

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Tuesday, March 8, 2022
Electronic Meeting Via Zoom
9:30 a.m.

Zoom Info:

Join from PC, Mac, Linux, iOS or Android:

<https://us02web.zoom.us/j/86565978745>

Or iPhone one-tap (US Toll): +19292056099,,86565978745#
+13017158592,,86565978745#

Or Telephone:

Dial: +1 301 715 8592 (US Toll) or +1 312 626 6799 (US Toll)

Meeting ID: 865 6597 8745

AGENDA

1. Call to Order
 - Confirmation of the presence of a quorum
 - Confirmation of public meeting notice, as required by the SC Code of Laws *30-4-80(A)*.
2. Pledge of Allegiance
3. Approval of February Commission Meeting Minutes
4. Reports
 - Manager's Report for February 2022
 - Fire Department Report for February 2022
 - Other
5. Old Business
 - Cost of Service & Rate Study Final Draft Report & Discussion
6. New Business
 - Updated SCWARN Agreement
 - Hunting Island Booster Pump Station Rehab Project
 - *Review of Bids & Engineer Recommendation*
 - *Commission Acceptance of Bid & Authorization to Execute Contract*
7. Questions and Comments from Visitors
 - FIPOA Representative
8. Executive Session
 - Legal and Contractual Matters Related to Funding Options for Capital Planning
 - Personnel Matters – Compensation
9. Adjourn

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Minutes: Commission Meeting on March 08, 2022 – electronically via ZOOM

Present: John F. King, Edward D. Wetzel, Michael J. Wilt, Rick E. Keup

Absent: Dan H. McCormick, Dennis Perrone

Staff: Angie Hughes, District Manager; Joshua Horton, Fire Chief; Yvonne Fireall, Office Manager

Guests: Frank Davis (Confluence Consulting LLC), John Derrick, Gary Nizzi, Jack Sims

1. Chairman Wilt called the meeting to order at 9:30 a.m., confirmed the presence of a quorum and confirmed that all requirements of the SC Code of Laws, Section 30-4-80, pertaining to the notice of meetings of public bodies, have been met for this meeting.
2. Chairman Wilt led the Commission in the Pledge of Allegiance.
3. The Commission approved the minutes for the February 2022 regular Commission meeting, upon a motion by Mr. Wetzel (Vote: unanimous).
4. Reports
 - a) The Commission reviewed the Manager's Report for February 2022. (*Att A*)
 - b) The Commission reviewed the Fire Department Report for February 2022. (*Att B*)
5. Old Business
 - a) The Commission entertained Frank Davis, of Confluence Consulting LLC, who presented the draft capacity fee chapter of the cost of service and rate study. Mr. Davis agreed to attend the May 2022 Commission meeting to answer questions from visitors regarding the proposed new rate structure. (*Att C*)
6. New Business
 - a) The Commission reviewed and approved an updated SCWARN Agreement, upon a motion by Mr. King (Vote: unanimous). (*Att D*)
 - b) The Commission reviewed the Hunting Island Booster Pump Station Rehab Project bid tabulation and engineer recommendation of award. The Commission accepted the low bid from BRW Construction Group, LLC, and authorized the District Manager to issue a Notice of Intent to Award and execute a contract with BRW Construction Group, LLC upon expiration of the protest period required by the District's procurement policy, upon a motion by Mr. King (Vote: unanimous). (*Att E*)
7. The Commission entertained questions and comments from visitors.
8. The Commission entered executive session to discuss legal and contractual matters related to funding options for capital planning and personnel matters related to compensation at 10:50 a.m., upon a motion by Mr. Wetzel (Vote: unanimous).

9. It was noted that Commissioner Keup was no longer present in the meeting. No action was taken and the Chairman adjourned the meeting for lack of a quorum at 12:27 p.m.



Michael J. Wilt
Chairman



Angel L. Hughes
Secretary

FRIPP ISLAND PUBLIC SERVICE DISTRICT MANAGER'S REPORT FOR FEBRUARY 2022

I. Tap-Ins

<u>Category</u>	<u>FY 2022</u>		<u>FY 2021</u>		<u>FY 2020</u>	
	<u>Feb</u>	<u>YTD</u>	<u>Feb</u>	<u>YTD</u>	<u>Feb</u>	<u>YTD</u>
Water customers	1	22	-	5	1	4
Sewer customers						
a. Gravity	1	14	-	3	1	3
b. Vacuum	-	7	-	2	-	1

Total vacuum sewer customers: 586 of 726

II. Routine Operations

1. Butcher's Island and Hunting Island Booster Pumps Average Daily Run Time for Feb

	<u>2022</u>	<u>Diff</u>	<u>2021</u>	<u>Diff</u>	<u>2020</u>	<u>Diff</u>	<u>2019</u>
Butcher's Isl Pumps Hrs/Day	0.1	0.1	0.0	0.0	0.0	(0.3)	0.3
Hunting Isl Pumps Hrs/Day	<u>0.2</u>	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(0.7)</u>	<u>0.7</u>
Total Hrs/Day	0.3	0.3	0.0	0.0	0.0	(1.0)	1.0

2. Fripp Island Master Metered Water Use for Feb, Average Gallons per Day

	<u>2022</u>	<u>% Change</u>	<u>2021</u>	<u>% Change</u>	<u>2020</u>	<u>% Change</u>	<u>2019</u>
BJW&SA	308,281	9.1	282,571	(15.3)	333,464	4.5	319,179
Harbor Island	42,644	17.1	36,411	(10.2)	40,532	9.8	36,918
Hunt Island	5,972	(32.7)	8,875	(36.5)	13,971	(55.9)	31,664
Frapp Island	236,875	2.9	230,143	(19.4)	285,429	9.6	260,536
Accountability,%	92.6	N/A	97.5	N/A	101.9	N/A	103.1
Rainfall, Inches	1.2		6.1		4.5		0.8

3. Fripp Island Water Consumption – Recorded vs. Billed (in 1,000 gals.)

	<u>Annual</u>	<u>Qtr 4</u>	<u>Qtr 3</u>	<u>Qtr 2</u>	<u>Qtr 1</u>
	<u>Total</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>
Frapp Master Meter	168,602	33,108	59,221	50,892	25,381
Billed Water	<u>154,737</u>	<u>31,283</u>	<u>53,521</u>	<u>46,755</u>	<u>23,178</u>
Total Unbilled Water	13,865	1,825	5,700	4,137	2,203
Unbilled Water Percent	8%	6%	10%	8%	9%
Flushing/Unbilled Accts	<u>1,739</u>	<u>490</u>	<u>668</u>	<u>376</u>	<u>204</u>
Unaccounted for Water	12,125	1,335	5,032	3,760	1,999
Unaccounted for Percent	7%	4%	8%	7%	8%

4. The water tank levels and water line pressures were normal for Feb.

5. Wastewater Treatment Plant Flow for Feb, Gallons per Day

	<u>2022</u>	<u>% Change</u>	<u>2021</u>	<u>% Change</u>	<u>2020</u>	<u>% Change</u>	<u>2019</u>
Average Daily Flow	138,607	(14.5)	162,194	6.5	152,331	5.6	144,187
Weekly Max Flow	147,000	(20.1)	184,000	15.0	160,000	3.9	154,000
Peak Daily Flow	190,443	(20.3)	238,817	20.4	198,333	17.0	169,475

Peak daily flow of 190,443 occurred on Sun., 2/20/21, without rain. For Feb. 2021, peak daily flow occurred on Sun., 2/14/21, with 1.4" of rain. For Feb. 2020, peak daily flow occurred on Sat., 2/1/20, without rain. For Feb. 2019, peak daily flow occurred on Sat., 2/16/19, without rain.

