Water and Sewer Committee Meeting
February 7, 2013
9:00 a.m.

The following were in attendance:
Ray Johnson, David Lybrand and Bill Houston (conference call); Bob Doub and Iris Hill, ex-officio. Ray Archibald and Charlie Kerekes were excused.

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

Approval of Minutes
Ray Johnson moved to approve the minutes of January 16, 2013 as written. David Lybrand seconded the motion which passed unanimously.

Referendum
The Town Attorney drafted a referendum, which was distributed to Committee members. The Town has been in contact with the Board of Elections to explore the possibility of getting the referendum on the May 7 ballot. According to our Elections Commission, they did not want to have an additional election in June and that if we couldn't be on the May ballot, they asked that we defer it to November. Administrator Hill distributed the draft of the referendum and told Bill Houston it would be emailed to him. The structure of the referendum is based on recommendations from the Town Attorney. The only question would be how the actual referendum is worded, which cannot be determined until after Council makes their recommendation. Administrator Hill stated that the referendum given to the Committee was for informational purposes only, so the Committee would know that Council wanted to move forward with the referendum.

Additional questions from the Edisto Beach Property Owner's Association
Bob Sandifer, representing the EBPOA, addressed a letter written to the Committee. Mr. Johnson stated that the Committee had previously addressed many of the concerns put forth in the letter, and Administrator Hill was in agreement. Mr. Sandifer asked if the Committee had prepared changes for Section 82 – 33 of the Town's Ordinance. Administrator Hill stated the Ordinance could not be changed until the cost of the project was known. Mr. Sandifer asked when the new rates would be put into effect. Administrator Hill replied that would take place after the referendum and bonding process. The EBPOA membership wants reliable information on what the new rates will look like, and Administrator Hill provided the spreadsheet done by the Town with projected rates based on information from American Engineering with the operating and maintenance costs factored in. David Cannon asked if the increase was spread uniformly over all users, or if low-end water users pay less than high-end water users. Administrator Hill replied that the system was built that if you use more water, you pay a higher rate, to encourage conservation. Mr. Sandifer asked if the Committee had broken down the increase to show what percentage is operating and maintenance costs and what is principal and interest. Mr. Johnson said that of the total annual increase, approximately 43% is operating and maintenance, depreciation is 23.8% and interest expense is 33.2%. Mr. Jimmy King from The Edisto News asked if the referendum is passed, when the new rates would go into effect. Administrator Hill replied that it would be 2014, roughly. A discussion ensued concerning bonding and design/build issues. Mr. King asked when consumers could start expecting "good water" from their taps. Mr. Johnson stated it would be between two and three years from the time the design/build process starts. Mr. Sandifer said he thought the consumers would want to know that they would be paying for "good water" two to three

