 2000 Broad River customers who do not receive water services from the City of Columbia. The assumption is the majority of these customers have private wells. This will make it difficult to charge these customers by water usage without meter reading. Below is a couple of options for the customers with a private well. Each of these options requires bidding out the installation:

- 1) The option of installation of meter to monitor the sewer flow:
  - a) Reached out to Mueller and Pulsar: They have stated there is no flow meter for individual homes currently used; however, a flow meter used for pump stations can be installed to monitor flow. This option will require a Parshall Flumes with Pulsar Ultrasonic Meter. The cost of the flume varies in size from \$500 to \$3000 plus the installation of \$300. The Ultrasonic meter costs \$2865. For each home, the estimated total cost will be around \$4665.00. Also, the installation of flume will require a property easement (5ft X 5ft) and power to be supplied by the homeowner. The total cost for 2000 homes for this option is approximately \$9.3 million. This does not include the wireless data collection system or additional staff needed to collect the monthly readings. The homeowner to provide power to the meter.
- 2) The option of installation of meter to monitor water usage:
  - a) This option will require a water meter installed at the customer’s water source. The total cost for the water meter installation is \$593. The supplies for the installation costs \$393 and the cost of the meter is \$200. The water meter installation requires an easement from each customer. The total cost for water meter for 2000 homes for this option is approximately \$1.8 million.

ii. The City of Columbia generates billing data for customers at different times during the month and this will result in delays and staggered billing.

- iii. This option will require the Finance Department to evaluate the revenue generated each quarter and propose a rate adjustment for the upcoming fiscal year to cover the O&M and Bond payment.
- iv. The water consumption data from the City of Columbia covers a cluster of customers not served by RCU. This will require the Finance Department to extract valid usage information each month.
- v. If the City of Columbia does not provide the Utilities Department with the monthly water usage data, the County will not be able to pursue this option.
- vi. The County would have to purchase special billing software to be able to bill customers monthly based on usage.

**Scenario – Tiered Rates**

**2. Charging based on Tiered Rates:** This option is based on the tiers the customers’ usage falls in based upon predefined ranges. The County will use the average of the winter months (November 1 to March 31) water usage to formulate the tier rates. This methodology ensures charges assessed for sewer are not higher than need be due to typical summer activities such as watering lawns, washing cars, etc. This is a precaution to ensure fair practices in assessing RCU sewer fees. (See Table 2).

**Table 2: Billing System Based on Tier Usage Data from November - March**

| Tier by Usage: Water Consumptions by Gallons | RCU 2020 Rate | City of Columbia’s Rate | Transfer Area Customers | Broad River Customers | Murray Point | Hopkins |
|--|---------------|-------------------------|-------------------------|-----------------------|--------------|---------|
| Tier 1: 0                                    | \$20.00       | \$13.81                 | 10                      | 23                    | 0            | 9       |
| Tier 2: 1 – 2,000                            | \$34.17       | \$33.17                 | 185                     | 557                   | 3            | 10      |
| Tier 3: 2,001 – 4,000                        | \$47.95       | \$52.21                 | 460                     | 2289                  | 5            | 9       |
| Tier 4: 4,001 – 6,000                        | \$63.44       | \$71.25                 | 346                     | 2437                  | 4            | 15      |
| Tier 5: 6,001 – 8,000                        | \$79.31       | \$90.61                 | 160                     | 1648                  | 1            | 1       |
| Tier 6: 8,001 – 10,000                       | \$95.00       | \$109.65                | 48                      | 997                   | 0            | 3       |
| Tier 7: >10,001                              | \$95.00       | \$128.69                | 47                      | 1270                  | 1            | 2       |

**Cons:**

- i) Based on the analysis of the water consumption data from the City of Columbia, there are about 2,000 Broad River customers that do not receive water services from the City of Columbia. The assumption is the majority of these customers have private wells, which would make it difficult to charge these customers by water usage without meter reading. Below is a couple of options for the customers with a private well. Each of these options requires bidding out the installation:
  - (1) The option of installation of meter to monitor the sewer flow:
    - (a) Staff contacted Mueller and Pulsar: They have stated there is no flow meter for individual homes currently used; however, a flow meter used for pump stations can

be installed to monitor flow. This option will require a Parshall Flumes with Pulsar Ultrasonic Meter. The cost of the flume varies in size from \$500 to \$3000 plus the installation of \$300. The Ultrasonic meter costs \$2865. For each home, the estimated total cost will be around \$4665.00. Also, the installation of flume will require a property easement (5ft X 5ft) and power to be supplied by the homeowner. The total cost for 2000 homes for this option is approximately \$9.3 million. This does not include the wireless data collection system or additional staff needed to collect the monthly readings. The homeowner to provide power to the meter.