6. The water system and wastewater treatment plant samples were satisfactory for Feb.

III. Emergencies, Special Field Work and Activities

1. Water System

- a) Beaufort County and several other coastal and upstate counties were downgraded to Abnormally Dry and Moderate Drought status during February.
- b) District field operators performed miscellaneous water system maintenance consisting of water line and meter repairs, water taps and meter installations during the month of February.
- c) Radio units for water tank SCADA system were replaced in February with 4G units, as the software vendor no longer supports 3G.
- d) Valve boxes on the transmission main on Hunting Island were replaced in conjunction with SC DOT paving of the main road.
- e) Replacement of the two expansion joints on the waterline suspended from the Fripp Inlet bridge was completed during the first week in February. Final cost was \$46,428. An estimated 500,000 gallons of water was emptied from the pipeline and flushed after the pipe was refilled.

2. Wastewater System

- a) District field staff performed routine wastewater collection system maintenance consisting of sewer service repairs and lift station pump removal and replacement (rebuilt by vendor off-site).
- b) The District manager and wastewater treatment plant operator worked with IT support and ISP to troubleshoot ongoing internet and SCADA communications issues throughout February.

3. Hunting Island Booster Pump Station Rehab – On February 22nd, two bids were received and opened. The bids and engineer's recommendation will be reviewed at the March Commission meeting. The project schedule appears below:

Notice of Intent to Award	March 8
Contract Execution	March 23
Construction	April 1 – December 31
Pump Station Manufacture	December 2021 – Mar 2022
Project Close-out	January 2 – 23, 2023

4. Cost of Service & Rate Study – The consultant and management continued to work on the project throughout February. A draft final report with recommendations is expected at the March Commission meeting.

5. Fripp Inlet Bridge

- a) GO bond funds remaining in the bridge construction fund total \$263,980 and can be used for bridge-related capital outlay.
- b) JMT Inc. conducted the annual bridge inspection the week of February 7th. The inspection report should be available in April.
- c) During fiscal year 2022, anticipated expenditures for the bridge and erosion fund total \$197,880. Anticipated revenues collected from ad valorem taxes total \$127,520, with an additional \$18,570 in revenue collected for utility attachment to the bridge. Projected deficit to be paid from reserves on hand is \$51,790.
- d) The Manager has contacted Senator Chip Campsen's office to inquire whether the District could qualify for any funding from the Bipartisan Infrastructure Law's Bridge Formula Program, which allocates \$274 million in funds to South Carolina over the next five years. A history of the bridge and its use was requested by Senator Campsen's aide. An official letter will be submitted mid-March.

6. Field Operator Search – Ads were posted to the WEASC/SCAWWA and SCRWA website job boards in January. One promising candidate applied for the position, but the requested beginning rate of pay is well above the District's budget and the candidate doesn't have the necessary wastewater license. Obtaining the license is a 2.5 year process.

7. Cybersecurity & IT Support
 - a) The District's accounting software and databases remain on a Windows 7 PC until migration to cloud-based accounting software is completed during the first quarter of 2022. The Windows 7 PC cannot be upgraded to Windows 10 at this time, due to possible instabilities that could cause data loss. Locally stored documents and folders were moved to the cloud in February. Multifactor authentication has been implemented for all office computers and the wastewater treatment plant operators have been migrated to a secure solution for off-site access to the plant, which also requires MFA. The upgrade of the PLCs, workstations, and associated software at the WWTP is pending equipment delivery, expected in April.
 - b) Cyber Liability Insurance – application for cyber liability insurance was deferred until after MFA was fully implemented and will be revisited in March.
8. Erosion – Some subsidence of the revetment along Porpoise Drive and possible damage to the toe near the High Dunes intersection has been noted. The annual survey of the revetment is scheduled for mid-March. The survey will be reviewed by the District's revetment engineer, who will conduct a site visit and provide an evaluation and recommendations in April.
9. Fripp Island Ocean Point Golf Course Effluent Disposal – Operations supervisor reported that there are check valves installed on the pipes between the holding tank and the golf course irrigation pumps that could be restricting flow and golf course personnel were planning to remove the valves. Installing an overflow from the effluent holding pond to the lagoon is not allowed by DHEC. A review of the District's flows over the past year indicates that average flows from the plant are well below the maximum amount included in the agreement between the District and the Resort.
10. Statement of Economic Interests Form – All elected officials are required to file their 2022 SEI Form with the State Ethics Commission no later than March 30, 2022.
11. Election of Commissioners – Two Commission seats will be up for election in the November 2022 general election. In the coming months, notices regarding the election will be published in the Trawler and on the District's website and posted in the District's administrative office.

Fripp Island Fire Department Monthly Report Summary February 2022

Response Activities:

Total emergency responses for February, 15

	Feb 2022	Feb 2021	YTD CY22	YTD CY21
• Structure Fires	00	00	00	00
• Vehicle Fire	00	00	00	00
• Medical Emergencies	11	09	18	11
• Brush Fires	00	00	00	00
• Misc. Fire	02	02	02	03
• Service Calls	02	01	02	02
• Mutual Aid	00	00	00	00
• Auto Accident	00	01	00	01
• Water Emergencies	00	00	00	00
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	15	12	22	17

Average emergency response time:

4 minutes 34 seconds.

Inspections:

Feb 2022	Feb 2021	YTD CY22	YTD CY21
0	0	0	0

Training Activities:

No training for February.

Roster:

Total personnel active for February, 21

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CAPACITY FEE REPORT

In October 2021, Fripp Island Public Service District (FIPSD) engaged Confluence Consulting, LLC (Confluence) to perform a water and wastewater cost of service rate study (Rate Study). As part of the Rate Study, FIPSD asked Confluence to update its existing water capacity fee and determine a wastewater capacity fee for the FIPSD Commissioner's to consider for implementation. FIPSD currently charges \$3.00 per gallon per day (gpd) to recover the costs of capacity from new customers of the water system. The gallons per day of capacity for each customer are determined by FIPSD.

As a barrier island located 20 miles southeast of Beaufort, Fripp Island is a resort-based destination in the Low Country of South Carolina that experiences significant population increases during the seasonal summer months. This seasonality results in substantial increases in demands for water and wastewater services which requires FIPSD to provide adequate water and wastewater capacity for all its customers regardless of whether those customers utilize their capacity during all months of the year.

For water, FIPSD distributes potable water purchased from the Beaufort-Jasper Water and Sewer Authority (BJWSA) at a wholesale unit rate of \$2.97 per 1,000 gallons billed on a monthly basis. In addition to its approximately 1,790 residential, resort hotel, commercial, and irrigation customers the FIPSD also provides wholesale water service to Hunting Island State Park, retail service to select customers on Harbor Island, and water transportation services to the Harbor Island gated community. For wastewater, FIPSD serves its 1,730 residential, resort hotel, and commercial customers through an on-island 750,000 gpd wastewater treatment plant and collection system. Treated wastewater is disposed of as reclaimed water used for irrigation purposes.

1. Purpose of Report

The purpose of this Report is to provide an explanation of the methodology used to calculate the capacity fees, identify the system improvements to be recovered through the capacity fees, define the service units of capacity, and otherwise provide for the calculation of water and wastewater capacity fees.

2. Capital Improvements Plan

As part of the Rate Study, annual capital improvements to water and wastewater system were forecasted. FIPSD has historically used rate funded capital for less significant and routine types of repairs and improvements to its water and wastewater infrastructure, and debt funding to finance major system improvements. While it does not anticipate any major system improvements that would require the issuance of debt, FIPSD does anticipate a five-year program of annual water and wastewater rate funded capital expenditures.

For water, the capital improvements plan (CIP) includes an on-going project to rehabilitate the Hunting Island Pumping Station and a project to replace the Fripp Inlet Bridge water line expansion joints. In addition, the water CIP includes annual capital expenditures to improve the water system. For

wastewater, the CIP includes on-going annual wastewater treatment plant improvements of \$100,000 and annual lift station improvements of \$50,000 from FY 2024 through FY 2027. While these improvements will not specifically expand water and/or wastewater capacity, the improvements will benefit new customers of water and wastewater systems which will be purchasing, or buying into, capacity in those existing facilities which is available to serve customers.

