

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

April 29, 2015 at 2:00 p.m. in Beaufort Industrial Village Building #3 Conference Room

Board Members

Present

Allyn Schneider
William Bruggeman
Marc Feinberg
Larry Meisner
James Fargher

Absent

Don Smith
Patrick Mitchell

Ex-Officio Members

Present

Andy Kinghorn
Jeremy Ritchie

Absent

Scott Liggett
Van Willis

Beaufort County Staff

Eric Larson
Carolyn Wallace
Danny Polk
Kevin Pitts
Eddie Bellamy
Patricia Wilson

Visitors

Bates Rambow, Town of Hilton Head Island
Reed Armstrong, Coastal Conservation League
Lamar Taylor, City of Beaufort
Anthony Maglione, ATM
Paul Moore, Ward Edwards
Kim Jones, Town of Bluffton

1. Meeting called to order – Allyn Schneider

- A. Agenda – The board members consented to move the maintenance report (4J) first during the reports. The agenda was approved with this change.
- B. March 18, 2015 Minutes - Approved.

2. Introductions – Completed.

3. Public Comment(s) – None.

4. Reports – (Mr. Eric Larson and Mr. Eddie Bellamy provided a written report and Mr. Alan Eisenman provided a copy of the March financials and they were attached to the agenda and can be accessed at <http://www.bcgov.net/departments/Administrative/beaufort-county-council/boards-and-commissions/council-appointed/board-list/stormwater-management-utility-board/agendas/2015/042915.pdf>)

J. Maintenance Projects Report – Eddie Bellamy

Mr. Bellamy provided a written project report summary in advance. He said even with all the recent rainfall, the county has not received a report of any impassable roads. The rain brings out hidden problems which keep the utility staff busy.

- A. **Special Presentation – Preliminary Rate Study Results** – Anthony Maglione and Eric Larson
Mr. Maglione provided a presentation on the scope and status of the rate study ([please see attachment](#)). The rate study model would take different model structures and yield multiple results based on a desired rate fee. When questioned by Mr. Larry Meisner about geographical or large tract components for credit, Mr. Maglione and Mr. Larson replied by stating that residential accounts have a three tier system and pay a Standard Family Unit (SFU) Fee based on square footage and no credits are issued to these accounts. Non-residential accounts have a potential to earn up to 50% credit on Stormwater Utility Fees. Individuals receive one bill which the county collects and disperses to the municipalities. Mr. Maglione stated that rate studies should be

accomplished every 5 years. Mr. Larson explained the need for a special Task Order (\$79,291) which the County Council took action on. This task order was necessary to update impervious area calculations on approximately 5,000 non-residential properties. This was a non- agenda item for the County Council and the project is funded by the management fee (\$2.80/SFU) which is benefitting the entire county.

B. Utility Update – Eric Larson

The papers he presented on the Center for Watershed Protection (CWP) Webinar have been accepted for both the ICEA and SESWA conferences. Also the (CWP) is developing an excel spreadsheet customized for Beaufort County which is compatible with local codes. This is part of the Coastal Low Impact Development Manual the Center created (funded by NERRS, Sea Grant, NOAA, and DNR).

C. MS4 Update – Eric Larson

MS4 Permit Application – The municipalities and the county applications will be reviewed at the same time even though they were submitted at different times.

MS4 Program development – Staff is considering proposed task orders from ATM to begin ordinance updates for development which probably will not affect this fiscal year.

D. Monitoring Update – Eric Larson

USCB Lab- Mr. Larson reported that Dr. Warren's submittals for microbiological and in-situ parameters are lacking a site visit from DHEC for the lab to get final certification. The lab is continuing to work on other certifications which they should have by the end of the year. Mr. Larson added that the county is disengaging services with GEL Engineering effective July 31, 2015. DHEC has confirmed that the USCB Lab will be able to handle MS4 monitoring needs. When questioned how much the lab should save the county, Mr. Larson stated that the county has a MOU which pays \$90,000 per year (\$45,000 twice a year). At the year end the account will be reconciled and the credit will roll over into the following year like a prepaid account. The lab functions as a non-profit commercial lab which should lower costs for the county.

