

Water and Sewer Committee Meeting
November 27, 2012
10:00 am

The following were in attendance:

Bill Houston (teleconference), Ray Johnson, Charlie Kerekes, and David Lybrand.
Bob Doub and Iris Hill, ex officio. Ray Archibald was absent.

Ray Johnson called the meeting to order and agendas were distributed.

1. Discussion of water rates provided by American Engineering (AE):

Iris Hill asked that Councilman Mann address the water rate revenues. The Town currently has a 30-year bond, which was recently refinanced and includes water and sewer. AE will have water and sewer rates broken out by midweek next week (December 5). Councilman Mann indicated the rate increase for FY 2014 is projected to be 10% (probably more like 13/14%) and the same for FY 2015. If we assume the available numbers are correct, 2014 will have an increase of 10%, 2015 – 10%, and 2016 – 5%. Those numbers pretty much take care of the indebtedness of the 8.8 million and the 2% inflation. The Town Administrator will be using the numbers from AE to put together a spreadsheet showing the increases that will be as accurate as possible for the coming years.

Administrator Hill said this item was on the agenda for Council this coming month. The Committee read the report on the life expectancy of the pumps, membrane and RO system, and the determination was made to stay with a 30-year bond rather than a 20 year State Revolving Fund. Administrator Hill commented that the Water Department was trying to prevent problems by proactively maintaining the system, but there had been some unforeseen issues this year. The Committee decided to meet on Friday, December 7, 2012 at 10:00 a.m. to discuss the final results on the rates before the Council meeting, and Administrator Hill will send the spreadsheet out prior.

2. Review of site views at McConkey Square:

URS did the proposed building renderings, but did not include the tank beside the building, so that is being corrected. The tank will be on the far side of the building and access would be from the public access/street side (flipped from the submitted rendering). The tank is a 100,000 gallon tank. Administrator Hill has been in contact with URS, who relayed that one of the lanes at McConkey Square would be lost, which had already been relayed to the Committee. Administrator Hill said she would only have two drawings presented to Council, the aerial view and the view with the tank included. Ms. Hill said URS had suggested a charge of \$2500 for the renderings but after discussion with the Town, it was done for no charge.

3. Referendum

Administrator Hill made sure everyone had received correspondence with the information from the Colleton County Elections. They suggested they would rather the Town have the referendum on the regular ballot instead of having a special election. According to the elections office in Colleton County, it takes about 60 days to establish a referendum and it costs about \$2,500 to run a special election. The consensus of the Committee was to go forward with a special election for the referendum. Administrator Hill said a referendum is required to go into debt. The Committee would also like to do a survey.

4. Foster AMG-Public Relations

The proposal from Foster Associates (formerly DrinkTap) was presented to the committee. The Committee wanted to have at least two public meetings to go over the information and wanted to try to do it in a venue to accommodate the maximum number of people (beach school). Organizations on the beach would be invited in order to gather input and present to the group information on where the RO plant would be sited and the reasoning why that location was selected. The major issue for the property owners is how is it going to impact rates, which the Committee needs to combine with the presentation of the benefits (RO system vs no RO system). Since all data indicates at some point in the future, the Town will be required to address the fluoride issue, the Town needs to consider whether to plan to correct the situation while interest rates and the Town's financial situation is stable as opposed to some point in the future when interest rates and construction costs are higher. Mr. Houston pointed out that we are already in exceedence on fluoride and the change will eventually be mandated. Ms. Hill said that the infrastructure is failing fast and we are having to replace items on an accelerated schedule. Councilman Mann emphasized the need to get as much information to as many people as we possibly could. Administrator Hill said that there had been no input to Foster Associates other than the desire of the Committee to have a couple of public hearings and that we wanted to do a mailing using our utilities database. The telephone survey was taken out of consideration due to the price (over \$10,000). There was discussion of an online survey tool, which may not work due to lack of such capabilities for our residents. Mr. Kerekes asked what kind of response was possible from the mailed surveys percentage wise. Ray Johnson volunteered that they got 60%. Administrator Hill asked the Committee if they agreed a post card mailing was the best avenue to take, or a mail out of presentation materials. Ms. Hill suggested that the Committee wait until the Public Hearing dates are established prior to the mail outs. It was decided to do a post card mailing to inform the property owners that a survey would be mailed in the near future. Questions were raised about the public meetings, where could they be held and who would be the presenters. Ms. Hill suggested someone who was well-versed on the entire issue. Mr. Johnson suggested a panel to answer a myriad of questions.

Mr. Kerekes asked what kind of response was possible from the mailed surveys from a percentage standpoint. Ray Johnson volunteered that they got 60%.

The fluoride issue was discussed, with Mr. Johnson stating recommended levels being .7mg/l - 1.2mg/l. Mr. Doub said our percentage was averaging 3.2 mg/l, with Councilman Mann emphasizing that we do not exceed EPA standards. Bill Houston suggested the state engineers be involved in the public meetings. Mr. Johnson said that if we can show where we are really going to "be in trouble" and project some time frame, then that's a strong selling point.

Administrator Hill wondered what the fluoride rate was at the Isle of Palms before they converted to an RO system, and Councilman Mann relayed that they were put under consent order, which meant they exceeded the EPA limit of 4%. Mr. Lybrand asked if the bills were going to go up by 25% in the next four years. Ms. Hill would provide the numbers to the committee before the next meeting.

Ms. Hill summarized by saying that the Committee would ask Foster Associates for a postcard mailer that is going to provide bullet points, the dates of the public meetings, and make people aware there will be another mail out. Then one mail out with the survey so that non-voting property owners can provide input. The Committee also agreed to have two hearings, to be held at a larger venue than Council Chambers (the Edisto Beach School). Mr. Johnson and Mr. Houston agreed that the second mail out should occur after the public meetings so the public will have the information necessary to complete the survey. Ms. Hill asked for suggestions from the Committee regarding the panel participants. Mr.

Johnson volunteered to be the coordinator of the panel. Mr. Houston suggested someone from the state attend, along with a representative from the engineering company. Ms. Hill asked if Bob Sandifer, as President of the Edisto Beach Property Owner's Association, knew if the EBPOA would be supportive, and he relayed the position statement. That statement made clear that the EBPOA was committed to working with the Town to find a viable solution to our water quality problem.

Discussion ensued regarding the Earthtech report and an elevated water tower. Administrator Hill reminded the group about the negative public response and the need to convert the property, if used, as it was developed with grant funds. Discussions about a "design build" concept occurred. Administrator Hill said that was feasible. The ultimate goal is to provide the best water quality for the least cost.

Mr. Lybrand asked if the building would have to be elevated since the rendering was not shown that way. Administrator Hill stated she would check. Mr. Doub said that if we needed to have chemicals added there would have to be an overhead crane involved in the delivery. Mr. Johnson asked why we needed double redundancy, and it was suggested that he call URS to find out the answer and bring it back to the Committee.

A motion was made to adjourn the meeting which was seconded. The motion passed unanimously.