

A joint meeting of the Beaufort City Council and the SCE&G Pole Committee was held on June 19, 2007 at 5:00 p.m. in the County Library Meeting Room on Scott Street. In attendance were Mayor Bill Rauch, Mayor Pro Tem George H. O'Kelley, Council members Donnie Ann Beer, Gary B. Fordham, Mike Sutton, SCE&G Pole Committee members Charlotte Brown, Chairman David Lott, John Trask III, John Gadson, and City Manager Scott Dadson. In accordance with 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.

CALL TO ORDER

The Mayor called the meeting to order at 5:00 p.m.

REPORT FROM SCE&G POLE COMMITTEE

David Lott, chairman of the Pole Committee, said the committee met earlier today to reinstitute their recommendations stated in the report of June 4, 2007. Earlier they had withdrawn their recommendation because there was a lack of clarity. He mentioned that SCE&G has shown good faith throughout the process and they have cooperated very well.

Referring to the Committee's report which was distributed via the City's web site, to Council, and the audience, Mr. Lott highlighted the Goals of the Committee. The first goal is to have a system that will run safely even during storm emergencies. The second is that it will be reliable. Another is that the system is consistent with the goals of intergovernmental planning. Number 4 is that the system furthers the City's goals of historic preservation including a plan for removal of electric transmission facilities from residential neighborhoods and for placing electric distribution lines underground with a program for financing this effort. The fifth goal is to set up a model communication facility. The sixth and last goal is cost containment and fair allocation of costs.

Mr. Lott stated SCE&G would place the transmission lines underground but would not be willing to incur the exorbitant costs. Also, buried transmission lines are not ideal for the coastal area. He added that underground systems fail less often but when they fail, and a main source of failure is flooding, it is much more expensive and time consuming to repair. SCE&G has agreed to place the distribution lines underground along the 2.2 mile route which will reduce the number of poles from 76 to 36. Information regarding the cost for landscaping along this route is still being gathered.

The committee tried to produce a report that would enhance the existing system so that possibly in the future the transmission lines could be removed completely from the neighborhoods, he said. In his opinion, if the ordinance which prohibits SCE&G from constructing and installing electric transmission poles exceeding 45 feet in height or installing lines carrying electricity in excess of 46KV above residential streets in the City is adopted, the chances of being successful in Court are not likely because the ordinance would establish a precedent that would make it difficult for SCE&G to upgrade their system. If the City seeks litigation, their work will be stopped at a high cost; but the benefits of under grounding, technical improvements to the existing site, a path to complete removal of the transmission facilities at their expense, outweighs the benefits achieved by going into litigation.

Committee member John Trask, III, suggested Council consider using the franchise fee from SCE&G that is placed in the General Fund for operations for burying lines, upgrading service, or improving aesthetics of the system in the future.

Charlotte Brown, committee member, added that the community was concerned with the health effects of the magnetic and electric fields that emanate from power lines. SCE&G took measures to ensure that the committee learned of the extensive research collected showing there is very limited electromagnetic field exposure coming from the power lines.

David Lott stated he has been asked why Beaufort doesn't follow Hilton Head and use the franchise fee income to bury lines. He pointed out Hilton Head does not bury transmission lines, only distribution lines. Burying transmission lines is much more expensive. However, Hilton Head only accepted a very low franchise fee of \$50,000; therefore, they had a source of revenue they could use.

John Gadson, committee member, noted that SCE&G must serve Lady's Island so they have to provide adequate electricity to those customers. They discussed alternative routes but all had problems. He said an important part of the report is the idea that the lines through the City do not have to be permanent. The Northern Regional Plan contemplates a utility corridor that would be contiguous to or near the proposed Northern Crossing Bridge to Lady's Island. If that corridor comes about, SCE&G commits to replace the transmission lines in that corridor and remove them from the City. They also agreed to a maximum capacity of 115 kilovolts in the City.

Keller Kissam, SCE&G Vice President, agreed with the comments made by the committee members.

