

EXECUTIVE SUMMARY



Background and Needs: In the South Carolina Department of Health and Environmental Control's list of "Environmentally Distressed Communities for Water Availability", dated November 2004, the South Santee Community in northeast Charleston County is ranked No. 2 in the State as needing an improved water supply. This community, as is the overall area, is served by individual, shallow wells. A survey of more than 500 of the approximate 800 individual wells in the general planning area indicated 28.6% were potentially contaminated based upon the presence of coliform bacteria. Further testing confirmed that 7% of those suspected as being contaminated by fecal bacteria. A review of nearby areas of Germantown and the unincorporated areas around McClellanville, Tibwin and Buckhall communities indicated similar conditions exist throughout the area.

In 2005 community leaders requested Mount Pleasant Waterworks (MPW) evaluate the potential of improving the water supply in this region. A Potable Water Evaluation Study was begun to examine the alternative to meeting the potable water needs. This report provides the preliminary findings and recommendations.

Service Alternatives and Capital Costs: The evaluation identified several potential alternatives for accomplishing the project's objective. These alternatives include extending water service from MPW or BCW&SA, constructing new and better protected residential wells, developing six independent community water systems, and lastly, developing an integrated community water supply system to serve the entire area as well as to provide fire protection. Fire protection is a concern in the area. Much of the area's properties are heirs properties and, as a result, two to four homes may exist on one lot presenting a dangerous situation for wide spread destruction by fire. Fire fighting water is currently provided with tanker trucks hauling water to the site of the fire. Containment of a fire rather than salvage of the dwelling is the current fire protection strategy.

Service options related to extending service from either MPW or BCW&SA were eliminated because of the distance and cost simply to convey water to the area. The estimated capital cost for the remaining options are as follows:

- Alternate 1 (Replace 80% of Residential Wells): \$ 2,520,000
- Alternate 2 (Six Independent Community Water Systems): \$ 5,300,000
- Alternate 3 (One Integrated Community Water System): \$ 15,700,000

Alternative 3 appears to offer the planning area the greatest utility in meeting the improved water quality and fire protection goals of the Charleston County Comprehensive Plan. It is the alternative selected by residents providing input to this study.

Funding Potentials: There are several Federal and State programs that would be targeted in an attempt to maximize grant funding for the selected alternative. It is highly unlikely that the complete funding needs can be secured as grant funds in any one period; therefore, each of the three alternatives, if funding by 100% grant, will have to be developed over a period of time. Depending on the scope of the project, the funding agencies involved, and who administers the project, funding to completion of any alternative could take four to eight years.

User Rates and Return on Investment (ROI): The required rate structure and actual return on investment (positive or negative) will depend greatly upon the option selected, amount of debt incurred, policies of the governing authority (e.g. mandatory connection) and their flexibility in administering different rates within their operating jurisdiction. Utilizing MPW's current rate structure and a rural water usage of 6000-gallons per month, the average monthly water bill would be \$20.15.

Assuming 100% grant funding thus no debt service or debt reserve and utilizing MPW's current rate structure, the five year ROI for Alternative 3 is 3.3% with a positive cash flow experienced in Year three of operation. These figures are based upon the entire system in operation. With partial systems generated from phased development and/or with a debt this ROI rapidly goes negative.

MPW's Potential Role: The role of MPW in this endeavor can range from that of an advisor only with no governance responsibility to having complete ownership with full governance. The 1989 agreement through which the Bulls Bay Rural Community Water District and MPW merged places the planning area within the jurisdiction of MPW.

Community Involvement: MPW's involvement with the Sewee to Santee project began when it became aware of the drinking water conditions from a December 2, 2003 article in the Post and Courier. After contacting residents quoted in the article, MPW was invited to attend a "Clean Water" Committee meeting in February 2004. At that meeting, members of the "Clean Water" Committee expressed water quality concerns within their communities. MPW verbalized their ability to provide information and assistance. From 2004 through February 2006 MPW staff was invited to and participated in numerous Sewee to Santee Community Development Corporation, Clean Water Committee and church group meetings. At these meetings, MPW staff expressed their interest in assisting the community with their water quality concerns.

On February 6, 2006, MPW staff attended the McClellanville Town Council meeting and provided an update on the Sewee to Santee water quality issue. MPW staff also addressed 14-churches within the Sewee to Santee area from February 1 through the 25th, resulting in approximately 100-residents attending MPW's annual CIP Public Hearing held on February 27, 2007. Ten representatives spoke on behalf of the residents in the Sewee to Santee communities, including a member of Town Council from the Town of McClellanville, requesting MPW assist them in obtaining safe, clean drinking water.

On May 3, 2006 MPW staff gave a formal presentation to Pastors of the Sewee to Santee churches. The presentation provided information on the three water supply alternatives outlined

in the Sewee to Santee Community Water Supply Development Plan and Viability Analysis. The attendees supported MPW's efforts to assist their community.

Two public meetings were then held at Lincoln High School in McClellanville to present the alternatives to the residents (June 6 and 18, 2006). The presentation provided details on each alternative including costs and the pros and cons associated with each alternative. The residents were given a 10-day comment period to return their questionnaire and comments. A total of 201 residents attended the meetings with 92% supporting the Public Water System Alternative (#3). This direction was established by each household (only one per household) completing a questionnaire documenting their preference. The residents reiterated their dire need of clean, safe drinking water and fire protection and support for a public water system. Insurance prices are affected by the lack of a public water system and some attendees expressed their concern for neighbors whose homes had burned down.

The recommended Plan of Action (Chapter 6 of the report) is attached.