1. CALL TO ORDER. Chairman Elliott called the meeting to order at 12:00 noon. Members present: Chairman Elliott, and members Beck, and Crouch. Vice-Chairman Mull, and member Mabry were absent. A quorum was present. Others present: Town Clerk Herrmann, and Public Works Director Adair.

2. PLEDGE OF ALLEGIANCE. Chairman Elliott led the Pledge of Allegiance.

3. AGENDA APPROVAL. Mr. Crouch moved to approve the agenda as presented. Mr. Beck seconded. All voted in favor. MOTION CARRIED.

4. MINUTES APPROVAL. Mr. Beck moved to approve the minutes of the October 19, 2015 meeting as submitted. Mr. Crouch seconded. All voted in favor. MOTION CARRIED.

5. PUBLIC COMMENTS – Agenda Items. There were no public comments.

6. BUSINESS. Budget Recommendations for FY2016-2017 Stormwater Projects, Water Quality Monitoring, etc., Director Adair. Mr. Adair thanked the members for the kind letter presented at the last Town Council meeting. He did not expect to hear that and it really touched his heart. It was not often that public servants received such praise. It meant a lot to him. Chairman Elliot said he was more than welcomed. Mr. Beck said it was written, because they thought he did a really nice job. Mr. Crouch said it was seldom that anyone met a public servant who did the quality of work that Mr. Adair did day-in and day-out. Mr. Adair said again that he appreciated the comments, and they were unexpected. Too often only complaints were heard in customer-service oriented businesses.

Mr. Adair presented the following recommendations for consideration:

- Regular budget items: lake maintenance; membership in the consortium, participation in which is required for the NPDES permit; annual fees to be paid; two water quality monitoring stations, etc.

- Future stormwater funding: stormwater costs will continue as the infrastructure always needs maintenance and repairs, and eventually upgraded. Cost would include hardscape, construction, engineering services, or equipment. He proposed a recommendation to Town Council for a sustainable funding source moving forward. Options were discussed to collect monthly stormwater fees versus a dedicated tax millage, and how those payments might be made. The general process would be

1. Survey all properties to determine residential, commercial, and/or vacant land.
2. Determine average impervious size on the residential lots. The average amount becomes the ERU, Equivalent Residential Unit.
3. The ERU is the foundation for decision making, the value of which is calculated by taking the proposed budget over a 5- or 10-year period and dividing it by the ERU total to determine the value for each ERU per year.
4. Commercial and industrial uses calculate fees based on a multiplier of the ERU.

- Horry County stormwater manager Tom Gerigan, and his assistant Tom Fosse feel that the entire county should be based on impervious surfaces, not a flat fee. There is not as much equity with a flat fee, because everyone pays the same amount. Also, there were no incentives for people to use pervious materials and reduce the building footprint. Horry County implemented its fee in 2000. Charges are $29/year on its tax bill for single-family residential property; commercial and industrial fees are calculated by impervious surface, and undeveloped property pays at a lower rate.
Mr. Beck asked if adopting such a policy would create a situation where businesses would remove asphalt and use pervious materials. Mr. Adair said that would be a business decision, but some strip malls now use pervious materials in the outlying, less used parking spaces to get credit for additional pervious material.

Mr. Crouch asked if the real issue was to encourage homeowners from whom the most complaints were heard when new fees were adopted, to use pervious materials at a little higher cost, but save in the long run because of improved stormwater runoff. Mr. Adair said that was Horry County staff's opinion. If people had a way to control the cost, they would be more likely to move toward green infrastructure and low impact development. He already considered the relationship between the current stormwater ordinances that requires a stormwater management plan for every developed lot, but he believes everybody is now being treated equally. The matter of funding future stormwater projects is a separate issue. Mr. Crouch said it reinforced the fact that if you are going to have a program, you want one that encourages people to go pervious instead of impervious materials. Mr. Adair said it would certainly encourage new developers. He was shocked to learn that there are still over 500 undeveloped lots in town, which is a about 12-percent undeveloped. Copies of the map are available in the building department.

