



Town of *Kiawah Island*

Mayor

John. D. Labriola

Council Members

F. Daniel Prickett

Maryanne Connelly

John Moffitt

Scott M. Parker, MD

Town Administrator

Stephanie Monroe Tillerson

TOWN COUNCIL MEETING

Via Zoom

February 1, 2022; 2:00 PM

AGENDA

- I. Call to Order:
- II. Pledge of Allegiance
- III. Roll Call:
- IV. Approval of Minutes:
 - A. Minutes of the Town Council Meeting of January 11, 2022 [Tab 1]
 - B. Minutes of the Special Call Town Council Meeting of January 13, 2022 [Tab 2]
- V. Mayor's Update:
- VI. Citizens' Comments (Agenda Items Only):
- VII. New Business:
 - A. Discussion of the Kiawah Island Utilities Rate Increase [Tab 3]
 - B. To Consider Approval of a Land Lease Agreement with Kiawah Island Utility (SouthWest Water) for Wet Trash and Recycling Center at Kestrel Court [Tab 4]
 - C. To Consider Approval of the Beach Patrol Contract with Barrier Island Ocean Rescue [Tab 5]
 - D. To Consider Approval of the Amendment of the STR Code Enforcement Contract with Island Beach Services (Barrier Island Ocean Rescue) [Tab 6]
 - E. To Consider Approval of the Planning Commissioner Appointment [Tab 7]
 - F. To Consider Approval of the Construction Board of Appeals Appointment [Tab 8]
 - G. To Consider Approval of the Amendment to the existing Arts and Cultural Events Council Charter [Tab 9]
 - H. 2022 Committee Appointments [Tab 10]
 - Arts and Cultural Events Council
 - Audit Committee
 - SATAX Committee
- VIII. Town Administrator's Report:
- IX. Council Member:
 - a. Committee Updates
 - b. General Comments
- X. Citizens' Comments:
- XI. Adjournment:



Tab | **1**

TOWN COUNCIL

Agenda Item

TOWN COUNCIL MEETING

Municipal Center Council Chambers

January 11, 2022; 2:00 PM

Minutes

I. **Call to Order:** *Mayor Labriola called the meeting to order at 2:00 pm.*

II. **Pledge of Allegiance**

III. **Roll Call:**

Present at meeting: John D. Labriola, Mayor
Dan Prickett, Mayor Pro Tem
Maryanne Connelly, Councilmember
John Moffitt, Councilmember

Present Via Zoom: Dr. Scott Parker, Councilmember

Also Present: Stephanie Tillerson, Town Administrator
Joe Wilson, Town Attorney
Petra Reynolds, Town Clerk
Patrick J. Cawley, M.D., MHM, CACHE, CEO, MUSC Health & V.P. for Health Affairs
Mark Permar, Kiawah Partners

IV. **Approval of Minutes:**

A. Minutes of the Town Council Meeting of December 7, 2021

Councilmember Connelly made a motion to approve the minutes of the December 7, 2021 Town Council Meeting. Mayor Pro Tem Prickett seconded the motion, and it was unanimously approved.

Councilmember Connelly made a motion to amend the order of business, moving the MUSC (Medical University of South Carolina) acknowledgment as the next agenda item. The motion was seconded, and it was unanimously approved.

V. **Acknowledgment:**

A. MUSC Sea Islands Medical Pavilion

Mayor Labriola introduced Dr. Patrick Crawley, CEO of MUSC Health & V.P. for Health Affairs.

Dr. Crawley thanked the Town for the gift to the MUSC Sea Islands Medical Pavilion project that will break ground in the summer and open approximately one year later. He stated MUSC believes that care should be provided locally, and the facility is a great example of MUSC working with the Town and a growing community to provide much-needed emergency care. He stated that the facility would be a great step forward for the community and, on behalf of the Board of Trustees at MUSC and President Cole, again thanked the Town.

VI. **Mayor's Update:**

Mayor Labriola stated that at the last Town Council meeting, Southwest Water Company and Kiawah Island Utility presented the rate increase request submitted to the PSC (Public Service Commission). After the presentation, Ms. Diane Lehder, in her comments, stated there was a need for the Town to intervene in the request. Mayor Labriola stated that the Town has contracted with Mr. Jack Pringle to intervene on the rate request and behalf of the Town.

Mayor Labriola indicated that on January 4th, the Town received a petition from Kiawah residents “to amend, modify and clarify Section 12-79 and to add conditions to 12-155 for Town Council to consider before approving the Planned Development rezoning application.” He indicated that the process had begun with the first Town Council Retreat session held earlier today. It was the first of a number of sessions that will be held dealing with annexation and zoning. A Council workshop is scheduled for February 8th, and Public Comment Workshop is scheduled for February 22nd.

Mayor Labriola stated that during today’s Council Retreat session, Mr. Wilson and Ms. Tillerson assisted Council in understanding the existing ordinance and the implications of the proposed changes. The fifteen proposed changes, five associated with Section 12-79 and ten associated with Section 12-155, were reviewed but required additional discussion.

Mayor Labriola introduced Mr. Craig Harris as the Public Safety Director for the Town.

VII. Citizens’ Comments (Agenda Items Only):

Doug Benham – 119 Ocean Course Drive

Mr. Benham’s stated he felt there were still serious deficiencies in the ordinance proposed for second reading that should be addressed. He reviewed his issues and also provided suggestions on language changes.

Brad Belt – 151 Bobcat Lane

As a member of the Riverview Property Owner Association, he expressed the concern from Riverview residents on the use of multiple leaf blowers at the real estate office in early morning hours and the provision allowing landscaping work from 7 am to 7 pm that was added to the noise ordinance.

VIII. New Business:

A. Discussion of Amendment to the 2013 Amended and Restated Development Agreement

Mr. Permar stated that Kiawah Partners (KP) are the owners of a collection of parcels along Beachwalker Drive. As a part of the informational session, he presented an aerial view of the properties along with an in-depth review of the background, entitlements, KP concepts, and potential development agreement amendment considerations for the parcels.

Mr. Permar stated that the information presented was not part of a development proposal but rather sharing an accumulation of the work done over multiple years in advance of a more specific plan on development and adjustments. The conceptual plan would combine multiple parcels into a singular parcel allowing a more comprehensive approach to developing a master plan for one parcel rather than each parcel. Mr. Permar reviewed specific areas that would be considered during the planning process for the parcel, including considerations for zoning, dwelling units per building, building height, access, existing trail system, and overall site organization. He noted that the intent was to take the appropriate amount of time to share the process with the neighbors before proposing a specific process to the Town.

Citizens’ Comments:

Brad Belt – 151 Bobcat Lane

Mr. Belt thanked Mr. Permar and KP for reaching out to the community as part of the process of the development initiative. Since Riverview is located across the street, the development of the parcels is of great interest. While there is no opposition to appropriate levels of

development, these is a concern with consistency to the surrounding community in terms of density and building heights.

Mr. Belt stated that residents of Riverview, and likely the residents of Inlet Cove, would oppose any amendment of the development agreement by the Town until there is a fully developed plan presented on what KP intends to build and the impact on traffic at the Beachwalker/Parkway intersection. He reviewed suggestions on the review process of planned developments and development agreement amendments.

Ms. Tillerson read a comment received from Mr. Scott Nelson – 65 Persimmon Court.

Mr. Nelson stated that the proposed amendment is being brought forth by KP rather than the Town. KP will clearly garner a significant benefit from the amendment. He urged the Town to negotiate with KP to benefit from the amendment rather than give a benefit for free. Perhaps a contribution to the Kiawah Beach Road project or similar concession could be set.

B. To Consider Approval of **Ordinance 2021-10 - 10 - An Ordinance of The Town Council of the Town of Kiawah Island Amending Section 15-306 (Noise) of the Kiawah Island Code of Ordinances – **Second Reading****

Councilmember Connelly made a motion to table the second reading of Ordinance 2021-10 - An Ordinance amending Section 15-306 (Noise). Councilmember Parker seconded the motion.

