



Facts About the Approved Water & Sewer Rate Change

On June 16, 2015, the City of Columbia City Council approved an increase to the City's water and sewer rates. These changes will be effective as of July 1, 2015. This fact sheet answers common questions about the rate change.

What does the rate change mean for Water & Sewer customers?

The average residential City of Columbia Water & Sewer customer uses 800 ft³ of water each month or approximately 6,000 gallons. Even at the new rates, Columbia water and sewer bills are still among the lowest in the region for both in-city and out-of-city customers (See **Typical Residential Inside-City Customer** and **Typical Residential Out-Of-City Customer**). The typical inside-City customer will see an increase of \$4.65 per month while the out-of-City customer will see an additional \$7.92 per month.

How much will my bill be affected by the proposed rate change?

The City has developed an online Water/Sewer Bill Estimator to help both in-city and out-of-city customers see how a typical residential bill at different consumption levels might be affected by the rate change.

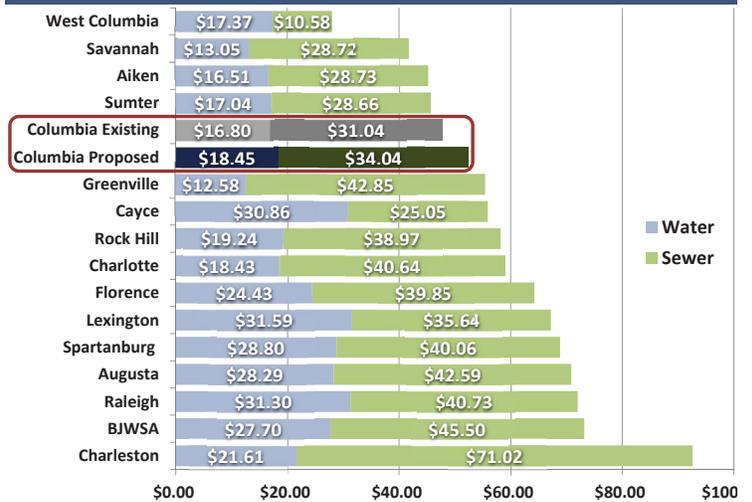
Visit www.ColumbiaSC.Net/Customer-Care/Estimator, and follow the on-screen prompts. Customers can learn how their meter is read, how their bill is calculated, and how consumption might affect their bill.

Now Online...
**Water & Sewer
Bill Estimator**



Typical Residential Inside-City Customer*

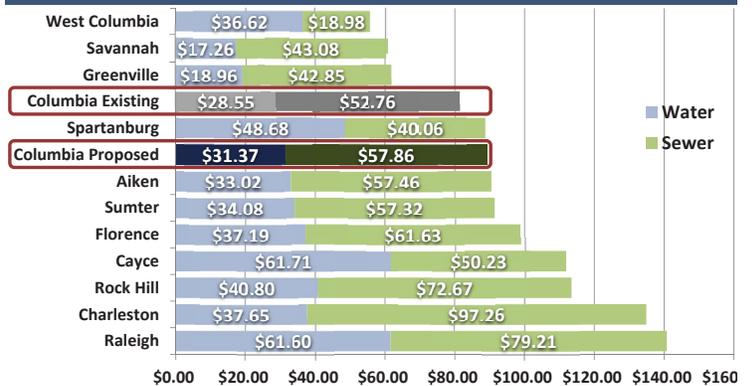
* Based on 800 ft³ of use



The typical inside-City residential customer currently pays \$47.84 (\$16.80 + \$31.04) for water and sewer service. After July 1st, the typical customer would pay \$52.49 (\$18.45 + \$34.04). This is a difference of \$4.65 per month.

Typical Residential Out-Of-City Customer*

* Based on 800 ft³ of use



The typical outside-City residential customer currently pays \$81.31 (\$28.55 + \$52.76) for water and sewer service. After July 1st, the typical customer would pay \$89.23 (\$31.37 + \$57.86). This is a difference of \$7.92 per month.

What can homeowners and businesses do to reduce their water bills?

One good way to reduce your water bill is to check for leaks. Start by turning off all the spigots in your house. Then, check your water meter. If the meter is turning, you have a leak and may want to have your system checked by a professional. [Conserve Columbia](#) also has many more useful tips for conserving water around your home and business (www.ColumbiaSC.Net/Drinking-Water/Educational-Programs/Conserve-Columbia).

Will my rates go up next year, too?

