

Public Hearing Questions and Answers:

- Question/Answers of Interest from Attendees:

1. **Question-**There is some discrepancies in operational dates being presented now and the mailing (2015 vs 2017). Will you be letting water users know about the discrepancy.

Answer- Yes

2. **Question-** You indicated as project manager will be hired. Will he/she be in charge of preparing specifications for the RFP/RFQ?

Answer-Yes

3. **Question-** How much will the project manager cost?

Answer- We haven't talked about that specifically. We don't know what kind of time commitment we're talking about.

4. **Question** – When will we begin seeing the rate increases and when will the full impact be seen?

Answer – As indicated in the Town's rate consultant's rate projections the costs will begin increasing modestly in 2014, then gradually increase to the full impact in 2017. Beyond that point, small increases will continue through the 30 year loan period based on inflation.

5. **Question-** Has there been consideration to the impact on businesses?

Answer- Businesses usually have a reverse osmosis system and are on sewer. If they do, they will see a reduction in volume because they are not running as much water through the reverse osmosis and will see a decrease in sewage use.

6. **Question** – Will there be additional rate increases after the system is fully operational?

Answer – There are none planned.

7. **Question** – Who will be responsible for operating the plant after it reaches operational status?

Answer – The Town's Utility Manager will be responsible for the RO plant's operation and the costs include the addition of one new operator.

8. **Question** – It is proposed that the RO plant will be supplied by one well in the Middendorf Aquifer. What happens if the well pump fails and the RO plant shuts down?

Answer – Once our storage capacities are exhausted, and then the system will have to revert back to the Town's old wells (and the current taste, etc. issues).

9. **Question** – How confident are you that the water from the Middendorf aquifer will be as good as you are assuming?

Answer – We have a high level of confidence that the water will be as we have projected.

10. **Question** – Are you confident that the ASR well will work as you have predicted?

Answer – All of our research strongly suggest it will work per our assumptions.

11. **Question** – You have indicated that a total of only 374 vacant lots remain that can be developed on Edisto Beach. Does the 374 include all the vacant lots (land) in Wyndham?

Answer – According to the Colleton County Assessor's Office, there are 371 vacant parcels on Edisto Beach. There are 5 additional tracts (Cheehaw Street, Lots L & M in Wyndham). If developed to the maximum capacity, allowed it would add 67 parcels for a total of 438 parcels.

12. **Question**- Will the water storage be elevated? Is it a 20 foot tank?

Answer-Yes, DHEC requires the storage be elevated above the 100 year flood plain which at 15 feet at this location. The tank is a 100,000 gallon tank, 20 feet high by 30 feet in diameter. Considering the DHEC requirement the elevation at the top of the tank would be 35 feet.

13. **Question**- Will the picture of the plant on the slide be the only visual change on Edisto?

Answer-Yes

14. **Question**- Can the reverse osmosis project go forward even if it the referendum fails?

Answer-Yes, Revenue bonds do not have to go to a referendum, they can be decided on by Council.

15. **Question**- What's to keep the bill from doubling again in six months?

Answer-The water rates will generally only be increased to account for inflation. Revenues Bonds are governed by a set of covenants which require the utility to make a certain percentage of profit. Currently our rates are only adjusted to meet covenant requirements or provide funding for failed infrastructure as the utility is self-supporting and does not utilize property taxes.

16. **Question**- When the plant is built, will it be big enough to handle Edisto at build out?

Answer-Yes

17. **Question**- We are already ten million dollars in debt. In a few years, we will need to fund beach renourishment, and within the next 10 years we may go 20 million dollars in debt. Is this a good idea for a Town the size of Edisto?