Mayor Labriola stated that following lengthy discussions and extensive work, a draft noise ordinance was passed on first reading with additional changes being included in the draft ordinance for the second reading. With further concerns with the language of the draft ordinance, Mayor Labriola stated he was setting up an Ad Hoc Committee, headed by Councilmember Moffit, and interested residents in the community to review the noise ordinance before second reading.

Mayor Pro Tem Prickett added that members of the Ad Hoc Committee would include representatives from the Resort, Community Association, and the Town.

Following the discussion, the motion was unanimously approved.

C. To Consider Approval of **Resolution 2022-01 - A Resolution To Provide An Additional Benefit Option to Retirement Coverage**

Ms. Szubert stated that the Town participates in the employee benefits program run by PEBA (Public Employee Benefit Authority), which provides retirement coverage benefits under the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS). Currently, Town employees contribute as “active” or “retired” under SCRS and “retired” under PORS. A recent new hire has required the addition of the “active” contribution benefit option to PORS.

Councilmember Connelly made a motion to approve Resolution 2020-01 to provide an additional benefit option to retirement coverage. Mayor Pro Tem Prickett seconded the motion, and it was unanimously approved.

D. To Consider Approval of State ATAX Funding Amounts

Mayor Pro Tem Prickett stated that the Town receives a portion of the State Accommodation Tax (SATAX) to promote tourism throughout the state. Early in the year, the SATAX revenue

was uncertain and expected to be lower due to COVID but was substantially higher than anticipated.

In April 2021, \$1,093,784.00 in SATAX funding requests were recommended by the SATAX Committee and approved by Council. With a considerable amount of funding unallocated, another meeting was held in December to consider additional SATAX applications. The SATAX Committee recommended that an additional \$432,000.00 requests be funded. The total FY 2021-2022 funding would be \$1,525,764.00 of the \$2,093,764.00 projected to be available, leaving \$568,000.00 to be carried over for up to the next two years.

Town of Kiawah Island SATAX Funding Recommendations December - FY 2021-2022					
Category Number	Project	Applicant Sponsor	2021/2022 Funded Amount	December 2021/2022 Application Request	Ways and Means Committee Funding Recommendation
1	A National & Regional Influencer Event	Freshfields Village	\$ 30,000	\$ 250,000	\$ 235,000
1	Kiawah Island Marketing	Kiawah Island Golf Resort	\$ 435,000	\$ 200,000	\$ 172,000
5	Kiawah Island Map and Guest Guide	Kiawah Island Community Association		\$ 22,000	\$ 15,000
4	South Atlantic Lifesaving Association Regional Meeting	Charleston County Life Association		\$ 10,000	\$ 9,000
2	Marketing & Advertising Promoting Tourism	Freshfields Village	\$ 58,000		
1	Wedding Destination Marketing & Advertising	Andell Inn	\$ 42,794		
4	Beach Patrol	Town of Kiawah Island	\$ 100,000		
4	Charleston County Sheriff Deputies	Town of Kiawah Island	\$ 425,000		
		Totals for Year Ending	\$ 1,093,794	\$ 482,000	\$ 432,000
Total Available for Funding- Revised to reflect latest projections			\$ 2,093,764	\$ 1,000,000	\$ 1,000,000
			\$ 1,000,000	\$ 518,000	\$ 568,000

Mayor Pro Tem Prickett made a motion to approve the SATAX Funding Recommendations for \$432,000.00. Councilmember Moffitt seconded the motion, and it was unanimously approved.

E. To Consider Dissolving the existing Public Works Committee Charter

Councilmember Moffitt indicated that the Public Works Committee was established when the Town was not fully staffed. With the members not having any active involvement in current public works projects, meetings over the past several months consisted of only updates. The decision was made to take a different approach of dissolving the committee in its current form and establishing working groups for specific projects.

Mayor Pro Tem Prickett made a motion to approve dissolving the existing Public Work Committee Charter. Councilmember Connelly seconded the motion, and it was unanimously approved.

F. To Consider Approval of the Amendment to the existing Public Safety Committee Charter

Ms. Tillerson stated over the past two years, committee charters have been moved from a Councilmember chairing the committee to a senior staff member chairing the committee. The Councilmember remains active as the Council Liaison to the committee. In the amendment to the Public Safety Committee Charter, the Public Safety Director would chair the committee, and the Councilmember act as Council Liaison.

Councilmember Connelly made a motion to approve the amendment to the existing Public Safety Committee Charter. Mayor Pro Tem Prickett seconded the motion, and it was unanimously approved.

G. 2022 Committee Appointments

- Board of Zoning Appeals

Councilmember Moffitt made a motion to reappoint the new members, Mr. Berner and Mr. Rosenfeld, to the Board of Zoning Appeals. Councilmember Connelly seconded the motion and was unanimously passed.

- Environmental Committee

Councilmember Connelly made a motion to reappoint all the current members of the Environmental Committee. Councilmember Parker seconded the motion and was unanimously passed.

- Planning Commission

Mayor Pro Tem Prickett made a motion to reappoint Mr. Iwan to an additional term on the Planning Commission. Councilmember Connelly seconded the motion and was unanimously passed

- Public Safety Committee

Mayor Pro Tem Prickett made a motion to reappoint all the current members of the Public Safety Committee as presented. Councilmember Connelly seconded the motion and was unanimously passed.

IX. Town Administrator's Report:

Ms. Tillerson stated that Mr. Chris Makowski would be the new Communications Assistant for Ms. Braswell. He comes from Berkley Electric Coop and will be starting on the 24th of the month. She thanked her senior staff for the great job they do and indicated that they would be making presentations at the Council Retreat.

X. Council Member:

- a. Committee Updates
- b. General Comments

Mayor Pro Tem Prickett reported that the Town, along with community members and other local groups, remains active in the area of trying to improve roads on Johns Island. He stated that there would likely be public hearings on the proposed improvements in the coming months. Information on the meetings will be communicated along with an invitation to all residents to share their comments at those meetings.

Councilmember Parker reported that the Green Initiative Ad Hoc Workgroup had not met since October, so work could be done on implementing some of the initiatives. The workgroup will meet again in February to review the work done.

XI. Citizens' Comments:

Laura McIlveen – 146 Blue Heron Pond Road

Ms. McIlveen, expressed appreciation to Council for the Workshop held earlier in the day. She indicated the workshop specifically dedicated to the annexation and zoning questions raised by the group was thought to be meaningful, productive, and had an open-minded receptivity to the suggestions forwarded by the group. She noted that she was pleased that community involvement and input were being embraced and that the group was looking forward to working on the issues.

XII. Adjournment:

Mayor Labriola adjourned the meeting at 3:10 pm.

Submitted by,

Petra S. Reynolds, Town Clerk

Approved by,

John D. Labriola, Mayor

Date

DRAFT



Tab | 2

TOWN COUNCIL

Agenda Item

**TOWN COUNCIL
SPECIAL CALL MEETING
Municipal Center Council Chambers
January 13, 2022; 11:30 am**

Minutes

I. Call to Order: Mayor Labriola called the meeting to order at 11:30 am.

Present at meeting: John D. Labriola, Mayor
Dan Prickett, Mayor Pro Tem
Maryanne Connelly, Councilmember
John Moffitt, Councilmember

Present Via Zoom: Dr. Scott Parker, Councilmember

Also Present: Stephanie Tillerson, Town Administrator
Joe Wilson, Town Attorney
Petra Reynolds, Town Clerk

Mayor Pro Tem Prickett made a motion to move into Executive Session to discuss the adjacent property as identified on the Charleston County Tax Map as 4455 Betsy Kerrison Parkway. The motion was seconded by Councilmember Moffitt and was unanimously approved.

II. Executive Session:

- A. Executive Session Pursuant to Section 30-4-70 (a) (2) – “Contractual, Real Estate, and Legal Matters.” To Discuss the Adjacent Property as Identified on the Charleston County Tax Map as 4455 Betsy Kerrison Parkway

Councilmember Connelly made a motion to move out of the Executive Session and return to Regular Session. The motion was seconded by Mayor Pro Tem Prickett and was unanimously approved.

Mayor Labriola stated that no actions taken and no decisions were made during the Executive Session.