The City is proposing scheduled increases in rates through 2020. The 2015 approved rate is approximately 9.5% more for the average 6,000 gallon customer. Preliminary rate increases through 2020 could range from 7.1% to 8% each year for this customer. However we will evaluate rates annually to ensure that the adjustments are appropriate and in-line with actual costs of the water and sewer system.

How did the City determine the rate increase that was needed?

Approximately every 5 years, the City conducts a water and sewer rate study. This study provides a 5 year projection of rate increases that are generated based on projected revenues and expenses. It is updated on an annual basis based on actual revenues and expenses at year's end.

The City's most recent rate study was completed this year which examined how our water and sewer rates were structured and recommended ways to cover costs of maintaining and improving our infrastructure while providing equitable rates for our customers. The new rates are designed to help support:

- **Upgrades, Regulatory Requirements and Expansions.** The City has been investing in significant water and sewer infrastructure maintenance and upgrades needed to meet current customer demand. Columbia's Water and Sewer system is aging, an issue faced by many communities across the United States. More than 2/3rd of our system is over 50 years old. The rehabilitation and upgrading of the system, regulatory requirements and expansion requires significant resources to fund the capital improvement program.
- **Financial Stability.** The new rates brings the City closer to providing a foundation for funding of required projects and the routine maintenance of the system necessary to keep our utility in a financially strong position. Efficient operations and maintaining costs help to realigning existing resources towards priority projects that are in support of the operation of the system; however it is only a part of the equation. New resources are needed to sufficient fund the major renovations, repairs and expansions of the system.
- **Planning for the Future.** The City is projected to need to service approximately 30,000 more drinking water accounts and 15,000 sewer accounts by 2017. This growth will mean increased maintenance needs, infrastructure upgrades and expanded service to meet customer demand. It would be very difficult for the City to meet these current and projected needs without the proposed rate restructuring.

What is the franchise fee? I heard it was changing, too.

The franchise fee is paid by various entities that use the City's right of way to provide other utility services. This includes primarily gas and electricity utilities.

How will the franchise fee increase impact me?

City Council also approved an increase in the franchise fee from 3% to 5%. This increase will apply to in-city utility providers and is generally passed on to their customers.

Why does the City have a franchise fee? Is this typical?

Non-property tax revenues such as franchise fees help to distribute the cost of services that the City provides to more than just property tax payers. Many municipalities have similar franchise fees.

How will the City put this rate restructuring to good use?

Efforts are already underway to rehabilitate, upgrade, and expand current service to meet current needs.

Some drinking water service projects include:

- Continuing improvements to the Columbia Canal water works, including dredging the raw water reservoir, renovating the clearwell that stores finished drinking water, and completing the replacement of old high service pumps with more efficient pumps.
- Installing new or replacing elevated storage tanks that will help stabilize water pressure in the areas they serve.
- Rehabilitating thousands of feet of water line to protect customer water quality.

