

ORDINANCE NO. 2018-18

FY 2018-2019 BEAUFORT COUNTY STORMWATER MANAGEMENT UTILITY
BUDGET (ENTERPRISE FUND)

An Ordinance adopting a Beaufort County Stormwater Management Utility budget for the fiscal year beginning July 1, 2018 and ending June 30, 2019 (appropriations from the Beaufort County General Fund being unnecessary for the operations of the Stormwater Management Utility).

WHEREAS Beaufort County Code of Ordinance Chapter 99 Establishes the Beaufort County Stormwater Management Utility and specifically Sec. 99-116 establishes the Beaufort County Stormwater Management Utility Board (SWMUB); and

WHEREAS the SWMUB purpose includes advising and recommending to County Council appropriate funding levels for the provision of stormwater management services; and

WHEREAS the SWMUB and stormwater utility staff establish the stormwater management services for residential, commercial, industrial and governmental entities within Beaufort County based on the collection of fees as established by Beaufort County Ordinance and with the approval of County Council; and

WHEREAS the SWMUB met on March 14, 2018, reviewed the proposed annual budget, and recommends approval of the 2018-19 operations budget attached hereto for Stormwater Utility Management services and programs.

BE IT ORDAINED BY COUNTY COUNCIL OF BEAUFORT COUNTY:

SECTION 1. The Beaufort County SWMUB is charged with advising County Council and making recommendations for appropriate funding levels for stormwater utility management operations budget.

SECTION 2. Stormwater fees are collected in accordance with County ordinance and such fees are enterprise funds, separate and apart from the Beaufort County General Fund.

SECTION 3. The SWMUB recommends approval of the attached operations budgets for the performance of stormwater management utility operations.

SECTION 4. STORMWATER MANAGEMENT UTILITY BUDGET

An amount of \$5,894,380.00 for the operations of the Stormwater Management Utility services and programs as shown on the attached Exhibit "**Stormwater Management Utility Operations Budget for Fiscal Year 2018-19**" is hereby approved.

Stormwater Management Utility Operations Budget for

Fiscal Year 2018-19

PROPRIETARY FUNDS

The Proprietary Funds are different in purpose from the government funds and designed to be like business financial reporting. Since they are like business accounting, records are kept on activities regardless of the duration of the activity. The idea is to determine if the fund is breaking even considering all activities by using accrual accounting.

STORMWATER MANAGEMENT UTILITY FUND

The Stormwater Utility was established by County Ordinance 17 years ago and its activities are guided by a Comprehensive Master Plan completed in 2018, the minimum control measures outlined in the County's 2015 permit under the National Pollutant Discharge Elimination System (NPDES) program and advised by a Stormwater Management Utility Board. Requirements concerning Stormwater Systems are found in the County's Community Development Code (CDC) and the design criteria found in our Best Management Practices Manual.

The Utility partners with the City of Beaufort, and the Towns of Bluffton, Port Royal, and Hilton Head Island through local intergovernmental agreements. The fees that are collected within a municipality's jurisdiction are then distributed back to the municipality. Each political jurisdiction has an individual stormwater utility, which is a separate fund and a dedicated revenue source for funding activities and programs related to stormwater management. The jurisdictions coordinate on the utility administration element of their programs and share some services to achieve greater efficiencies, but the programs are separate and are managed within each jurisdiction's local government.

The County has been designated as a municipal separate storm sewer system (MS4) and in 2015 the County began to be permitted under the federal Environmental Protection Agency's (EPA) National Pollutant Discharge Elimination System (NPDES) program. Compliance with this permit will be expensive in the coming years and the County will have mounting costs to maintain an aging infrastructure. Beginning in 2015, the County has increased its rates and shifted to an updated stormwater utility fee rate structure to achieve the fairest distribution of utility costs among ratepayers, the best use of available data, and a level of revenue sufficient to achieve program needs and requirements.

The County maintains some larger drainage infrastructure within each of the four municipalities in addition to the unincorporated area. Previously the maintenance of the infrastructure within the four municipalities was limited in the incorporated areas because funding levels, supported by the unincorporated ratepayers only, were insufficient. In 2015, the County began collecting a County-wide Infrastructure fee from ratepayers within the incorporated areas to distribute the County's costs for county-wide infrastructure maintenance across all the unincorporated and incorporated areas of the County based on linear feet of pipes and open ditches in each jurisdiction.

In 2017, the Utility issued Revenue Bonds in the amount of \$5,000,000 to provide adequate funding for the capital improvement program. Debt service is included in the FY 18-19 budget.

STORMWATER MANAGEMENT UTILITY TERMINOLOGY

The following abbreviations are referenced throughout the Stormwater Management Utility Enterprise Fund. These are standard abbreviations used in the industry.

