

**Water and Sewer Committee Meeting**  
**December 16, 2016**  
**2:00 p.m.**

The following were in attendance:

Bob Sandifer, Laurie Sanders, Charles Kerekes, and Bob Renner (via conference call), Committee Members; Iris Hil, ex-officio. Absent: Jody Kleckley (prior notice given)

Chairman Sandifer called the meeting to order. Charles Kerekes moved to approve the minutes of September 7, 2016. Laurie Sanders seconded the motion, which was unanimously approved.

The next agenda item was the front beach sewer system. Due to Hurricane Matthew, many houses in the first few blocks of Palmetto had their septic tanks compromised. Chairman Sandifer stated that after the renourishment is completed, Mr. Sandifer suggested that would be a good time to consider tying that area into the sewer system. Mr. Kerekes asked if the current sewer plant had the capacity to handle the extra homes. Administrator Hill said that it would depend on how many blocks of houses were added to the system. Mr. Kerekes asked how many blocks could be added. Administrator Hill said she would have to check on that. Ms. Hill said there were several issues. There is a grant opportunity that is available through the SC Rural Water Infrastructure Authority. Administrator Hill has spoken with Bonnie Ammons, who stated the maximum grant is \$500,000. Patrick Brown got an estimate for over a million dollars on running a mile of sewer. The pipe would have to be run down the center of Palmetto Boulevard. Administrator Hill contacted DOT and asked if that could be done and was told that typically, once the road is resurfaced, DOT is not inclined to let anyone cut the road. The DOT representative told Ms. Hill they would check on it and get back to her. The grant would not cover engineering, but construction only. Since most of the houses are secondary residences, the grant application would not be ranked as high and therefore the chances of the Town being selected for the grant are lower. Administrator Hill told the Committee that 25 septic systems on the beach were damaged by Hurricane Matthew. A discussion ensued about the possibility of front beach sewer. Laurie Sanders moved to table the discussion on front beach sewer tie-in until further notice. Bob Renner seconded the motion, which was unanimously approved.

Next on the agenda was the recovery of wells. Town Administrator Iris Hill updated the committee on the post-Matthew well situation. Wells 4 and 5 are still not online. Town officials contacted American Engineering after the storm, who came out and inspected and diagnosed the lift stations and wells at a cost of \$15,340. Blake Electric came in and worked on the wellfield and booster pump at a cost of \$5,962. A generator was repaired for \$2,950. Repairs were done on pump numbers 4 and 5 for \$22,275 to date. The booster pumps, however, are still not functioning correctly. There are three wells working currently. The Town currently has two booster pumps that are not working. Administrator Hill handed out pictures to the committee of the booster pumps. Administrator Hill asked the committee if they wanted to have someone come in and fix the booster pumps (they have been worked on and rehabbed a few times prior) or have them replaced. The Town has looked at a "split case" booster pump that can be unbolted and is easier to work on. Chairman Sandifer asked how much the new pumps would cost. Patrick Zemp told the committee that to have it replaced with what is currently used would be approximately \$100,000. Administrator Hill said that the split case pumps would be anywhere from \$98,000 to \$185,000 for the two. The price difference depends on whether bronze or stainless impellers are used. Stainless is the more expensive of the two options. Charlie Kerekes made a motion to hire Thomas and Hutton to put together a bid document so that the Town can go out for bids and find

out how much it will cost to replace two existing booster pumps for wells 4 and 5. Laurie Sanders seconded the motion, which was approved unanimously.

Administrator Hill reminded the committee that Council had the first reading of the revenue bond on October 21, 2016. Town officials have been talking with a financial advisor and a bond attorney, who are in the process of going out for an RFP and approval for an underwriter. Since October, the bond market has gone up by ½ to 1 ½ percent. That will impact the water rates. Some experts think the rates may trend downward after the inauguration in January 2017. The Town will be reevaluated on its bond rating after the hiring of an underwriter which is required. The Town is currently rated at an A+. John Canney, the Town's financial advisor, has recommended the Town purchase insurance for the bond issuance. The insured model ends up being about 7.5, and the uninsured model is approximately 7.8. As long as the debt is met, at the end of the 30-year term, that \$604,500 would be returned to the Town. Council had approved using one million dollars from the reserve fund for the construction of a new well. A change order has been received from Wharton and Smith for \$1.3 million dollars which includes the cost of the well and the permitting of said well. The problem is if the Town takes the funds from cash balance reserve, when the Town is re-rated, that will have a negative impact on the new rating. Charlie Kerekes suggested waiting on the change order until the underwriter completes the analysis and the new rating is issued. The permit documents for the new well have been submitted. The actual construction is on hold because of the change order. In order for Wharton and Smith to meet the deadline of June on the new well, they need the change order approved. Charlie Kerekes moved to have the bond issued in the insured model as the financial advisor suggested, and going forward with the second reading on the revenue bond. Bob Renner seconded the motion, which was approved unanimously.

Patrick Zemp updated the committee on damages from Hurricane Matthew. There was minor physical damage above ground to the water and sewer assets. In ground, there were pumps that had sand washed down through the sewer system. Administrator Hill said the Town would be applying to FEMA for impellor wear and replacements of impellers due to the inundation of sand at the lift stations. The increase in sand at the wastewater treatment plan has resulted in decreased volume and will need dredging on an accelerated schedule. Most of the other hurricane damage is electrical. Lift stations and wells will be checked in the next week. A six-inch main on Jungle Shores was washed out and replaced at the 200/300 block at a cost of \$7,125. The hatch on the elevated water tank was blown off and replaced by Utility Services. There were repairs made to a backhoe owned by the water and sewer department as well. Hurricane Matthew washed away or buried some water meters on the north end of the beach on the ocean side. With water bills being issued before the end of December, administration has decided to average the past three years of water bills and bill that amount to customers without water meters. The water and sewer employees are having to locate and dig out meters for some customers. Administrator Hill has asked those employees to make sure and get GPS coordinates for each meter.

Charlie Kerekes moved to adjourn the meeting, seconded by Laurie Sanders and unanimously approved.

APPROVED BY THE WATER AND SEWER COMMITTEE

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Deborah Hargis, Municipal Clerk

