

MEETING OF THE FINANCE COMMITTEE
ISLE OF PALMS WATER & SEWER COMMISSION
MAY 15, 2024

In accordance with the Freedom of Information Act, the Agenda was posted on Wednesday, May 8, 2024, at City Hall, the Commission Office, and provided to *The Post and Courier*. The meeting was held on Wednesday, May 15, 2024, at the Commission Office, 1300 Palm Boulevard on the Isle of Palms, SC.

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

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

Following the opening prayer, Pledge of Allegiance, and roll call, General Manager Jordan reviewed the proposed operating budget for FY25. He said that the budget reflects a 1.7% increase over FY24. He noted that there is a "significant reduction in expenses on the sewer treatment side of things with the new plant coming online and us switching from chlorine disinfectant to UV disinfectant." The ability to process sludge on site also contributed to a reduction in expenses. There are minor increases in the cost of chemicals and insurance. The O/M Budget also includes 3% cost of living adjustment and 2% merit increases.

General Manager Jordan reviewed the FY25 Capital Projects Summary. He explained that the capital charge that the Commission pays to Charleston CPW has increased significantly and is related to per- and polyfluoroalkyl substances (PFAS). Other capital projects include a new roof at Water Plant 2, upgrades to the existing electrical system and equipment, gravity sewer cleaning and inspection, the purchase of a new auto-crane truck, computer upgrades in the main office and field laptops, and projects funded by the American Rescue Plan Act (ARPA).

He spoke about the projects that are being funded by FEMA and ARPA grants, specifically the Forest Trails Wastewater Treatment Plant, the R/O Concentrate Discharge Replacement, the Forest Trails Outfall Replacement, and Sewer Basin N. Details of those awarded funds were also discussed.

General Manager Jordan said that after the budget is approved, it will be sent to rate consultant Frank Davis, who will plug it into the rate model and deliver a presentation to the Commission in June.

Comptroller Stickles reviewed the revenues and operating income for the FY25 budget. She said that conservative estimations for FY25 were based on revenues as of March 31, 2024. She added that the projected fund balance as of June 30, 2025, will be approximately \$3,234,561.00.

Commissioner Hooper referenced a number in the second column of line 22 of Table 1, Fund Cash Flow Analysis, that seemed to be very low. General Manager Jordan considered it an error within the table and will make sure that it is corrected.

Chairman Smith and Commissioner Hooper stated that they have no issues with the budget.

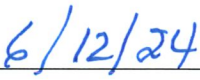
Linda Tucker suggested that the Commission may be in a good position to request additional ARPA funds since ARPA's financial position allows it to float funds during project construction, something that many utilities cannot do. She also suggested speaking to the appropriate State representatives since this is an election year. Engineer Yodice agreed, adding that many municipalities cannot complete projects before the deadlines.

Commissioner Hooper made a motion to recommend to the full Commission the FY25 budget upon correction of the number at line 22 mentioned earlier. Commissioner Leigh seconded the motion. The motion passed unanimously.

Commissioner Hooper made a motion to adjourn. Commissioner Leigh seconded the motion. The meeting was adjourned at 8:26 a.m.



Donald S. Smith, Chairman



Date