E. Stormwater Implementation Committee (SWIC) Report – Eric Larson

Public Education – Continue to discuss education.

Rate Study – Committee is continuing to discuss the rate study.

Management Plan – Discussed how SWIC will implement the update to the management plan.

F. Stormwater Related Projects – Eric Larson

US 278 Retrofit Ponds – Ponds are under construction with one site cleared and crews are working on clearing the second site. All permits have been obtained and entrances and erosion control on the remainder of the four sites are in place. Contractors are clearing the sites and the utility crew will perform the majority of the work.

Okatie West / SC 170 – The closing of the New Leaf LLC Trust is still pending. The development agreement was defaulted on resulting in a lien on the property. The county is applying for a Clean Water Act Section 319 Grant. The application is due on Monday and grant funding would provide the opportunity to build for 40% of the cost.

Other Comments – Mr. Larry Meisner questioned enforcement of erosion control issues. Mr. Larson replied that currently no utility fees go towards enforcement of erosion control issues, but that will change when the MS4 permit is implemented.

G. Professional Contracts Report – Eric Larson

Utility Rate Study – Presented earlier by Mr. Maglione.

Management Plan (Master Plan) Update – SWIC is in the process of developing a scope for the management plan update which once agreed upon by SWIC will be used to provide a RFQ for advertising. The SWIC panel will be the selection committee. Ideally it will be a cost share with the county and the municipalities. The need of the RFQ was questioned and Mr. Larson said that the scope, size, and cost of the project were issues. Also, not all municipalities were represented in the selection process of the consultant firm the county currently employs.

H. Regional Coordination - Eric Larson

Battery Creek Pond Funded by an EPA 319 Grant – The easement is signed but a court recorded copy is still needed to make the permit application official.

Old Woodland Plantation - The project is a good example of the Town of Hilton Head Island and the county working together. The project is almost complete.

May River Watershed Action Plan – Jeremy Ritchie reported that Pine Ridge has an executed contract which should be starting. Stony Creek is ongoing. The Town of Bluffton is also pursuing a 319 Grant to partner with Hampton Lake. The Center for Watershed Protection is also developing an excel spreadsheet customized for the Town of Bluffton, as part of the Coastal Low Impact Development Manual (mentioned in 4B), which is really good recognition for the region. Mr. Ritchie mentioned a few measures with respect to the May River Action Plan. The Town of Bluffton has adopted a Sewer connection ordinance requiring connection to an existing sewer if the owner is within 300 feet of a connection. Also, home improvements which increase property value by 25% will trigger sewer connections if that availability is present. The Town of Bluffton has been working with Beaufort Jasper Water Sewer Authority on a May River Watershed Sewer Master Plan to bring before the SWIC for further discussion/feedback and eventually bring before the utility board for consideration.

- I. **Financial Report** – Alan Eisenman - Copies of the March Stormwater Financials were provided in advance.

5. Unfinished Business – None

6. New Business – Carolyn Wallace

- A. *Fiscal Year 2016 Proposed Budget* – Mrs. Wallace provided her report in advance. She provided a presentation on the proposed budget. The report does not include any new revenues generated by the projected rate study. At the SWIC meeting in February, she presented a proposed budget of \$357,000 for Stormwater Management (SWM). For the municipalities and county to support this budget, the cost-share per Single Family Unit (SFU) was requested to be raised from \$2.80 per SFU to \$3.18 per SFU. The current proposed budget for SWM has increased to over \$360,000 and the county will absorb the \$3,000 shortfall.