(2) The option of installation of meter to monitor water usage:

(a) This option will require a water meter installed at the customer's water source. The total cost for the water meter installation is \$593. The supplies for the installation costs \$393 and the cost of the meter is \$200. The water meter installation requires an easement from each customer. The total cost for water meter for 2000 homes for this option is approximately \$1.8 million.

ii) This option will require an annual review of winter months' usage data received from the City of Columbia. The water consumption data from the City of Columbia covers a cluster of customers not served by RCU. This will require the Finance Department to extract valid usage information annually.

iii) If the City of Columbia does not provide the Utilities Department with the water usage data, the County is not able to pursue this option. The County would have to purchase special billing software to be able to bill customers monthly based on usage.

### Scenario – Flat Rate

3. **Charge a flat rate:** This option maintains the current methodology, as derived by the Wildan study, which currently assesses a flat rate of \$55.68/month per residential equivalent unit, which is the portion of a user's facility that impacts the wastewater system equivalent to a single-family residence. Consistent with Council's approval at the Regular Session meeting held on February 19, 2019, effective July 1, 2020 the rate will increase to \$64.03/month per residential unit, and effective July 1, 2021 the rate will increase to \$72.03/month per residential unit.

#### Cons:

i) There is a disparity in sewer rates for the new Richland County sewer customers transferred from City of Columbia sewer service.

### Scenario – Multi-Class Rate Structure **Recommended**

4. **Converting from another fee for service model to Richland County's flat rate fee model:** This option applies to the Transfer Area customers only. They will be charged a rate comparable to the City cost for their average usage for 2019. Their rate will increase at the same percentage each year as the other utilities customers. This will be the 15% increase for all the customers in FY21 and the yearly increase each year until the rate equals the flat rate. (See Table 3). The existing customer if disconnected and need to reconnect and the new customers added to the system in the transfer area will pay the flat rate \$55.68 for FY20 and 15% increased rate of \$64.03 for FY21 as approved by the County Council.

**Table 3: Billing System Based on Water Usage - Transfer Area**

| Water Consumption (Cubic/Month) | Usage or flat rate FY20 | 15% increase FY21 | Transfer Area Customers |
|---------------------------------|-------------------------|-------------------|-------------------------|
| 0                               | \$13.81                 | \$15.88           | 33                      |
| 1                               | \$20.99                 | \$24.14           | 50                      |
| 2                               | \$28.17                 | \$32.40           | 132                     |
| 3                               | \$35.35                 | \$40.65           | 158                     |
| 4                               | \$42.53                 | \$48.91           | 193                     |
| 5                               | \$49.71                 | \$57.17           | 177                     |
| 6                               | \$55.68                 | \$64.03           | 123                     |
| 7                               | \$55.68                 | \$64.03           | 100                     |
| 8                               | \$55.68                 | \$64.03           | 85                      |
| 9                               | \$55.68                 | \$64.03           | 60                      |
| 10                              | \$55.68                 | \$64.03           | 47                      |
| 11                              | \$55.68                 | \$64.03           | 98                      |

**Cons:**

- Rate disparity between a portion of City of Columbia transfer customers and customers establishing sewer service for the first time
- Number of years it will take to align the rates, depends on relevant flat rate being charge by Richland County and the rate the transfer customer was paying before becoming a part of Richland County's system.

## Plan Outline to review financial health of the Utilities System

Year 1 – Collect the data to benchmark the expenses and revenue. (Utilities and Finance)

The benchmarking will have planning, analysis, integration, and actions required to document all the identified parameters. Making sure the operation and maintenance of the existing systems are continued to serve the customers.