Councilman Sutton inquired about cable and telephone companies using the poles. Mr. Lott replied SCE&G is required by Federal law to provide space on the poles for these companies and they are compensated for that service. A SCE&G representative told the committee they did not want to negotiate with the other entities until they knew they had an agreement with the City. Mr. Kissam said that when an agreement is reached with the City to underground the distribution lines, they will coordinate the work with the phone and cable companies. He said in many subdivisions they use a process called "joint trench" placing all utilities in one corridor to use a small amount of space. Their commitment to the committee is that when an agreement is made, they will interact with the various entities along the route and coordinate the construction with them in an effort to encourage them to remove their facilities from those poles and go underground.

Mr. Sutton asked how many customers are on that route that will have the benefit of having their lines underground. Mr. Kissam did not have a number but said there will have to be modifications to the customer's homes and the homeowners will be required to have an electrician change the service from overhead to underground. David Temple with SCE&G explained the process further.

Mr. Sutton pointed out concerns with some of the older homes that could be problematic when the conversation is made. He also asked where the 75 foot pole referred to in the report is located. Mr. Temple replied Greene Street and he would notify him of the exact location. Mr. Kissam offered to take Council around the City to show the different type poles. Mr. Lott clarified that the height of the pole is the entire pole length and then 10% of that is buried in the ground. Mr. Sutton also asked about the language in the franchise agreement pertaining to non standard service. Mr. Lott said that information is available and briefly explained there has been a growth of about 6%. The franchise

fee is based on cost, growth and useage. If 3% to 4% of the existing franchise fee is committed, it will total less than \$100,000 a year and that will not bury all the distribution lines in the City. Mr. Sutton also asked the height of the poles in Hilton Head and how they have affected the protection of the tree growth. Mr. Lott answered that was not researched.

The Mayor asked for an explanation regarding undergrounding transmission lines in a storm zone. Mr. Kissam used Louisiana as an example and pointed out the distribution and transmission lines are at risk during a hurricane when they are underground because of the flooding. Then during cleanup after the hurricane, the track hoes destroyed the lines when moving debris. The lines in the air can be repaired in about one hour. The same line underground would take four hours. The underground transmission lines have to be specially ordered which could take a minimum of six months to a maximum of eighteen months depending on the availability of the cable. He stated the reason they are doing this upgrading is to harden the infrastructure because if a category 4 or 5 hurricane hits the City, concrete or steel poles will withstand 115 to 135 mile an hour winds. With the poles still standing repairs can be done quicker.

Robert Achurch asked if the transmission lines are buried would the distribution lines have to be buried also. He heard the cost would be \$4.5 million to do that. Mr. Lott said SCE&G did say that. Mr. Achurch asked if SCE&G has agreed to do other things, that will cost \$750,000 to one million dollars, why they don't use that money to bury the lines. Mr. Kissam reiterated the risks involved in placing the lines underground. Additionally, he said SCE&G does not bear the cost of undergrounding transmission lines for any municipality that they serve. He stated Beaufort is being served by a mid 20th century electric delivery system and they are trying to update it to the 21st century. There is a non standard service fund that they match dollar for dollar with municipalities that allows them to underground whatever they want. Mr. Achurch said the City obviously needs this transmission upgrade but he would like a commitment date for moving these lines. Mr. Lott replied that the utility lines on the poles involve getting permits and rights of way from other parties and SCE&G can't guarantee how long that process will take. John Trask said SCE&G is willing to expend a portion of the cost but Council has to decide to raise the taxes for the balance and the citizens would not be willing to have that increase.

Evan Thompson, Historic Beaufort Foundation, said the poles are an unattractive necessity. He asked if the upgrade is necessary at this time or could it be delayed until the Northern Crossing is constructed. Another option he suggested would be to bury the portion of the line through the Historic District. Mr. Lott responding to the question said he would be glad to talk about it. He pointed out that two above ground/underground interfaces would be needed and they are ugly. Mr. Temple addressing the question about whether the upgrade is necessary now said the two 115 crossings at the McTeer Bridge are not enough to serve the needs. Another 115 crossing is needed from a different direction because if one fails, it takes up to a year to replace that cable.

