

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

March 13, 2019 at 2:00 p.m. in Executive Conference Room, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina

Board Members

Present

William Bruggeman
Marc Feinberg
James Fargher
James Clark

Absent

Allyn Schneider
Patrick Mitchell

Ex-Officio Members

Present

Neil Desai
Kim Jones
Scott Liggett

Absent

Van Willis

Beaufort County Staff

Eric Larson
David Wilhelm
Melissa Allen
Patricia Wilson
Carolyn Wallace
Katie Herrera

Visitors

Dr. Alan Warren, USCB Lab
Steve Andrews, Andrew's Engineering
Alice Howard, County Council District 4
Jeff Netzinger, Town of Hilton Head

1. Meeting called to order – William Bruggeman

- A. Agenda – Approved
- B. February 13, 2019 Minutes – Approved.

2. Introductions – Mr. William Bruggeman welcomed the newest board member, James Clark, with District 6. Introductions completed.

3. Public Comment(s) – None.

4. Reports – Mr. Eric Larson and Mr. David Wilhelm provided a written report which is included in the posted agenda and can be accessed at:

<https://www.bcgov.net/departments/Administrative/beaufort-county-council/boards-and-commissions/council-appointed/board-list/stormwater-management-utility-board/agendas/2019/031319.pdf>

A. Utility Update – Eric Larson

In reference to item #3, Mr. Eric Larson mentioned that the due date of September 30th is per the Intergovernmental Agreement (IGA), but may need to select a better date as none of the municipalities' financials are ready by that deadline. He commented that the County's were not ready until the end of January and will be presented today.

In reference to #6, the annual retreat is tomorrow and Friday (March 14 & 15). The stormwater budget will be presented Friday morning, if anyone wants to come and show support.

Items #7/8, discussion is taking place about delinquent fees between legal counsel for the military bases and the County, as they have two different opinions. Staff is also having a meeting later this month to discuss military, non-profit, HOA common space and other delinquent fees. The County is diligently pursuing the delinquent accounts; around \$7.2 million total in stormwater fees are in arrears since the inception nearly a decade ago.

B. Monitoring Update – Eric Larson

Please reference the report, no additional updates.

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

Please reference the report, no additional updates.

D. Stormwater Related Projects – Eric Larson

Item #3 (Alljoy) went to NRC, staff was asked to amend scope of work to include phasing and an opportunity for public input. Need an approved budget before moving forward with advertising.

E. Professional Contracts Report – Eric Larson

In reference to item 1A, the consultant is working on water quality model (bacteria loading). Need BJWSA's data to see where they are serving with sewer. The project is slightly behind schedule.

F. Regional Coordination – Eric Larson

Please reference the report, no additional updates.

G. Municipal Reports – Eric Larson

Ms. Kim Jones shared that DNR is looking for volunteers for an oyster reef rebuild at the Alljoy Boat Landing at 10:15 a.m. on March 16th. If you would like to attend please RSVP via email and the information can be found on the Lowcountry Stormwater Partners Facebook page.

H. Municipal Separate Storm Sewer System (MS4 Update) – Eric Larson

Mr. Larson shared that the rainfall chart is included in the report; there are five real time stations that are reported on. Ms. Jones mentioned they have a station and Mr. Scott Liggett commented the Town of HHI has two.

I. Maintenance Projects Report – David Wilhelm

Mr. David Wilhelm pointed out the Old Woodland Plantation job on Hilton Head and Sandhill Estates job in Beaufort, both similar types of projects. The cost were similar, but did about three times the work at Sandhill Estates than at Old Woodland Plantation. This shows how much more expensive it is to do work on HHI due to more transit time (loss in productivity).

Thomas Lawton and Oyster Road in Alljoy area recently had crews working on an improvement project cleaning ditches and existing outfalls. The currently system is functioning better; however, it didn't solve all of the issues.

5. New Business

A. FY18 Actuals – Mr. Larson briefly explained the actual handout that was included in the packet. He shared that the revenue variance has been corrected; it was budgeted in one place and was being accounted for in a different account. The department was within \$5,000 of actuals for the year. The interest shown is for the bonding; this is temporary since it will quickly go away once the bond revenue is used for CIP projects. For cost shares, the variance is that a regional project was budgeted last year and was carried forward to this year and a cost share check came in after the previous year was closed out and was applied to this year.

