



BEAUFORT COUNTY  
STORMWATER MANAGEMENT UTILITY BOARD  
Wednesday, December 5, 2012  
2:00 p.m.  
Conference Room, Building 2, Beaufort Industrial Village  
102 Industrial Village Road, Beaufort  
843.255.2801

In accordance with South Carolina Code of Laws, 1976, as amended, Section 30-4-80(d), all local media was duly notified of the time, date, place and agenda of this meeting.

1. CALL TO ORDER – 2:00 p.m.
  - A. Approval of Agenda
  - B. Approval of Minutes – November 7, 2012 ([backup](#))
2. INTRODUCTIONS
3. PUBLIC COMMENT
4. REPORTS
  - A. Monitoring Update –Bob Klink
  - B. Upcoming Professional Contracts Report – Carolyn Wallace ([backup](#))
  - C. Utility Update – Stormwater Rulemaking – Carolyn Wallace ([backup](#))
  - D. Utility Update – Financial Reports – Carolyn Wallace ([backup](#))
  - E. Utility Update – Capital Improvement Funding for the Utility – Carolyn Wallace ([backup](#))
  - F. Maintenance Project Report – Eddie Bellamy ([backup](#))
5. UNFINISHED BUSINESS
  - A. Regional Coordination – Carolyn Wallace
6. NEW BUSINESS
  - A. FY 2014 Proposed Utility Goals – Carolyn Wallace ([backup](#))
  - B. Carolina Clear Report – Katie Giacalone
7. PUBLIC COMMENT
8. NEXT MEETING AGENDA
  - A. January 9, 2013 ([backup](#))
9. ADJOURNMENT



**Beaufort County Stormwater Management Utility Board (SWMU Board)**  
*Meeting Minutes*

November 7, 2012 at 2:00 p.m. in Beaufort County Council Chambers  
Draft November 16, 2012

**Board Members**

**Present**

Don Smith  
William Bruggeman  
Donald Cammerata  
Patrick Mitchell

**Absent**

John Youmans  
James Fargher  
Allyn Schneider

**Ex-Officio Members**

**Present**

Andy Kinghorn  
Ron Bullman  
Scott Liggett

**Absent**

Tony Maglione

**Beaufort County Staff**

Dan Ahern  
Lori Sexton  
Eddie Bellamy  
Bob Klink  
Rob McFee  
Carolyn Wallace

**Visitors**

Reed Armstrong  
Laura Lee Rose

**County Council**

**1. Meeting called to order – Don Smith**

- A. Agenda approved
- B. October 3, 2012 Minutes were approved as posted

**2. Introductions – Completed**

**3. Public Comment – None**

**4. Reports**

**A. Monitoring Annual Report – Bob Klink**

- 1. We have received preliminary input from CDM on our monitoring program and Rich Wagner will not be recommending any significant changes on our monitoring program. The final report is expected soon.
- 2. As will be further discussed by Dan and Alan in the Balance Utilization presentation, we are awaiting county council guidance on whether they want to fund laboratory equipment for USCB. This will be a topic at the Natural Resources Committee November 8, 2012 meeting.
- 3. Also at this meeting we will be requesting approval of the GEL monitoring contract for the coming year. This contract would be terminated when USCB becomes capable of performing the testing.

Next GEL Monitoring Meeting is November 27, 2012 at 1:30 at PW Conference Room.

**B. Financial Report – Alan Eisenman**

Presented a power point showing preliminary financial status at the end of the first quarter. Better feel of our status will be when the December figures are in.

**C. Upcoming Professional Contracts Report – Dan Ahern**

The November report has one change and that is we have received the proposals from GEL and we

have approved the one month extension. The next year's proposal will be going for NRC approval at their Nov 8 meeting.

#### **D. Utility Updates – Dan Ahern**

**Webcasts:** We did have a Webcast on October 24 on “Design and Implementation of Monitoring Projects”. Since only some of the regular attendees expressed interest, we had a limited number attend. The next scheduled webcast is December 12, 2012 on “Customizing your Stormwater BMP Design for Specific Pollutants”.

**Status of New Stormwater Manager:** Staff has been told that the County will not be taking action on selecting a new SW Manager. This is setback in the succession plan we had developed and will require considering alternatives. Unfortunately it has required me to have to take action I had hoped not to have to make, and I have submitted my notice of retirement effective February 1 of next year.

**10 Year “Top 5” Achievement Report:** All county Departments were asked to develop top 5 achievement reports and since the Utility's efforts are linked to Public Works and Engineering departments we coordinated with them on some of the achievements. Attached to the agenda were 7 achievement reports on Stormwater; 5 from utility and one from public works and engineering. An organizational chart was shown to In order to better illustrate, the current SW Utility organization. Don Cammerata asked why it was not being filled. Andy Kinghorn asked what is the plan to operate in light of this decision. Rob McFee said we want to maintain as much continuity as possible; this is a personnel matter. County is proceeding but just not as fast as the current stormwater manager wants.

**Utility Challenges:** With the decision on the SW Manager selection I decided to develop what I think are the top 5 Challenges facing the Utility. Are there any questions on these? Don Smith asked later about the timeline on the update of the SW Management Plan. Current 2006 plan was a 10 year plan and we need to have a new plan in place in 2016. Staff feels that we need to start next Fiscal Year to have this in place.