Graham Kerr said he has spent several years in Europe and noticed there are no overhead electrical lines in either the United Kingdom or Europe. He assumes there is a reason for doing that even though it may be more expensive. He asked the frequency of required repairs on buried cables as opposed to overhead cables. Mr. Temple stated that 95% of new facilities are underground. Their concern with underground is that when it reaches its twenty year life, it has to be replaced. The overhead system is easier to repair. Mr. Kerr agreed the outcome of litigation with SCE&G is

questionable. He said Beaufort is “a gem” and someone needs to state we won’t have these horrible power lines going through our town. He urged Council to fight it.

Councilman Sutton said there are 23 street lights from Ribaut Road to Pigeon Point Park. He asked how the streets will be lighted if the lines are buried. Mr. Temple answered a new underground lighting system will be built in because the franchise agreement requires SCE&G to provide street lights on a fixture approved by the City.

The Mayor stated this discussion has been about the compromise between the City and SCE&G. There is no recommendation as to pole height and now there seems to be an issue of street light style. Perhaps the next step is the pole heights. Also, a decision needs to be made as to whether to begin litigation or not.

Robert Achurch inquired about the height of the poles and why they had to be so high. Councilwoman Beer said the height would place them above the tree line. Mr. Kissam added it is about liability, safety and aesthetics. He used Hampton Park in Charleston, SC as an example where 100 foot poles are located. The higher the pole, the longer the span, and then the fewer poles needed. Also, the taller the poles, the more vegetation there can be and the structures will be less obtrusive.

Bill Harvey, City Attorney, commented that this subject was approached on the belief that SCE&G will attempt to run the high voltage cables down Pigeon Point Road and the corridor. There is an ordinance that prevents them from doing that but it has not been tested in the courts so there is no precedence. He believes the treatment of distribution and transmission lines is different. The franchise agreement deals with distribution lines and in his opinion that does not give them the right to run transmission lines; however they have done that. It is the matter of voltage. SCE&G said they will challenge the city over an ordinance preventing them from doing what they believe they have the right to do. That means the City could spend thousands of dollars in legal fees. If the City does not win, SCE&G will still do what they plan to do and without the benefit of the enhancement of distribution lines that they said they will do under the agreement. Mr. Harvey believes there is an opportunity to negotiate an agreement that could give the City great benefits and avoid the large legal fees. Council concurred that the City cannot afford the cost of litigation.

Robin Kopperness said this should be a county issue since this affects the islands. It seems the City residents should not be the only ones to have their taxes raised to pay for the law suit. Mr. Lott said the people on Lady’s Island accepted the above ground lines. Ms. Kopperness said no one has seen pictures of the poles. According to Mr. Lott, the Committee did not make a recommendation regarding the height of the poles mainly because they have had very little public input. Pictures were provided but not distributed because the committee felt that if and when the concept was approved, a display would be created. In his opinion, litigation is a poor way to solve problems.

Robert Achurch suggested Council decide whether to adopt the ordinance or not.

Councilman Sutton suggested agreeing conceptually on part one of their alternatives; accepting the above ground transmission lines process.

John Gadson said the height of the poles were discussed but not included in the recommendation. Because of the options on height and type, input from the public will be needed. SCE&G could erect poles 65 feet tall or taller and there are reasons for both. He would like to see a draft agreement.

The City Manager stated the committee's recommendation to Council is subject to an agreement. It is also important to draft an agreement. He suggested not adopting the ordinance at this time. Possibly Council will want to charge the Pole Committee with some issues regarding public input on the poles. He mentioned, too, that a power point show of the height study is on the City's web page along with the original franchise agreement and maps. The City Attorney recommended Council adopt in concept the Pole Committee's report subject to the agreement coming back for review.

Charlotte Brown, Committee member, said she and some of the property owners were concerned about the rights on private property that might be lost when power poles go up and ordinances that could be changed with different City Councils. She suggested that be considered.

(Copy of report at end of these minutes)

TOURISM DEVELOPMENT ADVISORY COMMISSION RECOMMENDATIONS

As requested at the last Council meeting, additional information was provided to Council for review regarding the Tourism Development Advisory Commission's recommendations on the grants.