1. MS4 – Municipal Separate Storm Sewer System
2. EPA – Environmental Protection Agency
3. NPDES – National Pollutant Discharge Elimination System
4. SFR – Single Family Residential
5. IA – Impervious Area Unit of billing
6. GA – Gross Area (or Acreage) Unit of billing
7. SWU – Stormwater Utility
8. CWI – Countywide Infrastructure
9. BMP – Best Management Practices

Fiscal Year 2019 Budget

	FY 2016 Actual	FY 2017 Actual	FY 2018 Approved Budget	FY 2018 Actual to Date 3/31/2018	FY 2019 Proposed Budget
Operating Revenues					
Stormwater Utility Fees	\$ 4,924,194	\$ 4,956,407	\$ 5,125,714	\$ 4,963,681	\$ 5,166,037
Stormwater Infrastructure Fees	467,476	545,127	593,237	551,597	557,234
Stormwater Utility Project Billings	1,492	317,181	94,531	27,798	168,605
Interest Income	8,576	19,226	2,500	-	2,500
Miscellaneous/Other Revenue	1,995	3,444	-	8,169	-
Total Operating Revenues	\$ 5,403,733	\$ 5,841,385	\$ 5,815,982	\$ 5,551,245	\$ 5,894,380
Operating Expenses					
Salaries and Benefits	2,251,707	2,504,524	2,791,762	1,449,889	3,061,410
Purchased/Contractual Services	977,546	977,545	891,632	395,317	1,157,300
Supplies	240,278	370,664	359,299	209,837	387,360
Interest Expense	-	-	-	85,244	188,268
Depreciation Expense	177,626	211,134	311,860	166,268	357,397
Total Operating Expenses	3,647,157	4,063,867	4,354,553	2,306,555	5,151,741
Non-Operating Expenses¹					
Capital Projects	-	-	2,415,950	131,890	2,145,569
Capital Equipment	836,714	801,489	963,650	291,594	1,213,258
Total Expenses	\$ 4,483,871	\$ 4,865,356	\$ 7,734,153	\$ 2,730,039	\$ 8,510,568
Authorized Positions	45	50	54	54	55

Note 1: Capital expenses are capitalized and depreciated within a Proprietary Fund and are not represented on the revenue and expense statement as an expense. The Capital Projects will be funded by a \$5 million General Obligation Bond issued in 2017.

STORMWATER MANAGEMENT UTILITY PERFORMANCE

MEASURES/OPERATING INDICATORS

Billable accounts database, collection rates

Stormwater Utility revenue comes from user fees billed annually in conjunction with the property tax bill. A user fee, different from a tax, is based on measurable units including impervious area (hard surfaces) and acreage. Since it is a user fee, all properties pay fees, including churches, schools, and government agencies. The only exceptions are rights-of-way for roads, boat slips, railroad, and submerged properties. This fair and equitable system directly related fee for service.

GIS mapping

The cost of stormwater management is largely focused on operations and maintenance of the current system. In order to determine the cost of our service we must have an inventory of the system. Staff continually surveys our pipes, ditches, detention ponds, and other features to populate a GIS map and database.

Beaufort County Connect Data

BC Connect is a smart phone and website application used by the public and staff to document and track response to complaint, issues, and needs. Once investigated by staff, if action is needed, a project is created and tracked in PubWorks and SWIMS.

MS4 permit

The Clean Water Act Phase II implementation of the Municipal Separate Stormsewer System (MS4) permit is the driving document for the regulatory programs within the Utility. The permit is published on the County website and includes numerous tasks and programs that the County must perform annually to stay within compliance with the permit.

MUNIS Data

The MUNIS software is used to issue and track stormwater permits required for all construction in the County. The regulatory staff conducts plan review, issues permits, and performs inspections to maintain MS4 compliance.

PubWorks Data

PubWorks is a project management software that is used to estimate project costs and track progress. Each O&M project is defined within PubWorks to determine an estimate of manpower, equipment, and materials. During construction, the estimate is replaced with the actual hours, quantities, and cost. That data is then used to estimate production rates that once applied to the GIS mapping inventory, gives the department a projected cost of service annually.

CIP schedules and budgets

Once a decade, the County updates the Stormwater Master Plan. The plan documents the program status and studies the health of the stormwater system and the receiving water bodies. The Plan then recommends capital projects to make improvements to water quality as needed. Those projects are placed within 5 year business plans and funding from the Utility is set aside for the projects. These projects have internal performance measures including cost and schedule.

Monitoring

The goal of the Stormwater Utility is to maintain and improve the health of our waters. Monitoring is the means to document our progress towards our goals. The County has developed a monitoring program in conjunction with USCB and routinely samples and studies the watersheds of the County. The results of monitoring are incorporated into the Master Plan, reported annually to DHEC as part of the MS4 permit requirements, and documented within the GIS mapping.

