

STATE OF SOUTH CAROLINA) MEMORANDUM OF UNDERSTANDING
)
COUNTY OF CHARLESTON)

THIS MEMORANDUM OF UNDERSTANDING (this “MOU”) is entered into this 27th day of October, 2020, by and between the City of Isle of Palms (hereinafter, the “City”) and the Commissioners of Public Works of the City of Isle of Palms, doing business as the Isle of Palms Water and Sewer Commission (hereinafter, the “Commission”). The City is an incorporated municipality (1953) with a nine-member elected body in a Council form of Government. The Commission is a water and wastewater utility with a five-member elected body. Both public entities serve the same citizen customers in the same geographic area but operate separately, except that in order for the Commission to borrow money, bond issues must be approved, via ordinance, by the City Council.

PREAMBLE

BACKGROUND OF MOU

1. In 2015, the Isle of Palms Planning Commission received a request from City Council to investigate ways to expand the public wastewater collection and treatment system. This work was accomplished over a series of months culminating in a presentation to City Council on August 22, 2017, where the Planning Commission presented suggestions regarding possible courses of action to facilitate that effort and goal.
2. In October of 2015, in October of 2016 and again in September of 2017, the City experienced flooding associated with three extreme weather events. During two of these events, the flooding caused individual septic systems to malfunction, rendered homes uninhabitable, and created unsanitary conditions in flood waters.

3. Following these weather events, two citizen forums were organized to discuss citizen priorities for Council action. The citizens identified, among other items, drainage and extension of the public sewer as priorities. The City and the Commission met on March 21, 2018, to discuss various forms of wastewater treatment to address these citizen concerns. The City and the Commission have jointly expressed an interest in investigating the requirements necessary to provide sewer service to the areas of the Isle of Palms not presently receiving sewer service from the Commission.
4. The City budgeted and adopted \$50,000 in the Fiscal Year 2019 budget to facilitate its ability to fund the updated cost estimates for expansion of the public sewer system.
5. On May 30, 2018, the City and the Commission entered into an initial memorandum of understanding agreeing to a 50:50 cost share of a \$38,600 study to update the island's sewer master plan.
6. In December 2018, Thomas & Hutton Engineering Co. presented the updated sewer master plan that included a phasing plan and construction cost estimate of \$34,588,806. This amount does not include the \$18,990,000 necessary to expand the Forest Trails treatment facility.
7. The City and the Commission further agree that the proliferation of non-traditional treatment systems, like grinder pump systems, are less than ideal, unsightly, rarely have alternative power supplies making them non-functional during periods of power outages.
8. The Commission has previously taken the proactive position in their agreements with customers having grinder pump systems that when public sewer becomes available,

those customers are required to abandon the grinder pump systems and connect to the public sewer at their expense.

9. The Commission has engaged the services of a rate consultant who has completed a study on impact fee increases, and this modeling will facilitate gathering of needed rate and cost information for future extensions.

FUTURE EXPECTATIONS

10. The City and the Commission commit to a goal to improve the barrier island environment, increase sustainability and improve property values. This MOU is intended to establish guidelines for collaboratively working together and sharing information.
11. The City and the Commission commit to a goal of developing an additional memorandum of understanding within one year from the date of this MOU that will provide a detailed strategy detailing how to systematically expand the Commission's public sewer system in a planned, safe sequence that is not only economically viable but also maximizes grant resources to mitigate costs to the customers.
12. The City and the Commission agree that they are providing public service to the same customers.
13. The City and the Commission set a target of realizing this goal for their citizen customers within ten (10) years from the date of this MOU, with the understanding that this target date may need to be updated and modified as the expansion progresses.
14. This work and analysis will comprise data provided by Thomas & Hutton, as well as information on flood complaints; repetitive losses from flooding; the concentration of grinder pumps, new grinders and grinder requests; malfunctioning septic tanks;

requests for sewer service; areas lacking service; and downstream improvements/impacts.

15. The City and the Commission agree to support one another in the pursuit of available grant funding for areas that may qualify. Funding, and issues related to proximity to the treatment plant, may also become a determining factor in the timing and location of phases towards accomplishing the goal.
16. When necessary, the City and the Commission shall develop any required ordinances as a means of facilitating individual homeowners connecting their properties to the system, once available, without undue financial hardship to the homeowners. Factors to be considered might be length of home ownership, owner occupancy and any homestead exemption.
17. The City and the Commission commit to sharing information that would not violate any confidential information or risk exposing any proprietary material, not otherwise subject to disclosure under the South Carolina Freedom of Information Act.
18. The City and the Commission will improve and facilitate communication during the budgetary process and planning process, continuing to create awareness of the stated goals, will share reports, and will work to coordinate projects for possible cost saving opportunities created by economies of scale. The Commission agrees to supply to the City a monthly report or presentation detailing: (a) forecasted spending versus original budget, (b) construction progress versus original timetable, and (c) any unexpected events that affect the construction projects associated with eliminating the Wild Dunes facility and consolidation at the Forest Trails facility. The City acknowledges its

attendance at the monthly Board of Commissioners meetings and receipt of the Manager's monthly report to the Commissioners satisfy such requirement.

19. The City and the Commission commit to working together to seek grant sources and identify potential sources of funds to support and facilitate the necessary upgrades to accommodate the eventual connection of all individual systems to the public system.
20. Represented fully and inclusively, the City and the Commission shall acknowledge the need to trust that both are moving in the same direction with the same goal to serve the same citizen customers and so will participate together in meetings and, at least annually, review the goals, performance and accomplishments of this MOU.

NOW, THEREFORE, the City and the Commission agree that it is the intent of this MOU to formalize their agreement to cooperate in this joint endeavor and to the terms of this MOU, and each party requests the other to sign this MOU and proceed as diligently as reasonably possible with achieving the overall goal within the target ten-year timeframe.

IN WITNESS WHEREOF, the parties hereto have duly approved this MOU and their respective representatives have duly signed and delivered this MOU, as of the date first set forth above.

CITY OF ISLE OF PALMS

By: _____

Jimmy Carroll, Mayor

COMMISSIONERS OF PUBLIC WORKS OF
THE CITY OF ISLE OF PALMS, d/b/a Isle of
Palms Water and Sewer Commission

By: _____

Jay Leigh, Chair