RICHLAND COUNTY COUNCIL
SOUTH CAROLINA

SEWER AD HOC COMMITTEE

March 17, 2015
2:30 PM
4th Floor Conference Room

1. **Call to Order**

2. **Future Direction of Utilities (forwarded from Council Retreat) (page 2)**

    a. **Richland County should explore the option of having a private company promote water service to a portion of Richland County whereby Richland County will benefit financially [RUSH AND MALINOWSKI]**

3. **Lower Richland Sewer (pages 3-5)**

4. **Contractual Matter: 208 Plan (Executive Session – forwarded from March 3, 2015 Council Meeting)**

5. **Contractual Matter: Palmetto Utilities (Executive Session – forwarded from March 3, 2015 Council Meeting)**

6. **Contractual Matter: Palmetto Utilities - 208 Plan Amendment (Executive Session – forwarded from March 3, 2015 Council Meeting)**

7. **Adjournment**

Committee Members

Kelvin E. Washington, Chair
District Ten

Paul Livingston
District Four

Bill Malinowski
District One

Item 2 - Future Direction of Utilities

- A private company expressed an unsolicited interest in purchasing County facilities currently operated and maintained by the County's Utilities Department. Council was initially briefed on this matter in Executive Session on October 16, 2012.

- Per Council direction, a RFQ was issued on June 5, 2013 – Sale of Richland County Wastewater Facilities and Water Systems.

- Per Council direction, the RFQ was amended on July 24, 2013 to include a privatization option – Sale and/or Privatization of Richland County Wastewater Facilities and Water System.

- Responses to the amended RFQ were received on September 30, 2013.

- Per Council direction, a consultant was retained to analyze the following four alternatives:

    a. Sale of all water and sewer assets and operation by a private company.
    b. Continued ownership of all assets with operations performed under contract.
    c. Continued ownership of all assets with operations similar to existing conditions.
    d. Establishment of an authority to own and operate the water and sewer system.

- Oasis Consulting Services conducted the kickoff meeting and received Council input at the 2014 Council Retreat.

- Oasis presented their study findings to the Sewer Committee on September 23, 2014, with a recommendation to create a Water and Sewer Authority. The Committee did not take action on the report.

- Oasis Consulting Services presented their study findings at the County Council Retreat on January 29, 2015, and recommended establishment of a Water and Sewer Authority, with keeping the Department as it is currently operated a close second.

- Per Council direction, the Utilities Director position has been posted, and this item was forwarded to the Sewer Ad Hoc Committee for action.

Item 3 - Lower Richland Sewer

- Joel Wood & Associates has reinitiated the engineering/design of the project.

- Rural Development's understanding was that the County would waive tap fees and pay for the connection costs prior to construction, similar to the Hopkins Water project (see letter – pages 4-5).

- The project budget approved by Council has funding to provide for 92 physical connections ($3,500 budgeted cost per connection) and 181 tap fee waivers ($4,000 each).

- A survey will be sent to all 574 households identified within a 200 foot buffer on either side of the proposed Lower Richland Sewer lines.

- School District One's connection/tap fee cost is $361,790. These funds are not accounted for in the project budget approved by Council and could potentially be used to cover $250,000 for the additional city customers that have been identified and approximately 32 additional connections.

- $350,000 has also been identified (if needed) in FY16's CDBG funds (would cover 100 connections @ $3,500/connection).

- Using the revenue from School District One and the identified CDBG funds, 224 households could be connected without having to borrow additional funds. (This would include 43 more tap waivers in addition to the 181 in the budget).

- The identified funding would cover 224 of 574 total households = 39% of all households along the line.

- If more than 224 households are interested in sewer service, additional loan funds would be needed for connection costs. Both Rural Development and SRF have indicated that the project is eligible for additional loan funds.

- The project budget was based on 1,200 customers. Two additional subdivisions have been identified that were connected by the City, resulting in approximately 1,370 customers being transferred to the County. Revenue would be available to cover any additional loan funds needed for connections. This was confirmed by Oasis Consulting.

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Rural Development

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August 28, 2014

Mr. W. Anthony McDonald, Chairman
Richland County
2020 Hampton Street
Columbia, SC 29202

Re: Lower Richland County Sewer Project
$9,359,000 Rural Development (RD) Loan
$2,279,800 Rural Development (RD) Grant
$783,000 Richland County Contribution

Dear Chairman McDonald,

We met with Richland County officials, Richland County Department of Utilities representatives and the project engineer on Wednesday, August 13, 2014 concerning the referenced project. It appears that there is some confusion concerning the tap fee requirement for the Lower Richland County sewer project.

The scope of this project consists of Phase 1 of the Lower Richland County Sewer System Improvements Project. Phase 1 includes providing sewer service and wastewater improvements to Lower Richland County neighborhoods, Hopkins Middle School, Hopkins Elementary School and Franklin Park Subdivision, as well as the acquisitions of existing customers on Garners Ferry Road. Also, the wastewater will be transported for treatment at the County's Wateree Waste Water Treatment Facility.

Regarding the sewer tap fees and connections from the user's home, when we (RD) approved the loan and grant, we understood that the County's minimal contribution of $783,000 would be used to cover the cost for sewer tap fees and connections for the users that signed up for sewer service. We further understood that the sewer tap fees would be waived and connections would be paid by Richland County similar to what the Richland County did for the water project in Lower Richland County Hopkins Area.

We believe this is a much needed project for Lower Richland County area.

Please let us know how Richland County will proceed with the sewer project in Lower Richland County.

Sincerely,

MICHELE J. CARDWELL
Community Programs Director
Cc: Andy Metts
Kevin Washington
George W. Hicks, Jr, USDA, Rural Development, Area Director