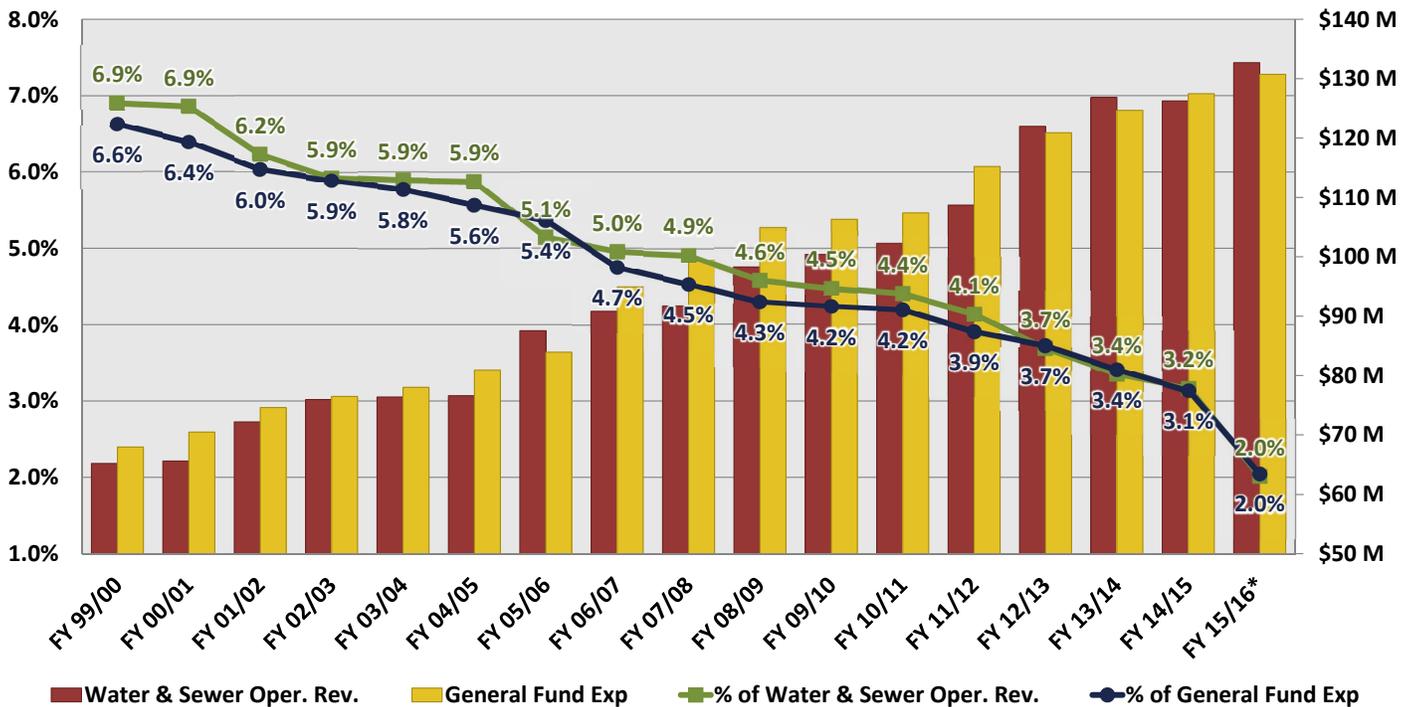
Some sewer service projects include:

- Improving digesters at the wastewater treatment plant, which is the first step towards producing a sustainable & reusable solids product.
- Conducting sanitary sewer evaluation studies that have allowed us to identify and address places where rain water had the potential to seep into and strain the system. By improving these parts of the sewer system, we have reduced the amount of strain caused on the system by heavy rains and so reduced the chance of sanitary sewer overflows.
- Rehabilitating significant portions of our sewer system in the Crane Creek, Smith Branch and Rocky Branch basins which will alleviate capacity issues in these areas while preventing future sanitary sewer overflows.

What about the Water & Sewer Transfer to the General Fund?

Since fiscal year 1999-2000, the City of Columbia has seen a steady drop in the percentage of Water & Sewer funds transferred to the General Fund, both as a percentage of the Water & Sewer budget and as a percentage of the General Fund. By motion of City Council, the transfer is now capped at 2% of the Water and Sewer budget and is for support of Public Safety.

Water & Sewer Transfers to General Fund as a Percentage of Budget



This graph shows the decrease in Water & Sewer Funds transferred to the General Fund as a percentage of the Water & Sewer Budget (green line) and the General Fund Budget (blue line) from FY 99/00 through FY 15/16.

What about the City's Consent Decree?

Since 2008, the City has been ramping up its investment in its sewer system in anticipation of the Consent Decree. In 2013, the City formalized its wastewater efforts under the Clean Water 2020 program, an ambitious multi-year program of projects and initiatives designed to improve water quality and protect the safety and health of citizens by rebuilding and modernizing the sewer collection system and treatment facilities.



This program is also the City's formal response to the Environmental Protection Agency (EPA) and the South Carolina Department of Health and Environmental Control (SCDHEC) regulations under the Federal Clean Water Act (CWA) and to the Consent Decree, which was finalized in May, 2014.

Where can I find out more about the City's current rates?

Visit www.ColumbiaSC.Net/Customer-Care/Utility-Billing/Water-Sewer-Rates for details on the City's current water and sewer rates.

I have heard that the City recently performed a water customer audit. Why?



The City commissioned a water/sewer audit last fiscal year, which is ongoing. The intent of the audit is to review customer accounts to ensure all customers are being charged correctly for the services they are receiving.

The results of the audit have generated additional revenues. Those revenues have been factored into the most recent rate study analysis and have helped to minimize the proposed increase amount.

Water and Sewer System Overview

The City's water service contains over 2,400 miles of pipe that service over 375,000 people across approximately 120,000 customer accounts.

The sewer service has over 60,000 accounts servicing over 150,000 people along 1,200 miles of sewer line.

The proposed rate increase will allow the City to meet current and projected operations and maintenance expenses, allow for projected growth and provide resources for capital projects.

Below is a list of frequently asked questions that help further explain the proposed water and sewer rate restructuring.

