

MEETING OF THE FINANCE COMMITTEE  
ISLE OF PALMS WATER & SEWER COMMISSION  
JUNE 21, 2023

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In accordance with the Freedom of Information Act, the Agenda was posted on June 14, 2023, at City Hall, the Commission Office, and provided to *The Post and Courier*. The meeting was held on Wednesday, June 21, 2023, at the Commission Office, 1300 Palm Boulevard on the Isle of Palms, SC.

Attending were Chairman Donald Smith, Commissioner Jay Leigh, Commissioner Curtis Helfrich, PE, Commissioner Jeff Forslund, General Manager Chris Jordan, Operations Manager Shorty Meade, Engineer Mark Yodice, and Attorney Jennifer Blumenthal. Commissioner Bob Hooper, Special Projects Administrator Bill Jenkins, and Comptroller Helena Stickle, CPA, were absent.

Chairman Smith called the meeting to order at 8:00 a.m.

Following the opening prayer, Pledge of Allegiance, and roll call, Frank Davis of Confluence Consulting, LLC presented a five-year forecast of rate adjustments. He noted that some planned capital projects have been moved to later years in response to cashflow levels. The rate adjustments are driven by the need to maintain a cash reserve of 360 days of the operating budget.

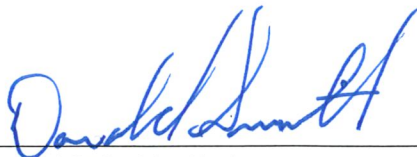
The water and sewer rate increases fund increased construction costs of current and future capital improvements. The forecast assumes the Commission receives \$4.4 million in FEMA funding in 2024. Rate increases in later years could be adjusted higher or lower depending on actual project costs.

Mr. Davis projects 8% rate increases in FY24 and FY25, with 2% increases in FY26, 27, and 28. He reviewed projected cash balances based on those rate increases through FY28 as well as the impact of said increases on the average customer. He noted that all area water systems are affected by construction costs and are parsing those costs out to customers.

Mr. Davis suggested the Commission could take on additional debt to mitigate the rate increases, but several Commissioners said they would like to avoid more debt. General Manager Jordan and Chairman Smith pointed out that delaying projects could also end up costing more.

Commissioner Leigh made a motion to recommend the rate increases as presented to the full Commission. Commissioner Forslund seconded the motion. The motion passed unanimously.

Commissioner Leigh made a motion to adjourn. Commissioner Forslund seconded the motion. The meeting adjourned at 8:25 a.m.



Donald S. Smith, Chairman



Date