III. New Business:

- A. To Authorize the Mayor to Negotiate the Purchase of Property located at 4455 Betsy Kerrison Parkway

Councilmember Moffitt made a motion to authorize the Mayor to negotiate the purchase of property located at 4455 Betsy Kerrison Parkway. The motion was seconded by Councilmember Connelly and was unanimously approved.

IV. Adjournment:

Mayor Pro Tem Prickett made a motion to adjourn the meeting at 11:48. The motion was seconded by Councilmember Connelly and was unanimously approved.

Submitted by,

Petra S. Reynolds, Town Clerk

Approved by,

John D. Labriola, Mayor

Date



Tab | 3

TOWN COUNCIL

Agenda Item

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2021-324-WS

Application of Kiawah Island Utility,)
Incorporated to File Proposed Changes)
in Rates, Charges, Classifications and/or) **PETITION TO INTERVENE**
Regulations for Water and Sewer)
Service)

The Town of Kiawah Island (“Petitioner” or “Town”) hereby petitions the South Carolina Public Service Commission (“Commission”) pursuant to Rule 103-825 of its Rules of Practice and Procedure (10 S.C. Code Ann. Regs. 103-825), to be allowed to intervene as a formal party of record in the above-captioned proceeding. In support of this Petition, Petitioner would show as follows:

1. Kiawah Island Utility, Incorporated (“Applicant”) filed an Application for approval to increase its rates for water and sewer services for its customers for its customers in the Town of Kiawah Island.
2. The Town of Kiawah Island is home to approximately 1,779 permanent residents, and numerous temporary residents each year. Citizens of the Town and businesses operating in the Town are current or potential customers of Applicant’s water and sewer services.
3. As such, the Town and its residents and businesses have a vital interest in this proceeding. Petitioner’s residents and businesses who are residential and commercial water and sewer customers will be affected by the proposed rate increase because it would increase their water and sewer service rates.

4. At this time, Petitioner opposes the proposed rate increase, but does not possess sufficient information to form a more detailed position in this proceeding. Participation in this Docket will allow Petitioner to obtain the information necessary to establish that position.

5. Petitioner seeks to participate in this proceeding in order to more fully establish and assert their position and in order to assist in addressing the important issues raised. Petitioner should therefore be permitted to intervene in this proceeding in order to participate fully and present testimony and other evidence as appropriate.

6. Petitioners' authorized representative in this proceeding is:

John J. Pringle, Jr.
ADAMS AND REESE LLP
1501 Main Street, 5th Floor
Post Office Box 2285 (29202)
Columbia, South Carolina 29201
Telephone: (803) 343-1270
Facsimile: (803) 779-4749
jack.pringle@arlaw.com

7. Petitioner requests that it be allowed to intervene in the above-captioned matter, that it be permitted to participate fully as parties of record, to present testimony, cross-examine witnesses, and assert whatever position it deems to be appropriate.

WHEREFORE, Petitioner prays for the following relief:

- a. That the Commission accept this Petition to Intervene and make Petitioner an intervenor and party of record;
- b. That the Commission allow Petitioner to participate fully in this proceeding and take such positions as it deems advisable; and
- c. That the Commission grant such other and further relief as is just and proper.

Respectfully submitted,

ADAMS AND REESE, LLP

s/John J. Pringle, Jr.
John J. Pringle, Jr.
1501 Main Street, 5th Floor
Columbia, SC 29201
Telephone: (803) 254-4190
Facsimile: (803) 799-8479
jack.pringle@arlaw.com

Attorneys for the Town of Kiawah Island

January 7, 2022
Columbia, South Carolina

Application of Kiawah Island Utility,)
Incorporated to File Proposed Changes)
in Rates, Charges, Classifications and/or) **CERTIFICATE OF SERVICE**
Regulations for Water and Sewer Service)
)

<p>Charles L.A. Terreni Terreni Law Firm, LLC 1508 Lady Street Columbia, SC 29201 charles.terreni@terrenilaw.com</p>	<p>Scott Elliott Elliott & Elliott, P.A. 1508 Lady Street Columbia, SC 29201 selliott@elliottlaw.us</p>
<p>Alexander W. Knowles Donna L. Rhaney Office of Regulatory Staff 1401 Main Street, Suite 900 Columbia SC 29201 aknowles@ors.sc.gov drhaney@ors.sc.gov</p>	<p>Carri Grube Lybarker Roger P. Hall Conor J. Parker South Carolina Department of Consumer Affairs 293 Greystone Blvd., Suite 400 Post Office Box 5757 Columbia, SC 29250 clybarker@scconsumer.gov rhall@scconsumer.gov cjparker@scconsumer.gov</p>

4



New Business – A
Discussion of KIU Rate Increase

TOWN COUNCIL

KIU Direct Testimony Burkett 1-27-22

**THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 2021-324-WS

IN RE: Application of Kiawah Island Utility,)	DIRECT TESTIMONY
Incorporated to File Proposed Changes)	
in Rates, Charges, Classifications)	OF
and/or Regulations for Water and)	
Sewer Service.)	DONALD H. BURKETT

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Donald H. Burkett, CPA. My principal place of business is 3101 Sunset
3 Boulevard, West Columbia, South Carolina 29171.

4 **Q. WHAT IS YOUR CURRENT POSITION?**

5 A. I am employed as the Executive Vice President of Burkett Burkett & Burkett Certified
6 Public Accountants, P.A. where I have worked since 1976.

7 **Q. PLEASE STATE YOUR EDUCATIONAL AND PROFESSIONAL**
8 **BACKGROUND.**

9 A. I graduated in 1974 from the University of South Carolina with a Bachelor of Science
10 Degree in Accounting. I am a CPA licensed to practice accounting in South Carolina
11 and a member of the American Institute of Certified Public Accountants. From 1974
12 until 1976, I worked for a regional CPA firm before founding Burkett Burkett &
13 Burkett Certified Public Accountants, P.A. in 1976. I am a past President of the South
14 Carolina Association of Certified Public Accountants. I am a past Chairman of the
15 South Carolina Board of Accountancy, which regulates the licensure and practice of
16 accounting in the State of South Carolina. Most recently, I served as the Chair of the

1 National Association of State Boards of Accountancy. I have been involved with
2 auditing, tax return preparation, financial services, and advisory services for my entire
3 career for a variety of clients, including regulated utilities.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 A. I have been retained by Kiawah Island Utility, Inc. ("KIU" or "Company") to prepare
6 the financial schedules submitted in connection with its application. The purpose of my
7 testimony is to support the application for an adjustment of certain rates and charges
8 for the provision of water and wastewater services.

9 **Q. WHY IS KIU REQUESTING RATE RELIEF AT THIS TIME?**

10 A. With increased operating expenses and the additional plant investments KIU has made
11 since its last rate case, KIU needs rate relief to continue providing safe, reliable, and
12 high-quality service to customers.

13 **Q. PLEASE DESCRIBE THE COMPANY'S APPLICATION.**

14 A. The Rate Case Application includes the financial statements for KIU. The subsections
15 are as follows:

- 16 • Schedule A - Balance sheet
- 17 • Schedule B - Current and pro forma income and expense statements
- 18 • Schedule C - Schedule of billed revenue at current and proposed rates
- 19 • Schedule D - Schedule of fixed assets and depreciation
- 20 • Schedule E - Schedule of present and projected customers
- 21 • Schedule F - Schedule of proposed revenues
- 22 • Schedule G – Schedule of proposed rates

1 Also included in the Application are the most recent approval letters from the South
2 Carolina Department of Health and Environmental Control, a sample customer bill
3 form, and the Company's most recent Gross Receipts Tax Filing at the time the
4 application was filed. The test year chosen is the year ended December 31, 2020, which
5 was the twelve-month period of the Company's most recent fiscal year available at the
6 time of the Company's filing.

7 **Q. PLEASE SUMMARIZE THE PROPOSED CHANGES IN THE COMPANY'S**
8 **RATE SCHEDULES.**

9 A. Exhibit "A" to the Application contains the Company's Schedule of Proposed Water
10 and Sewer Charges. A summary of the requested increase in base rates for the average
11 residential and commercial customer with a 5/8" meter is shown below.

