

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

November 7, 2012 at 2:00 p.m. in Beaufort County Council Chambers
Final December 5, 2012

Board Members

Present	Absent
Don Smith	John Youmans
William Bruggeman	James Fargher
Donald Cammerata	Allyn Schneider
Patrick Mitchell	

Ex-Officio Members

Present	Absent
Andy Kinghorn	Tony Maglione
Ron Bullman	
Scott Liggett	

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.**