Present: Larry Toomer, vice-chair; Wes Jones; Emmett McCracken; Eric Montie; Chris Shoemaker

Absent: Chris Burden; Al Stokes

Staff: Bryan McIlwee; Trisha Greathouse; Kim Jones

Guests: Richardson LaBruce, Finger, Fraser & Melnick Law Firm; Ellen Comeau, Lowcountry Stormwater Partners

Media: None

I. CALL TO ORDER

II. ROLL CALL
   1. Members introduced themselves.

III. ADOPTION OF AGENDA
   1. Mr. McCracken moved to adopt the Agenda as presented. Dr. Montie seconded the motion. Unanimous ayes.

IV. APPROVAL OF FEBRUARY 22, 2018 MEETING MINUTES
   1. Mr. McCracken moved to adopt the Minutes as presented. Mr. Jones seconded the motion. Unanimous ayes.

V. PUBLIC COMMENT
   1. None.

VI. Executive Session
   1. Receipt of legal advice related to Septic to Sewer Conversion Program (Pursuant to SC Freedom of Information Act Section 30-4-70(a)(2))
   2. Mr. Jones moved to enter Executive Session. Dr. Montie seconded the motion. Unanimous ayes.
   3. Mr. Shoemaker moved to end Executive Session. Dr. Montie seconded the motion. Unanimous ayes.
   4. No Vote or Action was taken by the Committee during Executive Session except to return to Public Session.

VII. OLD BUSINESS
   1. Strategic Plan Priority – DRAFT Septic to Sewer Connection Program
      Ms. Jones provided an introduction and background information in regard to the Town’s Septic to Sewer Connection Alternatives as presented in the Staff Report (Attachment 1):
      • Option A: Septic to Sewer Conversion Program and
      • Option B: Town of Bluffton Sewer Connection Project
      Following the Committee’s feedback/input at the March 22, 2018 and April 26, 2018 meeting, Ms. Jones reviewed staff’s DRAFT revised Option A: Septic to Sewer Conversion Program and case studies.
Ms. Jones reviewed a proposed Option B: Town of Bluffton Sewer Connection Project as part of the Town Capital Improvement Program. This project would provide full funding for all residential connections to available sanitary sewer. Based on billing data from Beaufort-Jasper Water & Sewer Authority, this project would include the following extent and expenses for sewer connections:

- Sewer connection for approximately 50 parcels within the 500’ Buffer priority area of the Historic District are estimated to cost approximately $677,000 for Phases 1 – 6.
- Sewer connection to approximately 750 homes (based on BJWSA billing data) in the remainder of the Town’s jurisdiction is estimated to be $3 million (conservative estimate of $4,000/connection).
- Option B: Town of Bluffton Sewer Connection Project cost estimate for Town-wide sewer connection is $3.7 million.

Dr. Montie made a motion to recommend to Town Council sewer connection alternative Option A: Septic to Sewer Conversion Program as presented with a forgiveable lien of 20% per year over 5-years. Mr. Shoemaker seconded. No discussion. Ayes – Toomer, Montie, Jones, and Shoemaker. Nays – McCracken.

2. Water Quality Monitoring (standing item)
Ms. Jones provided an update on the following monitoring data:
- Weekly Sampling Update
- Microbial Source Tracking (MST) Update
- SCDHEC Shellfish Data

VIII. NEW BUSINESS
1. None.

IX. DISCUSSION
1. Shoreline Armoring in the May River
Dr. Montie expressed concerns with armoring shorelines versus living shoreline approach. Staff will request a presentation from DNR at an upcoming meeting.

2. Proposed Town of Bluffton Calhoun Street Public Dock Project
Mr. McCracken expressed concern over the size and aesthetics of the Town’s proposed Calhoun Street public dock project. Staff provided background of previous planning/workshop opportunities including Comprehensive Plan, Old Town Master Plan, Calhoun Street Study, and Calhoun Street Public Dock Workshop.

