The WATER WELLSPRING

A FLOWING SOURCE OF INFORMATION FOR WATER AND WASTEWATER UTILITIES

Winter 2009

Billing Customers in a Timely Manner

Water and/or wastewater utilities expect payment from customers for services rendered. Incoming revenue allows a utility to continue to provide services to its customers. What happens, though, when the utility fails to bill the customer or is consistently late in billing? Public Service Commission (PSC) Regulations 103-532 and 103-732 state that the utility shall bill each customer as promptly as possible *following the reading of the meter (*water only). Failure to bill customers in a timely manner results in a collectively high bill for the customer. Customers receiving a high bill may delay payment, pay a partial amount, or not pay at all. As a result, the company loses revenue and the customer may lose service. It is good business practice for utilities to bill their customers monthly, unless a utility has an individual billing schedule approved by the PSC. The PSC requires all water/wastewater bills to provide the following:

- The amount of the bill • Date bill was rendered • Payment due date
- Applicable rate schedule or identification of the rate schedule. If actual rates are not shown, the bill shall carry a statement to the effect that the applicable rate schedule will be furnished upon request
- Telephone number where utility can be contacted during regular and non-business hours

In addition, the PSC regulations require bills for **water service** to provide the following:

• Reading of the meter at the end and beginning of the period for which the bill is rendered • Date the meter was read • Number and kind of units metered • Distinct marking to identify an estimated bill • Any conversion from meter reading units to billing units or any calculations to determine billing units from recording or other devices, or any other factors used in determining the bill or a statement must be on the bill advising that such information can be obtained by contacting the utility • Number of days for which bill is rendered

D H E C

PROMOTE PROTECT PROSPER

C O R N E R

Top Ten Reasons Why Permitting Project Reviews are Delayed

The Water Facilities Permitting Division approves over 1000 drinking-water projects per year. Many of these projects were delayed because review letters had to be sent to the engineer for various reasons. Here is a "Top Ten" list of common problems which delay projects. It is suggested that this list be checked before a project is submitted to help speed the review and approval.

1. **Flow test results**. All flow test results submitted must have been performed in the past year.
2. **Operation and Maintenance Letters**. There may be some projects where the original owner will not be responsible for the O&M of the project once it is completed. For these projects a letter from the future owner or responsible party, stating that they agree to own, operate and maintain the project (lines, well, tanks, etc.) must be provided.
3. **Feasibility/Viability study**. A feasibility study must be submitted for all new systems. The feasibility study must show the cost of creating a new system versus the cost of connecting to an existing system. The Viability study must show how much it will cost to operate the proposed system (including operators if required). If the system is a community water system, it must include water rates, along with a five-year financial projection showing that the system can remain viable.
4. **Calculations**. Calculations must be submitted for all projects involving water lines, pumps, and chemical treatment. These calculations must be for the design rate of the project.
5. **Well performance test**. A well performance test must be carried out as detailed in regulation R.61-58.2.B(12). This includes the pumping test and the well recovery, along with the name(s) of those who performed the test, and the method of measurement used for the test.
6. **Chemical feed lines**. Chemical feed lines must be shown or specified to be color-coded and labeled.
7. **Wellhead Protection Area**. The Wellhead Protection Area inventory must be submitted with the project for all new wells. This must include the Latitude and Longitude, to the nearest second, of the well along with the design pump rate.
8. **NSF Certification**. All chemicals added to drinking water must be certified as meeting the standards of the American National Safety Institute/National Sanitation Foundation.
9. **100-year flood and Topographical maps**. All wells must be either above the 100-year flood elevation, or must be protected above the 100-year flood elevation. Also, the site plan for all new well projects must include, for the 100-foot radius, a topographical relief detail with contour intervals no greater than two feet. If the land is flat, please show at least one contour line for a reference.
10. **Water Quality parameters**. All test well projects must include in the specifications the required water quality parameters that will be tested. All follow-up projects must include these required test results. Please make certain that the results of all of the parameters are provided in the follow-up package. This includes dioxin, unless the Department has granted a variance.