**Chechessee Creek TMDL:** Attached to the agenda is an October 10, 2012 letter that was sent to SCDHEC on this TMDL. We will await the State's formal responsiveness summary for their response to our questions and requests.

**Correction concerning Broad Creek on HHI:** It was brought to my attention that I was not presenting the Shellfish bed closings in 1995 correctly. I went back to the original documents and want to set the record straight. I have passed our appropriate portions of the “Blue Print for Clean Water” that concerns this. In 1995 – 500 acres of shellfish beds were closed in Southern Beaufort County. 200 acres were in Broad Creek in HHI and 300 acres were in the Okatie River. Previously said 500 acres were in Broad Creek.

In looking into this, I also looked back at the SCDEC data on our priority headwater creeks (Okatie and May Rivers and Broad and Battery Creeks) and developed the attachment to give you a historic look from 1994 to present at the critical headwater shellfish monitoring stations. Presented a powerpoint with locations and data on these critical headwater shellfish. It appears that Battery Creek and Broad Creek critical stations are closest to meeting standards. Final determinations are made by SC DHEC. Don Smith asked why the Okatie was not getting worse compared to 1994 data, considering it has new development. One reason was new development met was constructed with water quality controls. Ron Bullman said the presentation only says values are not met but does not say how much above the value it is. Also there has been some retrofits installed in the Okatie River like River Bend and other planned under the 319 grant. Scott Liggett said that the Town plans to continue their current plans and hope this will continue the improvements.

#### **E. Maintenance Project Reports – Eddie Bellamy**

Mr. Bellamy reported on two major projects (1) Bajala Drive, East & West and (2) Pinewood Circle and Mroz Road. Additionally, reported (12) minor and / or routine maintenance projects which were reported in the shortened format.

### **5. Unfinished Business**

#### **A. Regional Coordination – Dan Ahern**

Next SWIC meeting will be November 15, 2012. Don Cammerata asked about the status of the copper testing that was discussed.

**B. Balance Utilization Plan – Alan Eisenman and Dan Ahern**

Alan and Dan presented a joint presentation on this plan. Alan explained the annual tax year cycle (different than FY budget cycle) and the new cash balance goal that was given to the Utility. Revenue for the Utility comes in primarily in two months and then this revenue must support the utility for the next 10 months. Alan presented some visuals to explain these cycles. The new goal is to have the cash balance be about zero at the normal lowest point around November/December time frame. Based on recent Fiscal Years the lowest cash balance has been \$847,658 (November 2011). Dan presented the plan which will depend on the Natural Resources Committee policy decision on addressing two Council agenda items (Water Quality Office and Restoration Projects). There are more restoration projects identified than there is money available, but they are not ready to utilize funds. The issue then becomes how quickly we reduce the cash balance and then how do we fund future restoration projects when they are ready. The short term the plan (*note approved by Natural Resources Committee on November 8, 2012*) is as follows:

	Remaining Cash Balance
1. Water Quality Office - \$250,000 for USCB Lab Equipment	\$597,658
2. FY2013 Budget Reserve Needs - \$159,000	\$438,658
3. Watershed Restoration Projects – Near term projects	
a. Administration Complex Parking Lot Retrofit - \$330,000	\$108,658
b. Okatie East Retrofit - \$107,000	\$1,658
c. Highway 278 (SWU portion) retrofit - \$231,000	(\$229,342)
d. Okatie West land purchase -\$100,000	(\$329,342)
4. Later Restoration Projects	\$8,511,000

Billy Bruggerman asked how the purchasing lab equipment relates to the Water Quality Office. Agreement with USCB will be a step on the way to having a county Water Quality Office. It will allow USCB to hire a chemist to train students and be a resource to the County. Ron Bullman asked if this cash balance goal will be required each year and will it be to spend or encumbered the cash. Staff had been building funds up expecting to use when restoration projects become ready. Problem is that there is a perception that there is a cash build up and is not being spent in a timely manner. Don Cammerata said that spending money should not be the goal and could lead to funding projects. Ron Bullman suggested that when a project is identified then costs for that project should be encumbered. Don Smith suggested a capital improvement fund would be a way to handle this. Don Cammerata liked this idea. Staff said that they would consider this. Don Smith asked how much the Master Plan Updating would cost and how much did the original study cost. (*Carolyn Wallace submitted these costs after the meeting:*

- LIDAR/Aerial Photo P.O.	\$1,442,100
- Master Plan P.O.	\$1,650,000
- Rate Study P.O.	\$174,392)

Rob McFee said that we are finding projects to put money into are not true, there is no lack of projects and we have presented these to the board. We are collecting SW fees and at the end it is important that we demonstrate that we investing these funds back to the mission of the Utility. Also said that bonding is something that the board should weigh in. Don Smith said that his concern if we have to zero out cash balance then we will have problem funding larger retrofits. Ron Bullman said that multiyear budget should show where these larger projects in the out years will be built so that we know when the cash will be spend.