The municipalities were asked to continue to cost share Public Education/Public Outreach at an estimated cost of \$60,000. The City of Beaufort and the Town of Port Royal were asked to continue their participation in the Water Quality Monitoring Program North of the Broad River. The municipalities are being asked to share in the master plan update with an estimated cost of \$475,000. To balance the budget, the utility is budgeting \$1.9 million from utility reserves. Mr. Larson said the rate study should fund the \$1.9 million and if not amendments would be made so cash reserves are not depleted. Annexation from the municipalities is redirecting the revenues from the county. Ms. Kim Jones questioned why a decrease in revenues would not result in a decrease of county services. Mr. Larson said the county is still responsible for maintenance of infrastructure. When asked, Mrs. Wallace said the City of Hardeeville and the Town of Yemassee do not have an agreement with the county and but the county has lost thousands of dollars in SWU fees when they annex property within the county.

In this budget the utility will be creating the Regulation Section. Danny Polk will be the Superintendent. A new position (the MS4 Coordinator) will be funded in this section, but will report to Mr. Larson. The MS4 Coordinator will help with the day to day management of the MS4 program. Also, a new position (the Infrastructure Inspection Technician) will be hired in the Stormwater Infrastructure Section.

Mrs. Wallace discussed the proposed budget for capital improvement projects. The budget for the Okatie West/SC 170 Retrofit project will decrease if the county receives the 319 grant. Also, if the general fund portion of the cost-share for the Buckingham Plantation project does not get approval its estimated budget will be diverted to other capital projects.

There are scheduled replacements of some capital assets in the budget. There is also the purchase of two new vehicles for the two new MS4 positions. Mr. Feinberg suggested the county establish a fixed capital fund to help replace major equipment.

The board approved the following motions:

1. Recommend approval of the Stormwater Utility's proposed Fiscal Year 2016 budget presented at the April 29, 2015 SWMU Board Meeting to the County Council's Natural Resources Committee.
2. Recommend the municipalities approve the Stormwater Management's proposed Fiscal Year 2016 budget and the \$3.18 per Single Family Unit rate management fee to fund the budget.
3. Recommend to the four municipalities to participate in the cost-share of the public education and outreach efforts for Fiscal Year 2016, not to exceed \$60,000.
4. Recommend to the City of Beaufort and Town of Port Royal to participate in the Water Quality Monitoring efforts north of the Broad River for Fiscal Year 2016, not to exceed \$93,000.
5. Recommend to the four municipalities to participate in the cost-share of the update to the Stormwater Management Plan in Fiscal Year 2016, the cost to be determined through the procurement process.

7. Public Comment(s) – None.

8. Next Meeting Agenda – April 29, 2015 Agenda approved.

9. Meeting Adjourned.

Financial Planning Tasks

- NPDES MS4 Permit NOI for Beaufort County
- Rate Study
 - Beaufort County & municipalities
 - Incorporate current revenue requirements, future MS4 related expenses, and capital needs
 - Accommodate current and alternate rate structures, as well as other funding methods
- Impervious area source data update
 - Approximately 5,000 targeted non-residential properties across all 5 jurisdictions
- Deliverables
 - Financial planning and rate model that can be used by each jurisdiction to review options
 - Capital spending PAYGO vs. debt
 - Rate modeling
 - Report with rate structure options and final recommendation

Program Planning

- Current budgeted items
- Capital projects
- MS4 related cost projections
- Changes to service delivery
 - Taking over BMPs (HHI)
 - SCDOT roads
- Consideration of shared services
 - Outreach & Education
 - Monitoring
 - Maintenance (IDDE, SWPPP)
 - Site Reviews
 - Shared Inspections & Enforcement