Monthly highlight of water/sewer project during its construction phase. Sewer system FAQs and tidbits about how having a well maintained sewer system impacts quality of life. Water systems FAQs and tidbits about how access to water can be lifesaving, highlighting improved fire safety. Communication including pictures of old system and equipment as compared to new system and equipment and explanation of the old capabilities vs. the new capabilities. Communicate 3 year rate plan approved by Council (PIO, Utilities, Administration, Council)

Year 2 – Analyze the data to actual expenses, revenue collected, and compare the data with payments for the borrowed money. This will give the necessary information to help to address future rates. Quarterly report out to Sewer Committee (Utilities, Budget, Finance)

Communication showing completed parts of the project. Include feedback from residents, HOA's, the School District etc. Continue to highlight the value residents are receiving from the dollars they are spending. Communicate county's plan to implements a new rate study next year. (PIO, Utilities, Administration)

Year 3 – Solicit request for proposals for new rate study and select vendor. (Utilities and Procurement)  
Discuss elements of proposed solicitation with Sewer Committee before advertising for submittals.

Year 4 – The rate study will evaluate all the parameters of Richland County Utilities and compare it with other utilities within Richland County and surrounding counties. The results of the rate study will be shared with the Sewer Committee and County Council to inform decision making concerning any system needs. (PIO, Utilities, Finance, Administration)

Year 5 – Implement any new rates approved by County Council in the previous fiscal year, whether a decrease or increase. Communicate to the citizens the health of system and what is being done to maintain the system that has been invested in. Show results of the completed water/sewer project, including transformed school grounds with open sewer lagoons filled. (Utilities, PIO, Administration)