## **6. New Business**

### **A. FY2012 Budget Comparison – Carolyn Wallace**

Provided the Revenue and Expenses handout for the previous five fiscal years. This gives an overview of the utility's fiscal performance in the last 5 years. Overall, the utility continues to evolve with the implementation of the elements of the master plan and portions of it is being shaped by the intergovernmental agreements with the municipalities.

Explained the FY2012 Budget Comparison handout that compares actual figures compared to what was budgeted. This is an annual exercise. If you remember, last year the budget that was proposed had to be modified before approval. We were told to present a balanced budget that would not utilize any of the SW reserves. We revised the budget and balanced the budget by reducing the number of positions and eliminating a construction crew. Fortunately this did not result in letting go employees, we just eliminated vacant positions.

Reviewed revenue side of handout which shows revenue is slowing.

Since we had to adjust the budget to balance it, by then the IGAs with the ToHHI and the ToB were in the pipeline to be signed, we also took the opportunity to adjust the projected revenue from the admin fees and they are on estimate. We didn't do so well with the projection of revenue within the unincorporated county. Last year we were within 40K above our projection when compared to the budgeted amount and this year we are nearly 200K below our projection compared to the budgeted amount. However, if you refer back to the Revenue and Expense report and compare these actual numbers, we are within \$70K. So our estimating record is slipping some and looking at our SW fees projections for FY13 it may have a revise our estimating techniques and get reports to determine the reductions we are seeing.

We did pretty good with the projections of the remaining revenue sources. We sold one of our larger excavators for \$50K and replaced it with the purchase of a smaller excavator since we have a couple of other large excavators in our fleet but needed to add to our fleet of smaller excavators for construction in tighter areas. You will see an increase in the Del Webb Agreement fund from Fy2012 to Fy2013, but we have no active plans to expend. I'm sure we will in the future. We had a change in total net assets of \$139K so we more than met our directive to not utilize the SW reserves.

Expenditures did not provide as much "nail bighting" throughout the year. Since the elimination of a crew resulted in fewer major projects being constructed, there have been fewer purchases of the more costly materials – such as pipes, catch basins, etc.

Looking at the SW administration section, we had budgeted \$10K for 2012 aerial photography but ended up paying \$21K. The county has a contract to purchase high resolute aerial photography every other year and this was the off year so the utility purchased lower resolute aerial photos for this year. There are many uses for the aerial photos but our greatest concern was not having the 2012 aerial photos for fee determinations for this year's tax run.

WQ Control Regs – SW Inspector salary, BMP Manual reformatting, vetting the step 2 exemptions

WQ Monitoring – Monitoring contract with GEL Engineering and sample testing at USCB lab

WQ Controls in existing development – Completed our first WQ project, Backache Acres pond, engineering work for the county complex project and the hwy 278 widening project

Annual Maintenance – the infrastructure section completed 144 projects totaling \$1,840,128. Also there was about \$40K of work provided by the section for our inspection program. They perform other tasks not related to projects but those tasks have not been summarized. But for FY2011 it was around \$80K.

Public Information/Public Outreach - \$25K to Port Royal Sound Foundation, \$25K to Clemson Extension, and this was our transition year to the consortium and there was \$10K for Carolina Clear.

Drainage Enhancement – We will be trying to get a better breakout on this in the future. The Utility has developed definitions to hopefully be able to differentiate between maintenance and enhancement projects. I hope that they will begin tracking the information for FY2013.

Additional Studies – We budgeted \$25K for the water budget study. Also the bulk of the work for the Okatie Village WQ model was done in FY2011 with only \$6,700 of the cost in FY2012. We also paid \$57K for the CPA firms work on the SWU 10-year report.

The “change in capital assets” is for information only and not involved in the calculations. We budgeted \$85K to replace a bobcat and for our bldg renovation. The bobcat has been purchased but our renovation plans seem to have stalled. Depreciation remains about the same.

Board members discussed LIDAR costs and timing of update. (see costs in Balance Utilization section) Eddie Bellamy said there is a need to update now. Ron Bullman concurred with the need to update LIDAR this year. Ron Bullman asked about set aside for drainage enhancement. The staff is in the processing of reviewing modeled overtoppings and we have this year funded some engineering work to look at a few cases that we are concerned about.

7. **Public Comment** – Laura Lee Rose mentioned the Clean Marine Debris effort that was very successful.
8. **Next meeting agenda** – December 5, 2012 and discussed the January meeting which was scheduled for January 2, 2012. Board decided to move meeting to the second Wednesday January 9, 2013 and approved proposed December 5 agenda.
9. **Meeting adjourned.**

## Professional Contracts – **December 2012 Report**

Covers all contracts on track to get approved

Format will be:

1. Contact Name; Contractor; Amount; Purpose and Description; Status
2. Projects funded from last report

**Administrative Parking Lot – Additional Consultant Services;** Andrews and Burgess; \$5,000; additional engineering associated with pervious pavement and contractor demo assistance and paving contract supervision. This contract will be removed since decision has been made to not fund this activity

**Upgrade of On-lot Web Program** – Create and Solve; estimated \$2,000; Will be a program upgrade to include more bioretention options than rain gardens. We will start when we have time to meet with contractor.