Table 1 provides a summary of the current FY 2022 capital expenditures and the five-year water and wastewater rate funded capital expenditures.

Table 1: Estimated Annual Rate Funded Capital Expenditures (FY 2022 through FY 2026)

Annual Rate Funded Capital	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Water System	\$60,000	\$151,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,211,000
Wells & Pumping	125,000	265,000	-	-	-	-	390,000
Sewer Lift Stations	-	-	50,000	50,000	50,000	50,000	200,000
Wastewater Treatment	-	100,000	100,000	100,000	100,000	100,000	500,000
Other Improvements	33,600	-	-	-	-	-	33,600
Total Water Capital Projects	\$218,600	\$516,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,334,600

The water capacity fee calculation includes the \$390,000 rehabilitation of the Hunting Island Pumping Station as a marginal-incremental cost component. Because the wastewater capacity fee is determined based solely on the system buy-in approach, which is based on the value of existing facilities, the annual wastewater capital improvements are not included in the wastewater capacity fee calculations. However, the capacity fee revenues should be used to fund these capital improvements that benefit both the existing and new customers of the system. Capacity fee revenues cannot be used to pay for operating and/or administrative costs.

3. Description of Water System and Existing Level of Service

FIPSD owns and operates a water distribution system that serves all Fripp Island and provides wholesale water service to Hunting Island State Park, retail service to select customers on Harbor Island, and water transportation services to the Harbor Island gated community. FIPSD owns the water main that runs from St. Helena Island (near the Shrimp Shack), across the Harbor River, Harbor Island, Johnson Creek, Hunting Island and Fripp Inlet. Potable water is pumped into three elevated tanks on the island that provide 525,000 gallons storage to meet peak demands. Water is distributed from these tanks to residential and commercial customers.

FIPSD purchases treated water from the BJWSA, which uses the Savannah River as its principal source. Based on the 2002 Water Service Agreement (Agreement), BJWSA agrees to sell FIPSD an amount not to exceed 1.415 million gallons per day (MGD) in any 24-hour period. However, not all of this purchased water is delivered to the FIPSD retail distribution system as FIPSD has contracted with the Hunting Island State Park to furnish up to 80,000 gpd of potable water which also enters through the master meter. Because the water purchases and reserved capacity for Hunting Island State Park do not benefit FIPSD retail customers, and do not enter the FIPSD retail system, the limiting factor for the daily capacity of the

FIPSD retail water system is just over 1.34 MGD.¹ This limiting factor represents the total peak day capacity of the existing FIPSD water system facilities that is available to serve existing and new FIPSD retail water customers.

Based on purchased water data from July 2020 to June 2021, the average day demand of the FIPSD retail water system during fiscal year (FY) 2021 was 0.49 MGD, with a peak master meter reading during July 2021 of 0.82 MGD. Thus, with a total capacity of just over 1.34 MGD, FIPSD has 0.54 MGD of peak daily capacity available to serve new water customers.

A. Service Units

Although FIPSD determines the peak daily demand of each new development, SC legislation requires a standardized measure of consumption, use, generation, or discharge attributable to an individual unit of development be calculated based on generally accepted engineering and planning standards. Thus, a **450 gpd** peak daily usage factor for an equivalent residential unit (ERU) is determined as the water service unit for the typical single-family residential customer of FIPSD. This factor is based on the average daily usage factor per ERU of 300 gpd and a peak demand factor of 1.5x. The 300 gpd usage factor per ERU represents the average daily water demand identified in the South Carolina Department of Health and Environmental Control (DHEC) standards for determining wastewater system capacity. Since water systems must be designed and sized to meet peak demands, the 1.5x peaking factor is applied for the water service unit.

4. Description of Wastewater System and Existing Level of Service

FIPSD collects and treats all wastewater generated on the island to reclaimed water standards and recycles the treated effluent for irrigation of the Ocean Point golf course. A new, state of the art technology 750,000 gpd wastewater treatment plant began operation in May 2006. Wastewater is collected by both gravity and vacuum sewers and transported to the wastewater treatment plant through a network of pump stations and force mains. Because all wastewater is treated at the on-island wastewater treatment plant, the 750,000 gpd capacity represents the limiting capacity factor for the wastewater system capacity that is available to serve existing and new FIPSD retail wastewater customers.

Based on treated wastewater data from July 2020 to June 2021, the average day demand of the FIPSD retail wastewater system during fiscal year (FY) 2021 was 0.24 MGD. While wastewater systems are designed to meet average day demands, the seasonal nature of the Fripp Island community suggests using an average day demand during the summer months when the island is fully occupied. The average day wastewater flows during July was 0.42 MGD. Thus, with a total capacity of 0.75 MGD, FIPSD has 0.33 MGD of average day capacity available to serve new wastewater customers.

A. Service Units

Currently, FIPSD does not charge a wastewater capacity fee but has indicated it will determine the average day wastewater demand for each new development similar to how it determines the peak daily water

¹ After deducting Hunting Island State Park maximum daily purchases, the maximum daily amount of water FIPSD can purchase and distribute through its retail water system is 1,335,000 gpd.

demand for each new development. Again, SC legislation requires a standardized measure of consumption, use, generation, or discharge attributable to an individual unit of development be calculated based on generally accepted engineering and planning standards. Thus, a **300 gpd** average daily usage factor per ERU is determined as the wastewater service unit for the typical single-family residential customer of FIPSD. Since wastewater systems are designed to meet average demands, this 300 gpd usage factor per EDU represents the average daily water demand identified in DHEC standards for determining wastewater system capacity.

5. Capacity Fee Calculation Methodology

In general, impact fees (also commonly known as capacity fees) are defined as “one-time capital recovery charges assessed against new development as a way to recover a proportional share of the cost of capital facilities constructed to provide service capacity for new customers.”² These types of fees are typically used in areas experiencing high growth where recovering expansion related costs through rates would place an inequitable burden on existing customers.

The most common and accepted methodologies for calculating water and wastewater capacity fees are 1) the system buy-in approach focusing on the cost of buying into the net equity of the existing system, and 2) the marginal incremental cost methodology focusing on the cost of adding additional facilities to serve new customers. The system buy-in approach is appropriate for utility systems with existing capacity already in place to serve new customers, while the marginal incremental cost methodology is appropriate for utilities that must provide additional capacity to serve new customers. However, many utilities often determine capacity fees based on a hybrid approach that recognizes the average cost of the net equity of the existing system and cost of adding additional facilities to serve new customers. The water capacity fee is calculated based on a hybrid approach with the \$390,000 rehabilitation of the Hunting Island Pumping Station serving as a marginal-incremental cost component while the system buy-in approach is used to determine the wastewater capacity fee.

The costs of the facilities are based on a review of fixed asset records and include the original costs of the water and wastewater system assets. Any outstanding principal on funds borrowed to construct the core assets is deducted, based on the assumption that this cost will be recovered from all present and future customers through ad valorem tax revenues.

A. Water Capacity Fees

Since it purchases all of its treated water from BJWSA, the only water facilities FIPSD owns and operates are distribution lines, storage, and pumping stations. To determine the system buy-in value of its water system facilities, Confluence reviewed FIPSD’s FY 2021 depreciation schedule and determined the original costs of the existing water facilities with capacity available to serve new customers. The original costs represent FIPSD’s original investment in existing water capacity. The value of any assets that were contributed by developers, funded through grants, contributed by other parties, or have contractual

² Source: Comprehensive Guide to Water and Wastewater Finance and Pricing - Fourth Edition, George A. Raftelis.

restrictions are excluded from the buy-in value of facilities available to serve new ERUs. Table 2 summarizes the determination of the buy-in value of the facilities included in the water capacity fee.