**Attachment:**

1. City of Columbia's Rate Sheet



City of Columbia  
Rate Sheet.pdf

2. Flow meter types and costs



Flow Meter Types +  
Costs.pdf

3. Exhibit 1 – Financial Projections for Scenario 3



Exhibit 1 - (COVID19)  
Scenario 3 - No distin

4. Exhibit 2 – Financial Projections for Scenario 4



Exhibit 2 - (COVID19)  
Scenario 4 -Transfer C

July 1, 2019

In City Rate

Summer Max on Sewer

Out of City Rate

Summer Max on Sewer

April - October

April - October

**RESIDENTIAL**

|          |       | Water per 100 \$2.91 |        |        |        | Sewer per 100 \$4.22 |        |        |        | Water per 100 \$4.96 |        |        |        | Sewer per 100 \$7.18 |        |        |        |
|----------|-------|----------------------|--------|--------|--------|----------------------|--------|--------|--------|----------------------|--------|--------|--------|----------------------|--------|--------|--------|
| Base Fee |       | Base Fee             |        |        |        | Base Fee             |        |        |        | Base Fee             |        |        |        | Base Fee             |        |        |        |
|          |       |                      |        |        |        | 8.12                 | 8.12   | 8.12   | 13.00  |                      |        |        |        | 13.81                | 13.81  | 13.81  | 22.09  |
| CuFt     | Gals  | 5/8"                 | 1"     | 1.5"   | 2"     | 5/8"                 | 1"     | 1.5"   | 2"     | 5/8"                 | 1"     | 1.5"   | 2"     | 5/8"                 | 1"     | 1.5"   | 2"     |
| 100      | 750   | 8.12                 | 13.56  | 20.31  | 32.49  | 12.34                | 12.34  | 12.34  | 17.22  | 13.81                | 23.05  | 34.53  | 55.24  | 20.99                | 20.99  | 20.99  | 29.27  |
| 200      | 1500  | 8.12                 | 13.56  | 20.31  | 32.49  | 16.56                | 16.56  | 16.56  | 21.44  | 13.81                | 23.05  | 34.53  | 55.24  | 28.17                | 28.17  | 28.17  | 36.45  |
| 300      | 2250  | 8.12                 | 13.56  | 20.31  | 32.49  | 20.78                | 20.78  | 20.78  | 25.66  | 13.81                | 23.05  | 34.53  | 55.24  | 35.35                | 35.35  | 35.35  | 43.63  |
| 400      | 3000  | 11.03                | 16.47  | 23.22  | 35.40  | 25.00                | 25.00  | 25.00  | 29.88  | 18.77                | 28.01  | 39.49  | 60.20  | 42.53                | 42.53  | 42.53  | 50.81  |
| 500      | 3750  | 13.94                | 19.38  | 26.13  | 38.31  | 29.22                | 29.22  | 29.22  | 34.10  | 23.73                | 32.97  | 44.45  | 65.16  | 49.71                | 49.71  | 49.71  | 57.99  |
| 600      | 4500  | 16.85                | 22.29  | 29.04  | 41.22  | 33.44                | 33.44  | 33.44  | 38.32  | 28.69                | 37.93  | 49.41  | 70.12  | 56.89                | 56.89  | 56.89  | 65.17  |
| 700      | 5250  | 19.76                | 25.20  | 31.95  | 44.13  | 37.66                | 37.66  | 37.66  | 42.54  | 33.65                | 42.89  | 54.37  | 75.08  | 64.07                | 64.07  | 64.07  | 72.35  |
| 800      | 6000  | 22.67                | 28.11  | 34.86  | 47.04  | 41.88                | 41.88  | 41.88  | 46.76  | 38.61                | 47.85  | 59.33  | 80.04  | 71.25                | 71.25  | 71.25  | 79.53  |
| 900      | 6750  | 25.58                | 31.02  | 37.77  | 49.95  | 46.10                | 46.10  | 46.10  | 50.98  | 43.57                | 52.81  | 64.29  | 85.00  | 78.43                | 78.43  | 78.43  | 86.71  |
| 1000     | 7500  | 28.49                | 33.93  | 40.68  | 52.86  | 50.32                | 50.32  | 50.32  | 55.20  | 48.53                | 57.77  | 69.25  | 89.96  | 85.61                | 85.61  | 85.61  | 93.89  |
| 1100     | 8250  | 31.40                | 36.84  | 43.59  | 55.77  | 54.54                | 54.54  | 54.54  | 59.42  | 53.49                | 62.73  | 74.21  | 94.92  | 92.79                | 92.79  | 92.79  | 101.07 |
| 1200     | 9000  | 34.31                | 39.75  | 46.50  | 58.68  | 58.76                | 58.76  | 58.76  | 63.64  | 58.45                | 67.69  | 79.17  | 99.88  | 99.97                | 99.97  | 99.97  | 108.25 |
| 1300     | 9750  | 37.22                | 42.66  | 49.41  | 61.59  | 62.98                | 62.98  | 62.98  | 67.86  | 63.41                | 72.65  | 84.13  | 104.84 | 107.15               | 107.15 | 107.15 | 115.43 |
| 1400     | 10500 | 40.13                | 45.57  | 52.32  | 64.50  | 67.20                | 67.20  | 67.20  | 72.08  | 68.37                | 77.61  | 89.09  | 109.80 | 114.33               | 114.33 | 114.33 | 122.61 |