years before they actually get it. Mr. Sandifer suggested it would be beneficial for the consumer to be shown exactly how much their individual bill would increase according to usage. For example, if a property owner used 60,000 gallons of water per billing cycle and paid x amount, once the rate increases go into effect, how much is x going to change while still using 60,000 gallons? Mr. Lybrand thought it would be helpful to find out the difference between the EBPOA board's number of $5 million and the Water and Sewer Committee number of $8.4 million. Mr. Lybrand tentatively figured that to be a difference of about $4.00 per customer per month. Mr. Sandifer pointed out URSs recommendation to hire an independent Project Engineer, and wondered if the Committee had decided to follow this recommendation. The Committee has not made a decision on this as of yet. Mr. Sandifer asked if the Committee had made a decision on whether or not a survey would be sent to all property owners prior to the referendum. The Committee has discussed doing a survey after the information sessions, but since the decision has not been made as to the hiring of a Public Relations firm, that question cannot be answered at this time. Mr. King asked for clarification on water taps versus number of voters. Currently, we have approximately 2300 taps and there are a little over 700 on the voter registration roll. Mr. King asked how many of those on the roll voted. The consensus was that almost 500 people voted in the last election. David Cannon asked if water rates would be provided for future years. Administrator Hill said that had already been calculated on projected figures. It was determined that the PR firm, if hired, would provide the most accurate numbers concening rate increases to the water users. Administrator Hill suggested a user interface converter be added to the website. She stated she wasn't sure if interaction with the website was possible but she would look into it. Administrator Hill said she had spoken with our website administrators and there is the capability to do an online survey. Mr. Johnson brought up the POA question about the design that had been proposed. The EBPOA had said that it was overdesigned and would be overbuilt. Mr. Sandifer said that the intent was for the Water and Sewer Committee to take a position. He said it was not the intent of the EBPOA to come to the table to argue. Mr. Johnson said the consensus among the Water and Sewer Committee was that they have a valid proposal, that anything other than the current proposal would not serve the citizens and the water users of Edisto Beach and to put out less than quality water would be the wrong thing to do. If less than what has been proposed is built there will be a flood of issues and complaints about water quality. Mr. Sandifer reiterated the position of the EBPOA to support fixing the water quality problem. He commended URS on their excellent design, and said the concern was whether or not the residents of Edisto Beach would be in favor of the project at the current price. Mr. Sandifer said it was not unreasonable that the residents would vote against the project because of the price. The EBPOA was trying to make suggestions to the Committee on reducing the cost to make it more palatable to the voters. Mr. King asked if anyone else had looked at the design professionally. He said he had taken some issues to a knowledgeable water person who said that 40 inch filter is unnecessary when a 10 inch filter would do the job just as well. Mr. Johnson asked if Mr. King was asking about the hardware design, and Mr. King said yes. Mr. Johnson replied that until we put it out for bids, there was no way to know exactly what manufacturer or supplier of equipment would be used. Mr. King also questioned some of the prices on filters. Mr. Lybrand said that other engineers have looked at the proposal, and suggested Mr. King get in touch with URS to get the credentials of their engineers. Mr. Sandifer suggested the Committee propose the following to the public: The Water and Sewer Committee of the Town of Edisto Beach had a feasibility study done, and think this (the proposed R/O system) is where we are going to start. We think it is defendable and can't see a way to reduce the cost. However, in the design/build phase we are certainly going to expect the engineers doing this to try and find ways to reduce the cost from the current estimate.

Public Relations
The Committee has gotten a proposal from one firm for between $9,700 and $10,900 for a three-month campaign, based on suggestions from the Committee, which included two postcards, two public hearings, and putting a survey on the website. The Town's ordinance requires bids to be submitted if the price is over $10,000. Mr. Lybrand asked if that price included any kind of brochure or handout. Administrator Hill stated that the postcards would serve as a summative tool. Mr. Lybrand stressed the importance of relaying to the public some of the "hidden value" of an R/O system: fewer in-house appliance problems, longer life of fixtures, longer life of our infrastructure, etc. Mr. King asked if these would just be mailed to the voters. Administrator Hill and Mr. Lybrand agreed that the postcards would go to all water users. Administrator Hill said that whoever was chosen to do the public relations needs to understand and communicate well with the demographic of the people who live on Edisto Beach. The consensus was that Administrator Hill would put together a preliminary RFP after the Committee emailed her their suggestions as to what should be included. Mr. Sandifer suggested having information about operating and maintenance costs included.

Utility Ordinance Revision
The utility ordinances will be reviewed by Administrator Hill and Bob Doub. Input is requested from the Committee as to how to update the ordinance to include handling billing adjustments. Currently, there is a gray area that should be addressed and clarified for the public. There are currently issues with water bills, and if the Committee could offer their recommendations, it could be taken to Council. Administrator Hill said she would email the Committee the current ordinance and different policies that municipalities use to address such issues.

Administrator Hill stated that the dredging had begun Monday, and the Point Street Water Extension was to begin on (approximately) February 18. Mr. Doub said the ground storage tank is currently empty for maintenance and inspection to be finished. That process would be finished in time to have the tank refilled and be back on line the week of February 11th. The water tower will be offline at the end of February for maintenance and inspection.

Administrator Hill asked the Committee for a "not to exceed cost" on the public relations aspect of the Reverse Osmosis operations. The Committee decided on a $10,000 limit.

Mr. Johnson moved to adjourn the meeting. Mr. Lybrand seconded the motion, which carried unanimously. The meeting adjourned at 10:27 a.m.

The media/public was duly notified of the meeting of the Water and Sewer Committee of Edisto Beach on Friday, February 1, 2013.

APPROVED BY THE WATER AND SEWER COMMITTEE

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Deborah Hargis, Municipal Clerk