Residential Base Rates			
<u>Class</u>	<u>Meter Size</u>	<u>Current</u>	<u>Requested</u>
Water	5/8"	\$36.65	\$42.21
Sewer	5/8"	\$28.00	\$30.72
Total		\$64.65	\$72.93

Commercial Base Rates			
<u>Class</u>	<u>Meter Size</u>	<u>Current</u>	<u>Requested</u>
Water	5/8"	\$36.65	\$42.21
Sewer	5/8"	\$28.00	\$30.41
Total		\$64.65	\$72.62

1 A summary of the requested increase in consumption rates for residential customers is
2 shown below.

Residential Consumption Rates			
<u>Class</u>	<u>Up to</u>	<u>Current</u>	<u>Requested</u>
Water	11,000 gal	\$4.83	\$5.08
Sewer	11,000 gal	\$0.74	\$0.81
Total		\$5.57	\$5.89

3
4 A summary of the requested increase in consumption rates for commercial customers
5 is shown below.

Commercial Consumption Rates			
<u>Class</u>	<u>Up to</u>	<u>Current</u>	<u>Requested</u>
Water	11,000 gal	\$5.71	\$5.94
Sewer	11,000 gal	\$2.86	\$3.11
Total		\$8.57	\$9.05

6 **Q. PLEASE EXPLAIN THE COMPONENTS OF THE COMPANY'S TEST YEAR**
7 **COSTS.**

8 A. The Company's test year costs include operating expenses, depreciation on plant placed
9 in service through December 31, 2021 (including depreciation on shared assets),
10 allocated corporate overhead, interest expense, income taxes, other miscellaneous
11 costs, and a reasonable operating margin.

12 **Q. PLEASE EXPLAIN HOW THE TEST YEAR COSTS WERE ADJUSTED.**

13 A. Pro forma adjustments were made to the test year actual costs based on known and
14 measurable changes to recorded costs.

1 **Q. PLEASE DESCRIBE THE KNOWN AND MEASURABLE PRO FORMA**
2 **ADJUSTMENTS MADE TO THE INCOME STATEMENT IN SCHEDULE B.**

3 A. The major known and measurable pro forma adjustments made to the income statement
4 in Schedule B are:

- 5 • Operating Revenue was adjusted to reflect the number of customers at year end
6 using the rates that were effective as of September 2021. This increased pro
7 forma revenue by \$259,647.
- 8 • Payroll expenses were increased to reflect known and measurable increases in
9 effect for 2021 to both wages and benefits. This adjustment increased operation
10 and maintenance expenses by \$94,492.
- 11 • The purchased water expense was increased to reflect increased costs passed on
12 by KIU's supplier, St. John's Water Company. This adjustment increased
13 operation and maintenance expenses by \$238,229.
- 14 • Purchased power expense was increased to reflect the one-time credit received
15 for the Santee Cooper settlement. This adjustment increased operation and
16 maintenance expenses by \$27,682.
- 17 • Contractual Services – Legal was reduced by removing non-recurring legal
18 fees. This adjustment decreased operation and maintenance expenses by
19 \$313,423.
- 20 • Contractual Services – Management Fees was reduced to reflect a three-factor
21 overhead allocation used in previous rate cases and to reflect a discretionary
22 adjustment by management. This adjustment decreased operation and
23 maintenance expenses by \$436,606.

- 1 • Rate case expenses are estimated at \$200,000 and amortized over two years.
- 2 Combined with previous rate case expenses allowed, the net adjustment is a
- 3 decrease to operation and maintenance expenses of \$47,517.
- 4 • Removal of non-allowable expenses reduces operation and maintenance
- 5 expenses by \$3,006.
- 6 • Depreciation of fixed assets has been increased to reflect investments by KIU
- 7 up through December 31, 2021. This adjustment increases depreciation expense
- 8 by \$236,788.
- 9 • Property taxes were adjusted to reflect additional plant investments by KIU.
- 10 The amount of the property tax adjustment is \$146,926.
- 11 • Interest expense was initially reduced by \$325,084 to reflect the interest
- 12 synchronization calculation. After further analysis, the interest expense needs
- 13 to be reduced by \$335,793. This is a change of \$10,709 from the adjustment in
- 14 the application.

15 **Q. WHAT COSTS ARE INCLUDED IN RATE CASE EXPENSES?**

16 A. Prudent rate case costs include attorney's fees, expert witness fees, and out-of-pocket
17 expenses incurred in a rate case.

18 **Q. HOW DOES THE COMPANY PROPOSE TO SEEK RECOVERY OF**
19 **PRUDENT RATE CASE COSTS INCURRED SUBSEQUENT TO THE ORS'S**
20 **AUDIT CUT-OFF DATE?**

21 A. KIU will continue to update its rate case expenses after the ORS's audit cut-off deadline
22 and will provide the ORS with periodic updates. KIU will also file supplemental rate
23 case expenses with the Commission prior to the final hearing in this matter and will

1 seek to further update its expenses after its conclusion. KIU will ask the Commission
2 to allow recovery of the supplemented expenses.

3 **Q. HAS THE COMPANY COMPLIED WITH ALL DISCOVERY REQUESTS**
4 **FROM ORS AND DCA?**

5 A. The company has received 387 discovery requests, including subparts, and has
6 completed responses to 357 of them, the remainder of which are due January 28, 2022.

7 **Q. WHAT RATEMAKING METHODOLOGY SHOULD THE COMMISSION**
8 **USE TO SET RATES IN THIS APPLICATION?**

9 A. The Company understands that the Commission has broad flexibility to determine an
10 appropriate rate-setting methodology. Further, established law directs the Commission
11 identify an allowable operating margin in all water and wastewater orders. The
12 Company proposed that its rates continue to be determined using an operating margin
13 methodology, consistent with historical precedent. The Commission found operating
14 margin to be appropriate for determining the lawfulness of the Company's rates and in
15 fixing just and reasonable rates in the Company's last rate filing, while allowing KIU
16 to continue to provide adequate water and wastewater services to its customers. The
17 application proposes an operating margin of 14.25%, the same operating margin that
18 was approved by this Commission for KIU in 2019.

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 A. Yes, it does.



New Business – A
Discussion of KIU Rate Increase

TOWN COUNCIL

KIU Direct Testimony Dennis

Public 1-27-22

**THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 2021-324-WS

IN RE: Application of Kiawah Island Utility,)	DIRECT TESTIMONY
Incorporated to File Proposed Changes)	
in Rates, Charges, Classifications)	OF
and/or Regulations for Water and)	
Sewer Service.)	BECKY DENNIS

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Becky Dennis. My principal place of business is 31 Sora Rail Road,
3 Kiawah Island, South Carolina 29455.

4 **Q. WHAT IS YOUR CURRENT POSITION?**

5 A. I am employed by Kiawah Island Utility, Inc. ("KIU" or "Company") as the Director
6 of Operations. I began working here as an Operator Trainee/Clerk in 1978, then
7 became General Manager in 1993. In March of 2016 my title changed to Director of
8 Operations when SouthWest Water Company ("SouthWest") purchased the stock of
9 KIU's holding company. My duties include complete oversight of all water and
10 wastewater operations, regulatory compliance, customer service, budgetary monitoring
11 and approval, repairs and maintenance, capital projects, and support for all services
12 provided by KIU.

1 **Q. PLEASE STATE YOUR EDUCATIONAL AND PROFESSIONAL**
2 **BACKGROUND.**

3 A. My work experience in the water and wastewater industry began with Charleston Water
4 Systems in 1977. I was among the first female operators at the Plum Island wastewater
5 treatment facility, working as a Vacuum Filter Operator. I've always worn many hats
6 at KIU. Hired as a clerk/operator trainee, my tasks involved not only office and
7 laboratory duties, but customer service, meter installations and repairs and operating a
8 sand filter water treatment facility. When I was hired in 1978, KIU operated a .500
9 million gallons per day ("MGD") aerated lagoon wastewater treatment facility, which
10 is currently rated at 1.7 MGD. I have been able to expand my experiences in water and
11 wastewater, customer services, business management, and many other areas too
12 numerous to list. Growing with a company and working each task of providing quality
13 service and adequate supply to our ever-growing customer base has been a personal
14 responsibility I cherish. I am licensed by the South Carolina Department of Labor,
15 Licensing, and Regulation as an "A" Level Operator in Water Treatment, Water
16 Distribution, Biological Wastewater Treatment, and hold an "A" level Wastewater
17 Collection Certification. At this time the Collection System licensing is considered
18 voluntary. I have an Associate Degree in Business Management obtained from
19 Ashworth College.