Table 2: Buy-In Value for Existing Water Facilities

Water Capital Facilities	Original Cost
Water System	\$ 6,288,147
Pump Stations & Wells	191,604
Less Contributed	(103,465)
Water Buy-In Value	\$ 6,376,285

After deductions are made to exclude assets contributed by or funded through grants, the original cost buy-in value of the water system is approximately \$6.4 million before providing a credit for the principal on outstanding debt used to fund these assets. For water, the 2018 State Revolving Loan (SRF) was used to fund the Harbor River water line replacement project and a credit for the net present value of all remaining principal payments is deducted from the original costs. This credit is provided to address the issue of double payment by new customers for the same unit of capacity through the capacity fee and through their ad valorem taxes which fund the debt service fund. The net value after this credit represents the value of existing water distribution assets that is available to serve both existing and future customers of the water system. The water capacity fee calculation also includes the \$390,000 rehabilitation of the Hunting Island Pumping Station as a marginal-incremental cost component. Since FIPSD will use cash to fund the project, no debt principal credit is provided for marginal component.

Table 3 summarizes the calculation of the water capacity fee based on the System Buy-In approach.

Table 3: Calculation of Water System Capacity Fee per ERU

Water Facilities Capacity Fee	FY 2021 Original Cost (5)	Total Capacity (MGD) (6)	Cost Per GPD
<u>System Buy-In Component</u> (1)			
Water System	\$ 6,288,147	1.34	
Pump Station & Wells	191,604		
Less Contributed Capital	(103,465)		
Less NPV of Debt Principal Payments (2)	(1,562,566)		
Total System Buy-In Investment	\$ 4,813,719	1.34	\$ 3.61
<u>Marginal-Incremental Cost Component</u> (3)			
Rehab Hunting Island Pumping Station	\$ 390,000.00	1.34	\$ 0.29
Peak Water Use Per ERU (gpd) (4)			450
Water Capacity Fee Per ERU			\$ 1,755.00

(1) From Table 2: Buy-In Value for Existing Water Facilities.

(2) From Schedule 4: Debt Principal Payment Credit. Includes principal payments for the 2018 SRF Loan used to fund the Harbor River Bridge water line repair.

- (3) From Table 1: Estimated Annual Rate Funded Capital Expenditures (FY 2022 through FY 2027).
- (4) Represents the estimated average daily demand of 300 gpd per ERU unit used by South Carolina DHEC in determining the system capacity available to serve new customers. For water, a peaking factor of 1.50x is applied to the average day demand because water system capacities are sized to meet peak demands.
- (5) Original costs represent FIPSD's original investment in water system capacity.
- (6) The total capacity represents the maximum daily amount of water FIPSD can contractually purchase from BJWSA, less the maximum daily purchases for Hunting Island State Park. The purchase amounts for Hunting Island State Park are included in FIPSD's contracted maximum daily purchase amount from BJWSA because their purchased water passes through the BJWSA master meter. However, the reserved capacity for Hunting Island State Park is excluded from the FIPSD capacity since their water purchases are not paid by, nor benefit the FIPSD water customers.

B. Wastewater Capacity Fees

The wastewater system assets include the 0.75 MGD on-island wastewater treatment plant, lift stations, and collection gravity sewer mains. To determine the system buy-in value of its wastewater system facilities, Confluence reviewed FIPSD's FY 2021 depreciation schedule and determined the original costs of the existing wastewater facilities with capacity available to serve new customers. The original costs represent FIPSD's original investment in existing wastewater capacity. The value of any assets that were contributed by developers, funded through grants, contributed by other parties, or have contractual restrictions are excluded from the buy-in value of facilities available to serve new ERUs. Although FIPSD has vacuum sewers, these facilities serve limited areas of the island where new development is not anticipated to occur. For this reason, the vacuum sewer facilities and the 2013 Revenue Refunding Bonds used to fund a portion of the facilities are excluded from the system buy-in facilities and principal credit calculation. Table 4 summarizes the determination of the buy-in value of the facilities included in the wastewater capacity fee.

Table 4: Buy-In Value for Existing Wastewater Facilities

Wastewater Capital Facilities	Original Cost
Lift Stations	\$ 1,927,591
Collection System	5,795,734
Wastewater Treatment	7,675,286
Less Contributed	(126,493)
Less: Vacuum Sewer Assets	<u>(5,792,191)</u>
Wastewater Buy-In Value	\$ 9,479,928

After deductions are made to exclude the vacuum sewers and assets contributed by or funded through grants, the original costs buy-in value of the wastewater system is approximately \$9.5 million before providing a credit for the principal on outstanding debt used to fund these assets. For wastewater, the 2004 and 2014 SRF Loans were used to upgrade the wastewater treatment plant and a credit for the net present value of all remaining principal payments is deducted from the original costs. The net value after this credit represents the value of existing wastewater system assets that is available to serve both existing and future customers of the wastewater system.

Table 5 summarizes the calculation of the wastewater capacity fee based on the System Buy-In approach.

Table 5: Calculation of Wastewater System Capacity Fee per ERU

Wastewater System Capacity Fee	FY 2021 Original Cost (5)	Total Capacity (MGD) (6)	Cost Per GPD
System Buy-In Component (1)			
Wastewater Treatment	\$ 7,675,286	0.75	
Lift Stations	1,927,591		
Collection System	5,795,734		
Less Contributed Capital	(126,493)		
Less: Vacuum Sewer System (2)	(5,792,191)		
Less NPV of Debt Principal Payments (3)	(1,903,050)		
Total System Buy-In Investment	\$ 7,576,877	0.75	\$ 10.10
Average Water Use Per ERU (gpd) (4)			300
Wastewater Capacity Fee Per ERU			\$ 3,030.00

- (1) From Table 4: Buy-In Value of Existing Wastewater System.
- (2) The vacuum sewer facilities serve limited areas of the island where new development is not anticipated to occur. For this reason, the vacuum sewer facilities and the 2013 Revenue Refunding Bonds used to fund a portion of the facilities are excluded from the system buy-in facilities and principal credit calculation.
- (3) From Schedule 4: Debt Principal Payment Credit. Includes principal payments for the 2004 and 2014 SRF Loan used to fund improvements to the wastewater treatment plant.
- (4) Represents the estimated average daily demand of 300 gpd per ERU used by DHEC in determining the system capacity available to serve new customers.
- (5) Original costs represent FIPSD's original investment in water system capacity.
- (6) The total capacity represents the maximum capacity of the on-island wastewater treatment plant and the limiting capacity factor for the wastewater system capacity that is available to serve existing and new FIPSD retail wastewater customers.

6. Comparison with Local Communities

One of the FIPSD's objectives is the development of capacity fees that do not burden economic development. Therefore, a comparison of the FIPSD's full cost justified and approved water and wastewater capacity fees to similar capacity fees assessed to new customers in local communities provides a benchmark when considering the impact of the capacity fees. Table 6 provides a comparison between the FIPSD and ten other communities in South Carolina of the applicable water and wastewater capacity fees for a typical residential customer.

Table 6: Comparison of Water and Wastewater Capacity Fees with Local Communities

Utility/Community	Utility Capacity Fees (1)		
	Water	Wastewater	Total
Mount Pleasant Waterworks	\$ 2,880	\$ 5,140	\$ 8,020
Charleston Water System	3,401	3,870	7,271
Isle of Palms	3,082	3,432	6,514
Dorchester County	2,200	3,500	5,700
Beaufort-Jasper	1,852	3,780	5,632
Hilton Head Island PSD	2,400	3,040	5,440
Average (Excluding FIPSD)	2,133	2,968	5,101
Berkeley County	2,200	2,850	5,050
Frapp Island (Proposed)	1,755	3,030	4,785
Broad Creek PSD	975	2,425	3,400
Summerville Public Works	1,000	2,000	3,000
South Island PSD		1,800	1,800

(1) Compilation of capacity fees per for residential equivalent customers with 5/8" and/or 3/4" meters.