Chairman Elliott said Horry County has the stormwater fee on its tax bill. She asked if the town would have to have a referendum on the election to create a new tax. Mr. Adair said this particular fee could in “no way, shape or form be called a tax.” It is a user fee. Many municipalities were sued based on that distinction, and the Supreme Court has upheld the opinion that the tax was unfair. The Court upheld that a user fee based on discharge or usage is legal. Any fee would be discussed at public meetings; has to be adopted by ordinance at two separate readings; public notice published in the newspaper, and a public hearing prior to second reading. This discussion is to consider a funding mechanism.

- Tracy Jones from Georgetown County said a stormwater fee was implemented in 2007. Ms. Jones said the ERU is 3,770 square feet. The charge is $52 per ERU for single family homes. Commercial and industrial property have a multiplier for the ERU. Georgetown County does not charge for undeveloped property. However, if there is any structure that measures 400-square feet or greater in size on the property, an ERU is charged. There are no exemptions in Georgetown County.

- Mr. Adair said that both Horry and Georgetown Counties round up to the next whole ERU when using the multiplier for commercial and industrial properties. Mount Pleasant, Myrtle Beach, and North Myrtle Beach were also contacted, but he had not yet heard from them. The Mount Pleasant website shows that it collects a base fee of $60 per year. Surfside Beach is one of the few municipalities in South Carolina that does not have a utility fee established. He expects to hear similar information from the other cities, except with different amounts. Based on information received from advisors and distributed at conferences professionals should assist with implementation of a stormwater fee. Mr. Joe Fersner, the town’s stormwater consultant, was asked to write a proposal to develop a plan, a copy of which is attached. Mr. Adair asked the committee if it would recommend the plan that proposes development of a 5-year stormwater budget/resource allocation plan; develop an interim stormwater management utility program and ordinance, and project management at a cost of $7,500.

Chairman Elliott asked if this would be presented at the vision meeting in preparation of the 2016-2017 budget year. Mr. Adair said this expenditure would need to be approved as an amendment to the 2015-2016 budget to develop a plan to implement in 2016-2017. A dedicated funding source is necessary for the “legacy expenditures” for infrastructure. Known areas that need improvement are:

- Bulkheads at Myrtle and Floral lakes
- Wooden bridges at Dogwood and Myrtle lakes
- Wooden bridge culvert on Ocean Boulevard, which is about 45-years old
- Completion north side drainage project that began last year with Phase 1. There are three more phases, but the main issues may be resolved after completion of Phase 2.
Mr. Beck asked if the budget would include annual revenue payments that would be reserved for specific expenditures that occur every 5- or 10-years like dredging, or cleaning out pipes. Mr. Adair said the budget would be based on recurring and nonrecurring expenses that would amortize so funds would be available when the project needed to be completed. The ERU could be adjusted every 5-years based on upcoming budget needs. Mr. Adair said the end result may be different from the proposal, but this structure moving forward was probably the right process, and he would appreciate the committee’s support.

Mr. Crouch supported an organized, carefully constructed and well thought-out program. He saw short- and long-term cost to be what he does monthly with his personal budget. There would have to be an option for adjustments, because no matter what materials were used for construction, at some point maintenance would be necessary and more costly. Mr. Adair said that replacements and repairs to town infrastructure would always need to be done. He believed spending $7,500 now would be well spent to ensure the town is prepared. Mr. Adair said the rain event last month proved that previous councils and administration spent the town’s money wisely to ensure the town was prepared. But, there is much that could be done to protect the town.

Chairman Elliott agreed that this should be presented to Town Council so the study could be done for a 5-year plan to protect the town. She did not like stormwater revenue being placed in capital projects. She believed it would be better to place it in a separate fund to keep the money from being co-mingled. Mr. Adair explained that capital projects has three separate funds: street paving, stormwater, and beach renourishment, each with a separate budget. It would be up to Town Council to determine the fund where revenue would be placed. Mr. Crouch suggested that the committee recommend that stormwater user fees shall not be expropriated for any other use.