		FY 2014-2015	FY 2015-2016	FY 2016-2017
CATEGORY	ACCOUNT DESCRIPTION	FY 2015 Budgeted		
ADMINISTRATION	STORMWATER UTILITY FEE	(3,080,341)		
ADMINISTRATION	PROJECT INCOME - PORT ROYAL	(6,511)	(6,511)	(6,511)
ADMINISTRATION	PROJECT INCOME - BEAUFORT	(15,489)	(15,489)	(15,489)
ADMINISTRATION	PROJECT INCOME - HILTON HEAD	(14,674)	(14,674)	(14,674)
ADMINISTRATION	PROJECT INCOME - BLUFFTON	(5,015)	(5,015)	(5,015)
ADMINISTRATION	INTEREST ON INVESTMENTS	\$ (2,771)	(2,771)	(2,771)
ADMINISTRATION	MISCELLANEOUS REVENUES	\$ (1,198)	(1,198)	(1,198)
PERSONNEL ANNUAL MAINTENANCE	SALARIES AND WAGES	1,130,682	1,208,292	1,418,250
PERSONNEL ANNUAL MAINTENANCE	OVERTIME	2,000	2,000	2,000
PERSONNEL ANNUAL MAINTENANCE	PERS'NL COSTS REIMB	0	0	0
PERSONNEL ANNUAL MAINTENANCE	EMPLOYER FICA	67,965	69,324	70,710
PERSONNEL ANNUAL MAINTENANCE	EMPLOYER MEDICARE	15,972	16,291	16,610
PERSONNEL ANNUAL MAINTENANCE	EMPLOYER SC RETIREMENT	122,896	125,354	127,860
PERSONNEL ANNUAL MAINTENANCE	EMPLOYER GROUP INSURANCE	348,755	355,730	362,840
PERSONNEL ANNUAL MAINTENANCE	EMPLOYER WORK COMP INS	136,598	139,330	142,110
PERSONNEL ANNUAL MAINTENANCE	EMPLOYER TORT LIAB INS	13,801	14,077	14,350
PERSONNEL ANNUAL MAINTENANCE	EMPLOYER UNEMPLOYMENT INS	4,814	4,910	5,000
PERSONNEL ANNUAL MAINTENANCE	EMPLOYER UNCLASSIFIED	132,676	132,676	132,676
ADMINIS ANNUAL MAINTENANCE	ADVERTISING	800	800	800
ADMINIS ANNUAL MAINTENANCE	PRINTING	125	125	125
ADMINIS ANNUAL MAINTENANCE	POSTAGE/OTHER CARRIERS	50	50	50
ADMINIS ANNUAL MAINTENANCE	TELEPHONE	6,106	6,374	6,374

Rate Structure and Rates

- A. Current rate structure with updated source data (debt or no debt)
- B. Alternate rate structure (debt or no debt)
 - Similar residential rate equivalents
 - Simplified non-residential rates
 - Gross area cost component
 - Fixed cost per account (for administrative costs)
- C. Current rate structure with updated source data and some tax funding (debt or no debt)
- D. Alternate rate structure and some tax funding (debt or no debt)

Model

Choose nonres rate structure: IA/GA

IA Unit:

4,906

square feet

Flat Charge:

\$ -

per parcel

Minimum Charge:

\$ -

per parcel

GA Blocks (max)

1 <2 acres

2 2 to <10 acres

3 10 to <100 acres

4 100+ acres

			FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018
% County	IA		\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
% County	GA			\$ -	\$ -	\$ -
% Beaufort	IA		\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00
% Beaufort	GA			\$ -	\$ -	\$ -
% Port Royal	IA		\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
% Port Royal	GA			\$ -	\$ -	\$ -
% Bluffton	IA		\$ 98.00	\$ 98.00	\$ 98.00	\$ 98.00
% Bluffton	GA			\$ -	\$ -	\$ -
% HHI	IA		\$ 108.70	\$ 108.70	\$ 108.70	\$ 108.70
% HHI	GA			\$ -	\$ -	\$ -

Rate Base

- County-wide update of source impervious area data for fee calculation
 - Approximately 5,000 non-residential properties
 - Based on newest available aerial imagery
- Intense, short-duration effort so updated data is available for billing in coming bill cycle



Next Steps

- Continue with impervious area update and program planning
- Present rate structure alternatives in May
- Recommend rate structure/rates in June
 - Budget adoption anticipates revenue increase
- Complete impervious area update in time to update billing