Mr. Larson explained that staff shortage was supplemented with professional services, which shows the impact of what can happen if [the department] is not fully staffed; it has a quick impact in just six months.

Capital Improvement Projects: Battery Creek had a billing error and payment jumped a fiscal year, the money rolled into reserve then came out to pay the bill. Buckingham and Grober Hill projects will be coming off of the list. Salt Creek and Shanklin projects got a slow start, but are moving forward.

For equipment: The County bought the vac truck early, it was purchased last year. A bush hog was late being delivered so it had to be paid out the following fiscal year.

Mr. Billy Bruggeman asked if the County tracks each CIP project by year. Mr. Larson explained that they are multiple year projects and put in the plan that way (divided out). Hurricane Matthew put the County a year behind. He noted there is a file on each project and staff is keeping track so they can anticipate where the project will be.

Mr. Marc Feinberg asked about the reserve fund. Mr. Larson explained it is a combination of pay as you go and borrowing, for equipment and capital projects. There is also a \$1 million that is unspent that is shown as an expenditure (emergency fund).

6. Unfinished Business –

A. FY20 Budget – Mr. Larson briefly went over line items and callout boxes on the budget handout that was included in the packet. He pointed out that the revenue reflects the rate increase [preferred option from the 5 year plan proposal]. If the rate increase isn't approved, staff will need to go back and revise the budget. Contingencies that have been budgeted for are \$100k for non-professional services, \$15k for surveying, \$15k engineer services and \$5 wetland delineation; this will allow the department to move quickly if an emergency arises. The PPP plan is the last piece of the MS4 requirements.

The May River Plan and USCB Water Quality Lab Data mining cost shares were approved by the board and have been budgeted.

\$10,000 has been budgeted for data/asset management software. Mr. Larson commented we are behind on this. Equipment replacements are routine, \$75k wash facility will cover MCM6 Good Housekeeping (MS4 permit requirement), the County hasn't been able to get this project going yet, but has planned to get it started.

Mr. Feinberg asked Mr. Larson if he has received push back on line items. Mr. Larson explained if he gets any push back it will be with the five year plan.

Mr. Larson shared the five year plan presentation. The staff and assets that will see change in the next five years are highlighted in red. He shared current and new capital projects (regional ponds) and their associated costs, as well as additional capital improvement projects to consider and their estimated costs.

Mr. Larson presented the proposed budget, fee scenarios and the preferred option. The preferred option [recommended by staff] is a \$13 increase to \$100 starting next year and staying at

that rate for the next 5 years. The preferred option is to find other funding sources if the additional projects (Graves, Alljoy, sewer extension) are to be completed.

Discussion and comments took place about priorities, funding sources, and the stance or interpretation of the utility's purpose (i.e. water quality).

A motion was made to adopt a rate increase in FY20 to \$100 and remain level for five years. Discussion/Comments: As a homeowner would like to know it would remain level to be able to budget.

Mr. Larson noted that there are multiple options, to include ones not shared, such as no rate increase at all which would require staff to relook at budget and trim it. He mentioned different funding options, such as special purpose tax district, neighborhood development district, or could raise ad valorem taxes.

Mr. Larson commented they [the additional projects] are more of sea level rise, king tide, sanitary sewer, and development agreements issues. Are they the mission of the stormwater utility? Though they are stormwater related, if not stormwater department then who [is responsible]?

The motion was approved 4/0. The vote implies the Board recommends approval of the FY2020 budget.

Discussion about the approval of the five year plan. Mr. Larson explained he brought the four projects to the board, but is suggesting that County Council finds other funding sources for them. He noted he isn't disputing their value. Discussion took place about how the recommendation isn't binding as Council approves the budget 12 months at a time, but Mr. Larson is trying to project where the utility is going to be able to continue to work this plan. The question of where these projects came from came up; Mr. Larson responded from Council in different ways.

A motion was made to recommend the five year plan as presented without the four additional projects, which requires a revenue stream of \$100 per household at five years. The motion was approved 4/0.

7. Public Comment(s) –

Mr. Feinberg acknowledged a professor from USC (formerly an administrator with NOAA) that spoke to over 200 people on Hilton Head about water quality. They were talking about Charleston being a wonderful place and he told the people that they are lucky to live in Beaufort County. Mr. Feinberg commented he thought that is a testament to what we do.

8. Next Meeting Agenda – Approved.

9. Meeting Adjourned