| 1500     | 11250 | 43.04                | 48.48  | 55.23  | 67.41  | 71.42                | 71.42  | 71.42  | 76.30  | 73.33                | 82.57  | 94.05  | 114.76 | 121.51               | 121.51 | 121.51 | 129.79 |
| 1600     | 12000 | 45.95                | 51.39  | 58.14  | 70.32  | 75.64                | 75.64  | 75.64  | 80.52  | 78.29                | 87.53  | 99.01  | 119.72 | 128.69               | 128.69 | 128.69 | 136.97 |
| 1700     | 12750 | 48.86                | 54.30  | 61.05  | 73.23  | 79.86                | 79.86  | 79.86  | 84.74  | 83.25                | 92.49  | 103.97 | 124.68 | 135.87               | 135.87 | 135.87 | 144.15 |
| 1800     | 13500 | 51.77                | 57.21  | 63.96  | 76.14  | 84.08                | 84.08  | 84.08  | 88.96  | 88.21                | 97.45  | 108.93 | 129.64 | 143.05               | 143.05 | 143.05 | 151.33 |
| 1900     | 14250 | 54.68                | 60.12  | 66.87  | 79.05  | 88.30                | 88.30  | 88.30  | 93.18  | 93.17                | 102.41 | 113.89 | 134.60 | 150.23               | 150.23 | 150.23 | 158.51 |
| 2000     | 15000 | 57.59                | 63.03  | 69.78  | 81.96  | 92.52                | 92.52  | 92.52  | 97.40  | 98.13                | 107.37 | 118.85 | 139.56 | 157.41               | 157.41 | 157.41 | 165.69 |
| 2100     | 15750 | 60.50                | 65.94  | 72.69  | 84.87  | 96.74                | 96.74  | 96.74  | 101.62 | 103.09               | 112.33 | 123.81 | 144.52 | 164.59               | 164.59 | 164.59 | 172.87 |
| 2200     | 16500 | 63.41                | 68.85  | 75.60  | 87.78  | 100.96               | 100.96 | 100.96 | 105.84 | 108.05               | 117.29 | 128.77 | 149.48 | 171.77               | 171.77 | 171.77 | 180.05 |
| 2300     | 17250 | 66.32                | 71.76  | 78.51  | 90.69  | 105.18               | 105.18 | 105.18 | 110.06 | 113.01               | 122.25 | 133.73 | 154.44 | 178.95               | 178.95 | 178.95 | 187.23 |
| 2400     | 18000 | 69.23                | 74.67  | 81.42  | 93.60  | 109.40               | 109.40 | 109.40 | 114.28 | 117.97               | 127.21 | 138.69 | 159.40 | 186.13               | 186.13 | 186.13 | 194.41 |
| 2500     | 18750 | 72.14                | 77.58  | 84.33  | 96.51  | 113.62               | 113.62 | 113.62 | 118.50 | 122.93               | 132.17 | 143.65 | 164.36 | 193.31               | 193.31 | 193.31 | 201.59 |
| 2600     | 19500 | 75.05                | 80.49  | 87.24  | 99.42  | 117.84               | 117.84 | 117.84 | 122.72 | 127.89               | 137.13 | 148.61 | 169.32 | 200.49               | 200.49 | 200.49 | 208.77 |
| 2700     | 20250 | 77.96                | 83.40  | 90.15  | 102.33 | 122.06               | 122.06 | 122.06 | 126.94 | 132.85               | 142.09 | 153.57 | 174.28 | 207.67               | 207.67 | 207.67 | 215.95 |
| 2800     | 21000 | 80.87                | 86.31  | 93.06  | 105.24 | 126.28               | 126.28 | 126.28 | 131.16 | 137.81               | 147.05 | 158.53 | 179.24 | 214.85               | 214.85 | 214.85 | 223.13 |
| 2900     | 21750 | 83.78                | 89.22  | 95.97  | 108.15 | 130.50               | 130.50 | 130.50 | 135.38 | 142.77               | 152.01 | 163.49 | 184.20 | 222.03               | 222.03 | 222.03 | 230.31 |
| 3000     | 22500 | 86.69                | 92.13  | 98.88  | 111.06 | 134.72               | 134.72 | 134.72 | 139.60 | 147.73               | 156.97 | 168.45 | 189.16 | 229.21               | 229.21 | 229.21 | 237.49 |
| 3100     | 23250 | 89.60                | 95.04  | 101.79 | 113.97 | 138.94               | 138.94 | 138.94 | 143.82 | 152.69               | 161.93 | 173.41 | 194.12 | 236.39               | 236.39 | 236.39 | 244.67 |
| 3200     | 24000 | 92.51                | 97.95  | 104.70 | 116.88 | 143.16               | 143.16 | 143.16 | 148.04 | 157.65               | 166.89 | 178.37 | 199.08 | 243.57               | 243.57 | 243.57 | 251.85 |
| 3300     | 24750 | 95.42                | 100.86 | 107.61 | 119.79 | 147.38               | 147.38 | 147.38 | 152.26 | 162.61               | 171.85 | 183.33 | 204.04 | 250.75               | 250.75 | 250.75 | 259.03 |
| 3400     | 25500 | 98.33                | 103.77 | 110.52 | 122.70 | 151.60               | 151.60 | 151.60 | 156.48 | 167.57               | 176.81 | 188.29 | 209.00 | 257.93               | 257.93 | 257.93 | 266.21 |
| 3500     | 26250 | 101.24               | 106.68 | 113.43 | 125.61 | 155.82               | 155.82 | 155.82 | 160.70 | 172.53               | 181.77 | 193.25 | 213.96 | 265.11               | 265.11 | 265.11 | 273.39 |
| 3600     | 27000 | 104.15               | 109.59 | 116.34 | 128.52 | 160.04               | 160.04 | 160.04 | 164.92 | 177.49               | 186.73 | 198.21 | 218.92 | 272.29               | 272.29 | 272.29 | 280.57 |
