

**CHAPIN TOWN COUNCIL
WORK SESSION AGENDA
Council Chambers, Chapin Town Hall
June 6, 2023
5:00 p.m.**

Call to Order and Determine Quorum

Statement of Freedom of Information Act Compliance

Discussion Items

1. City of Columbia water rate increase impact on Town of Chapin utilities

Adjourn

**Chapin Town Council
Request for Action**

Date History: Town Council: June 20, 2023

To: Chapin Town Council

From: Karalyn Miskie, Director of Utilities and Public Works

Subject: Utility Department, 2023 Schedule of Rates and Fees

Action Requested: It is recommended that Council approve the 5.5% increase to the Town of Chapin water rates as proposed in the attached ordinance.

Background / Discussion

The City of Columbia Water Department is proposing a 5.0% water rate increase to their council for their upcoming fiscal year. Their first reading for this increase is scheduled for June 6. If approved by their City Council our water bills from Columbia would increase an average of about \$3,000/month starting in August 2023, or approximately \$36,000/fiscal year. Historically, Chapin has increased our water rates at the same percentage rate as the City of Columbia. This time, I am proposing an additional 0.5% over Columbia’s increase for our water rates. The additional 0.5% would help us cover our ever-increasing routine water system O&M expenses, like water loss from system flushing, line repairs, testing and all the staff/equipment costs that go along with operating our water system. Which have all seen huge increases due to COVID’s effect on our economy. This proposed 5.5% would result in an increase of \$2.20 per month for our overall average water customer.

This currently proposed 0.5% additional increase only takes advantage of Columbia’s 5.0% increase to start adjusting our rate structure to make us viable and strengthen our budget.

Staff recommends you adopt the Schedule of Rates and Fees as provided.

Approved _____

Date _____

If the proposed 5.5% water rate is approved, the rates will change as follows in red:

Water Use Rates (monthly):

Units	Meter Size	EXISTING Per Unit (gallon)	PROPOSED Per Unit (gallon)	5.5% Per 1000 Gallons
First 2,000	<1.0	\$32.10	\$33.87	Minimum charge
First 2,000	1	\$42.60	\$44.94	Minimum charge
First 2,000	1.5	\$81.17	\$85.63	Minimum charge
First 2,000	2	\$148.51	\$156.68	Minimum charge
First 2,000	3	\$222.96	\$235.22	Minimum charge
First 2,000	4	\$358.45	\$378.16	Minimum charge
First 2,000	6	\$536.41	\$565.91	Minimum charge
Volumetric charge per 1000 gallons over initial 2,000 gallons		\$5.32	\$5.61	
Hydrant Fee (flushing and hydrant maintenance)		\$8.00	\$8.00	
DHEC Fee on water bills		\$3.60	\$3.60	

The proposed changes discussed above are included in the 2023 Schedule of Rates and Fees (Effective Date: August 1, 2023), as attached to the proposed ordinance document.

Financial Impact

The proposed rate adjustment will add approximately 5.5% per month to a residential customer’s water bill. For a customer that uses 3500 gal/mo, the increase will be \$2.20 per month. The additional funds generated by this increase will be used to pay the City of Columbia for water purchased and operations and maintenance of the water system.

Alternatives

1. Approve the water monthly rate increase as proposed in the attached ordinance.
2. Approve a rate increase at a rate different from that recommended.
3. Delay the water rate increase to a later date.
4. No Action.

Approved _____

Date _____