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 A. The purpose of my testimony is to discuss the nature of the operations of KIU, the
2 outstanding level of customer service provided to its customers, system enhancements,
3 and the rate structure.

4 **Q. WHAT IS KIU'S SERVICE AREA?**

5 A. KIU's service area encompasses everything within the boundaries of Kiawah Island
6 ("Island"), which is a 10-mile-long island located across the river from Johns Island.
7 KIU serves residential and commercial water and sewer customers as well as irrigation
8 customers.

9 **Q. WHERE ARE KIU'S OFFICES AND WASTEWATER TREATMENT PLANT**
10 **LOCATED?**

11 A. KIU's office and its wastewater treatment plant are both centrally located at 31 Sora
12 Rail Road, inside the Resort. We have other facilities, such as 53 sewage pump stations
13 throughout the Resort. A map showing KIU's service territory is provided below as
14 Exhibit BD-1.

15 Ex. BD-1 – Map of Service Territory



1 **Q. DOES KIU’S LOCATION PRESENT OPERATIONAL CHALLENGES?**

2 A. Yes, it does. Our water, which is purchased from St. John’s Water Company, must be
3 pumped through two separate lines that run under the Kiawah River. The initial 16”
4 Ductile Island line was installed in 1978 and has experienced a significant number of
5 breaks due to age and location, causing interruptions in delivery of water to the Island.
6 It became critical to install a redundant supply line to the Island to ensure that our
7 customers have a safe and reliable supply of water, even during high demand summer
8 months. The second, most recent line was completed in 2017. Planning for this project
9 began in 2011 and included three phases. During construction, the contractor for Phase
10 Two experienced a failure in the 7,000-foot directional drill under the River, resulting
11 in delayed completion and additional costs. Litigation resulted from the additional
12 costs and delays. KIU settled the contractor’s claim of more than \$7 million for
13 [****BEGIN CONFIDENTIAL****] [REDACTED] [****END
14 CONFIDENTIAL****], with additional amounts paid by the contractor’s and KIU’s
15 insurers. This line was permitted to operate in 2017 with total project costs for KIU of
16 approximately \$12 million.

17 Operating in a high-end resort means that our facilities must be both functional
18 and attractive. We take great pains with the appearance of our equipment, and we must
19 safeguard Kiawah’s natural habitat. A photograph of our office on Sora Rail Road is
20 shown below as Exhibit BD-2.



2 **Q. PLEASE PROVIDE AN OVERVIEW OF KIU'S WATER SYSTEM AND**
3 **CUSTOMERS.**

4 A. On December 31, 2020, KIU served 4,323 water customers, the majority of which are
5 residential. During grow-in and high-temperature months, domestic irrigation (homes
6 and commercial) often reflects 75% of the system demand. KIU services its water
7 customers through approximately 70 miles of water pipelines on the Island. It pumped
8 901 million gallons of potable water to its customers in 2020 with an average daily
9 flow of 2.469 million gallons. The peak day demand was 4.659 million gallons, which
10 occurred on May 15, 2020. To ensure the customers' demands are met, KIU maintains
11 two water pumping facilities, two Aquifer Storage and Recovery systems for peak
12 shaving and emergency conditions, and 4.5 million gallons of ground storage. A
13 picture of our Governors Drive pump station is included as Exhibit BD-3. The water

1 system is operated under South Carolina Department of Health and Environmental
2 Control (“DHEC”) Permit No. 1010008.

3 Ex. BD-3 - Governors Dr. Water Pump Station



4 **Q. PLEASE PROVIDE AN OVERVIEW OF KIU’S WASTEWATER SYSTEM**
5 **AND CUSTOMERS.**

6 A. As of the end of the 2020 test year, KIU served 3,730 sewer customers, the majority of
7 which are residential. KIU's sewer system is comprised of a wastewater treatment
8 facility, 53 sewage-pumping stations, and gravity collection mains, force mains, and
9 treated effluent transfer mains, aggregating approximately 71 miles. The wastewater
10 treatment facility is located at the central plant at 31 Sora Rail Road; photographs are
11 included below as Exhibits BD-4 and BD-5.

Ex. BD-4 - Wastewater Treatment Cell # 1



Ex. BD-5 - Treated Effluent Storage Cell



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Q. PLEASE DESCRIBE THE IMPROVEMENTS AND MAINTENANCE MADE TO KIU'S WATER AND WASTEWATER SYSTEMS SINCE THE LAST RATE CASE.

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A. Major improvements since the last rate case include the replacement of aging meters with the Advanced Metering Infrastructure (AMI) metering system, installation of two water transmission mains to provide redundancy and enhancement of services to our customers, advanced screening at the headworks and final discharge of the wastewater treatment facility, effluent pump replacements, deep well rehab, and water pump upgrades. Additionally, we increased our fleet with two service vehicles and equipment that allows for repairs and maintenance activities to be made more

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1 efficiently and safely. Some of the larger pieces of equipment added included a Ditch
2 Witch vacuum unit, Goodwin diesel pump with floats, light tower and portable
3 generator, and a Kubota excavator. Building maintenance included siding repairs and
4 new roofs, flooring, and painting.

5 **Q. IT HAS NOW BEEN OVER FIVE YEARS SINCE KIU WAS ACQUIRED BY**
6 **SOUTHWEST; PLEASE DESCRIBE THE EFFECT ON KIU THAT**
7 **SOUTHWEST'S OWNERSHIP HAS HAD.**

8 A. As mentioned above and the Commission is aware, SouthWest acquired control of KIU
9 in 2016. During introductory meetings with the ORS, there was excitement about
10 having a company such as SouthWest entering the State. Much of the excitement was
11 driven by the financial stability of SouthWest and its ability to acquire other systems
12 that were either poorly run or without adequate financial backing to make necessary
13 improvements to remain compliant. SouthWest expressed its interest in growing its
14 footprint in South Carolina and was encouraged to have the support of this regulatory
15 body. Over the next five years, SouthWest has moved in that direction, acquiring three
16 additional utilities in the Beaufort area as well as two in Columbia. The financial
17 strength of any business such as KIU is vital to maintain ongoing improvements to
18 enhance customer service, complete improvements to aging infrastructure and
19 appurtenances, and perform upgrades to the system to ensure adequate flows and
20 pressures are available to our all our customers. Such enhancements could not occur

1 without adequate funds, which is the reason we are seeking approval of this requested
2 increase before the Commission.

3 **Q. PLEASE DESCRIBE THE EFFORTS OF KIU THAT CONTRIBUTED TO**
4 **THE SUCCESS OF THE PGA CHAMPIONSHIP HELD ON KIAWAH ISLAND**
5 **IN 2021.**

6 A. South Carolina is the home of many signature events that support not only tourism
7 dollars but also introduce this great state to the rest of the world. One of those signature
8 events, The PGA Championship occurred at Kiawah during May 2021. KIU worked
9 closely with officials at the Town of Kiawah Island, the Resort, the Community
10 Association, developer, and the PGA to ensure that we were fully prepared for the
11 event. We coordinated construction activities so that restoration landscaping was
12 completed ahead of the event, and even allowed the use of some of our property to help
13 with logistics. Regardless of our excellent preparation efforts, strange things can occur
14 at a utility, and at the worst times. Such was the case at KIU when, on the Monday
15 afternoon of PGA Week, a tree root cracked a PVC water main along Governors Drive,
16 the main thoroughfare on the island. Pressurized water quickly created a very large
17 hole on the side of the road causing a significant safety hazard and a loss in line pressure
18 downstream. KIU staff responded quickly and, working with the Kiawah Island
19 Community Association, saved the road from collapse, repaired the line, backfilled the
20 hole, hired an arborist to take the tree down, and landscaped the whole area overnight
21 so that our customers and visitors never knew an issue existed in the area; see Exhibit

1 BD-6 below. The tournament was a success and, once again, contributed to the prestige
2 of Kiawah Island and the property values of its residents.