Dr. Montie suggested the following:
1) During construction, monitor the underwater noise levels during pile driving.
2) Investigate noise reduction techniques.
3) Perform construction during November, December, January, and February to limit impacts on fish spawning and bottlenose dolphins (less abundant during these months).
4) Have marine mammal observers present during construction. Pile driving would be halted if a bottlenose dolphin was observed during operation.
A member of the audience, Mr. Kiser, requested to offer public comment. This was determined out of order. However, the Committee agreed that upon adjournment the members would remain and hear his comments.

X. ADJOURNMENT
   1. Unanimous decision to adjourn. Next meeting: June 28, 2018 @ 10:00 AM

ATTACHMENT:
   1. Staff Report – Consideration of Options for Septic-to-Sewer Conversion within the Town of Bluffton
RECOMMENDATION:

Town Staff recommends that the May River Watershed Action Plan Advisory Committee review alternatives and make a recommendation for Town Council’s consideration of an approach for Septic-to-Sewer Conversion within the Town of Bluffton.

BACKGROUND:

Following the shellfish harvesting classification change in the May River in 2009, the Town of Bluffton, through Town Council and the May River Watershed Action Plan Advisory Committee (WAPAC), has emphasized the need to eliminate septic tanks in the watershed. Eliminating septic tanks will reduce the potential for contamination of Bluffton’s groundwater and surface water resources; preserve Bluffton’s critically sensitive natural resources, including the May, Okatie, Colleton and New Rivers; and minimize the threat that failing septic systems pose to public health.

The Town has made progress to attain their goal by:

- Establishing a partnership with Beaufort-Jasper Water & Sewer Authority (BJWSA) to prioritize sanitary sewer extension and connection to more than 300 families in low-to-moderate income areas of the Town over the last 10 years at a cost of more than $7 million,
- Completing and adopting a May River Watershed Sewer Master Plan (2015) in partnership with BJWSA to evaluate and inform options to extend sanitary sewer throughout the watershed,
- Adopting a mandatory Sewer Connection Ordinance on March 10, 2015, and
- Adopting a Sewer Connection and Extension Policy on September 12, 2017 to provide guidance on septic system elimination in the Town.

However, the current enforcement-based approach of the Town’s mandatory Sewer Connection Ordinance, as set forth in Bluffton Code Section 12-131, may create financial, legal and practical constraints that render property owner lateral sewer
connection (Figure 1 red portion) problematic and may extend the time to achieve septic elimination.

![Diagram of Sewer Extension and Connection](image)

*Figure 1. Sanitary sewer extension & connection responsibilities between property owner (red) and BJWSA (blue) and potential funding sources.*

The Town has utilized various funding sources to extend and connect families to public sanitary sewer throughout Bluffton as summarized in Table 1 below.

<table>
<thead>
<tr>
<th>Source</th>
<th>Responsible Party</th>
<th>Permissible Activity</th>
<th>Amount Available</th>
<th>Availability</th>
<th>Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development Block Grant (CDBG)</td>
<td>Town &amp; Council of Governments</td>
<td>Extension &amp; Connection</td>
<td>Varies; prior awards $320 – 500k with up to 50% match</td>
<td>Annually</td>
<td>Yes</td>
</tr>
<tr>
<td>Stormwater Utility Fees (SWU Fees)</td>
<td>Town</td>
<td>Extension</td>
<td>Varies per project</td>
<td>Annually</td>
<td>Yes</td>
</tr>
<tr>
<td>Rural Infrastructure Grant</td>
<td>BJWSA</td>
<td>Extension</td>
<td>$500k with 25% match</td>
<td>Annually</td>
<td>No</td>
</tr>
<tr>
<td>319 Grants</td>
<td>Town</td>
<td>Connection</td>
<td>Varies with 40% match</td>
<td>Annually</td>
<td>No</td>
</tr>
<tr>
<td>Other Grants-Provisos-Appropriations</td>
<td>Town</td>
<td>Extension &amp; Connection</td>
<td>Varies</td>
<td>Varies</td>
<td>Yes</td>
</tr>
<tr>
<td>Neighborhood Assistance Program (NAP)</td>
<td>Town</td>
<td>Connection</td>
<td>$35,000; income-qualified households</td>
<td>Annually</td>
<td>No</td>
</tr>
</tbody>
</table>