Councilman Sutton said this is the first time he has reviewed the Accommodations Tax grants and has reworked the amounts after reviewing the historical data he asked for at the last Council meeting. His allocations were determined by percentages. He chose to put the Black Chamber of Commerce and the Gullah Festival into a Chamber format to allow those two organizations to work together.

Councilman O'Kelley's had a few different recommendations. He suggested Penn Center receive \$1,000 and the Ladies Island Garden Club Tree Walk is new and he felt they should receive \$2,000. He has a concern with two Chambers of Commerce and he always thought the Gullah Festival was a stand alone organization as are many others. Councilman Fordham stated there should be one Chamber of Commerce and will vote against funds being expended to the Black Chamber.

Shirley Hughes, Finance Director, pointed out that the applicants must attend the Commission meeting and make a presentation. Penn Center did not do that; therefore, they were not allocated any funds.

Mr. Sutton disagreed with Councilman Fordham's comments. He said he met with Mr. Holman to better understand what the Black Chamber of Commerce does. Mr. Sutton said he does not fully agree with the fragmentation of Chambers; but they are about bringing tourism money to Beaufort.

Charlotte Brown, Gullah Festival representative, spoke on the comment made that they did not deserve to receive the amount of money suggested by TDAC. She said the Accommodation Tax dollars are generated based on "heads in beds". The Gullah Festival is proud that they fill nearly every hotel in the City and send business to the restaurants and other local businesses. She

suggested the month prior to and the month after the Festival be compared to the month of May when the out of town visitors are here for the Festival. She said they do not feel the amount of money awarded to them is an outlandish amount. To try to combine the Black Chamber of Commerce and the Gullah Festival doesn't make sense because they are two completely different entities. She said they are only asking for support.

Councilwoman Beer said she is not in favor of changing the committee's recommendations because they were appointed to review the applications and make a determination as to whether the applicants were eligible for the funding. If Council isn't going to accept their recommendations, she asked why there is a committee.

Jennie Roan, Arts Council of Beaufort County, thanked Councilmen Sutton and O'Kelley for expressing concern over the Arts Council's portion of the Accommodations Tax because they have been cut year after year. She said their goal is to make Beaufort recognized nationally as an arts destination year around.

Larry Holman, Black Chamber of Commerce, thanked Mr. Sutton for his recommendation for them. He said their mission is to facilitate economic development. He added that they also have white members as the Regional Chamber of Commerce has black members. He said they need \$105,000 to obtain a 2 to 1 match with the State of South Carolina. To be eligible for the grants an organization has to have a 95 percentile and they have 97.3.

Unidentified man, said the Chamber and the Gullah Festival have done a lot for Beaufort County. Everyone should work together.

The Mayor suggested Councilmen Sutton and O'Kelley who have strong views come up with a consolidated plan. Councilman Sutton commented that he would like to know more about the Lowcountry Tourism Commission. The City Manager pointed out they are a regional tourism group. Mr. Sutton said they average 82% of their requests which is higher than any other agency. Mr. O'Kelley supported granting another \$1,000 towards the Tree Walk to help their event. Mr. Sutton suggested taking it from the Lowcountry Tourism Commission. The Gullah Festival funding was discussed further and Ms. Brown said she knows they fill the hotels, restaurants, gas stations, and the stores. She said the Gullah Festival is advertised throughout the United States and in other countries. Their funding is generated solely from that one weekend and some outside funding. Ms. Beer pointed out that the \$1,000 granted to the Exchange Club's Ghost Tours is being questioned because they charge for the tour.

Councilman O'Kelley offered to meet with Councilman Sutton to discuss this further and bring back their decision at the June 26, 2007 Council meeting.

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 7:55 p.m.

BILL RAUCH, MAYOR

COUNCILWOMAN DONNIE ANN BEER

COUNCILMAN GARY B. FORDHAM

COUNCILMAN GEORGE H. O'KELLEY, JR.

COUNCILMAN MIKE SUTTON

ATTEST:

BEVERLY W. GAY, CITY CLERK