



East Richland County Public Service District

704 ROSS ROAD
POST OFFICE BOX 23069
COLUMBIA, S.C. 29224-3069
TELEPHONE 803-788-1570

FAX 803-736-5399

RATE STUDY FREQUENTLY ASKED QUESTIONS (FAQs)

How does ERCPSD charge for sewer service?

ERCPSD (District) utilizes a fixed charge or flat rate billing structure. Residential customers are billed as one (1) Residential Equivalent Unit (REU) at the current rate of \$27.00/REU (\$30.00/REU proposed). Commercial rates are determined based on the type of commercial establishment. The total flow for the establishment is estimated utilizing the SC Department of Health Environmental Control's (SCDHEC) loading guidelines and then converted into REUs and billed at \$27.00/REU (\$30.00/REU proposed).

What is a typical Residential sewer bill?

Residential customers are defined as any single family detached home: includes individual homes, apartments, condos, and trailers. The current residential sewer bill is \$27.00/month per dwelling (billed quarterly \$81.00). The proposed residential sewer bill is \$30.00/month per dwelling (billed quarterly \$90.00).

Why are periodic rate increases necessary?

The District evaluates their rates periodically with a goal to set fair and equitable rates and fees to provide adequate service while meeting required regulations and protecting the environment. It is necessary to periodically increase rates in order to continue to invest in the sewer infrastructure to provide proper maintenance, meet environmental regulations, and continue to provide quality service. The last rate change was implemented in FY 2018 to the current rate of \$27.00/REU.

How does the District set rates?

The District sets rates in order to recover the actual cost of service and invest in system improvements. A rate study is periodically conducted to determine the necessary rates to provide operating costs, capital investments, and debt service. The rates are presented to the Board of Commissioners and approved after a public hearing. The rate setting philosophy includes the following principles:

- **Cost of Service:** The rates and fees must generate adequate revenue to operate and maintain the system and invest in the system providing necessary improvements.
- **Equity Among Customer Classes:** Rates provide equity among all customers to provide operating and capital needs associated with the infrastructure designed to serve the customers. The customer charges are based on unit contributory loadings provided by SCDHEC which are used for the sizing (hydraulic) of infrastructure for the customer class.
- **Affordability:** An affordability analysis is conducted to determine the burden of the service charge on customers. The Environmental Protection Agency's (EPA) guideline for water and sewer service (total) is 4.0% of the median household income. The proposed annual sewer bill plus property tax is estimated to be less than 1% of the median income.
- **Stability:** The proposed rates provide a stable revenue stream in order to provide reliable operation of the system.

- **System Growth is Paid by Growth in Customers:** System expansion (treatment capacity and piping requirements) is paid by fees collected with new development while cost of operations and capital replacements are paid by existing customers.
- **Maintain Credit Ratings:** Rates are set to maintain good credit ratings in order to lower the cost to borrow funds for large capital projects.

How is the District investing in improving the system?

The District continues to invest in the Capital Improvement Program (CIP) to improve operations and system performance. The CIP includes projects aimed at assessing the condition of the system and making necessary improvements to renew the life of the assets. The CIP continues to be focused on reducing inflow and infiltration (I/I) into the sewer collection system. I/I is common in aged sewer systems and is addressed with pipe rehabilitation or replacement. Reducing I/I maintains the capacity in the collection system needed for additional development and re-development in the service area without having to upsize or add additional infrastructure. Reducing I/I also stabilizes the operational costs at the Gills Creek Wastewater Treatment Plant (WWTP).

How does ERCPSD compare to other sewer service providers?

The chart below provides a comparison of how the District compares with other sewer only utility providers.

