

Special Joint Meeting of City Council and the Planning Commission

4:00 p.m., Tuesday, August 15, 2017

A Special Joint Meeting of City Council and the Planning Commission was held at 4:00 p.m., Tuesday, August 15, 2017 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bergwerf, Bettelli, Carroll, Ferencz, Kinghorn and Ward, Planning Commission members Denton, Ferencz, Mills, Safford and DiGangi, Mayor Cronin, Mayor ProTem Harrington, Administrator Tucker, Assistant Administrator Fragoso, Director Kerr, Attorney Halversen and Clerk Copeland. Bill Jenkins of the IOP Water and Sewer Commission was present to answer questions; Councilmember Rice and Planning Commission member Gregory were absent. A quorum was present to conduct business.

1. Mayor Cronin called the meeting to order and acknowledged that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.

2. **Purpose**
Presentation by the Planning Commission regarding public sewer on the island

Mayor Cronin prefaced the presentation by thanking the Planning Commission for studying this issue for approximately two (2) years and for coming up with recommendations about the feasibility of moving forward.

Director Kerr reported that the Planning Commission has concentrated on the issue of island-wide sewer for a year and eight (8) months. To give direction to the presentation, the Director started his presentation by reviewing the actions the Planning Commission was asking Council to take, and they were as follows:

- Amend ordinances to reduce the floor to area ratio from forty percent (40%) to thirty percent (30%) for new houses tying into a septic system;
- Amend ordinances to reduce the lot coverage from forty percent (40%) to thirty percent (30%) for new houses tying into a septic system;
- Enact an ordinance requiring the property owner building within one hundred fifty feet (150 ft.) of a gravity sewer line to tie into it;
- Enact an ordinance requiring properties that sell where gravity sewer is available to tie into
the sewer system;
- Enact ordinances requiring future subdivisions of a lot(s) to have gravity sewer.

And finally for the City to support the Water and Sewer Commission in implementing a charge to owners with sewer available who choose not to tie in. The method of doing this in Summerville is as follows:

If half of an area wants to tie into sewer, the sewer line is extended to serve the fifty percent (50%) who wanted to tie in; a fee is then charged to the property owners who chose not to tie in to the sewer that runs by their property.

The action has been successful in Summerville and has led to expansions of their sewer system.

The initial question that led to the study by the Planning Commission was could the City require someone who sells his property to tie into the sewer system; this subject grew over time to the feasibility of expanding sewer for the entire island.

After reviewing the history of the City's Water and Sewer Commission, the Director went through the numbers of residents with sewer, septic systems or grinder pumps; he also noted that all of Wild Dunes has public sewer. Director Kerr explained how a grinder pump system functions and commented that the maintenance of a grinder system can be problematic for both the property owner and the Water and Sewer Commission plus the number of systems who can tie into a grinder systems is limited. According to the Director, a typical grinder system costs fifteen thousand dollars (\$15,000) to install, and they have high maintenance. He added that grinder pumps are not intended to be a long-term solution.

The last two (2) most recent sewer expansions were on Merritt Boulevard and for four (4) properties at Carolina and 6th Avenue; the cost per residence served by the expansions cost between sixteen thousand three hundred dollars and twenty-two thousand dollars (\$16,300 – 22,000).

When the Planning Commission overlaid data from the 2002 study with current data from DHEC's monthly monitoring, they were able to see trends in water quality over time; they saw that bacteria levels were flat, from the same source identified in 2002 and no environmentally alarming numbers.

In a meeting with a representative from DHEC, which has been monitoring the island's water quality for twenty-two years, the Planning Commission was informed that, in taking soil samples, they have found that things are seen in the soil today that were not seen ten or twenty (10 or 20) years ago in terms of ground water; they are seeing water quicker than in the past. This accounts for the fact that stormwater is not saturating into the ground which is why the water just sits for longer periods of time.