| 3700     | 27750 | 107.06               | 112.50 | 119.25 | 131.43 | 164.26               | 164.26 | 164.26 | 169.14 | 182.45               | 191.69 | 203.17 | 223.88 | 279.47               | 279.47 | 279.47 | 287.75 |
| 3800     | 28500 | 109.97               | 115.41 | 122.16 | 134.34 | 168.48               | 168.48 | 168.48 | 173.36 | 187.41               | 196.65 | 208.13 | 228.84 | 286.65               | 286.65 | 286.65 | 294.93 |
| 3900     | 29250 | 112.88               | 118.32 | 125.07 | 137.25 | 172.70               | 172.70 | 172.70 | 177.58 | 192.37               | 201.61 | 213.09 | 233.80 | 293.83               | 293.83 | 293.83 | 302.11 |
| 4000     | 30000 | 115.79               | 121.23 | 127.98 | 140.16 | 176.92               | 176.92 | 176.92 | 181.80 | 197.33               | 206.57 | 218.05 | 238.76 | 301.01               | 301.01 | 301.01 | 309.29 |
| 4100     | 30750 | 118.70               | 124.14 | 130.89 | 143.07 | 181.14               | 181.14 | 181.14 | 186.02 | 202.29               | 211.53 | 223.01 | 243.72 | 308.19               | 308.19 | 308.19 | 316.47 |
| 4200     | 31500 | 121.61               | 127.05 | 133.80 | 145.98 | 185.36               | 185.36 | 185.36 | 190.24 | 207.25               | 216.49 | 227.97 | 248.68 | 315.37               | 315.37 | 315.37 | 323.65 |
| 4300     | 32250 | 124.52               | 129.96 | 136.71 | 148.89 | 189.58               | 189.58 | 189.58 | 194.46 | 212.21               | 221.45 | 232.93 | 253.64 | 322.55               | 322.55 | 322.55 | 330.83 |
| 4400     | 33000 | 127.43               | 132.87 | 139.62 | 151.80 | 193.80               | 193.80 | 193.80 | 198.68 | 217.17               | 226.41 | 237.89 | 258.60 | 329.73               | 329.73 | 329.73 | 338.01 |
| 4500     | 33750 | 130.34               | 135.78 | 142.53 | 154.71 | 198.02               | 198.02 | 198.02 | 202.90 | 222.13               | 231.37 | 242.85 | 263.56 | 336.91               | 336.91 | 336.91 | 345.19 |
| 4600     | 34500 | 133.25               | 138.69 | 145.44 | 157.62 | 202.24               | 202.24 | 202.24 | 207.12 | 227.09               | 236.33 | 247.81 | 268.52 | 344.09               | 344.09 | 344.09 | 352.37 |
| 4700     | 35250 | 136.16               | 141.60 | 148.35 | 160.53 | 206.46               | 206.46 | 206.46 | 211.34 | 232.05               | 241.29 | 252.77 | 273.48 | 351.27               | 351.27 | 351.27 | 359.55 |
| 4800     | 36000 | 139.07               | 144.51 | 151.26 | 163.44 | 210.68               | 210.68 | 210.68 | 215.56 | 237.01               | 246.25 | 257.73 | 278.44 | 358.45               | 358.45 | 358.45 | 366.73 |
| 4900     | 36750 | 141.98               | 147.42 | 154.17 | 166.35 | 214.90               | 214.90 | 214.90 | 219.78 | 241.97               | 251.21 | 262.69 | 283.40 | 365.63               | 365.63 | 365.63 | 373.91 |
| 5000     | 37500 | 144.89               | 150.33 | 157.08 | 169.26 | 219.12               | 219.12 | 219.12 | 224.00 | 246.93               | 256.17 | 267.65 | 288.36 | 372.81               | 372.81 | 372.81 | 381.09 |
| 5100     | 38250 | 147.80               | 153.24 | 159.99 | 172.17 | 223.34               | 223.34 | 223.34 | 228.22 | 251.89               | 261.13 | 272.61 | 293.32 | 379.99               | 379.99 | 379.99 | 388.27 |
| 5200     | 39000 | 150.71               | 156.15 | 162.90 | 175.08 | 227.56               | 227.56 | 227.56 | 232.44 | 256.85               | 266.09 | 277.57 | 298.28 | 387.17               | 387.17 | 387.17 | 395.45 |
| 5300     | 39750 | 153.62               | 159.06 | 165.81 | 177.99 | 231.78               | 231.78 | 231.78 | 236.66 | 261.81               | 271.05 | 282.53 | 303.24 | 394.35               | 394.35 | 394.35 | 402.63 |
| 5400     | 40500 | 156.53               | 161.97 | 168.72 | 180.90 | 236.00               | 236.00 | 236.00 | 240.88 | 266.77               | 276.01 | 287.49 | 308.20 | 401.53               | 401.53 | 401.53 | 409.81 |
| 5500     | 41250 | 159.44               | 164.88 | 171.63 | 183.81 | 240.22               | 240.22 | 240.22 | 245.10 | 271.73               | 280.97 | 292.45 | 313.16 | 408.71               | 408.71 | 408.71 | 416.99 |
| 5600     | 42000 | 162.35               | 167.79 | 174.54 | 186.72 | 244.44               | 244.44 | 244.44 | 249.32 | 276.69               | 285.93 | 297.41 | 318.12 | 415.89               | 415.89 | 415.89 | 424.17 |
| 5700     | 42750 | 165.26               | 170.70 | 177.45 | 189.63 | 248.66               | 248.66 | 248.66 | 253.54 | 281.65               | 290.89 | 302.37 | 323.08 | 423.07               | 423.07 | 423.07 | 431.35 |

