



COLUMBIA CITY COUNCIL MEETING MINUTES TUESDAY, APRIL 25, 2023

CALL TO ORDER

The Columbia City Council held a Budget Workshop on Tuesday, April 25, 2023 at City Hall (Mayor's Conference Room), Columbia, South Carolina. The Honorable Daniel J. Rickenmann, Mayor called the meeting to order at 3:05 p.m. and the following councilmembers were present: The Honorable Howard E. Duvall, Jr., The Honorable Edward H. McDowell, Jr., The Honorable Aditi Bussells, The Honorable Tina N. Herbert and The Honorable Peter M. Brown. The Honorable William Brennan arrived at 3:35 p.m. Also present were Ms. Teresa Wilson, City Manager and Ms. Levanie Summerville, Assistant City Clerk. This meeting was advertised in accordance with the South Carolina Freedom of Information Act.

INVOCATION

The Honorable Edward H. McDowell, Jr. offered the invocation.

CITY COUNCIL DISCUSSION

1. Columbia Water Update - Mr. Clint Shealy, P.E., Assistant City Manager for Columbia Water

- *Water & Sewer Update - Mr. Clint Shealy, P.E., Assistant City Manager for Columbia Water*

Mr. Clint Shealy, P.E., Assistant City Manager for Columbia Water said our priorities are customer service, responsiveness, operational efficiency through the use of technology and appropriate span of control. Recommendations from the organizational assessment included the restructuring of the Customer Care Division into the Department of Customer Services and the consolidation of other management areas in Utility Operations. There is a net decrease of 13 positions in Columbia Water. This will create opportunities for existing staff.

Ms. Tiffany Latimer, Director of Customer Services reported that customer care successes range from the implementation of an upgraded phone system in 2020 to the opening of the Customer Care/Payment Center with a drive-thru at 3000 Harden Street.

Mr. Clint Shealy, P.E., Assistant City Manager for Columbia Water reviewed benchmarks for staffing, complaints/work orders and operating costs for Columbia Water based on a 2022 American Water Works Association benchmarking survey. We are using a blended strategy of staffing and contractors to address the backlog. In the current fiscal year we funded \$4 million in



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leak repairs and asphalt paving restoration. We are requesting \$6.5 million in the upcoming year. On average, we receive 1,280 new service requests each month resulting in 790 work orders. We continue to work with the Office of Business Opportunities to expand opportunities for small local businesses. Economic development successes include Scout Motors and expansion of the Pineview Industrial Park. We are waiting to hear about funding for the Canal. We received a \$10.5 million grant from the South Carolina Infrastructure Investment Program for the Crane Creek wastewater storage tank project. Phase one of the Rosewood Water Quality Improvements Project went to the Procurement and Contracts Department today. We will continue to leverage Department of Commerce funding. We are on schedule for the Consent Decree for wastewater. We submitted a force majeure request for a two year extension last week. Our sanitary sewer overflows continue to track downward. We are asking for \$120 million: \$80 million for wastewater and \$40 million for water quality. We included \$200,000 for a PFAS treatability study. The Rosewood and Shandon water quality projects, the Harden Street Booster Pump Station and 4,000 AMI meter change outs are a few of the new projects. Over five years, Council awarded \$400 million to the CIP and we have expended \$375 million. Future projects of interest include the Saluda River Force Main Extension Project and the Wastewater Treatment Plant BioGas Public Private Partnership.

There were discussions about the quality control process, streamlining the procurement process, existing capacity, use of revenues from hydrant fees, the new meter fee, an updated cost structure for treating wastewater outside of the city, location of the Saluda River Bridge, and the status of proposed solar farms at the treatment plants.

- *Fiscal Year 2023/2024 Water and Sewer Financial Plan - Mr. Robert Chambers, MBA, Principal Consultant / Black & Veatch*

Mr. Robert Chambers, MBA, Principal Consultant / Black & Veatch said we are performing an independent review of your water and sewer system. We want to understand what your operating and capital requirements are and what it takes to serve existing customers. We are providing the following assumptions as a baseline for fiscal year 2024. Estimated revenue for the total system is \$188 million with a .75% growth in customers during the forecast period of 2024 to 2028. This includes rate revenues and other revenue sources. Operating expenses are about \$113 million. The capital program is \$120 million. For fiscal year 2024, existing debt service is \$50.2 million with a plan to issue additional debt over the forecast period. You drive and provide the willingness to set the rates. Smaller and consistent increases over time typically pan out better.