**Development of Copper QAPP** – GEL; estimated \$10,000; Presently we have four copper violations in Port Royal and St Helena Sounds. These violations are based on limited and old sampling. We want to take samples to verify whether these violations still exist. For data to be accepted by DHEC we must develop and get approved a quality assurance project plan (QAPP) on how samples will be taken and analyzed. We are asking GEL to develop this and then the SW Utility will take samples according to this plan. (**Now on hold until monitoring is done at sites**)

### **Projects Funded since Last Report**

**Monitoring Contract Extensions-** GEL – Proposal for \$91,515 was approved at by the Natural Resources Committee at their November meeting; County Council approved November 26, 2012. Contract for GEL will be terminated when USCB is capable of performing monitoring. GEL is currently having their bacteria analysis done by USCB.

## MEMO – WEF's Current Understanding of the Stormwater Rulemaking

Date: November 8, 2012

### *Background on Stormwater Program*

The U.S. Environmental Protection Agency (EPA) is expected to release a proposed rule to update the NPDES stormwater program. The existing stormwater program has not been updated since the promulgation of Phase II in 1999. WEF staff and members have been meeting with the EPA stormwater team consistently to provide input on the proposed rule on behalf of WEF and to receive updates on the status and the expected framework and details of the rule. We have compiled an overview of our current understanding of the status and details of the proposed rule for your review in preparation for the development of WEF consensus comments on this significant regulatory update.

### *Status of Proposed Rule*

EPA has stated that the proposed rule will be published on June 10, 2013 with a final rule published on December 10, 2014. These dates have changed several times, which is most likely due to the complexity of the cost/benefit analysis required during the rulemaking process. While these dates have slipped in the past, we are confident that the current dates provided are meaningful, especially considering the re-election of President Obama, which provides certainty on the movement of this regulatory action.

EPA is still working on the economic analysis and alternative selection, to be completed soon, and will be presenting these alternatives to management at a series of internal briefings. The proposed rule will then be sent to the Office of Management and Budget (OMB) with a 90-day review period expected. There is also an expected 90-day public comment period associated with the release of the proposed rule.

### *Technical Aspects of the Proposed Rule*

EPA has identified seven areas of the stormwater program to be updated. These areas are discussed below along with a brief overview on each topic

1. **Expansion of MS4 areas/situations and programs:** Several options have been discussed, including expansions of area using standard watershed boundaries or expansions to include entire (instead of portions of) jurisdictions. Due to continued growth in the ex-urban areas (i.e., areas beyond suburban areas), there is an option to target "urban cluster" areas outside of regulated boundaries, which will depend upon population density and site. The intent of targeting these urban cluster areas is to capture those significant development activities that have occurred beyond the regulatory reach of past programmatic boundaries that, however, have significant impacts on water quality of receiving waters.

There has been discussions about expanding the requirements in MS4 programs, with a special focus on monitoring requirements and long-term goals to reduce impacts of development within, and downstream of, a regulated area.

2. **Establishment of a new development performance standard:** Past and current federal stormwater programs have relied on technology-based standards; however, the new program will likely have a requirement to capture and retain a volume based upon percentile exceedence (i.e., the 90% percentile storm). In many parts of the country, this translates to a change in stormwater management paradigm from capture, detain and release to capture and retain through infiltration or rainwater harvesting. Also, this new standard will establish a treatment volume that exceeds current standards for a number of states.



It should be noted that this new standard could be applicable to all development sites across the country, whether the site is located inside or outside of an MS4 area, that cross a certain size threshold (1-5 acres, most likely). There are outstanding questions for these situations, such as, who will oversee the regulatory efforts for these areas outside of MS4 boundaries? One option suggested by EPA is that these sites might be tied to the Construction General Permit, which is similar in structure, as it applies to all sites above a certain size threshold. For these situations, states generally administer these programs, so it might be reasonable to transfer these sites to a similar post-construction program after the Notice of Termination is granted for each site, including the project/permit number used for tracking purposes.

3. **Establishment of a redevelopment performance standard:** The proposed rule will also include a new national standard for redevelopment activities. It is expected that this standard will be similar to the new development standard in framework, but less stringent, to provide more flexibility for urban infill, redevelopment and revitalization. For example, if the new development standard is on-site retention of the 90<sup>th</sup>-percentile storm, it is expected that the redevelopment standard would be to capture the 85<sup>th</sup>-percentile storm. To further incent redevelopment, EPA will propose that credits on stormwater will be given to redevelopment projects that incorporate smart growth, LEED, or other development frameworks that place a strong emphasis on high-density, walkable, livable communities that are tied to public transportation systems.
4. **Retrofit requirements for some areas:** Many urban areas developed stormwater programs several decades ago under a different stormwater treatment paradigm. To address this, EPA will likely require some urban areas to develop retrofit plans that describe their current stormwater management systems and program and detail how they plan to upgrade this dated infrastructure. A variety of options have been proposed by EPA for these plans, including the establishment of long-term goals underpinned by specifics as laid out in their NPDES permit in 5-year cycles. This mix of long- and short-term frameworks is aimed to provide a clear overall direction for stormwater programs, yet include adaptive management aspects of the program to allow flexibility on how the overall goals are reached, with the understanding that technologies, practices and approaches will change over time.