This financial projection represents Scenario 3 in the briefing document

# Exhibit 1

## Rates Increase in January to \$64.03 for all Customers

| Description                        | Projected For Fiscal Year |                       |
|------------------------------------|---------------------------|-----------------------|
|                                    | Ending June 30:           |                       |
|                                    | 2020                      | 2021                  |
| <u>User Rate Revenue</u>           |                           |                       |
| BRS qrtly billing                  | 7,967,808                 | 8,719,676             |
| BRS Apartments                     | 219,156                   | 235,609               |
| South East Existing                | 33,408                    | 35,913                |
| South East New                     | 467,712                   | 1,005,564             |
| Eastover                           | 77,563                    | 83,379                |
| FinnChem                           | 124,446                   | 124,446               |
| North Region Sewer                 | 0                         | 0                     |
| Sewer System                       | \$ 8,890,093              | \$ 10,204,587         |
| Water System                       | \$ 227,311                | \$ 275,551            |
| Total                              | \$ 9,117,404              | \$ 10,480,138         |
| <u>BRS (NW) &amp; North Region</u> |                           |                       |
| Percent Increase                   | 25.0%                     | 15.0%                 |
| Monthly Rate                       | \$ 55.68                  | \$ 64.03 January Inc. |
| Taps                               | 11,925                    | 12,140                |
| Customers                          | 10,764                    | 10,979                |
| <u>South East Region Sewer</u>     |                           |                       |
| Percent Increase                   | 48.1%                     | 15.0%                 |
| Monthly Rate                       | \$ 55.68                  | \$ 64.03 January Inc. |
| Customers                          | 50                        | 50                    |
| New Customers                      | 1400                      | 1400                  |
| <u>All Water Regions</u>           |                           |                       |
| Water Increase                     | 0.0%                      | 0.0%                  |
| Average Bill                       | \$ 43.35                  | \$ 43.35              |
| Customers                          |                           |                       |
| Other Revenue                      | 607,500                   | 768,000               |
| Total Revenue                      | 9,724,904                 | 11,248,138            |
| Transfer Customer Pmt              | \$ 283,584                | \$ 567,168            |
| O&M Expenses                       | \$ 6,927,923              | \$ 5,988,380          |
| Available for Debt                 | \$ 2,513,397              | \$ 4,692,590          |
| Debt Service                       | \$ 2,236,429              | \$ 3,329,256          |
| Debt Coverage 1.2                  | 1.12                      | 1.41                  |
| Remaining Funds                    | \$ 276,968                | \$ 1,363,334          |
| Transfers to Other Funds           | \$ (3,103,000)            | \$ -                  |
| Net Remaining Funds                | \$ (2,826,032)            | \$ 1,363,334          |
| Beginning Fund Balance             | \$ 7,029,192              | \$ 2,813,160          |
| Remaining Funds                    | \$ (2,826,032)            | \$ 1,363,334          |
| Capital                            | \$ (1,390,000)            | \$ (3,205,000)        |
| Ending Fund Balance                | \$ 2,813,160              | \$ 971,492            |

