

**Water and Sewer Committee Meeting**  
**August 5, 2016**  
**3:00 p.m.**

The following were in attendance:

Bob Sandifer, Laurie Sanders, Jody Kleckley, and Charlie Kerekes (via conference call) Committee Members; Iris Hill, ex-officio and Lindy Cummins and Tim Smith from Wharton Smith. Bob Renner was absent.

Since there was not a quorum present at the beginning of the meeting, Chairman Sandifer asked Town Administrator Iris Hill to update those in attendance on water rates. Previously, the Committee recommended a \$7.2 million dollar system upgrade that reflected a Thomas and Hutton option with a few modifications. The Committee, however, did not address timing, nor the bond issue in that recommendation. Chairman Sandifer asked Administrator Hill to update the Committee on Council's expectations. Betsy Catchings from American Engineering joined the meeting via conference call at this point. Administrator Hill stated that a representative from Howell and Linkous, Bond Attorneys, had given Council a presentation on general obligation bonds at the last Council meeting. Council has heard from citizens of Edisto that they would like to look at general obligation bonds because they can write off property taxes. If revenue bonds are pursued, those who rent their homes can write off their utility bills, but those who own homes could not. Administrator Hill passed out information to those in attendance and the Committee on general obligation information and revenue rate information. A schedule was also made available. Information on a 25-year general obligation bond was reviewed, showing the tax increased based on different valued homes. American Engineering provided information to the Committee on the operational cost (around \$225,000/year for the R/O plant) and how that would affect the water rates. An escalated schedule was distributed to the Committee, showing the Town going to a referendum on April 4, 2017, which would be a special election to have a referendum for a general obligation bond issuance at up to \$7.2 million dollars. A Resolution would need to go to Council before the end of the calendar year ordering the referendum be placed on the ballot in April. This bond issuance would not include refinancing of Bay Creek Park. Administrator Hill explained that the Town took the 4C recommendation and added an inflationary cost of \$300,000 for a total cost of \$7.2 million dollars. However, the Town does not have a definite not-to-exceed cost from Wharton Smith yet.

A member of the audience asked Administrator Hill about the Town's ability to pay for a "catastrophic event" through additional GO bonds if the Town finances the water improvement project through GO bonds. Administrator Hill stated the Town has "eight percent bonding capacity and have not utilized any of our state bonding capacity, so we can bond up to eight percent, which is about 2.4 million. Council has been moving in the direction that if we go with general obligation bonds, it would be by referendum and then it does not count against your state debt." Mr. Sandifer explained that general obligation bonds were an advantage because the rates were somewhat better for the Town and individual homeowners can write it off on their personal income tax returns. That is the argument for general obligation bonds. The major advantage of the revenue bonds it treats all property owners fairly. "You're charged based on how much water you use," stated Chairman Sandifer. Administrator Hill said that the bonding rate for the Town, according to Standard and Poor's rating is a AA+ and an A+ for revenue bonds. Insurance rates would be lower on general obligation bonds because of the rating.

An audience member asked if there was a "back up plan" if the referendum did not pass. Administrator Hill said that she did not have an answer for that. Administrator Hill said, "What the Town is looking at

is because there is such a demand for water, is moving up the process so that April 4 we would have a special election for general obligation bonds.” An audience member pointed out that the demand for water didn’t just happen recently. Administrator Hill said that the process is moving forward. Chairman Sandifer stated Town Council has not made a decision on the bonding approach (general obligation vs. revenue). Administrator Hill said they have not voted on that, but that they would be looking at the escalated timeline for the water improvement referendum, which would commit that the Town would go to a special election in April for a general obligation bond, at the August Council meeting.

A question was asked about the proposed cost of the water improvement project. Tommy Mann questioned the \$7.2 million dollar total, asking Tim Smith if Wharton – Smith would be able to stay within that total. Mr. Smith stated, “As long as we stay with the scope that we have, we’ll be on top of it.” Administrator Hill told those in attendance that the ASR had been taken off the table due to escalation in cost.

Upon the arrival of Jody Kleckley, Chairman Sandifer called the meeting to order. Mr. Kleckley moved to approve the April 1, 2016 minutes, seconded by Laurie Sanders and approved unanimously.

The Committee discussed the possibility of a new well to be fully functional by July 2017. The site for the well is yet to be determined due to mitigating factors. The cost is estimated to be between \$800,000 and \$1.2 million dollars, depending on whether an existing well can be upgraded or if the Town has to establish a new well. Jody Kleckley moved to approve the permitting and construction of a water supply well as part of the water improvement project, with a cost not to exceed \$1.2 million. The motion was seconded by Laurie Sanders. The motion passed unanimously.

The next item on the agenda was the Ordinance to enact and establish a temporary moratorium on the issue and approval of new irrigation taps and meters in the Town of Edisto Beach until further notice, due to water supply and equipment overuse concerns and in order to allow the Town officials time to study the issue. Mr. Sanders moved to approve the ordinance, seconded by Mr. Kleckely. Mr. Kleckley asked what the penalty was for violating the current irrigation ordinance. Administrator Hill said she was not sure of the answer, but there is a penalty. Chairman Sandifer said that the immediate opportunity for the Town to save water is to enforce the current ordinance. Mr. Sanders asked how many new irrigation taps had been put in this year. Bob Doub said about 3 or 4. Chairman Sandifer called for the vote and it was defeated 4 – 0.

Mr. Doub updated the Committee on lift station B. On July 26, Mr. Doub received an email that sewage was coming out of a manhole on Rice Lane. Both pumps at lift station B were not working. Operators tried resetting the pumps, which was unsuccessful. The operators started using the by-pass pump, which worked for an hour and then quit. The back-up pump was then put into service. Mr. Doub then contacted DHEC, telling them about the sanitary sewer overflow. Mr. Doub then contacted Blake Electric, who sent someone to check the electrical panel and the problem was found to be in the variable frequency drive control panels. Sewer gases had destroyed the contacts. New variable frequency drives were ordered and installed. One pump was put back into service, but one was not operational. A tech rep from Ten Carva came to Edisto and cleaned and adjusted the impellor which got the pump working. Lift station B was completely rehabbed in 2008, and in 2014 the impellers were replaced. The pumps are wearing out internally because of the corrosion in the water and the sand and debris the pumps pick up. Lift station A was rehabbed in 2006. It has been suggested the pumps be replaced with “high head” pumps, due to two main pump stations pumping into the same six-inch force main. Mr. Doub spoke with Betsy Catchings of American Engineering and they have received all the

sample data they requested from the Waste Water Treatment Plant for them to analyze. American Engineering has all the information to issue a Preliminary Engineering Report. Mr. Doub stated that the biochemical oxygen demand levels are down and have been down for several months. DHEC is waiting on the Preliminary Engineering Design before releasing the Town from its consent order. Well #5 is pumping ¼ of its pumping capacity. Well #4 and well #5 are pumping almost 24 hours a day. Jody Kleckley moved to recommend to Council that the pump at well #5 be replaced. Laurie Sanders seconded the motion, which passed unanimously.

Jody Kleckley moved to adjourn, seconded by Laurie Sanders and approved unanimously.

APPROVED BY THE WATER AND SEWER COMMITTEE

  
8/30/2016