It should be noted that EPA has been clear that this provision is likely to not be highly prescriptive (percentage removal of impervious cover, for instance), and has also pointed out that approximately one-third of Phase I communities already have a retrofit program of some kind. It is envisioned that retrofits would be integrated into other capital improvement programs that municipalities are already engaged in, such as roadway improvements or public park enhancements. Also, EPA has noted that this requirement would be for large communities that discharge to impaired waters – but it should also be noted that close to 90 percent of large municipalities discharge to impaired waters, most of which impaired due to urban stormwater impacts. This is important to point out, because MS4 permits require that the permittee include TMDL-specific actions, so this urban retrofit requirement may be redundant, and therefore, may not be included in the proposed rulemaking.

5. **Regulations guiding transportation systems:** Currently, state departments of transportation and municipalities that control roadways hold NPDES permits that regulate stormwater flows off of transportation systems in the same manner as all other types of project sites. Roadways may cross multiple jurisdictions as well as differing watersheds with changing characteristics. Also, the impacts from linear systems on the public differ from traditional development projects, as these projects often impact a variety of stakeholders in multiple municipalities and areas. It is expected that EPA will recognize the unique nature of transportation systems in the stormwater program by establishing “TS4” regulatory categories (Transportation Separate Storm Sewer Systems) that will likely have the same, or similar, performance standards, but may have different minimum control standards for public involvement among others.

6. **Special provisions for critical water bodies:** Chesapeake Bay, located in the Mid-Atlantic region of the East Coast, has become significantly degraded due to stormwater flows. This Bay is the largest estuary in the U.S. and has the largest land-to-water ratio (14:1) of any coastal water body in the world, which makes it highly susceptible to pollutants that are tied to the landscape, such as stormwater runoff. It is likely that EPA will include provisions that increased standards or regulatory requirements will be included in the stormwater rulemaking for the Chesapeake Bay watershed. It is unlikely that other sensitive water bodies will be included in the rulemaking.
7. **Inclusion of combined sewer systems:** Currently, the stormwater program addresses separate sewer systems; however, in many communities where combined sewer systems comprise a portion of their overall sewer network, the entire jurisdiction, regardless of combined or separate, is included in the stormwater program. The belief is that this has been done out of a need for uniformity and simplicity in enforcing codes and standards related to stormwater. With this in mind, EPA may likely request feedback on the inclusion of combined systems into stormwater programs.
8. **Other issues:** EPA is still working to finalize several other aspects of the rule, including the implementation timeframe of the rule, equivalency of existing programs, and how other programs, such as TMDLs, will be tied into the new requirement. Also, there has been consideration of removing the Phase I/Phase II titles associated with the stormwater program in order to provide more flexibility on how programs for large communities (>100,000) are structured compared to small to mid-sized communities (<100,000).

#### **WEF Actions to Prepare for Proposed Rule Release**

The WEF Government Affairs Committee Stormwater Workgroup will lead the development of WEF comments. Other groups providing support are the WEF Stormwater Committee and Member Associations Stormwater Committees. Other groups, such as the WEF Watershed Management and Collection Systems Committees (among others) as well as similar groups at the MA level will be asked to provide comment as well.

**UNAUDITED AND PRELIMINARY**  
**BEAUFORT COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
Stormwater Utility  
October 31, 2012 & October 31, 2011

	<u>October 31, 2012</u>	<u>October 31, 2011</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Investments with Trustee	\$ 1,779,730	\$ 1,075,849
Receivables, Net	5,590	75,723
Inventories	102,941	119,640
Total Current Assets	<u>1,888,261</u>	<u>1,271,212</u>
Capital Assets	2,798,912	2,896,543
Accumulated Depreciation	<u>(1,889,114)</u>	<u>(1,768,728)</u>
	909,798	1,127,815
Total Assets	\$ 2,798,059	\$ 2,399,027
<b><u>LIABILITIES</u></b>		
Liabilities		
Account Payable	26,971	45,048
Accrued Payroll	70,871	33,688
Accrued Compensated Absences	6,247	4,470
Total Current Liabilities	<u>104,089</u>	<u>83,206</u>
Long Term Liabilities		
Accrued Compensated Absences	63,160	70,038
Net Other Postemployment Benefits Obligation	<u>637,369</u>	<u>506,898</u>
Total Long Term Liabilities	700,529	576,936
Total Liabilities	804,618	660,142
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, Net of Related Debt	909,798	1,127,815
Unrestricted	<u>1,083,643</u>	<u>611,070</u>
Total Net Assets	<u>\$ 1,993,441</u>	<u>\$ 1,738,885</u>

**Unaudited and Preliminary**  
 BEAUFORT COUNTY, SOUTH CAROLINA  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 Stormwater Utility  
 For the Period Ended October 31, 2012