Answer- Edisto Beach has two types of debt. General Obligation debt which is paid for by property and personal taxes and revenue bonds paid for by user fees. General Obligation Debt is limited to an amount not greater than 8% (\$4,370,412) of all taxable property (real property and personal property) in the Town. The Bell Buoy Project Bonds (\$2,700,000) issued in 2007 were approved by referendum, so they do not count against the 8% GO debt limit. Revenue bonds (Series 2012 bonds) were issued in 2012 for \$1,616,067 for water and sewer infrastructure improvements. These are guaranteed by user fees. GO and Revenue bonds do not require a referendum, with the exception that if the Town's GO debt exceeds 8%, a referendum is required. The funding source of this project is revenue bonds and would not require a referendum. Debt is covered by user fees. Council is authorized to incur debt for the Town of Edisto Beach.

18. **Question**- If the system relieves homeowners from getting rid of the affluent, could other homes (beachfront) be added to the sewer system?

Answer-A capacity change would be looked at. The reverse osmosis system at Town Hall goes into the sewer system, so that would be one substantial reduction.

19. **Question**- Can the reverse osmosis plant be insured if there is a hurricane and will it pay the bond payments?

Answer-Our carrier can cover the physical assets. If destroyed by a covered loss, payment would be made to the town. Specific bond payments would not be paid.

20. **Question-** What is the general aggregate of debt and what would this project do?

Answer-See question 17 above.

21. **Question-** In a study issued in 2012, there was a single ASR well. Is that what they recommended?

Answer- We considered many options to address redundancy. We did reduce the plan to one ASR well but we added in extra capacity in the reverse osmosis system for redundancy.

22. **Question-** If the system can't self-support without the r/o unit running, what's the implication of losing the ASR well?

Answer-That's very situational. The ASR well has a 500,000 gallon/day capacity. We tried to balance the cost of the extra ASR well and decided to take it out and assume some risk. What happens is the existing wells are used for redundancy, which means we will go back to "bad" water, but only until the ASR could be brought back online.

23. **Question-** The rates were increased by doubling the existing usages. I suggest you decrease the increase on the lower end of the usage percentage, and increase the increase on the higher end of the usage percentage. This will encourage conservation and might affect the vote.

Answer- That would only complicate the rate structure. The current structure was designed to encourage conservation as the higher users pay more. By reducing the lower end users, there would not be enough funding to support the system.

24. **Question-** Is the water tank sitting on the ground or on concrete? Why is the first 15 feet not being used?

Answer- It has to be above the flood zone, that's a DHEC regulation.

25. **Question-** What is the quality of the water going to be?

Answer- The water quality will be excellent. If you go to the website and to page 46 of the study, it will give you the numbers.

26. **Question-** What is the flow rate, is it comparable to Hilton Head or Charleston?

Answer- Yes and it is very well documented.

27. **Question-** Is there any grant funding available?

Answer- Yes, we have two grants that we have researched. But it's the same situation as with the causeway bridge. The project has to be shovel-ready to qualify. Once everything is permitted, then we may qualify for the grants, but we can't apply until then.

28. **Question-** Where will the outfall be? Is there an alternative site to McConkey Square?

Answer-The outfall is the South Edisto River. Discharges are prohibited in the ACE Basin. The Town looked at property near Town Hall as an alternate site, but it was cost prohibitive.

29. **Question-** Wouldn't the State Park be a better location?

Answer- The outfall has to go into the ocean because of the fact that we're in the ACE Basin, so it is cost prohibitive to pump the outfall from the State Park to the South Edisto River.

30. **Question-** Is the building really going to be four stories high?

Answer- The elevation is well within the height restriction of Edisto Beach.

31. **Question-** What is the final design on sound level?

Answer- You're getting some level of sound. We went to Hilton Head and stood right by the pumps and had a conversation without raising our voice.

32. **Question-** Are the specs of Hilton Head the same or similar to the specs of our proposed system? Is it really comparable?

Answer- It was based on a feasibility study. The Hilton Head project came in at 15.5 million. When they went to design build, it came in at 9.3 million and the project actually came in under budget. We covered all our bases so we will not come in over budget.

33. **Question-** Why is Edisto's proposed water rate so much higher than Hilton Head's water rate?

Answer-This is comparing apples to oranges. Hilton Head added some of their costs to the tax base. Also there are differences based on supply and demand.