3 Ex. BD-6 – Morning after water main restoration during PGA week.



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5 **Q. PLEASE PROVIDE AN OVERVIEW OF KIU'S CUSTOMER SERVICE**
6 **OPERATIONS.**

7 A. KIU has a staff of 15, with 11 staff working in operations and maintenance and four
8 staff primarily providing office support. Currently, twelve of the KIU staff are
9 Licensed Operators with certifications through the South Carolina Labor, Licensing,
10 Regulation (LLR) agency. Every staff member is trained to focus on providing quality
11 service to customers, whether by making repairs in a timely manner or courteously
12 addressing a customer's concern. As Director of Operations, I have observed
13 employees to be enthusiastic about going above and beyond routine customer service.

14 KIU has a duty operator on the island 24 hours a day, seven days a week, which
15 allows for prompt responses in the event of afterhours and weekend emergencies. KIU

1 staff understands that the majority of KIU customers do not reside on the island full-
2 time and therefore work diligently to be a valuable resource for the customers during
3 their absences. KIU consistently provides reliable, personalized customer service.

4 **Q. HAVE KIU'S CUSTOMERS FILED ANY COMPLAINTS WITH THE ORS**
5 **ABOUT THE COMPANY SINCE THE LAST RATE CASE?**

6 A. No.

7 **Q. HAS THE COMPANY HAD ANY COMPLAINTS SINCE THE LAST RATE**
8 **CASE? IF SO, HOW WERE THEY RESOLVED?**

9 A. Occasionally we have a customer complain about the minimum service fee when they
10 have not occupied the property for a period of time. Other complaints relate to online
11 billing functions. Customer complaints are typically addressed quickly with expert
12 guidance from our customer service staff and consistently with any applicable
13 regulations. KIU staff always go the extra mile to ensure the complaint has been
14 handled with thoughtfulness and tact.

15 **Q. HOW DOES KIU ADDRESS HIGH WATER USAGE BY A CUSTOMER?**

16 A. Kiawah Island has a warm climate, and many of our customers have substantial
17 irrigation needs, but our customers can nevertheless be surprised by their water bills.
18 Additionally, since many of our customers are non-residents, they are not always aware
19 of the automatic settings their landscapers have programmed on their controllers.
20 Whether the owners are on the property or not, irrigation water is being used according
21 to the automatic settings established by their landscape provider.

1 KIU offers to help customers experiencing higher usage than expected. First,
2 we try to be preemptive regarding high meter readings. If monthly meter readings
3 indicate usage beyond the normal range, an operator is dispatched to verify the reading
4 and to conduct a field investigation of any visible reasons for the excessive usage. If
5 the meter showing abnormally high usage is still running, the meter reader immediately
6 tries to determine if there is anything visible on the property such as leaking irrigation,
7 a broken water line, or a hose bib left open that may be contributing to the high usage.
8 If they find a hose bib running or faulty irrigation head at the time of reading the meter,
9 they will turn off the spigot or backflow device feeding the irrigation system. They
10 will document their actions to assist the customer service representatives in relaying
11 what was found and corrective action to the owner or their representative. If nothing
12 is visible on the outside of the home, they will follow up by contacting the homeowner
13 or property manager to inform them of the high reading.

14 Over the years, KIU has documented various reasons for excessive usage,
15 including the following: faulty toilet components, broken irrigation heads, water left
16 running on outside hoses, stuck pool fill valves, faulty fill valves on outside fountains,
17 and irrigation timers defaulting to settings that increase irrigation schedules. Because
18 our operators do not know specifically what apparatuses a customer may have that are
19 water dependent (HVAC systems, water heaters, swimming pools, etc.), KIU generally
20 will not shut a meter off due to high usage without permission from the customer. By
21 obtaining customer approval before shutting off a meter with high usage, KIU reduces
22 potential damage to a customer's property.

1 The second way KIU assists customers with their high usage situations is by
2 offering to conduct irrigation tests on their systems free of charge to determine how
3 much water is being used during an irrigation cycle. Many times, this irrigation test
4 involves coordination with the owner's landscaper to access the irrigation controller.
5 KIU staff, along with the owner or their representative, will determine the watering
6 schedule set at that specific time. They will run through each zone to determine the
7 gallons per minute and plug in the actual time set on the controller for that zone. They
8 go through the entire schedule and produce a spreadsheet showing the gallons used for
9 irrigation at the time of the test. KIU staff spend considerable time encouraging
10 customers to become more involved in the operation of their irrigation systems and to
11 perform periodic testing themselves to ensure that control settings align with watering
12 needs.

13 During 2021, KIU undertook a major meter change-out program in which all of
14 the aging manual-read meters were replaced with AMI meters. This advanced
15 technology allows customer service representatives to review usage history, create
16 charts, and provide real time usage patterns to our customers. Additionally, this
17 technology allows the customer service representatives to pull reports that reflect
18 continuous usage and inform a customer that something is causing continuous flow.
19 Recently, there have been two occasions in which the cause of continuous flow was
20 related to stuck pool valves. Our IT department is in the process of enhancing customer
21 engagement by implementing VertexOne's WaterSmart/Customer Advantage
22 integration, which will allow customers to see their own usage and set alarm parameters

1 that best suit their individual patterns of use. We expect this exciting rollout to occur
2 in February 2022.

3 **Q. PLEASE DESCRIBE KIU'S CURRENT AND PROPOSED RATE**
4 **STRUCTURE.**

5 A. The existing and proposed base rate structure is fair and equitable to our customers
6 because it provides a mechanism whereby those consuming the water are charged
7 according to the ERU available through the various meter sizes. Base rates increase
8 incrementally based on ERU. The fixed costs required to run KIU's daily operations
9 are used in calculating the base fees. Additionally, the collection of the base fee, as
10 with any other service provider, ensures delivery of that service upon demand, no
11 matter how often the service is called for. Our base fees are consistent by meter size
12 throughout our residential, commercial, and irrigation schedules.

13 The tiered usage rate encourages and allows those residential customers
14 exercising conservation to benefit from the lowest tier. The consumption rates are
15 consistent no matter the meter size but increase with usage.

16 The cap of 11,000 gallons for the residential sewer consumption charge was
17 established based on the average usage for our residential customers. The majority of
18 homes on Kiawah Island run their irrigation systems through their single supply line
19 instead of installing a separate irrigation meter. Capping the usage for sewer charges
20 at 11,000 gallons allows them to continue this practice without additional sewer
21 consumption charges applied.

1 Kiawah currently has a total of five golf courses, which are identified in our
2 DHEC Wastewater Permit as our “discharge” fields. Although there are lines directly
3 feeding each of these courses from the holding ponds at the treatment facility, we
4 currently are only serving three regularly. KIU management and the owners of the
5 courses met to determine how to best utilize the available water resources for golf
6 irrigation. At that time, the single owner of four of the five courses decided to come
7 up with an alternate supply for two of their four courses, with the understanding that
8 when the blended product was needed, as available it would be supplied. As a seasonal
9 resort island, treated effluent flows range from .300 to 1.300 MGD. These varying
10 flows create a need to add well and potable water to consistently meet golf course
11 irrigation needs, which can exceed 1.0 MGD per course. Well and potable water is
12 blended with effluent at the outfall structure, therefore all water in the holding lagoons
13 is considered a blended product. We track all water in by source and out by course on
14 a daily basis. Meetings were held with the management teams of the golf courses to
15 review the billing processes based on the monthly blended rate. They agreed that this
16 procedure was fair and equitable.

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 **A. Yes, it does.**



New Business – A
Discussion of KIU Rate Increase

TOWN COUNCIL

KIU Direct Testimony Sorensen 1-27-22

**THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 2021-324-WS

IN RE: Application of Kiawah Island Utility,)	DIRECT TESTIMONY
Incorporated to File Proposed Changes)	
in Rates, Charges, Classifications)	OF
and/or Regulations for Water and)	
Sewer Service.)	CRAIG SORENSEN

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Craig Sorensen, P.E. My principal place of business is 1710 Woodcreek
3 Farms Road, Elgin, South Carolina 29045.