	Budget FY 2013	October 31, 2012	Budget to Actual	Percent of Budget
Operating Revenues				
Stormwater Utility Fees	\$ 3,469,180	\$ 205,508	(3,263,672)	6%
Stormwater Utility Project Billings	370,664	-	(370,664)	0%
Total Operating Revenues	<u>3,839,844</u>	<u>205,508</u>	<u>(3,634,336)</u>	5%
Operating Expenses				
Personnel	2,014,323	624,732	(1,389,591)	31%
Purchased Services	1,297,125	137,420	(1,159,705)	11%
Supplies	425,660	92,377	(333,283)	22%
Depreciation	273,545	91,184	(182,361)	33%
Total Operating Expenses	<u>4,010,653</u>	<u>945,713</u>	<u>(3,064,940)</u>	24%
Operating Income (Loss)	(170,809)	(740,205)	(569,396)	433%
Non-Operating Revenues (Expenses)				
Interest Earned	11,389	-	(11,389)	0%
Total Non-Operating Revenues (Expenses)	<u>11,389</u>	<u>-</u>	<u>(11,389)</u>	0%
Change in Net Assets	(159,420)	(740,205)	(580,785)	464%
Net Assets, Beginning	<u>2,733,646</u>	<u>2,733,646</u>		
Net Assets, Ending	<u>\$ 2,574,226</u>	<u>\$ 1,993,441</u>	(580,785)	77%

**Unaudited and Preliminary**  
**BEAUFORT COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Stormwater Utility**  
**For the Period Ended October 31, 2011**

	Budget FY 2012	October 31, 2011	Budget to Actual	Percent of Budget
Operating Revenues				
Stormwater Utility Fees	\$ 3,344,133	\$ 101,006	(3,243,127)	3%
Stormwater Utility Project Billings	64,278	-	(64,278)	0%
Total Operating Revenues	<u>3,408,411</u>	<u>101,006</u>	<u>(3,307,405)</u>	<u>3%</u>
Operating Expenses				
Personnel	1,986,780	614,356	(1,372,424)	31%
Purchased Services	720,938	197,479	(523,459)	27%
Supplies	426,223	98,955	(327,268)	23%
Depreciation	285,859	95,260	(190,599)	33%
Total Operating Expenses	<u>3,419,800</u>	<u>1,006,050</u>	<u>(2,413,750)</u>	<u>29%</u>
Operating Income (Loss)	(11,389)	(905,044)	(893,655)	7947%
Non-Operating Revenues (Expenses)				
Gain (Loss) on Sale of Capital Assets	-	50,000	50,000	100%
Interest Earned	11,389	-	(11,389)	0%
Total Non-Operating Revenues (Expenses)	<u>11,389</u>	<u>50,000</u>	<u>38,611</u>	<u>100%</u>
Change in Net Assets	-	(855,044)	(855,044)	-100%
Net Assets, Beginning	<u>2,593,929</u>	<u>2,593,929</u>		
Net Assets, Ending	<u>\$ 2,593,929</u>	<u>\$ 1,738,885</u>	(855,044)	67%



**BEAUFORT COUNTY STORMWATER UTILITY**  
**120 Shanklin Road**  
**Beaufort, South Carolina 29906**  
**Voice (843) 255-2801 Facsimile (843) 255-9478**



November 26, 2012

TO: Bryan Hill, Deputy Administrator

VIA: David Starkey, Chief Financial Officer  
Robert McFee P.E., Director of Engineering and Infrastructure  
Robert Klink, County Engineer  
Dave Thomas, Purchasing Director  
Monica Spells, Compliance Officer

FROM: Dan Ahern, P.E., Stormwater Manager  
Alan Eisenman, Finance Supervisor

SUBJECT: Capital Improvement Budget Transfer for the Stormwater Utility

**BACKGROUND:** On July 19, 2012 a Balance Utilization Plan was developed based on a July 13, 2012 request to develop a plan to where the Stormwater Utility cash balance in the month of November/December would be near zero. This plan focused on funding retrofit projects to implement the 5-year watershed restoration plan that was approved by the County Council in January 2012. This plan identified eight restoration activities ranging in cost from \$107,000 to \$4,095,000 for an estimated total cost of \$9,279,000. Since the lowest cash balance in fiscal year 2011 was \$847,658, there will be issues with trying to fund the larger retrofit projects when they are ready.

This issue was discussed at the November 7, 2012 Stormwater Utility Board and they made a suggestion of considering a capital improvement fund to direct funds to these watershed restoration projects. Staff discussed their suggestion, but rather recommends making a budget transfer from prior year's unrestricted net assets to capital project expense accounts to fund these projects. This offers a method of meeting our cash balance goal and having adequate funds to complete the restoration projects as they proceed during the current 5-year watershed restoration period. Projects to utilize the funds will be identified separately in the 5-year budget for the Utility.

**DISCUSSION:** It is proposed to request a capital improvement budget transfer that will be restricted to fund large Watershed Restoration Projects that cannot be supported with funds available in a single fiscal year budget. It is suggested that any budget transfer must be approved by the Stormwater Utility Board along with identification and description of proposed projects, with their estimated costs. This capital improvement budget transfer request would then proceed to County Council for three readings and a public comment hearing for final approval. The initial capital improvement budget transfer will be for the projects expected to be funded in the current fiscal year. These will be:

Administration Complex Parking Lot Retrofit	\$330,000
Okatie East Retrofit	107,000
Highway 278 Retrofit (SWU portion)	231,000
Okatie West Land Purchase	<u>100,000</u>
Total	\$768,000

**RECOMMENDATION:** A Stormwater Utility Capital Improvement Budget Transfer made for \$768,000 to fund Watershed Restoration Projects necessary to restore designated water uses and comply with Total Maximum Daily Load (TMDL) requirements.