Fripp Island Public Service District
Water and Wastewater Impact Fee Model
Schedule 1: Water Impact Fee Calculation

Water System Capacity Fee
System Buy-In Component (1)

	FY 2021 Original Cost (5)	Total Capacity (MGD) (6)	Cost Per GPD
Water System	\$ 6,288,147	1.34	
Pump Station & Wells	191,604		
Less Contributed Capital	(103,465)		
Less NPV of Outstanding Debt Principal Payments (2)	(1,562,566)		
Total System Buy-In Investment	\$ 4,813,719	1.34	\$ 3.61

Marginal Incremental Cost Component (3)

Rehab Hunting Island Water Pumping Station	\$ 390,000.00	1.34	\$ 0.29
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Peak Water Use Per ERU (gpd) (4) 450

Water Impact Fee Per ERU

\$ 1,755.00

- (1) From Schedule 3: System Buy-In Capital Facilities.
- (2) From Schedule 4: Debt Principal Payment Credit . Includes principal payments for the 2018 SRF Loan used to fund the Harbor River Bridge water line repair.
- (3) From Schedule 2: Capital Expenditures.
- (4) Represents the estimated average daily demand of 300 gpd per equivalent residential unit used by South Carolina DHEC in determining the system capacity available to serve new customers. For water, a peaking factor of 1.50x is applied to the average day demand because water system capacities are sized to meet peak demands.
- (5) Original costs represent FIPSD's original investment in water system capacity.
- (6) The total capacity represents the maximum daily amount of water FIPSD can contractually purchase from Beaufort-Jasper Water & Sewer Authority (BJWSA), less the maximum daily purchases for Hunting Island State Park. The purchase amounts for Hunting Island State Park are included in FIPSD's contracted maximum daily purchase amount from BJWSA because their purchased water passes through the BJWSA master meter. However the reserved capacity for Hunting Island State Park is excluded from the FIPSD capacity since their water purchases are not paid by, nor benefit the FIPSD water customers.

Fripp Island Public Service District
Water and Wastewater Impact Fee Model
Schedule 2: Wastewater Impact Fee Calculation

Wastewater System Capacity Fee	FY 2021 Original Cost (5)	Total Capacity (MGD) (6)	Cost Per GPD
<u>System Buy-In Component (1)</u>			
Wastewater Treatment	\$ 7,675,286	0.75	
Lift Stations	1,927,591		
Collection System	5,795,734		
Less Contributed Capital	(126,493)		
Less: Vacuum Sewer System (2)	(5,792,191)		
Less NPV of Outstanding Debt Principal Payments (3)	(1,903,050)		
Total System Buy-In Investment	\$ 7,576,877	0.75	\$ 10.10
Average Water Use Per ERU (gpd) (4)			300
Wastewater Impact Fee Per ERU			\$ 3,030.00

- (1) From Schedule 3: System Buy-In Capital Facilities.
- (2) The vacuum sewer facilities serve limited areas of the island where new development is not anticipated to occur. For this reason, the vacuum sewer facilities and the 2013 Revenue Refunding Bonds used to fund a portion of the facilities are excluded from the system buy-in facilities and principal credit calculation.
- (3) From Schedule 4: Debt Principal Payment Credit . Includes principal payments for the 2004 and the 2014 SRF Loans used to fund improvements to wastewater treatment plant.
- (4) Represents the estimated average daily demand of 300 gpd per equivalent residential unit used by South Carolina DHEC in determining the system capacity available to serve new customers.
- (5) Original costs represent FIPSD's original investment in water system capacity.
- (6) The total capacity represents the maximum daily treatment capacity at FIPSD's wastewater treatment plant.

Schedule 3

Fripp Island Water & Sewer District
Water and Wastewater Financial Planning & Rate Model
Capital Expenditures

		Budget	Fiscal Year Ending, June 30					
			2022	2023	2024	2025	2026	2027
Water	Sewer							
50%	50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
100%	0%	60,000	151,000	250,000	250,000	250,000	250,000	250,000
50%	50%	3,600						
50%	50%	-						
100%	0%	125,000	265,000	-	-	-	-	-
0%	100%	-		50,000	50,000	50,000	50,000	50,000
0%	100%	-	100,000	100,000	100,000	100,000	100,000	100,000
50%	50%	-						
50%	50%	30,000						
Total Additions & Improvements			\$ 218,600	\$ 516,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Water Capital		201,800	416,000	250,000	250,000	250,000	250,000	250,000
Wastewater Capital		16,800	100,000	150,000	150,000	150,000	150,000	150,000
		\$ 218,600	\$ 516,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000

Fripp Island Public Service District
Water and Wastewater Impact Fee Model
Schedule 4: Debt Principal Payment Credit

Fiscal Year	2018 SRF - Harbor River WL				2014 G.O. SRF (WWTP)				2004 G.O. SRF (WWTP)				TOTAL WATER & WASTEWATER			
	Interest Rate		Loan Amount		Interest Rate		Loan Amount		Interest Rate		Loan Amount		Interest Rate		Loan Amount	
	Total	Principal	Interest		Total	Principal	Interest		Total	Principal	Interest		Total	Principal	Interest	
2023	\$ 167,462.49	\$ 123,972.49	\$ 43,490.00		\$ 60,776.00	\$ 47,245.00	\$ 13,531.00		\$ 382,156.00	\$ 352,311.00	\$ 29,845.00		\$ 592,205.49	\$ 490,234.49	\$ 101,971.00	
2024	\$ 167,462.49	\$ 126,596.49	\$ 40,866.00		\$ 60,776.00	\$ 48,197.00	\$ 12,579.00		\$ 382,156.00	\$ 360,305.00	\$ 21,851.00		\$ 592,140.49	\$ 500,286.49	\$ 91,854.00	
2025	\$ 167,462.01	\$ 129,276.01	\$ 38,186.00		\$ 60,776.00	\$ 49,168.00	\$ 11,608.00		\$ 382,155.00	\$ 368,480.00	\$ 13,675.00		\$ 592,073.01	\$ 510,545.01	\$ 81,528.00	
2026	\$ 167,462.27	\$ 132,012.27	\$ 35,450.00		\$ 60,776.00	\$ 50,159.00	\$ 10,617.00		\$ 382,155.00	\$ 376,841.00	\$ 5,314.00		\$ 592,005.27	\$ 521,014.27	\$ 70,991.00	
2027	\$ 167,462.43	\$ 134,806.43	\$ 32,656.00		\$ 60,776.00	\$ 51,169.00	\$ 9,607.00						\$ 591,935.43	\$ 531,696.43	\$ 60,239.00	
2028	\$ 167,462.73	\$ 137,659.73	\$ 29,803.00		\$ 60,776.00	\$ 52,200.00	\$ 8,576.00						\$ 591,863.73	\$ 542,598.73	\$ 49,265.00	
2029	\$ 167,462.44	\$ 140,573.44	\$ 26,889.00		\$ 60,776.00	\$ 53,252.00	\$ 7,524.00						\$ 591,791.44	\$ 553,725.44	\$ 38,066.00	
2030	\$ 167,462.80	\$ 143,548.80	\$ 23,914.00		\$ 60,776.00	\$ 54,325.00	\$ 6,451.00						\$ 228,238.80	\$ 197,873.80	\$ 30,365.00	
2031	\$ 167,462.15	\$ 146,587.15	\$ 20,875.00		\$ 60,776.00	\$ 55,420.00	\$ 5,356.00						\$ 228,238.15	\$ 202,007.15	\$ 26,231.00	
2032	\$ 167,462.82	\$ 149,689.82	\$ 17,773.00		\$ 60,776.00	\$ 56,537.00	\$ 4,239.00						\$ 228,238.82	\$ 206,226.82	\$ 22,012.00	
2033	\$ 167,462.14	\$ 152,858.14	\$ 14,604.00		\$ 60,776.00	\$ 57,676.00	\$ 3,100.00						\$ 228,238.14	\$ 210,534.14	\$ 17,704.00	
2034	\$ 167,462.52	\$ 156,093.52	\$ 11,369.00		\$ 60,776.00	\$ 58,838.00	\$ 1,938.00						\$ 228,238.52	\$ 214,931.52	\$ 13,307.00	
2035	\$ 167,462.40	\$ 159,397.40	\$ 8,065.00		\$ 60,775.00	\$ 60,023.00	\$ 752.00						\$ 228,237.40	\$ 219,420.40	\$ 8,817.00	
2036	\$ 167,462.19	\$ 162,771.19	\$ 4,691.00										\$ 167,462.19	\$ 162,771.19	\$ 4,691.00	
2037	\$ 122,649.61	\$ 121,388.61	\$ 1,261.00										\$ 122,649.61	\$ 121,388.61	\$ 1,261.00	
	\$ 2,467,123.49	\$ 2,117,231.49	\$ 349,892.00		\$ 790,087.00	\$ 694,209.00	\$ 95,878.00		\$ 1,528,622.00	\$ 1,457,937.00	\$ 70,685.00		\$ 5,803,556.49	\$ 5,185,254.49	\$ 618,302.00	