Thus, the Town has two (2) existing financial mechanisms to ensure property owner connection to sanitary sewer:

1. Town-received grants for connection – continue to complete property owner lateral connections through Town-obtained grants in conjunction with the Town’s Capital Improvement Program (CIP) sewer projects;

2. Town of Bluffton’s Neighborhood Assistance Program (NAP) – continue to provide sewer connection assistance for income-qualified households not part of a CIP project;
The Town has two (2) potential financial mechanisms to ensure property owner connection to sanitary sewer:

1. **Option A**: Septic to Sewer Conversion Program – a proposed incentive-based program designed to off-set financial, legal and practical constraints to encourage and assist a greater number of residents to connect to public sanitary sewer.

2. **Option B**: Town of Bluffton Sewer Connection Project – a proposed new Sewer Connection Project as part of the Town CIP to connect Town residents to sewer.

**ANALYSIS:**

**Option A: Septic to Sewer Conversion Program**

Following WAPAC input at the March 22, 2018 meeting, Staff presented at the April 26, 2018 meeting a DRAFT Septic to Sewer Conversion Program and case studies of its application. WAPAC provided input with Staff findings as follows:

1. Simplify the proposed Contribution in Aid Financial Incentive (Aid) Table.
   
   A simplified Aid Table can be found in Table 2 below.

2. Investigate the possibility of implementing a 25-year (or other timeframe), forgivable lien on properties that receive Financial Incentives (Aid).

   The Town can implement liens on any property that receives Aid under the Septic to Sewer Conversion Program. The timeframe for such liens can be a recommendation from WAPAC for Town Council’s for consideration.

3. Investigate if a portion of Town property taxes can be credited if a connection to sewer is made (essentially a Town tax forgiveness).

   Staff requires further time to investigate with Beaufort County if this would be feasible.

4. Investigate if the Town can create a loan program to cover the construction costs to connect.

   Staff does not believe a loan program can be offered by the Town as there is no collateral for non-payment, the Town does not own the sanitary sewer system, as well as complications of subordinating loans.

Additional WAPAC input provided included:

1. Provide the amount of money available for connections and proposed extensions.

   Currently in Fiscal Year 2018 there is $311,000 budgeted. Additional funding is anticipated to be budgeted annually.

   Priority areas in the Historic District, 500’ waterfront buffer (CIP Phases 1 – 6) for sewer extension and connection are estimated to cost approximately $2.1 million.

2. Do not provide financial support to Limited Liability Corporations (LLCs).

3. Do not provide financial support to connect subdivisions.
All applicants, regardless of score, shall be entitled to capacity fee credits from the Town equal to $2,760 if the commitment to connect to sewer within 6 months of availability is made at time of application.

For applicants on Ghost Roads (roads with unclear title/ownership), if application is submitted with covenant to donate to the Town via quitclaim deed the applicant’s portion of the Ghost Road, add 2 points.

As part of the application, the applicant shall agree to provide the Town with a forgivable lien against the applicant’s property for a fixed term in favor of the Town in the amount of the Town’s grant. The lien, which shall be recorded, is forgivable at 20% a year over a five (5) year period. If the property is sold within that time, the remaining balance is to be paid to the Town.

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**TABLE 2. Proposed Financial Contribution in Aid of Construction to Incentivize a Septic to Sewer Conversion Program**

| 2018 Beaufort County Area Median Income Limits (Annual income examples based on household of 4) | Location of Property from River/Coves | Age of Septic System | Ghost Road Ownership Donation via Quitclaim
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;80% annually (ex. ≤$57,750)</td>
<td>10</td>
<td>Water/Cove frontage</td>
<td>5</td>
</tr>
<tr>
<td>81% - 100% annually (ex. $57,751 - $72,200)</td>
<td>7</td>
<td>≤ 500 ft.</td>
<td>3</td>
</tr>
<tr>
<td>101 - 120% annually (ex. $72,201 – $86,640)</td>
<td>4</td>
<td>501 – 1000 ft.</td>
<td>1</td>
</tr>
<tr>
<td>&gt;120% annually (ex. &gt;$86,640)</td>
<td>1</td>
<td>&gt; 1000 ft.</td>
<td>0</td>
</tr>
</tbody>
</table>