# Project Summaries

December 2012

# Small Drainage Projects

- Whale Branch Elementary School  
Aug. 12– Port Royal Island
  - Repaired a sinkhole caused by a leaking drainage pipe.



# Small Drainage Projects

- Azalea Drive and Rosemont Avenue  
Aug. 12 – City of Beaufort
  - Jetted out (1) crossline pipe and 150 feet of outfall pipe.

# Small Drainage Projects

- Peace Haven Drive Outfall

Oct. 12 – Port Royal Island

– Grubbed, cleared and reconstructed 300 feet of outfall ditch.

# Small Drainage Projects

- Country Manor Outfall  
Oct. 12 – Port Royal Island  
– Reseeded for erosion control.

# Small Drainage Projects

- H.E. McCracken Middle School  
Oct. 12 – Bluffton
  - Repaired a sinkhole caused by a leaking drainage pipe.

# Small Drainage Projects

- Godwin Road

Oct. 12 – Port Royal Island

– Cleaned out 596 feet of roadside ditch, jetted out (1) crossline pipe, (3) driveway pipes and 186 feet of roadside pipe. Installed rip rap and hydro seeded for erosion control.

# Small Drainage Projects

- William Campbell Road Outfall  
Oct. 12 – Lady's Island
  - Cleaned out 1,655 feet of outfall ditch, jetted (1) driveway and (2) crossline pipes. Installed rip rap for erosion control.

# Small Drainage Projects

- Lake Linden Drive  
Oct. 12 – Bluffton  
– Repaired a damaged outfall pipe.

# Small Drainage Projects

- Johnson Landing Road  
Oct. 12 – Lady's Island
  - Upsized (1) crossline pipe to twin smaller pipes and raised the elevation such that the outfall ditch will drain properly.



# Small Drainage Projects

- St. Helena Island Bush Hogging  
Nov. 12 – St. Helena Island
  - Bush hogged 98,215 feet of outfall ditch and associated work shelves.  
Total cost was \$43,858; cost per foot was \$.45.

# Small Drainage Projects

- Westwood Circle

Nov. 12 – Port Royal Island

- Cleaned out 100 feet of outfall ditch, 1,647 feet of roadside ditch and (1) catch basin. Jetted out (2) crossline pipes, (15) driveway pipes and 32 feet of roadside pipe. Hydro seeded for erosion control.

# Stormwater Utility Priorities for 2013

Draft November 19, 2012

**Overall Priority** – Implementing the Utility Vision of an Efficient Utility Addressing the Stormwater Needs of the County, while Protecting its Water Resources

## **Proposed Top Three Internal Management Goals**

1. Complete SW Utility building renovations
2. Link EOS, Management Plan and Capital Improvement Plan into proposed FY2014 Budget
3. Clearer utility priorities stated during year so staff can better focus on current priorities

## **Top Ten External Goals Nominees (SWIC top ten recommendations in Bold) higher ranked goals listed on top 13**

1. Start preparations for NPDES MS4 permit **(3)**
  - a. Develop application
  - b. Determine utility outfalls under permit
2. Develop Water Collection (Catch Basin) identification and inspection schedule **(2)**
3. Improve Easement/Drainage/Pipe Layer with files from Public Works and Engineering **(2)**
4. Develop Battery Creek watershed restoration agreements with City of Beaufort **(1)**
5. *Develop Pond Maintenance System* **(2)**
6. Obtain regulatory approvals for Okatie East retrofit **(1)**
7. Initiate agreements to start development of update to SW Management Plan **(2)**
8. Complete LIDAR and update drainage layer with 2013 DEM **(3)**
9. *Complete Drainage Characterization for Unincorporated County and Develop comprehensive graphical SW Needs picture with what we are and not doing*
10. Develop inspection procedures/checklist for BMPs and to identify hot spots including SCDOT **(3)**
11. Implement ditch Maintenance schedules with Pubworks **(1)**
12. Develop Plan and costs to address SC DOT outfalls and BCSD drainage issues **(2)**

13. Continue to develop Utility capability to do water quality retrofit projects **(1)**
14. Restoration Agreement with Town of Bluffton on May/Okatie Rivers **(1)**
15. Implement a Utility Locate System
16. Transition water quality monitoring contract from GEL to USCB **(1)**
17. Explore 319 funding for Battery Creek **(1)**
18. Pollution Prevention Plans for SW Utility **(1)**
19. *Look for ways to stress economic value of SW protecting water quality (1)*
20. Follow-up on public education slots for County Channel
21. Coordinate new Form-based code
22. Actively participate in the Okatie 319 grant
23. *Interactive Website graphics on SW*
24. Make purchase of property needed for Okatie West retrofit in time to utilize current wetlands delineation
25. Explore with Public Works adopting CHS SWU use of GPS touch devices
26. Continue support for two R&D efforts – Water Budget and Salinity Study **(1)**

Note: goals in italics are recommendations by County Administrator in FY2012.