	Water Principal			NPV
	Total	Adjusted		
2023	\$ 123,972	\$ 123,972	\$ 123,972	
2024	\$ 126,596	\$ 253,193	\$ 121,105	
2025	\$ 129,276	\$ 387,828	\$ 118,303	
2026	\$ 132,012	\$ 528,049	\$ 115,567	
2027	\$ 134,806	\$ 674,032	\$ 112,893	
2028	\$ 137,660	\$ 825,958	\$ 110,282	
2029	\$ 140,573	\$ 984,014	\$ 107,731	
2030	\$ 143,549	\$ 1,148,390	\$ 105,238	
2031	\$ 146,587	\$ 1,319,284	\$ 102,804	
2032	\$ 149,690	\$ 1,496,898	\$ 100,426	
2033	\$ 152,858	\$ 1,681,440	\$ 98,103	
2034	\$ 156,094	\$ 1,873,122	\$ 95,833	
2035	\$ 159,397	\$ 2,072,166	\$ 93,616	
2036	\$ 162,771	\$ 2,278,797	\$ 91,451	
2037	\$ 121,389	\$ 1,820,829	\$ 65,242	
	\$ 2,117,231	\$ 17,467,974	\$ 1,562,566	

Interest Rate 2.03%
Risk Premium 2.50%
Discount Rate 4.53%

	Wastewater Principal			NPV
	Total	Adjusted		
	\$ 399,556	\$ 399,556	\$ 399,556	
	\$ 408,502	\$ 817,004	\$ 391,263	
	\$ 417,648	\$ 1,252,944	\$ 383,142	
	\$ 427,000	\$ 1,708,000	\$ 375,190	
	\$ 51,169	\$ 255,845	\$ 43,063	
	\$ 52,200	\$ 313,200	\$ 42,077	
	\$ 53,252	\$ 372,764	\$ 41,113	
	\$ 54,325	\$ 434,600	\$ 40,172	
	\$ 55,420	\$ 498,780	\$ 39,252	
	\$ 56,537	\$ 565,370	\$ 38,353	
	\$ 57,676	\$ 634,436	\$ 37,475	
	\$ 58,838	\$ 706,056	\$ 36,617	
	\$ 60,023	\$ 780,299	\$ 35,778	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ 2,152,146	\$ 8,738,854	\$ 1,903,050	

Interest Rate 1.91%
Risk Premium 2.50%
Discount Rate 4.41%

SOUTH CAROLINA WATER & WASTEWATER AGENCY RESPONSE NETWORK

Mutual Aid and Assistance Agreement for Water And Wastewater Utilities

(Effective October 3, 2011 – Supersedes all prior versions)

AGREEMENT

This Agreement is made and entered into by public and private Water and Wastewater Utilities that have, by executing this Agreement, manifested their intent to participate in an Intrastate Program for Mutual Aid and Assistance.

South Carolina Code of Laws Section 25-1-450 requires that State, county and municipal governments cooperate in developing and maintaining a plan for mutual assistance in emergencies and Section 6-11-1810 allows mutual aid assistance between municipalities, fire districts, fire protection agencies and other emergency service entities. This Agreement is made pursuant to that statutory authority.

ARTICLE I. PURPOSE

Recognizing that emergencies may require assistance in the form of personnel, equipment, and supplies from outside the area of impact, the signatory utilities established an Intrastate Program for Mutual Aid and Assistance. Through the Mutual Aid and Assistance Program, Members coordinate response activities and share resources during emergencies. This Agreement sets forth the procedures and standards for the administration of the Intrastate Mutual Aid and Assistance Program.

ARTICLE II. DEFINITIONS

A. Emergency—A natural or manmade event that is, or is likely to be, beyond the control of the services, personnel, equipment, and facilities of a Mutual Aid and Assistance Program Member.

B. Member—Any public or private Water or Wastewater Utility that manifests intent to participate in the Mutual Aid and Assistance Program by executing this Agreement.

C. Authorized Official—An employee of a Member that is authorized by the Member's governing board or management to request assistance or offer assistance under this Agreement.

D. Requesting Member—A Member who requests assistance under the Mutual Aid and Assistance Program.

E. Responding Member—A Member that responds to a request for assistance under the Mutual Aid and Assistance Program.

F. Period of Assistance—A specified period of time when a Responding Member assists a Requesting Member. The period commences when personnel, equipment, or supplies depart from a Responding Member's facility and ends when the resources return to their facility (portal to portal). All protections identified in the agreement apply during this period. The specified Period

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of Assistance may occur during response to or recovery from an emergency, as previously defined.

G. National Incident Management System (NIMS) - A national, standardized approach to incident management and response that sets uniform processes and procedures for emergency response operations.

H. SCWARN – The South Carolina Water & Wastewater Agency Response Network (SCWARN) is a mechanism to provide utilities and governmental agencies throughout the state a method by which to establish intrastate mutual aid and assistance networks. The purpose of these networks is to provide a framework for utilities to receive rapid, short-term deployment of emergency aid to restore services to utilities that have sustained damages from natural or man-made events.

ARTICLE III. ADMINISTRATION

The Mutual Aid and Assistance Program shall be administered through a statewide SCWARN Steering Committee. The purpose of the Steering Committee is to set the direction of SCWARN and to facilitate coordination of the Mutual Aid and Assistance Program before, during, and after an emergency. The Steering Committee, under the leadership of an elected Chair and Vice Chair, shall meet face-to-face four times per year and also by teleconference on an as-needed basis to address Mutual Aid and Assistance Program issues and to review emergency preparedness and response procedures. During emergency events, conference calls will be held twice daily. SCWARN Steering Committee members must be able to spend time during emergencies helping match needs and available resources. The Steering Committee shall be comprised of one representative from each of the three professional water and wastewater associations within the state of South Carolina (SCRWA, WEASC, and SCAWWA); two at-large members from water or wastewater utilities serving a population of less than 10,000; two at-large members from utilities serving a population of between 10,000 and 50,000; two at-large members from utilities serving a population of greater than 50,000; one ex-officio member representing SCDHEC; and one ex-officio member representing the SCEMD (South Carolina Emergency Management Division). Association representatives and ex-officio members shall serve at the appointment of their respective association or agency. Utility representatives to the Steering Committee shall be elected by simple majority vote of those SCWARN utility members responding to a duly publicized nomination and election process.

