

Water and Sewer Committee Meeting
April 1, 2016
10:00 a.m.

The following were in attendance:

Bob Sandifer, Laurie Sanders, Sr., Jody Kleckley, Bob Renner, Committee Members; Iris Hill and Bob Doub, ex-officio. Charlie Kerekes was absent.

Chairman Bob Sandifer called the meeting to order and introduced new committee member Laurie Sanders, Sr. to the Committee.

Jody Kleckley moved to approve the minutes of the January 28, 2016 with the change in paragraph three to "Mike Beckman provided primary experience." Bob Renner seconded the motion, which was approved 4 – 0.

Town Administrator Iris Hill passed out copies of a proposed agenda item increasing water rates. The last water rate increase was in 2014 due to inflation. The proposed increase for 2016 is for capital improvements. The R&R fund for water projects has been depleted. If current systems, such as the outdated SCADA system fails, there would be no money to replace it. The SCADA system was put out for bid last year, but the bids came back substantially higher than the amount budgeted for replacement (\$124,000 vs. \$40,000). Jody Kleckley suggested a higher increase than 5% for out-of-town and commercial consumers. Chairman Sandifer asked Administrator Hill if the Town could get assurance from Thomas and Hutton that the SCADA system used by the proposed R/O system would be compatible with the SCADA system bought by the Town to replace the current one. Mr. Sandifer also asked if there was money projected by Thomas and Hutton for such a system in the estimate they furnished. Mr. Doub said that he thought the SCADA was included in the figures from Thomas and Hutton. Knowing the Town would have to have a SCADA system to manage the R/O plant, an upgrade would be performed to ensure compatibility. The same system would then be used to operate the wells and the R/O system. It is uncertain if Thomas and Hutton, at this stage of the project, has made a decision as to what SCADA system they will use. Bob Renner asked Mr. Doub how old the current system was. Mr. Doub said that he thought it was installed in 2006 or 2008 and was out-of-date within two years of installation.

Administrator Hill provided copies of the Capital Improvement Plan (CIP) to committee members. Administrator Hill asked Mr. Doub if a price had been received for the Bay Point and Fort Street lines. Mr. Doub said that those quotes were taken from outdated reports and that he needed to get new quotes. Chairman Sandifer asked if the Town's position as to why the water rates were increasing is to be able to support capital improvements. Administrator Hill agreed, and stated further that the SCADA system replacement and improvements deemed necessary by Council were the main reasons for the proposed water cost increase. Administrator Hill stated that currently in the R&R there is \$159,741, with an encumbered balance of \$129,871 which leaves \$29,000. Chairman Sandifer wanted to make sure the increase in the water rates was not inflationary. Administrator Hill assured him it was for upgrading existing infrastructure and replacing substandard water lines. Mr. Sandifer wanted to make sure that consumers were informed of the reason for the current water rate increase. The 2014 increase was due to inflation, the proposed 2016 increase is due to capital project costs. In order for the Town to continue to upgrade the antiquated infrastructure, rates need to be increased. Mr. Kleckley suggested informing the public that this proposed increase has nothing to do with the R/O plant. Administrator Hill said that she would make that fact clear in her notes to Council. Administrator Hill said she would break down the proposed increase to show how much would be taken in by the Town.

Administrator Hill stated that when the Jungle Shores waterline project was completed, there would be a cost savings that may allow the increase to be less than five percent. Administrator Hill asked for a member of the Water and Sewer Committee to be at the Council worksession and meeting on April 12 and 14, 2016. Chairman Sandifer said he would represent the Committee at the meetings. The Committee then discussed the possibility of raising water tap fees above \$500. Mr. Kleckley said that the Town's tap fee was a lot less than other municipalities he has dealt with. Mr. Kleckley made a motion to suggest that Council increase water tap fees for a ¾" tap to \$1500 and increase other tap fees proportionately depending on the size of the water line for new construction. Mr. Renner seconded the motion. The motion was approved 4 – 0. Chairman Sandifer then moved to concur with the proposed ordinance increasing water rates with the provision that the Town Administrator detail the reason for the cost increase for the public's consumption. Mr. Kleckley seconded the motion, which was approved 4 – 0.

The Committee discussed the Notice of Violation on the Waste Water Treatment Plant. Administrator Hill distributed copies of the Corrective Action Plan submitted by the Town to the Department of Health and Environmental Control (DHEC) and a graph showing the monthly Biochemical Oxygen Demand (BOD). The last two readings on the graph show the BOD readings down and within normal limits. Mr. Doub said that the effluent was remaining between 9.6 to 14 or 15 and indicated this was a good sign. Mr. Doub spoke with Richard Stone at DHEC who said that a consent order could be lifted at any point after six months. Utilities workers are still pumping duckweed and an aerator has been repaired, both of which could be contributing to the lower BOD readings. American Engineering has the Town performing additional testing for the preliminary engineering report which will continue for three months. Administrator Hill told the Committee that Mr. Doub would report the decrease in BOD levels to Council in April.

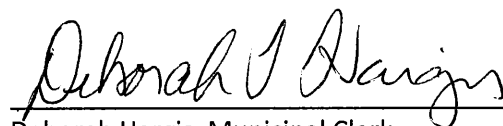
The Committee then discussed various ways to disseminate information to the public, including having televised Council meetings. Channel two's PowerPoint presentation and Facebook were also discussed. Administrator Hill stated that the Property Owners' Association and the Concerned Homeowners, along with Jimmy King at the Edisto News had been very helpful in getting information to the public. The Town's website is also a good place for property owners and interested parties to find information.

The Committee discussed scheduling regular Water and Sewer Committee meetings to avoid scheduling them last minute. The general consensus was to schedule a monthly meeting on the Tuesday a week prior to the Council worksession. The meeting will be held at 10:00, with the exception of the May 3rd meeting, which will be held at 9:00.

Administrator Hill summarized by stating that the Water and Sewer Committee would like all the information based on cost, a revenue bond versus general obligation bond or a combination of the two to be able to make an informed decision.

Jody Kleckley moved to adjourn the meeting, seconded by Bob Renner. The motion was approved 4 – 0.

APPROVED BY THE WATER AND SEWER COMMITTEE



Deborah Hargis, Municipal Clerk

August 5, 2016