

TOWN OF HILTON HEAD ISLAND

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RECEIVED

APR 25 2011

COUNTY
ADMINISTRATOR

Drew A. Laughlin
Mayor

Kenneth S. Heitzke
Mayor ProTem

Council Members

Wm. Lee Edwards
Willie (Bill) Ferguson
William D. Harkins
Kimberly W. Likins
George W. Williams, Jr.

Stephen G. Riley
Town Manager

Mr. Gary Kubic, County Administrator
Beaufort County
Post Office Drawer 1228
Beaufort, SC 29901

Re: Storm Water Utility Intergovernmental Agreement

Dear Gary:

My staff and I have reviewed your comments regarding the draft agreement. I believe we can and should work through these items and still execute a revised agreement before the current version expires in September. Here is our response regarding the three items included in your letter dated April 6, 2011 (Your original comments in italics):

- 1. The agreement is for a ten-year period. Perhaps, we could incorporate additional language that would provide the requirement for an annual review by our engineers and experts to insure that it remains current with the state of the art storm water management practices and standards.*

We believe that an annual review may result in a tendency of continual negotiations, which I would like to avoid. The Storm Water Implementation Committee, in which the County and all municipalities are represented, should conduct periodic reviews of the agreement and provide information and recommendations to appropriate management within their organizations. This Committee will continue to meet monthly and will be fully aware of the operational and regulatory issues that may warrant revisions to the agreement. These reviews should be done at least once a year. The Committee may make recommendations for amendments to the agreement prior to the renewal period as necessary.

- 2. The agreement should identify baseline standards for us to follow. The Stormwater Implementation Committee has suggested language that defines a level of protection for maintenance of water quality. The Committee recommends this language as a baseline standard, "Minimum Water Quality Controls in jurisdictions must be protective enough to reach and maintain state designated water uses."*

This is consistent with the nature and intent of the language in the draft agreement proposed by the Town. Articles 6.01 and 6.02 in the Town's draft refer to the Town and County's responsibilities to comply with state and federal standards pertaining to storm water and water quality. Since the baseline standards in both wordings are those established by the State, the Town accepts the language above, suggested by the Stormwater Implementation Committee.

3. *The management cost of the utility needs to be allocated equitably between the Utility partners (the County and the four municipalities). The proposed one percent administrative fee would not cover these costs.*

The Town agrees that the administrative costs of the utility needs to be allocated equitably among the County and the four municipalities based on the delivery of services and products. Perhaps, we should move from an arbitrary percentage and base the administration fees upon an actual itemized budget of the services provided to the Town. As an alternative to establishing a set percentage, we are receptive to the development of a line item budget defining the service / products or deliverables / personnel / work hours / cost for each administrative service to be delivered to the municipality under the agreement. With such information in hand, the County and Town would be able to negotiate an actual dollar amount for reimbursement of administrative services rather than a percentage of fee collections that has no direct bearing on administrative costs

Having resolved the first two issues, I strongly suggest we continue negotiations on the third item in a timely fashion and do not abandon the original goal of having a new agreement in place by September of 2011. I have attached a revised schedule depicting how this may be accomplished. Thank you for your prompt consideration of these ideas and your staff's efforts in working on this agreement.

Sincerely,



Stephen G. Riley, CM
Town Manager

C: Drew Laughlin
Gregg Alford
Curtis Coltrane
Scott Liggett
Jeff Buckalew
Cary Gaffney

**STORM WATER UTILITY - INTERGOVERNMENTAL AGREEMENT
BETWEEN THE TOWN OF HILTON HEAD ISLAND AND BEAUFORT COUNTY
IMPLEMENTATION SCHEDULE**

Current Agreement Expires 9-4-11

- 3-9-11 THHI presents draft IGA to BFT CO and MUNI's
- 3-18-11 Joint meeting held at Bluffton Town Hall to discuss draft IGA
- 4-6-11 BFT CO provides response to Town's draft – 3 items to resolve
- 4-15-11 THHI provides County with response to their 4-6-11 comments
- 4-19-11 THHI Staff inform Intergovernmental Relations Committee of the ongoing negotiations
- 5-2-11 THHI and BFT CO staffs agree on final draft – present to managers for approval
- 5-4-11 BFT CO staff presents agreement to SWU Board for Information Only (no action required)
- 5-17-11 THHI Staff presents agreement to Intergovernmental Relations Committee for approval
- 6-6-11 BFT CO staff presents agreement to Natural Resources Committee for approval
- 6-7-11 Town Staff presents agreement to Town Council for approval
- 6-27-11 BFT CO staff presents agreement to County Council for approval
- OR–
- 7-25-11 BFT CO staff presents agreement to County Council for approval