Guiding principles for Utility determinations were

1. Actions needed for NPDES Permit
2. Addressing WQ Issues
3. Improve efficiency in Utility operation

# Stormwater Utility Priorities for 2012

Status November 15, 2012

**Overall Priority** – Implementing the Utility Vision of an Efficient Utility Addressing the Stormwater Needs of the County, while Protecting its Water Resources

## Proposed Top Three Internal Management Goals

1. Identify Efficiency opportunities in Utility Operation especially in organization and communication - **Ongoing**
2. Complete SW Utility building renovations – **Still trying- on SW Manager’s Bucket list**
3. Improve Project record maintenance to avoid confusion on project records with special emphasis on linking to program element, phasing and naming - **Ongoing.**

## Top Eleven External Goals Nominees (numbers bolded are SWIC recommendations)

1. Fully utilize Pubworks to produce request priority process, necessary reports, including indirect cost, and records in timely manner - **Completed**
2. Determine utility ditches and county’s MS4 responsibility – **Ongoing with drainage characterization efforts**
3. Develop Catch Basin identification and inspection schedule - **Ongoing**
4. Improve Easement/Drainage/Pipe Layer with files from Public Works and Engineering – **More than half completed**
5. Present watershed restoration program and initiate in Battery Creek and Okatie River if approved – **Program approved by Council and Okatie River projects initiated**
6. *Develop joint project for USCB, Waddell and Utility on SW-* **Completed with Joint Salinity Study**
7. *Develop comprehensive graphical SW Needs picture with what we are and not doing –* **After drainage characterization is completed**
8. *Develop Pond Maintenance System –* **no action**
9. Update Adjustment and Credit Manual - **Completed**
10. *Explore Technical Subcommittee to SW Board (2)* mission in part to check cause of impairments in low impervious percentage watersheds – **Requested use of ToB’s committee**
11. Coordinate and support, as appropriate, the establishing of a Water Quality Lab – **Completed – MOU drafted and Council funded equipment**

**Note: number 5 added and number 10 modified based on SW board input; moved 9 and 10 to top ten based on SWIC recommendations**

### **New Goals suggested by Municipalities**

- SWIC GIS subcommittee to identify a uniform/compatible SW GIS layer – **Completed by Subcommittee**
- Develop a transition plan to Carolina Clear for MCM 1&2 - **Completed**

### **Other Goals not in top ten**

12. Implement a Utility Locate System – **Waiting for development outside Utility**
13. Implement new changes in IGAs – budget reports - **Completed**
14. *Pilot Unique retrofit project tied to watershed restoration* – **Ongoing – Okatie East**
15. Contract for third party Program Evaluation – **Completed by Audit – not what was originally envisioned**
16. *Support SW R&D* by starting Water Budget Study – **Completed data being collected**
17. Develop inspection procedures/checklist for BMPs and to identify hot spots including SCDOT – **Future effort**
18. Transition water quality monitoring contract from GEL to USCB - **Ongoing**
19. *Complete 10 year* and SW Management Plan reports and future tracking - **Completed**
20. Explore 319 funding for Battery Creek – **Future effort**
21. Pollution Prevention Plans for SW Utility – **Future effort**
22. *Look for ways to stress economic value of SW protecting water quality-* **Future effort**
23. Develop public education slots for County Channel – **Ongoing developed scripts**
24. Coordinate new Form-based code and reformatted BMP manual - **Completed**
25. Initiate County retrofit projects at Admin Center and Hwy 278 – **Completed**
26. Improve WQ Pond construction expertise – **Completed**
27. Actively participate in the Okatie 319 grant - **Ongoing**
28. *Interactive Website graphics on SW* - **Future effort**

Note: goals in italics are recommendations by County Administrator.

### **Guiding principles** for Utility determinations were

1. Actions needed for NPDES Permit
2. Addressing WQ Issues
3. Improve efficiency in Utility operation



BEAUFORT COUNTY  
STORMWATER MANAGEMENT UTILITY BOARD

Wednesday, January 9, 2013

2:00 p.m.

Conference Room, Building 2, Beaufort Industrial Village

102 Industrial Village Road, Beaufort

843.255.2801

In accordance with South Carolina Code of Laws, 1976, as amended, Section 30-4-80(d), all local media was duly notified of the time, date, place and agenda of this meeting.

1. CALL TO ORDER – 2:00 p.m.
  - A. Approval of Agenda
  - B. Approval of Minutes – December 5, 2012
2. INTRODUCTIONS
3. PUBLIC COMMENT
4. REPORTS
  - A. Monitoring Update–Bob Klink
  - B. Upcoming Professional Contracts Report – Dan Ahern
  - C. Utility Update – Dan Ahern
  - D. Maintenance Project Report – Eddie Bellamy
5. UNFINISHED BUSINESS
  - A. Regional Coordination – Dan Ahern
6. NEW BUSINESS
  - A. Inspector report – Danny Polk
7. PUBLIC COMMENT
8. NEXT MEETING AGENDA
  - A. February 6, 2013
9. ADJOURNMENT

