

A work session of Beaufort City Council was held on February 17, 2014 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Billy Keyserling and council members Mike McFee, Stephen Murray, George O’Kelley, and Phil Cromer, and Interim City Manager Bill Prokop.

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

Mayor Keyserling called the work session to order at 5:00 p.m.

EXECUTIVE SESSION

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) of the South Carolina Code of Law, **Councilman O’Kelley made a motion, second by Councilman McFee to enter into Executive Session** for a discussion with bond counsel regarding funding options for public purpose infrastructure. **The motion passed unanimously.**

Councilman O’Kelley made a motion, second by Councilman Murray to end the Executive Session and resume the work session. The motion passed unanimously.

UPDATE ON STORMWATER

Andy Kinghorn said that he is an ex officio member of the Stormwater Utilities Board, representing the city. Last time he spoke with council, he said, he had some problems with the leadership of the county program. **Dan Ahern** had retired, and the county appeared to be going to hire an engineering firm to lead it. Mr. Kinghorn was on the selection committee, which “apparently ... didn’t come up with the right answer when the evaluation came out,” so the procurement was cancelled. Two or three months later, the county hired **Eric Larson**, whom Mr. Kinghorn thinks is an excellent choice.

On January 22, the stormwater group made a presentation to county council about an MS4 permit. This is the second round of MS4 permits put out by DHEC and the EPA. The first round, based on the 2000 census, picked up the major metropolitan areas of the state, (e.g., Charleston and Greenville). The second round is based on the 2010 census and includes the next level of population density. The notice of permit included Hilton Head, Bluffton, and portions of unincorporated Beaufort County, but not the whole county. Beaufort and the Town of Port Royal avoided getting the MS4 this round, but they will be in the next one, Mr. Kinghorn said. The requirements include public education and outreach and public participation, and they are collaborating with the municipalities and the county on that. Mr. Kinghorn went on to list other MS4 requirements. The law requires that within 24 months, all ordinances be in place to implement all of the individual items. It takes a pretty detailed program with documentation and follow-up. The first round was new to everyone and involved “a lot of hand-holding,” but this round will focus on enforcement and compliance, he said. There is a lot of technical expertise on stormwater issues and engineering in the county. There are cost implications when it comes, as well.

Mr. Kinghorn said the county has a stormwater reserve built up, but it's dwindled as they have done these projects; costs are exceeding revenues. They are looking at a SFU rate: the basis on which they bill residential properties with a certain size of impervious area (\$105 a year). He described the fees based on the type of property and the charges. Beaufort's is among the highest rates. All of this is defined in an intergovernmental agreement with the county. The county does the collection on the annual county tax bills. The city pays an administration fee of \$2.80 per SFU; that amount will go up. The county sends the balance to Public Works to administer the city's stormwater program.

Mr. Kinghorn said he strongly believes that Beaufort benefits a lot from the county; their stormwater program has been recognized by the state for 15 years. The county's problem is that their revenue is going down. There have been annexations from various communities, which means less property the county can bill. MS4 costs are going up, while revenues are going down, so the county is undertaking a rate study.

Councilman Murray asked if he had heard correctly that the county's liability side of MS4 could be \$40 million+. Mr. Kinghorn said he didn't know. The rate study is to determine how to balance the costs and revenues. The county is also looking at how to get more funding from municipalities. They will look at county facilities that are in municipal boundaries, where municipal residents benefit from the facilities and county maintenance of them. They might add a surcharge to properties like that, or they might look at it as a watershed area and consider which facilities that belong to the county benefit municipal residents, and then come up with a cost, charging it to all of the properties in the watershed area. Or they might decide to delegate responsibility for these facilities to the municipalities.

Mr. Kinghorn said each of the municipalities would be affected. Beaufort has approximately 8100 SFUs. Some potential costs that could be shifted to Beaufort could be between \$80,000 and \$100,000. For the county, the bottom line is that their SFU rate may go from \$50 to \$100, if they also take on \$10 million in debt. Or if the county takes a pay-go approach, then the SFU rate might go from \$50 to \$150. The bottom line for Beaufort, Mr. Kinghorn said, is to realize that costs will go up when MS4 hits Beaufort.

Mr. Kinghorn said the county is paying \$48,000 for its rate study to look at all their costs, revenues, and options to charge municipalities. The municipalities were all invited to join the rate study. Mr. Kinghorn had met with **Lamar Taylor, Kathy Todd, Bill Prokop** and some others and encouraged Beaufort to have "a seat at the table." If Beaufort has to ultimately do something with its SFU rate, this will give leaders a basis for the approach they take. Being a part of the group appears to be able to be feasible within the existing budget "by moving some money around."

The county, Beaufort, and BJWSA are all making a big difference in terms of the environment, especially in the waterways, Mr. Kinghorn said. Their work has improved water quality to the extent that Mr. Kinghorn believes some shellfish beds that are currently shut down will be opened in the Beaufort River. There's only one area in the City of Beaufort watershed where

there's an impairment: the Burton Hill Project at Battery Creek is classified for shellfish harvesting, but it is closed due to fecal-coliform – either from leaky septic tanks, sanitary sewer overflows, or stormwater. There's an opportunity to treat a major discharge of stormwater in the Burton area, which they hope will bring them into compliance in that part of Battery Creek. It's a \$750,000 project, and they expect to start soon. The city got an EPA 319 grant for \$233,000, and the city and the county are splitting the remaining costs. The drainage area is 65% city / 35% county, so Mr. Kinghorn feels that the city got a good deal, plus the county is providing "a lot of expertise" in terms of engineering, for example. They expect construction to start in the spring and to finish up in the fall.