This financial projection represents Scenario 4 in the briefing document

Exhibit  
2

Rates Increase in January to \$64.03-Transfer Flat rate with Jan. Inc.

| Description                        | Projected For Fiscal Year Ending |                       |
|------------------------------------|----------------------------------|-----------------------|
|                                    | June 30:                         |                       |
|                                    | 2020                             | 2021                  |
| <u>User Rate Revenue</u>           |                                  |                       |
| BRS qrtly billing                  | 7,967,808                        | 8,719,676             |
| BRS Apartments                     | 219,156                          | 235,609               |
| South East Existing                | 33,408                           | 35,913                |
| South East New                     | 338,279                          | 727,293               |
| Eastover                           | 77,563                           | 83,379                |
| FinnChem                           | 124,446                          | 124,446               |
| North Region Sewer                 | 0                                | 0                     |
| Sewer System                       | \$ 8,760,660                     | \$ 9,926,316          |
| Water System                       | \$ 227,311                       | \$ 275,551            |
| Total                              | \$ 8,987,971                     | \$ 10,201,867         |
| <u>BRS (NW) &amp; North Region</u> |                                  |                       |
| Percent Increase                   | 25.0%                            | 15.0%                 |
| Monthly Rate                       | \$ 55.68                         | \$ 64.03 January Inc. |
| Taps                               | 11,925                           | 12,140                |
| Customers                          | 10,764                           | 10,979                |
| <u>South East Region Sewer</u>     |                                  |                       |
| Percent Increase                   | 48.1%                            | 15.0%                 |
| Monthly Rate                       | \$ 55.68                         | \$ 64.03 January Inc. |
| Customers                          | 50                               | 50                    |
| Monthly Rate                       | Avg rate 43.72                   | Avg rate 50.28        |
| New Customers                      | 1400                             | 1400                  |
| <u>All Water Regions</u>           |                                  |                       |
| Water Increase                     | 0.0%                             | 0.0%                  |
| Average Bill                       | \$ 43.35                         | \$ 43.35              |
| Customers                          |                                  |                       |
| Other Revenue                      | 607,500                          | 768,000               |
| Total Revenue                      | 9,595,471                        | 10,969,867            |
| Transfer Customer Pmt              | \$ 283,584                       | \$ 567,168            |
| O&M Expenses                       | \$ 6,927,923                     | \$ 5,988,380          |
| Available for Debt                 | \$ 2,383,964                     | \$ 4,414,319          |
| Debt Service                       | \$ 2,236,429                     | \$ 3,329,256          |
| Debt Coverage 1.2                  | 1.07                             | 1.33                  |
| Remaining Funds                    | \$ 147,535                       | \$ 1,085,063          |
| Transfers to Other Funds           | \$ (3,103,000)                   | \$ -                  |
| Net Remaining Funds                | \$ (2,955,465)                   | \$ 1,085,063          |
| Beginning Fund Balance             | \$ 7,029,192                     | \$ 2,683,727          |
| Remaining Funds                    | \$ (2,955,465)                   | \$ 1,085,063          |
| Capital                            | \$ (1,390,000)                   | \$ (3,205,000)        |
| Ending Fund Balance                | \$ 2,683,727                     | \$ 563,727 of 22      |