ARTICLE IV. PROCEDURES

The State Committee shall develop operational and planning procedures for the Mutual Aid and Assistance Program. These procedures shall be updated at least annually. The Committee shall coordinate as appropriate with other applicable agencies.

ARTICLE V. REQUESTS FOR ASSISTANCE

Member Responsibility: Members shall identify an Authorized Official and alternates; provide contact information including 24-hour access; and maintain resource information made available by the utility for mutual aid and assistance response.

In the event of an Emergency, a Member's Authorized Official may request mutual aid and assistance from a participating Member. Requests for assistance can be made orally or in writing.

When made orally, the request for personnel, equipment, and supplies shall be prepared in writing as soon as practicable. Requests for assistance shall be directed to the Authorized Official of the participating Member With copies to the State Committee. Specific protocols for requesting aid shall be provided in the required procedures (Article IV).

Response to a Request for Assistance: After a Member receives a request for assistance, the Authorized Official evaluates whether resources are available to respond to the request for assistance. Following the evaluation, the Authorized Representative shall inform, as soon as possible, the Requesting Member whether it has the resources to respond. If the Member is willing and able to provide assistance, the Member shall inform the Requesting Member about the type of available resources and the approximate arrival time of such assistance.

Discretion of Responding Member's Authorized Official: Execution of this Agreement does not create any duty to respond to a request for assistance. When a Member receives a request for assistance, the Authorized Official shall have absolute discretion as to the availability of resources. An Authorized Member's decisions on the availability of resources shall be final.

ARTICLE VI.

RESPONDING MEMBER PERSONNEL

National Incident Management System: When providing assistance under this Agreement, the Requesting Utility and Responding Utility shall be organized and shall function under the National Incident Management System.

Control: Responding Member personnel shall remain under the direction and control of the Responding Member. The Requesting Member's Authorized Official shall coordinate response activities with the designated supervisor(s) of the Responding Member(s). Whenever practical, Responding Member personnel must be self sufficient for up to 72 hours.

Food and Shelter: The Requesting Member shall supply reasonable food and shelter for Responding Member personnel. If the Requesting Member fails to provide food and shelter for Responding personnel, the Responding Member's designated supervisor is authorized to secure the resources necessary to meet the needs of its personnel. The cost for such resources must not exceed the State per diem rates for that area. The Requesting Member remains responsible for reimbursing the Responding Member for all costs associated with providing food and shelter, if such resources are not provided.

Communication: The Requesting Member shall provide Responding Member personnel with radio equipment as available, or radio frequency information to program existing radio, in order to facilitate communications with local responders and utility personnel.

Status: Unless otherwise provided by law, the Responding Member's officers and employees retain the same privileges, immunities, rights, duties, and benefits as provided in their respective jurisdictions.

Licenses and Permits: To the extent permitted by law, Responding Member personnel who hold licenses, certificates, or permits evidencing professional, mechanical, or other skills shall be allowed to carry out activities and tasks relevant and related to their respective credentials during the specified Period of Assistance.

Right to Withdraw: The Responding Member's Authorized Official retains the right to withdraw some or all of its resources at any time. Notice of intention to withdraw must be communicated to the Requesting Member's Authorized Official as soon as possible.

ARTICLE VII.

COST REIMBURSEMENT

Unless otherwise mutually agreed in whole or in part, the Requesting Member shall reimburse the Responding Member for each of the following categories of costs incurred while providing aid and assistance during the specified Period of Assistance.

Personnel: Responding Member personnel are to be paid for work completed during a specified Period of Assistance according to the terms provided in their employment contracts or other conditions of employment. The Responding Member designated supervisor(s) must keep accurate records of work performed by personnel during the specified Period of Assistance. Requesting Member reimbursement to the Responding Member must consider all personnel costs, including salaries or hourly wages, costs for fringe benefits, and indirect costs.

Equipment: The Requesting Member shall reimburse the Responding Member for the use of equipment during a specified Period of Assistance. As a minimum, rates for equipment use must be based on the Federal Emergency Management Agency's (FEMA) Schedule of Equipment Rates. If a Responding Member uses rates different from those in the FEMA Schedule of Equipment Rates, the Responding Member must provide such rates in writing to the Requesting Member prior to supplying resources. Mutual agreement on which rates are used must be reached in writing prior to dispatch of the equipment. Reimbursement for equipment not referenced on the FEMA Schedule of Equipment Rates must be developed based on actual recovery of costs.

Materials and Supplies: The Requesting Member must reimburse the Responding Member in kind or at actual replacement cost, plus handling charges, for use of expendable or non-returnable supplies. The Responding Member must not charge direct fees or rental charges to the Requesting Member for other supplies and reusable items that are returned to the Responding Member in a clean, damage-free condition. Reusable supplies that are returned to the Responding Member with damage must be treated as expendable supplies for purposes of cost reimbursement.

Payment Period: The Responding Member must provide an itemized bill to the Requesting Member for all expenses it incurred as a result of providing assistance under this Agreement. The Responding Member must send the itemized bill not later than ninety (90) days following the end of the Period of Assistance. The Requesting Member must pay the bill in full on or before the forty-fifth (45th) day following the billing date. Unpaid bills become delinquent upon the forty-sixth (46th) day following the billing date, and, once delinquent, the bill accrues interest at the rate of prime, as reported by the *Wall Street Journal*, plus two percent (2%) per annum.

ARTICLE VIII.

DISPUTES

Any controversy or claim arising out of, or relating to, this Agreement, including, but not limited to, alleged breach of the Agreement, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association. Any court of competent jurisdiction may enter the judgment rendered by the arbitrators as final judgment that is binding on the parties.

ARTICLE IX.
MEMBER'S LIABILITY

To the extent permitted by law, and without waiving sovereign immunity, each Member shall be responsible for any and all claims, demand, suits, actions, damages and causes of action related to or arising out of or in any way connected with its own actions, and the actions of its personnel, in providing mutual aid and assistance rendered or performed pursuant to the terms and conditions of this Agreement.

ARTICLE X.
[Reserved. Previous language on Signatory Indemnification deleted in entirety]

ARTICLE XI.
WORKER'S COMPENSATION CLAIMS

The Responding Member is responsible for providing worker's compensation benefits and administering worker's compensation for its employees.

ARTICLE XII.
NOTICE

A Member who becomes aware of a claim or suit that in any way, directly or indirectly, contingently or otherwise, affects or might affect other Members of this Agreement shall provide prompt and timely notice to the Members who may be affected by the suit or claim. Each Member reserves the right to participate in the defense of such claims or suits as necessary to protect its own interests.

ARTICLE XIII.
INSURANCE

Members of this Agreement shall maintain an insurance policy that covers activities that it may undertake by virtue of membership in the Mutual Aid and Assistance Program. The scope of the policy must include, at a minimum, coverage for employee faulty workmanship and other negligent acts, errors, or omissions.

ARTICLE XIV.
EFFECTIVE DATE

This Agreement shall be effective after the Water and Wastewater Utility's authorized representative executes the Agreement and the State Committee Chair receives the Agreement. The State Committee Chair shall maintain a master list of all members of the Mutual Aid and Assistance Program.

ARTICLE XV.
WITHDRAWAL

A Member may withdraw from this Agreement by providing written notice of its intent to withdraw to the State Chair. Withdrawal takes effect 60 days after the appropriate officials receive notice.

**ARTICLE XVI.
MODIFICATION**

No provision of this Agreement may be modified, altered, or rescinded by individual parties to the Agreement. Modifications to this Agreement may be necessary due to programmatic operational changes to support the agreement. Notice of proposed modifications, originating from the SCWARN Steering Committee, shall be sent via written and electronic means to the designee of each member organization and shall include the proposed effective date. Votes must be received by written or electronic means within 30 calendar days of the mailing date. Modifications require a simple majority vote of Members responding. The SCWARN Steering Committee Chair must provide written and electronic notice to all Members of approved modifications to this Agreement. Approved modifications take effect on the date identified in the proposed modification unless superseded by an alternate date during the parliamentary process.