4 **Q. WHAT IS YOUR CURRENT POSITION?**

5 A. I am President for SouthWest Water Company's business in Alabama, Florida, and
6 South Carolina. I am also President at Kiawah Island Utility, Inc. ("KIU" or
7 "Company").

8 **Q. PLEASE STATE YOUR EDUCATIONAL AND PROFESSIONAL**
9 **BACKGROUND.**

10 A. I hold a Bachelor of Science degree in Mining Engineering from the University of
11 Missouri-Rolla and a Master of Business Administration degree from Samford
12 University. I am a licensed Professional Engineer in four states, including South
13 Carolina. My experience includes over 25 years in the water and wastewater industry,
14 from heavy civil construction to design engineering and large facility project
15 management to utility ownership and management.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of my testimony is to provide an overview of KIU's request and introduce
3 the expert witnesses testifying on KIU's behalf.

4 **Q. PLEASE SUMMARIZE KIU'S REQUEST.**

5 A. In its application, KIU requested revenues of \$10,973,313 based on a 14.25% operating
6 margin. This represents an increase of \$1,355,997, or 14.10%, over KIU's pro forma
7 test year revenues. If approved, the requested percentage increase would average about
8 3.5% annually since KIU's last rate increase, less than the percentage increase in the
9 Water and Sewerage Maintenance Consumer Price Index, 15.1%¹, as published by the
10 US Bureau of Labor Statistics since the midpoint of KIU's previous test year. The
11 requested revenues represent a recovery of the Company's costs to provide service.
12 KIU is not requesting any changes to its existing miscellaneous fees or other tariff
13 provisions.

14 **Q. PLEASE DESCRIBE THE DEMOGRAPHICS OF THE COMPANY'S**
15 **SERVICE AREA AND DISCUSS THE EXPECTED LEVEL OF SERVICE**
16 **FROM KIU.**

17 A. Kiawah Island has a rich history and has grown to become one of the State of South
18 Carolina's treasures as a premier tourist destination and host of national events such as
19 the PGA Championship in 2021. The median household income for Kiawah Island

¹ <https://data.bls.gov/timeseries/CUUR0000SEHG01>

1 ranks the highest in the entire state.² At \$193,750, it compares favorably to the overall
2 South Carolina median of \$56,227.³ The median single-family home price is nearly \$2
3 million.⁴ While all utilities are expected to meet basic service standards, the residents
4 of Kiawah Island generally expect the highest of service standards when it comes to
5 their utility. In the direct testimony of Becky Dennis, she describes in detail how KIU
6 strives to meet those high expectations.

7 **Q. WHAT IS THE EFFECT OF THE REQUESTED RATE INCREASE ON KIU'S**
8 **AVERAGE CUSTOMER?**

9 A. A summary of the bill impacts for residential customers with a 5/8" meter using either
10 3,000 gallons per month or 11,000 gallons per month is shown below.

11

Monthly Bill for Residential Customer using 3,000 Gallons			
<u>Class</u>	<u>Meter Size</u>	<u>Current</u>	<u>Requested</u>
Water	5/8"	\$51.14	\$57.45
Sewer	5/8"	\$30.22	\$33.15
Combined		\$81.36	\$90.60

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Monthly Bill for Residential Customer using 11,000 Gallons			
<u>Class</u>	<u>Meter Size</u>	<u>Current</u>	<u>Requested</u>
Water	5/8"	\$89.78	\$98.09
Sewer	5/8"	\$36.14	\$39.63
Combined		\$125.92	\$137.72

²https://datacommons.org/place/geoId/4538162?utm_medium=explore&mprop=income&popt=Person&cpv=age%2CYears15Onwards&hl=en

³ <https://data.census.gov/cedsci/profile?g=1600000US4538162>

⁴ https://issuu.com/kiawahisland/docs/kire_forecast_q3_2021_issuu?fr=sYjZmMDQwNjM3MTc

1 **Q. WHY IS KIU’S REQUESTED OPERATING MARGIN APPROPRIATE?**

2 A. KIU’s requested operating margin of 14.25% is justified by our quality of service and
3 operations, and it is well within the range of operating margins recently granted by the
4 Commission. For instance, since granting 14.25% to KIU in its last rate case, the
5 Commission has recently approved the following explicit and resulting operating
6 margins for other water and wastewater utilities:

Order No.	Utility	Granted Operating Margin
2019-288	Kiawah Island Utility, Inc.	14.25%
2019-314	Palmetto Wastewater Reclamation, Inc.	14.56%
2020-94	CUC, Inc.	12.51%
2020-306	Blue Granite Water Service Company	10.54%
2020-561	Palmetto Utilities, Inc.	16.48%
2021-814	Palmetto Wastewater Reclamation, Inc.	13.23%

7 **Q. ARE KIU’S REQUESTED RATES JUSTIFIED? PLEASE EXPLAIN.**

8 A. Yes. KIU’s rates were last approved nearly three years ago, on April 25, 2019, based
9 on a 2017 test year that is now over four years old. Since that time, KIU has made
10 significant investments and incurred various cost increases. The proposed rate increase
11 is necessary for KIU to continue providing reasonable and adequate service to its
12 customers, cover its expenses, attract capital for future improvements, and comply with
13 the standards and regulations set by the South Carolina Department of Health and
14 Environmental Control (“DHEC”) and other environmental regulatory authorities.

15 **Q. HAS KIU COMMISSIONED A COST OF SERVICE STUDY TO SUPPORT ITS**
16 **PROPOSED RATE DESIGN?**

17 A. Yes. The settlement agreement approved by the Commission in KIU’s most recent
18 general rate case included a commitment from the Company that it would “confer with

1 ORS to determine whether a cost of service study should be conducted before KIU's
2 next rate case." KIU conferred with ORS, which strongly recommended that a cost of
3 service study be performed. KIU commissioned the study from Mr. Charles Loy of
4 GDS Associates, who provides direct testimony in this case regarding said study and
5 the resulting rate design.

6 **Q. PLEASE INTRODUCE THE OTHER WITNESSES TESTIFYING ON**
7 **BEHALF OF KIU.**

8 A. Mr. Donald H. Burkett, CPA, testifies regarding the financial schedules filed in the
9 Company's application. Mr. Mujeeb Hafeez testifies regarding the overhead and
10 shared costs and the allocation thereof to KIU. Ms. Becky Dennis testifies regarding
11 the Company's operations and customer service record. The Company also may call
12 additional witnesses in its rebuttal testimony.

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

14 A. Yes, it does.



Tab | 4

TOWN COUNCIL

Agenda Item



Request for Town Council Action

TO: Mayor and Council Members

FROM: Stephanie Monroe Tillerson, Town Administrator

SUBJECT: Lease Agreement with Kiawah Island Utility

DATE: 2/1/2022

BACKGROUND:

On May 1, 2011, the Town of Kiawah Island entered into a Lease Agreement for three (3) years and terminating on April 30, 2014, in the amount of 1.00 Dollar. The Lease Term automatically renewed for an additional three-year period at the end of each Lease Term.

The Leased premise site was used for and continues to be used to place and maintain the Town's wet trash and recycling collection center serviced by the Town's vendor Carolina Waste.

As you know, the Town is improving the site to serve the community better. We are expanding the lease area, enhancing the location's security by opening the site a little more, adding some additional lighting, and reconfiguring the wet trash and recycling bins.

ACTION REQUESTED:

Town Staff requests that Town Council approve the Lease Agreement Term for three (3) years, commencing as of March 1, 2022, and terminating on February 28, 2025. The Lease Term shall be extended automatically for additional three-year periods at the end of each Lease Term.

Rent. As rental for the Leased Premises, Tenant shall pay Landlord the sum of One and No/1 00 (\$1.00) Dollar per year of the Term, payable to Landlord on each anniversary of the date of this Agreement.

BUDGET & FINANCIAL DATA:

The Cost of the Lease Agreement will come from the General Fund.