**Total Percentage Construction Contribution by Town**

| 14 points or greater | 100% |
| Between 11 and 13 points | 75% |
| Between 8 and 10 points | 50% |
| Between 5 and 7 points | 25% |
| Less than 5 points | 0% |

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1 All applicants, regardless of score, shall be entitled to capacity fee credits from the Town equal to $2,760 if the commitment to connect to sewer within 6 months of availability is made at time of application.

2 For applicants on Ghost Roads (roads with unclear title/ownership), if application is submitted with covenant to donate to the Town via quitclaim deed the applicant’s portion of the Ghost Road, add 2 points.

3 As part of the application, the applicant shall agree to provide the Town with a forgivable lien against the applicant’s property for a fixed term in favor of the Town in the amount of the Town’s grant. The lien, which shall be recorded, is forgivable at 20% a year over a five (5) year period. If the property is sold within that time, the remaining balance is to be paid to the Town.
Option B: Sewer Connection Project

An alternative approach is to create a new Sewer Connection Project within the Town’s existing Capital Improvement Program to provide full funding for all residential connections to available sanitary sewer mainlines.

1. Sewer extension and connections to approximately 50 parcels within the priority areas of the Historic District (Figure 2) are estimated to cost approximately $2.1 million (approximately $1.5 million for extension plus $677,000 for connection).

![PROPOSED HISTORIC DISTRICT SANITARY SEWER PROJECT AREAS](image)

Figure 2. Proposed Historic District Sewer Extension & Connection Projects within 500’ of Waterfront

2. Staff is collecting further information from BJWSA to estimate costs for sewer connection townwide as part of this proposed project.

WAPAC OPTIONS:

1. WAPAC may recommend Option A, B, or other alternative for Town Council’s consideration. If Option A is preferred, further WAPAC input is requested:

   a. Does the WAPAC agree to the revised parameters, points awarded and capacity fee restriction as presented in Table 2 Contribution of Aid?

   b. Funding will depend upon availability of grants, therefore the Town may not always have available funding. Options for consideration and WAPAC recommendation include:

      i. Connection at owner’s expense solely
ii. Reimbursement to owner upon fund availability

iii. Deferment to connect until Town funds are available

2. WAPAC may recommend a forgiveable lien for either Option A or B, e.g. 5 years and 20% or 10 years and 10%.

**NEXT STEPS:**

<table>
<thead>
<tr>
<th>Town of Bluffton Septic-to-Sewer Conversion</th>
<th>Step Completed</th>
<th>Date Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1. Town Council adoption of Sewer Connection Policy</td>
<td>✓</td>
<td>September 12, 2017</td>
</tr>
<tr>
<td>Step 2. WAPAC input to Septic-to-Sewer Conversion Program</td>
<td>✓</td>
<td>March 22, 2018</td>
</tr>
<tr>
<td>Step 3. WAPAC input to Septic-to-Sewer Conversion Program</td>
<td>✓</td>
<td>April 26, 2018</td>
</tr>
<tr>
<td>Step 4. WAPAC input/recommendation of Septic-to-Sewer Conversion Options</td>
<td>✓</td>
<td>May 24, 2018</td>
</tr>
<tr>
<td>Step 5. Town Council Workshop of Septic-to-Sewer Conversion Options</td>
<td>✓</td>
<td>July 17, 2018</td>
</tr>
<tr>
<td>Step 6. Town Council adoption of Septic-to-Sewer Conversion Program</td>
<td>✓</td>
<td>TBD</td>
</tr>
<tr>
<td>Step 7. Promotion &amp; Implementation of Septic-to-Sewer Conversion Program</td>
<td>✓</td>
<td>TBD</td>
</tr>
</tbody>
</table>