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REMINDER:

A copy of the Water and Wastewater rules, regulations and other forms and documents can be accessed on the Office of Regulatory Staff's web site at www.regulatorystaff.sc.gov.

ORS Water Conservation brochures are now available and can be accessed on the web site or by contacting Chad Campbell 803-737-5194.

Leak Detection and Repair = Water and Money Saved

Most water customers only become aware of a leak when they receive a higher-than-normal bill and, after investigating, determine that a leak is the result. Water customers are advised to routinely check their fixtures and irrigation systems for leaks. However, it is just as important for utilities to check their pipes and equipment for leaks. In recent testimony, a utility indicated that because they had repaired leaks on their system, they were able to reduce the amount of purchased water from 12 million gallons to six million gallons a month. In addition, one major leak repair on their system resulted in a savings of at least eight million gallons a month! The utility stated that they were also in the process of replacing and upgrading customer water meters, master meters and system pumps. While there will always be water loss during the delivery of water from the plant to the customer, preventative measures can be taken to reduce the amount of water lost, thus saving money for both the utility and the customer and protecting a valuable resource.

The Audit Corner: Continuing Property Records (CPRs)

What are CPRs?

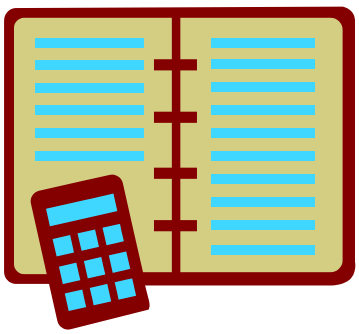
- A system of preserving original cost of plant in such a manner as to, at all times, be able to identify, locate, obtain cost and disclose the age of utility plant in service.

Why do we need CPRs?

- To prove the existence, location, age, cost and resulting net book value of a utility's plant in service
- Maintenance of such records is imperative in accounting for fixed assets of a regulated public utility
- Provides perpetual history of utility's assets

Why is it important to track fixed assets of a regulated public utility?

- A utility may have an unusually large investment in fixed property and plant
- Assets are scattered over a wide geographic area
- Return on investment as authorized and approved by the regulatory commission is based upon the dollars invested in these assets



CPR System Requirements

- Name of asset(s), description, code or serial number
- Location of property
- Date placed in service
- Original Cost of the asset(s)
- An estimate of service life (depreciation rate) and salvage value
- Current depreciation expense and accumulated depreciation
- All additions, modifications and retirements
- Taxing district in which property is located
- Asset control account and numbers to which property is charged

Important Uses of CPRs

- Provides detailed information for general ledger plant accounts
- Basis for depreciation expense calculation
- Facilitates identity and location of utility's assets

Sources: NARUC Uniform System of Accounts
Suelflow – Public Utility Accounting: Theory and Application

Consumer Services

Avoiding sewer line backflow

Wastewater customers (and utilities) have long complained about clogged sewer lines that were the result of roots or other household items such as toys and excessive amounts of paper products. However, most customers would be surprised to know that one of the main causes of sewer line blockages is household grease that is poured down sinks. Most consumers do not know that, after a period of time, the grease builds up along the sides of the pipe wall creating a blockage, thus the potential for backflow. Running hot water down the drain does not dissolve the accumulated grease. While wastewater utilities use various forms of strainers to catch items that may cause line blockage, these strainers cannot catch the grease. The most cost-effective way to ensure free-flowing sewer lines is to inform your customers, through separate mailout, bill insert, or message on the bill, about the potential consequences from disposing of grease down any sink. Customers should be advised that household grease should be disposed of in a waste container or placed in the trash can. Customers can also be encouraged to throw away food scraps in the garbage rather than using the garbage disposal. The grease from the food scraps is not eliminated when the food is chopped up in the garbage disposal.

While it may be impossible for wastewater utilities to pinpoint the exact cause and location of sewer line blockages without temporarily disconnecting the sewer service, Regulation 103-532.4 states that the utility may not charge a reconnection fee unless the sewer service has been disconnected for nonpayment of the sewer bill, fraudulent use of service, or upon customer request.

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