A discussion ensued about various infrastructure problems and potential problems that might be caused by storm events; cost versus cost under emergency circumstances; the theory “pay me now or pay me later,” and collection methods if an ERU is adopted.

Mr. Adair said neither he nor the town’s stormwater engineer were proponents of deep-ocean outfalls off the town’s beach, because the town has less density, fewer impervious surfaces, and its lakes have clean water. Mr. Crouch said that made sense. The town is a small community and does not have problems like the larger area cities. Mr. Adair said another matter he is working on is that the town discharges about 20 acres of water runoff into Garden City. The goal is to divert that water into town, which would remove any liability on the town’s part when the county determines improvements are needed or impaired water is identified in Garden City. The town’s engineer is considering options to divert that water and he is confident it will be successful.

Mr. Crouch moved to recommend to Town Council an expenditure of $7,500 to Bowman Consulting to develop a 5-year stormwater budget and resource allocation plan as presented by Mr. Adair. Mr. Beck seconded. All voted in favor. MOTION CARRIED. Mr. Adair said the proposal would be presented to Town Council at the visioning meeting on Thursday.

7. DISCUSSION. Any items of Interest or Concern to Committee Members.

Chairman Elliott asked if the grass carp were endangered, because of fishing in Floral Lake. Mr. Adair said it was possible and probable that some would be caught. Chairman Elliott asked if the lake could be posted “catch and release” or some other manner that would protect the fish. Mr. Adair said the bodies of water had to be treated the same. Mr. Crouch said wildlife also preys on the fish. Mr. Beck said most fishermen catch and release in the lakes based on his observations. The grass carp hover near the bottom feeding, and were not attracted so much to lures.

Mr. Adair said he was trying to have bathymetry completed for the town lakes, which is an analysis of the lake’s bottom topography to establish a benchmark storage capacity in each lake. The information will help determine losses and gains over time and facilitate in the dredging schedule. The cost is expected to be under $3,000.
Chairman Elliott asked if revenue had to be used in the specific funds during the year in which it was received. Mr. Adair said no; sanitation funds are managed through an enterprise fund, which is treated as a separate business. Its funds carry forward. Chairman Elliott said a stormwater user fee could be accumulated and saved for future projects. Mr. Adair said it could be.

Mr. Crouch said this was a great time for the town to adopt a stormwater user fee, because of the potential savings on flood insurance premiums due to the town’s Community Rating Service program. Neighboring jurisdictions have implemented stormwater user fees.

Mr. Adair said the bottom line is that the town needs a sustainable funding source for stormwater maintenance and projects. There are always improvements and maintenance to be done on infrastructure. Everybody is responsible for discharge; i.e., parking lots that certainly affect stormwater runoff exist, because of consumer demand.

Mr. Beck believed they had been erroneous in saying it would be collected on the water bill. He read from the public record, “Stormwater utility fees appear on real property tax bills and are collected by the Horry County treasurer with your property taxes. Billing is done by the Equivalent Residential Unit, or ERU that represents the average gross area in development and density factor for a typical single family residential property.” Mr. Adair said the fee could be collected in a number of ways. Mr. Crouch said that was how Horry County collects, and he recommended the town do the same. Mr. Beck said collecting through the tax bill would also include vacant properties that do not have water service.

8. PUBLIC COMMENTS. There were no public comments.

9. COMMITTEE COMMENTS. There were no committee comments.

10. ADJOURNMENT. Mr. Beck moved to adjourn the meeting at 1:10 p.m. Chairman Elliott seconded. All voted in favor. MOTION CARRIED.

Respectfully submitted,

Debra E. Herrmann, CMC, Town Clerk

Approved: ____________________

Sandra Elliott, Chairman

Tabitha Mull, Vice Chairman

Alan Beck, Committee Member

Ron Crouch, Committee Member

P. L. Mabry, Committee Member

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