Stormwater Work and Information Management System (SWIMS)

SWIMS is a new work order database for managing complaint driven and internally generated operations and maintenance projects. It differs from PubWorks in that the use of SWIMS is to score and prioritize projects in a logical and defensive manner. Each complaint or identified need that is defined as a project in PubWorks will be evaluated on the health, safety, and welfare of the affected population, time the need has gone unmet, severity of the problem, whether the issue creates impassable roads or is emergency related, and other factors so that urgent needs are handled promptly and minor nuisance issues are never forgotten about or pushed down the list so that they are never completed.

The Stormwater Utility Board is made up of appointed representatives selected by County Council and the four municipalities partnered with the County. The Board meets monthly in which all these Performance Measures and Operating Indicators are reported to the public.

STORMWATER MANAGEMENT UTILITY CAPITAL PROJECTS

The following chart is a list of current capital projects in the 5 year plan. Unless noted otherwise, all projects are funded solely by the Stormwater Utility.

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
SC170/Okatie West Land \$300K/Design \$120K	5,000	-	-	-	-	-	-	-	-	\$5,000
Buckingham Plantation	276,247	276,248	-	-	-	-	-	-	-	\$552,495
Brewer Memorial Park Demonstration Wet Pond Project Feasibility \$9.5K/Design \$20K/Construction \$50K (2017 Masterplan \$82,327)	-	450,000	-	-	-	-	-	-	-	\$450,000
Salt Creek South M1 (\$245K Design/\$400K ROW/\$1.4M Construction (2017 Masterplan \$2,117,730)	444,774	1,450,569	-	-	-	-	-	-	-	\$1,895,343
Shanklin Road M2 (\$330K Design/ \$660K ROW/\$2.35K Construction (2017 Masterplan \$3,458,787)	639,144	-	1,500,071	1,000,000	-	-	-	-	-	\$3,139,215
Sawmill Creek / Forby Site \$150k D/C (2017 Masterplan \$155,535)	560,000	-	-	-	-	-	-	-	-	\$560,000
Camp St. Mary M2 (\$342K Design/\$165K ROW/\$3.25M Construction) (2017 Masterplan \$3,890,617)	-	-	342,000	165,000	1,783,617	1,600,000	-	-	-	\$3,890,617

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Sawmill Branch 1 Regional BMP (2017 Master Plan \$2,063,688)	-	-	-	206,369	-	412,738	1,444,582	-	-	\$2,063,688
Rock Springs Creek 1 Regional BMP (2017 Master Plan \$430,524)	-	-	43,052	86,105	301,367	-	-	-	-	\$430,524
Sawmill Branch 2 Regional BMP (2017 Master Plan \$1,071,064)	-	-	-	107,106	-	-	214,213	749,745	-	\$1,071,064
Lucy Point Creek Regional BMP (2017 Master Plan \$438,293)	-	-	-	-	-	-	43,829	87,659	306,805	\$438,293
Albergotti Creek 2 Regional BMP (2017 Master Plan \$602,447)	-	-	-	-	-	-	60,245	120,489	421,713	\$602,447
	\$2,145,569	\$2,176,817	\$1,885,123	\$1,564,580	\$2,084,984	\$2,012,738	\$1,762,868	\$957,893	\$728,518	\$15,319,090

SECTION 5. BUDGETARY ACCOUNT ATTACHED

The line-item budgets attached hereto and recommended by the SWMUB for FY 2018-2019 are incorporated herein by reference and shall be part and parcel of this Ordinance.

SECTION 6. EFFECTIVE DATE

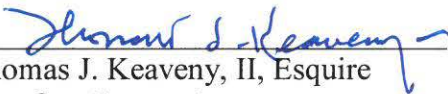
This Ordinance shall be effective July 1, 2018. Approved and adopted on third and final reading this 11th day of June, 2018.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: 

D. Paul Sommerville, Chairman

APPROVED AS TO FORM:



Thomas J. Keaveny, II, Esquire
Beaufort County Attorney

First Reading, By Title Only: May 14, 2018

Second Reading: May 29, 2018

Public Hearing: June 11, 2018

Third and Final Reading: June 11, 2018

Chronology

- Third and final reading approval occurred June 11, 2018 / Vote 10:0
- Public hearing held June 11, 2018
- Second reading approval occurred May 29, 2018 / Vote 11:0
- First reading, by title only, approval occurred May 14, 2018 / Vote 11:0
- Finance Committee discussion and recommendation to approve ordinance on first reading occurred May 7, 2018 / Vote 7:0