In a letter from the Chairman of the Water and Sewer Commission, he stated that their estimate of the cost of expanding the sewer system to the residences, outside of Wild Dunes, would be approximately fifty-two million dollars (\$52,000,000) – a figure that “does not include abandoning existing septic systems and grinder pumps, plumbing cost and fees which would be determined by site conditions and structure size.” This became a key figure as the Planning Commission deliberated; they wanted to come up with a strategy whereby this could be accomplished. The estimated costs have increased over time, i.e. in 1990, Thomas and Hutton estimated five million one hundred fifty thousand dollars (\$5,150,000); by 2002, the price had gone to thirteen million dollars (\$13,000,000) to the 2017 estimate noted above. The Water and Sewer Commission estimate includes expansion of the treatment plan on 41st Avenue and approximately eight million dollars (\$8,000,000) to consolidate the Wild Dunes system over to the Forest Trail system planned for 2020. Mr. Mills added that the homeowner will have an expense of approximately two thousand dollars (\$2,000) to carry the sewer to the residence.

Benefits of extending public sewer the Planning Commission identified were:

- Improved stormwater quality;
- Preparation for sea level and groundwater rise;
- Elimination of grinder pumps; and
- Costs are going to continue to escalate.

And, conversely, the challenges of expanding the public sewer identified were as follows:

- The high cost;
- Public resistance – those with properly functioning septic systems will not want to tie in;
- The expansion project would be disruptive to the entire island.

Based on the concepts noted, the Planning Commission's initial thoughts were that the advantages far outweigh the disadvantages and that the City should work towards a program to have all properties served by public sewer. They acknowledged that the project would require a long payoff period. Finally, they thought that education and outreach might overcome the historically strong public resistance.

When the Planning Commission actually "crunched the numbers," they realized that the project would be cost prohibitive; the fourteen hundred (1,400) residences affected would be required to pay a twelve thousand dollar (\$12,000) tap fee to tie in either immediately or at the time the property was sold, the septic failed or major improvements were made. Assuming the cost of extending the lines was evenly distributed among the fourteen hundred (1,400) residences it would serve, the cost per residence would be thirty-two thousand dollars (\$32,000). In addition, all IOP residents would pay a monthly assessment of twenty-five dollars (\$25), which would be added to property tax bills.

Since the water quality testing has shown that the island has no environmental need for island-wide sewer currently, the Planning Commission strongly recommended that the City continue to monitor it and study for trends.

The final recommendations were as follows:

- The City should support smaller, incremental expansions as opportunities arise;
- The City should improve dialogue with the Water and Sewer Commission;
- The City should monitor grant funding opportunities;
- The City should monitor water quality data to detect trends; and
- The City needs outreach to the community to improve public awareness.

All of this work came down to the recommendations for ordinance changes and new ordinances to be enacted that were detailed at the beginning of the presentation.

The ordinance amendments would reduce the size house that would be allowed to tie into a septic system and to reduce lot coverage because houses on septic need more rain-space in order for the waste to percolate; houses that tie into the sewer would not be affected by these changes. The first new ordinance would require property owners building within one hundred fifty (150) feet of a gravity sewer line to tie into the sewer system; Director Kerr reported that the distance fluctuated widely, beginning at five hundred feet (500 ft.). The Director explained that the Planning Commission thought this would be a good starting distance to provide data on the financial implications to property owners to increase the distance in the future. The second ordinance would require properties with gravity sewer available to tie in; the tie-in did not have to be immediate, but would have to occur when the property is sold. Mr. Jenkins added that an existing DHEC requirement states that if gravity sewer passes through a property, the property owner is required to tie into the sewer if his septic system fails.

Referencing the proposed requirement for tying into the sewer if a property with septic system sells, Councilmember Ward asked who would be responsible to pay for it. Director Kerr indicated that the City would not specify that; Councilmember Ward recalled that in the past he suggested that the cost of tying into the sewer should appear on the closing settlement on the buyer's side.

Director Kerr stated that currently a property owner is allowed to subdivide a lot if he holds permits for two (2) septic systems or two (2) grinder pump systems; the Planning Commission is recommending a new ordinance that required the newly created lots to have gravity sewer.

Lastly, the Planning Commission would like for the City to support the Water and Sewer Commission in implementing a charge to property owners who have sewer available that choose not to tie in.

Councilmember Ward asked how properties that were inherited, passed to a family member or put into a trust would be affected by these ordinances, and Attorney Halversen responded that, since these do not involved the sale of the properties, they would not apply.