**ARTICLE XVII.
PRIOR AGREEMENTS**

This Agreement supersedes all prior Agreements, with the exception of the SCAMPS agreement, between Members to the extent that such prior Agreements are inconsistent with this Agreement.

**ARTICLE XVIII.
PROHIBITION ON THIRD PARTIES AND ASSIGNMENT OF RIGHTS/DUTIES**

This Agreement is for the sole benefit of the Members and no person or entity must have any rights under this Agreement as a third-party beneficiary. Assignments of benefits and delegations of duties created by this Agreement are prohibited and must be without effect.

**ARTICLE XIX.
INTRASTATE AND INTERSTATE MUTUAL AID AND ASSISTANCE PROGRAMS**

To the extent practicable, Members of this Agreement shall participate in Mutual Aid and Assistance activities conducted under the State of South Carolina Intrastate Mutual Aid and Assistance Program and the Interstate Emergency Management Assistance Compact (EMAC). Members may voluntarily agree to participate in an interstate Mutual Aid and Assistance Program for water and wastewater utilities through this Agreement if such a Program were established.

Now, therefore, in consideration of the covenants and obligations set forth in this Agreement, the Water and Wastewater Utility listed here manifests its intent to be a Member of the Intrastate Mutual Aid and Assistance Program for Water and Wastewater Utilities by executing this Agreement on this 8th day of MARCH 2022.

Water/Wastewater Utility: <u>FRIPP ISLAND PUBLIC SERVICE DISTRICT</u>	
By: <u>Angel L. Hughes</u>	By: <u>Michael J. Wilt</u>
Title: <u>DISTRICT MANAGER</u>	Title: <u>CHAIRMAN</u>
<u>ANGEL L. HUGHES</u>	<u>MICHAEL J. WILT</u>
Please Print Name	Please Print Name

BID TABULATION

Hunting Island Booster Pump Station Upgrade Project
 Fripp Island Public Service District
 February 22, 2022
 10:00 AM

CONTRACTOR	TOTAL BID
Quality Enterprises USA, Inc. 3494 Shearwater St. Naples, FL 34117	\$394,000.00
BRW Construction Group, LLC PO Box 1806 Savannah, GA 31402	\$231,655.48

I certify that the above is a true and accurate tabulation of the bids opened at 10:00 am on February 22, 2022.

Certified By:

Phil Waters

Lowcountry Engineering Consultants, LLC
 SC Registration No. 15581

Signature

02/22/22

Date

**HUNTING ISLAND BOOSTER PUMP STATION UPGRADE
FRIPP ISLAND PUBLIC SERVICE DISTRICT
DETAILED BID SUMMARY**

ITEM	DESCRIPTION	UNITS	EST. QTY	QUALITY ENTERPRISES		BRW CONSTRUCTION GROUP, LLC	
				UNIT COST	EXTENDED PRICE	UNIT COST	EXTENDED PRICE
1	Mobilization/Bonds	LS	1	\$ 136,270.00	\$ 136,270.00	\$ 12,000.00	\$ 12,000.00
2	Remove 10" PVC Pipe, Valves & Appurtenances	LF	42	\$ 115.75	\$ 4,861.50	\$ 69.00	\$ 2,898.00
3	10" C900 PVC DR18, Include Tie-in to Existing 10" Water Line	LF	42	\$ 350.00	\$ 14,700.00	\$ 375.00	\$ 15,750.00
4	8" Ductile Iron Pipe, thickness Class 50	LF	75	\$ 333.00	\$ 24,975.00	\$ 125.00	\$ 9,375.00
5	10" RJ Gate Valve w/ Box and Marker	EA	1	\$ 8,242.00	\$ 8,242.00	\$ 3,280.00	\$ 3,280.00
6	8" RJ Gate Valve w/ Box and Marker	EA	2	\$ 3,566.00	\$ 7,132.00	\$ 2,539.00	\$ 5,078.00
7	Manhole including Check Valve	EA	1	\$ 21,324.00	\$ 21,324.00	\$ 12,896.00	\$ 12,896.00
8	Booster Pump Station Installation	EA	1	\$ 23,291.00	\$ 23,291.00	\$ 35,081.00	\$ 35,081.00
9	Booster Pump Station Foundation	EA	1	\$ 18,090.00	\$ 18,090.00	\$ 14,112.00	\$ 14,112.00
10	Tree Removal	LS	1	\$ 13,138.00	\$ 13,138.00	\$ 4,500.00	\$ 4,500.00
11	Clearing & Grubbing	LS	1	\$ 14,500.00	\$ 14,500.00	\$ 15,000.00	\$ 15,000.00
12	Site Grading	LS	1	\$ 9,293.00	\$ 9,293.00	\$ 26,161.00	\$ 26,161.00
13	Mirafi Fabric	SF	400	\$ 4.75	\$ 1,900.00	\$ 4.75	\$ 1,900.00
14	4" #57 Stone	SF	400	\$ 13.50	\$ 5,400.00	\$ 6.00	\$ 2,400.00
15	Asphalt Drive (inc. 6" SABC & 2" surface course)	SF	293	\$ 58.00	\$ 16,994.00	\$ 24.92	\$ 7,301.56
16	6" Crushed Stone Drive and Parking	SF	342	\$ 19.00	\$ 6,498.00	\$ 24.66	\$ 8,433.72
17	6' Chain Link Fence w/ 14' Gate	LF	88	\$ 130.00	\$ 11,440.00	\$ 52.00	\$ 4,576.00
18	Electrical Work Including Power, Lighting, Instrumentation, Controls, Alarms, Telemetry Coordination, Power Company Coordination, etc.	LS	1	\$ 32,516.00	\$ 32,516.00	\$ 24,675.00	\$ 24,675.00
19	Silt Fence	LF	210	\$ 4.25	\$ 892.50	\$ 12.52	\$ 2,629.20
20	Demolish and Dispose of Existing Booster Pump Station	LS	1	\$ 13,546.00	\$ 13,546.00	\$ 13,850.00	\$ 13,850.00
21	Plug Existing Pipe	LS	1	\$ 4,354.00	\$ 4,354.00	\$ 2,425.00	\$ 2,425.00
22	Existing Site Demolition and Disposal	LS	1	\$ 4,643.00	\$ 4,643.00	\$ 7,334.00	\$ 7,334.00
				Total	\$ 394,000.00		\$ 231,655.48



LOWCOUNTRY
ENGINEERING CONSULTANTS, LLC
36 Professional Village Circle • Beaufort, SC 29907

February 22, 2022

Ms. Angel L. Hughes
Manager
Fripp Island Public Service District
291 Tarpon Boulevard
Fripp Island, SC 29920

RE: Recommendation of Award
Hunting Island Booster Pump Station Upgrade Project
LEC No. FI2101-405

Dear Ms. Hughes:

Bids for the Hunting Island Booster Pump Station Upgrade Project were received at 10:00 AM on February 22, 2022 at the Fripp Island Public Service District Office and publicly read aloud. At the time of the bid opening, (2) contractors submitted a bid for the project. Quality Enterprises submitted a high bid of \$394,000.00 and BRW Construction Group, LLC submitted a low bid of \$231,655.48.

We have reviewed the bids and the scope of work for the project and feel that the low bid is reflective of the work involved for the construction of the Hunting Island Booster Pump Station Upgrade Project. We therefore recommend that the project be awarded to BRW Construction Group, LLC. A copy of the Certified Bid Tabulation and the Detailed Bid Summary is attached.

If you have any questions or require any additional information, please contact this office.

Sincerely,

Phil B. Waters, P.E.
Lowcountry Engineering Consultants, LLC

Beaufort, South Carolina • Telephone 843.524.1213 • Fax 866.509.0385
email: pbwaters@lowcountryengineer.com