Councilman O'Kelley said Mr. Kinghorn had mentioned that Richmond County/Columbia "was fined a whole bunch of money." He asked if they had had "one of these studies that's happening south of the Broad" before they were fined, and if you are fined, how much lead time you have. Mr. Kinghorn said he doesn't know what Richmond County's issues were, but he doesn't believe they were related to the rate study: "They ignored the requirements of the MS4 permit." Mr. Kinghorn went on to clarify that "detailed policies, procedures, and plans (must be) in place," as well as ordinances, to be in compliance.

Councilman O'Kelley asked if Beaufort's ordinances and procedures were in place, and Mr. Kinghorn said "no." He explained that Beaufort has a good ordinance for new development. Post-construction management programs for discharge is an example of one of the things Beaufort might have to do, and they will have 24 months to get them in place once the permit is issued.

Councilman Murray asked for Mr. Kinghorn's best guess as to when Beaufort will be subject to MS4. Mr. Kinghorn said it could be in a couple years, and it could be longer, depending on how quickly DHEC gets to Beaufort. It will be easier for them to try to include Beaufort, Mr. Kinghorn feels, because there will already be MS4 permits in place in the southern parts of the county. And based on Beaufort being able to see Hilton Head's and Bluffton's MS4 track records, it should be easier for Beaufort to get in compliance as well.

Mr. Kinghorn said those two towns have "pretty significant staffs" to offer technical expertise. A number of those employees exclusively do stormwater. Mr. Kinghorn said they are collaborating with each other, primarily through the Stormwater Utility Board. The permit would be in Beaufort's name (as opposed to the county's). For overall sampling, monitoring, etc., he thinks it makes sense to have a countywide program to be more efficient and effective. The county is "kind of mixed in all around."

Councilman McFee asked about the stormwater services contract and the proposal to let Beaufort join. Mr. Taylor said appointments by the municipalities' managers led to the formation of a committee: they're "technical folks (who will) implement the master plan and make recommendations back to council." As far as paying for the rate study, Mr. Taylor said, there is some money in the stormwater budget. Mr. Kinghorn said he doesn't know if there will be anything to cause Beaufort to change its rate this year. They will eventually have to decide

whether to stay with the pay-go approach, or if they want to try “more of an accrual basis.”

Councilman Murray asked if the other municipalities have agreed to participate in the study, and Mr. Prokop said “yes.” By joining the others, he said, Beaufort is part of the group, which is more understandable to taxpayers. And will be more comprehensive, Councilman McFee added.

Mr. Taylor said as part of the intergovernmental agreement, the municipalities and the county have hired a firm to do the public education component, and other organizations are involved as well. Mr. Taylor showed the sign that will go on the concrete behind the discharge drains. When Beaufort is in the MS4 process, this part will be complete. The program is paid for, and Beaufort’s contribution is only \$3800.

Councilman O’Kelley said Beaufort has done “a lot of stormwater prevention, like (on) North Street,” that “hopefully put us ahead of the curve.” Mr. Kinghorn said the county had just finished “a really nice pervious pavement area of their parking lot,” and there will be a lot of stormwater mitigation features in the Boundary Street project – e.g., sunken areas in the pavement lanes – that will help with run-off.

Councilman Murray asked about the Burton Hill project. Mr. Kinghorn said it takes the run-off from the Cross Creek Shopping Center that currently discharges into a ditch at Parris Island Gateway and Robert Smalls Parkway, takes drainage off the highways there, and goes into Battery Creek. They will create a bay to catch trash, oil, etc., and then pipe the flow into a 2-acre pond on John Gray’s property. It will normally have a low level, then rise when there’s a stormwater surge, and slowly drain back into the creek. Fecal coliform dies off in a pond like that, Mr. Kinghorn said, because of UV light and detention time. Also, by reducing the flow of water down the ditch, they can reduce the rise in fecal coliform that they have seen after storms because of the rush of water to the creek. Mayor Keyserling thanked Mr. Kinghorn for his work.

Ivette: Unfortunately, this is where the recording stopped, right before Liza spoke.

LITTLE FREE LIBRARY DISPLAY ON THE SPANISH MOSS TRAIL

Liza Hill, City Landscape Architect

PRESENTATION: FINANCIAL TRANSPARENCY AND OPENGOV

Kathy Todd, Finance Director

... The public website is currently active. There are additional features that council can use that aren't open to the public, which Ms. Todd said she is still learning. Ms. Todd said the filter will go as low as the object code level, "and break it down to there, as to what goes into operational costs." A user can choose what to filter each time they select the filtering feature.

Ivette: George said "Marines don't do math," and the recording cut off again.

There being no further business to come before council, the work session adjourned at [REDACTED] p.m.