In conclusion, Director Kerr stated that the Planning Commission was looking for feedback from Council since they plan to continue to work on the action items recommended.

Referring to the charging of an availability fee to residences with sewer available to them, Mayor Cronin asked how that would be done. Mr. Jenkins commented that the intent of a reasonable availability fee was to encourage property owners to tie in; he added that possibly this fee could contribute to the tap fee when the decision is made. The Mayor said that he has heard this fee referred to as a "green living charge."

Attorney Halversen explained that the availability fee was not the same as a "green living charge;" an availability fee is paying for the benefit of having the sewer line available for use in the future.

Director Kerr stated that, in working with Treasurer Suggs, the amount of money needed to make up the debt service would mean a tax increase of forty percent (40%) of the millage rate which equates to nine percent (9%) of the tax bill for extending sewer to the balance of the island.

Issues with stormwater runoff on the avenues from 45th to 47th Avenues will be addressed in the coming months through the Phase II Drainage project, but the Mayor noted that other areas of the island also have issues with stormwater and septic because there is no stormwater infrastructure in place.

Director Kerr stated that one (1) conclusion of the Planning Commission was that stormwater and sewer are closely linked, and he thought that the Planning Commission would be happy to look at the stormwater problem. The group was in agreement that addressing stormwater issues on the island would give the City time to address the sewer system.

Mayor Cronin recommended that the Planning Commission move forward with drafting new ordinances.

When Mayor ProTem Harrington asked if the Planning Commission had a plan for incrementally expanding sewer on the island, Director Kerr said that the Commission looked to the Summerville method as a plan. The Director explained that the Summerville plan goes into action, when fifty percent (50%) of a neighborhood want sewer, the means are found to do it, and those who choose not to tie in initially will contribute until such time as they are “triggered” to do so through new construction or the sale of the property.

Mr. Jenkins reminded the group that ultimately the decision of grinder pump or conventional sewer is made by DHEC. He gave an example where a grinder pump was located on one block the property owner could easily connect to and conventional sewer was eight hundred feet (800 ft.) down the street, DHEC would require the owner to tie in to the conventional sewer.

Responding to Councilmember Kinghorn’s question of a statement of objective for the Planning Commission’s work, Director Kerr replied that the original plan was to devise a plan to provide sewer to every residence on the island, and, as the research progresses, the objective changed to smaller, more cost effective extensions of the sewer system. Councilmember Kinghorn opined that the ultimate goal expressed by the Planning Commission remains providing sewer to every residence, and he asked when it would occur and what would be the process to accomplish it.

The Director replied that his questions have more than one (1) answer; one (1) of them would be charging each of the fourteen hundred (1,400) residences fifteen thousand dollars (\$15,000) each to be paid in ninety (90) days and increasing the millage by forty percent (40%).

Councilmember Kinghorn then asked the Director if he had had the time to investigate all of the possible funding sources and would it be worthwhile to spend additional time dedicated to that aspect alone.

Mr. Ferencz responded to the Councilmember saying that the Planning Commission had spent a lot of time looking into funding opportunities.

In Director Kerr’s opinion the only “game changer” was grant funding, and the opportunities change annually. He noted that he recently received information on a Rural Infrastructure Grant that has become available in the amount of twenty-five million dollars (\$25,000,000); if the City were to get all of the money it would only pay for half of the project. He also said that to quality for any of this money requires a fully engineered plan that is ready to go. He did agree that seeking grant funds should be an ongoing task for the Planning Commission.

Administrator Tucker agreed that the action items should be pursued by the Planning Commission, but, in addition, she suggested that Council seriously consider passing an ordinance that would not allow additional grinder pumps or to establish a sunset when they will no longer be allowed. She noted that as long as it remains easy to get either septic or grinder pump systems, the island will not see the expansion of sewer on the island as it appears to be the will of Council, members of the Planning Commission and Water and Sewer Commission, in addition to members of the community.

Mayor Cronin indicated that he liked the idea of establishing a sunset for grinder pumps.

3. **Executive Session** – not needed

4. **Adjournment**

Mayor Cronin closed the meeting at 5:16 p.m.

Respectfully submitted:

Marie Copeland