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There were discussions about historic rate design, expansion of the system and the customer base to increase revenues, projected rate increases, and reflecting the fact that a rate increase is not the only source of revenue.

Mr. Robert Chambers, MBA, Principal Consultant / Black & Veatch explained that the city has a fixed component and a volumetric component to its water rates. The existing minimum allowance is zero to three cubic feet of water. We have seen daily usage come down and there is a proposal to adjust the minimum allowance to 0-2,000 gallons per month. This equates to 65 gallons per day in usage. Upon implementation, we will see up to \$1.5 million in additional revenues. This would be effective on July 1.

Mr. Clint Shealy, P.E., Assistant City Manager for Columbia Water added that we bill in units of 100 cubic feet. Part of the AMI implementation is to move our billing to units of 1,000 gallons. The base fee is \$8.53 per month for an inside city customer.

There was a discussion about the impact of this proposal and the number of customers that will be affected by this proposal.

Mr. Robert Chambers, MBA, Principal Consultant / Black & Veatch reviewed the base assumptions for fiscal year 2024 which includes a 6.52% revenue increase, 0.75% in customer growth, \$120 million annual capital improvement program, a minimum allowance adjustment, increases in O&M costs, and maintaining the required financial metrics. Since 2008 water and sewer rates have increased by an average of 4.1%. Consider approving the fiscal year 2024 adjustment, understanding the billing system, and implementing the minimum allowance.

Ms. Teresa Wilson, City Manager asked Mr. Chambers to separate the new proposed minimum allowance from the rate increase and bring it back in two different ways.

- *Stormwater System Update - Ms. Dana Higgins, P.E., LEED AP, Director of Engineering and Mr. Hal Clarkson, P.E., Project Director / Woolpert*

Ms. Dana Higgins, P.E., LEED AP, Director of Engineering recalled that a utility rate study on the stormwater fee was done in 2017. Rates have been incrementally increased and the current rate is \$14.15. We developed hydraulic models throughout the system, completed nine construction projects, two projects are under construction (Penn Branch and Benedict/Edgewood), and ten projects are under design. We are asking for \$13.1 million for the upcoming capital improvement plan which includes funds for unidentified projects. To date, we awarded \$18.6 million in consulting contracts and \$42 million in construction contracts. Constituents are seeking



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opportunities to reduce their stormwater utility fee. We have a credit manual that allows up to 30% reduction for non-single family by installing best management practices for water quality. In special protection areas, developers can get up to 60% reduction. A citywide special protection area is under review.

Mr. Hal Clarkson, P.E., Project Director for Woolpert said we were asked to update an existing study from 2017 to verify your cost of service, rate recommendations, fee reductions, collections and billing policies in comparison to similar communities. Your stormwater utility cost of service is split between the Engineering Department and the Public Works Department. The current equivalent residential unit (ERU) rate is \$14.15 per month. Basic assumptions include a two year rolling average of 2.6% on inflation and increased construction costs. The projected revenues will be 10% higher than what was in your approved budget. You are generating sufficient revenue to meet almost all of your needs. We recommend no increase in your storm water utility rates for next year but you want to look at that in another three years. Holding the current rates, keeps your debt service ratio above the 2.0 goal and it keeps a healthy cash reserve. Maintain your current billing rate structure and billing mechanism, revise the credit manual, and continue developing an asset management program.

There was a brief discussion about properties that are in the county but produce runoff in the city and how that affects maintenance.

2. Fiscal Year 2023/2024 Hospitality Tax, Accommodations Tax, and Tourism Development Fee Projections/Budget Recommendations - Ms. Missy Caughman, MPA, CPM, Budget, Program Management & Grants Director – *Discussion of this item was deferred.*

ADJOURNMENT

The meeting was adjourned at 5:12 p.m.

Respectfully submitted:

Erika D. Moore Hammond, CMC
City Clerk