STATE OF SOUTH CAROLINA)
) LEASE AGREEMENT
COUNTY OF CHARLESTON) (Recycle and Dumpster Site on Kestrel Court)

THIS AGREEMENT (hereinafter the "Lease" and/or the "Agreement") is made and entered as of the 1st day of May, 2011, by and between KIAWAH ISLAND UTILITY, INC. (a South Carolina Corporation hereinafter sometimes referred to as the "Landlord") and the TOWN OF KIAWAH ISLAND (a municipal corporation organized and existing under the laws of the State of South Carolina hereinafter sometimes referred to as the "Tenant").

1. **Leased Premises.** In consideration of the sum of One and No/100 (\$1.00) Dollar, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, that certain piece, parcel, or tract of land owned by Landlord located on the south side of Kestrel Court, adjacent to the Kiawah Island Utility tract, in the Town of Kiawah Island, Charleston County, S.C., more particularly depicted on Exhibit "A" attached hereto and incorporated herein by reference (the "Leased Premises").

2. **Term.** The Term of this Agreement shall be for a period of three (3) years, commencing as of March 1, 2022, and terminating on February 28, 2025 (the entire period being the "Lease Term"). The Lease Term shall be extended automatically for additional three-year periods at the end of each Lease Term; provided, however, that either party may terminate this Lease upon 60 days prior written notice to the other party.

3. **Use.** The Leased Premises shall be used by Tenant only as a site for placement and maintenance of a garbage dumpster and recycling bins **for collection and removal of garbage and recycling material** absent Landlord's prior, written consent (which consent may be granted or withheld in Landlord's sole discretion).

Tenant's use and occupancy of the Leased Premises shall be in compliance with all applicable laws and regulations, and subject at all times to the terms, provisions, and limitations set forth in the Kiawah Island Covenants and Restrictions of record in the Charleston County R.M.C. Office.

Tenant's use and occupancy of the Leased Premises shall not interfere with the owners and tenants of adjacent properties.

4. **Rent.** As rental for the Leased Premises, Tenant shall pay Landlord the sum of One and No/100 (\$1.00) Dollar per year of the Term, payable to Landlord on each anniversary of the date of this Agreement.

5. **Improvements and Maintenance.** Landlord shall allow Tenant to pave, add lighting, **remove trees, and landscape** the Leased Premises; provided, however, that any and all improvements to the Leased Premises, including, without limitation, such paving and lighting, shall be (i) made at Tenant's sole expense; (ii) subject to the prior written approval of Landlord (which approval shall not be unreasonably withheld) and the Kiawah Architectural Review Board; and (iii) at Landlord's request, removed by Tenant (at Tenant's sole expense) within thirty (30) days of the expiration or earlier termination of this Lease. Tenant further agrees to keep the Leased Premises in a neat, tidy and clean condition at all times.

6. **Assignment.** Tenant may not assign or transfer this Lease Agreement or sublet or otherwise encumber all or any part of the Leased Premises without the prior written consent of Landlord.

7. **Notices.** Any notice, demand or other instrument or written communication required or permitted to be given, served, made, or delivered hereunder shall be given, served, made, or delivered first by facsimile at the telephone numbers set forth below, and by mailing the original thereof either by overnight courier (e.g. Federal Express), or by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Landlord:

With copy to:

If to Tenant:

With copy to:

Stephanie Tillerson, Town Administrator
Town of Kiawah Island
4475 Betsy Kerrison Parkway
Kiawah Island, SC 29455
Tel: 843.768.9166
Email: stillerson@kiawahisland.org

Joseph C. Wilson, Town Attorney
Town of Kiawah Island
P.O. Box 178
Folly Beach, SC 29439
Tel: 843.834.2390
Email: jwilson@kiawahisland.org

or to such other addresses as either party may request by written notice to the other party. Any notice, demand or other instrument or written communication given by facsimile shall be deemed to have been given, served, made or delivered when such facsimile transmittal can be confirmed by the sending party by means of a facsimile confirmation notice evidencing that all pages were transmitted to the recipient thereof. Any such notice, demand or other instrument or written communication mailed as above provided shall be deemed to have been given, served, made or delivered at the time that it was placed in the mail with sufficient postage attached.

8. **Property Taxes.** Tenant shall reimburse Landlord for its pro-rata share of the annual real estate taxes for the parcel upon which the Leased Premises is located, and 100% of any additional taxes as may be attributable solely to any improvements placed on the Leased Premises by Tenant. Tenant's pro-rata share of the annual real estate taxes as aforesaid shall be calculated by Landlord on a "per-acre" basis, and Tenant shall reimburse Landlord for the amount of any such tax payment within thirty (30) days of receipt of sufficient documentation indicating the amount paid and the calculation of Tenant's pro-rata share. Upon written request by Tenant, Landlord shall furnish evidence of payment of all taxes.

9. **Insurance.** Tenant shall, at its expense, maintain in force during the term of this Lease, a General Liability Policy with a limit of not less than \$1,000,000.00 insuring Landlord and Tenant against all liability arising out of the use, occupancy, or maintenance of the Leased Premises, and a Pollution Policy with a limit of not less than \$1,000,000, which policies shall be endorsed to reflect Landlord as an additional insured. Tenant shall provide Landlord a certificate of insurance confirming such coverage.

10. **Right of Mortgagees and Others.** Tenant accepts this Lease subject and subordinate to the lien of any current or future mortgage created upon the Leased Premises and to all existing recorded restrictions, covenants, easements and agreements of record. Tenant agrees to execute, from time to time, when requested to do so by Landlord, subordination agreements in recordable form, provided no such future mortgage, conveyance, or encumbrance, nor any foreclosure thereof, nor any purchase thereunder, shall impair or abridge the rights of Tenant as provided herein. Landlord and/or its authorized agents and permittees shall have the right (but not the obligation) to enter upon the Leased Premises from time to time, so long as such entry does not unreasonably interfere with Tenant's use and enjoyment thereof.

11. **Nonwaiver.** Neither a failure by the Landlord to exercise any of its options hereunder, nor failure to enforce its rights or seek its remedies upon any default, nor the acceptance by the Landlord of any rent accruing before or after any default, shall affect or constitute a waiver.

12. **Quiet Enjoyment.** If the Tenant pays the rent, it is obligated hereunder to pay, and observes all other terms, covenants, and conditions hereof, it may peaceably and quietly have, hold, and enjoy the Leased Premises during the term of this Lease, subject, however, to all the terms of this Lease.

13. **Tenant's Default.** If Tenant shall be in default in the performance or observance of any other term, covenant or condition to be performed or observed by Tenant under this Lease and if Tenant shall fail to cure said default within thirty (30) days after receipt of notice of said default from Landlord, then Landlord may cancel this lease.

14. **Surrender of Premises.** Except in the case of condemnation at the expiration or sooner termination of the term of this Lease, Tenant shall surrender the Leased Premises in the same condition as the Leased Premises were in upon delivery of possession thereto under this Lease, reasonable wear and tear excepted.

15. **Miscellaneous Provisions.**

(a) **Relationship of Parties.** It is the intention of the parties hereto to create the relationship of Landlord and Tenant, and no other relationship whatsoever, and unless expressly otherwise provided herein nothing herein shall be construed to make the parties hereto liable for any of the debts, liabilities or obligations of the other party.

(b) **Governing Laws.** This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of South Carolina.

(c) **Invalidity of Particular Provisions.** If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

(d) **Successors and Assigns.** Except as may be expressly otherwise provided herein, the terms, covenants and conditions hereof shall inure to the benefit of and shall be binding upon Landlord and its successors and assigns and the terms, covenants and indentures hereof shall inure to the benefit of and shall be binding upon Tenant and its successors, heirs, legal representatives, and permitted assigns.

16. **Entire Agreement.** This Agreement shall constitute the entire agreement between the parties hereto and neither this Agreement nor any provision thereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

DRAFT

IN WITNESS WHEREOF, Kiawah Island Utility, Inc., has caused these presents to be executed in its name by its Officer thereunto duly authorized and its seal to be hereunto fixed, this _____ day of _____, 2022.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

KIAWAH ISLAND UTILITY, INC.
(SEAL)

By: _____

Its: _____

DRAFT

IN WITNESS WHEREOF, Kiawah Island Utility, Inc., has caused these presents to be executed in its name by its Officer thereunto duly authorized and its seal to be hereunto fixed, this _____ day of _____, 2022.

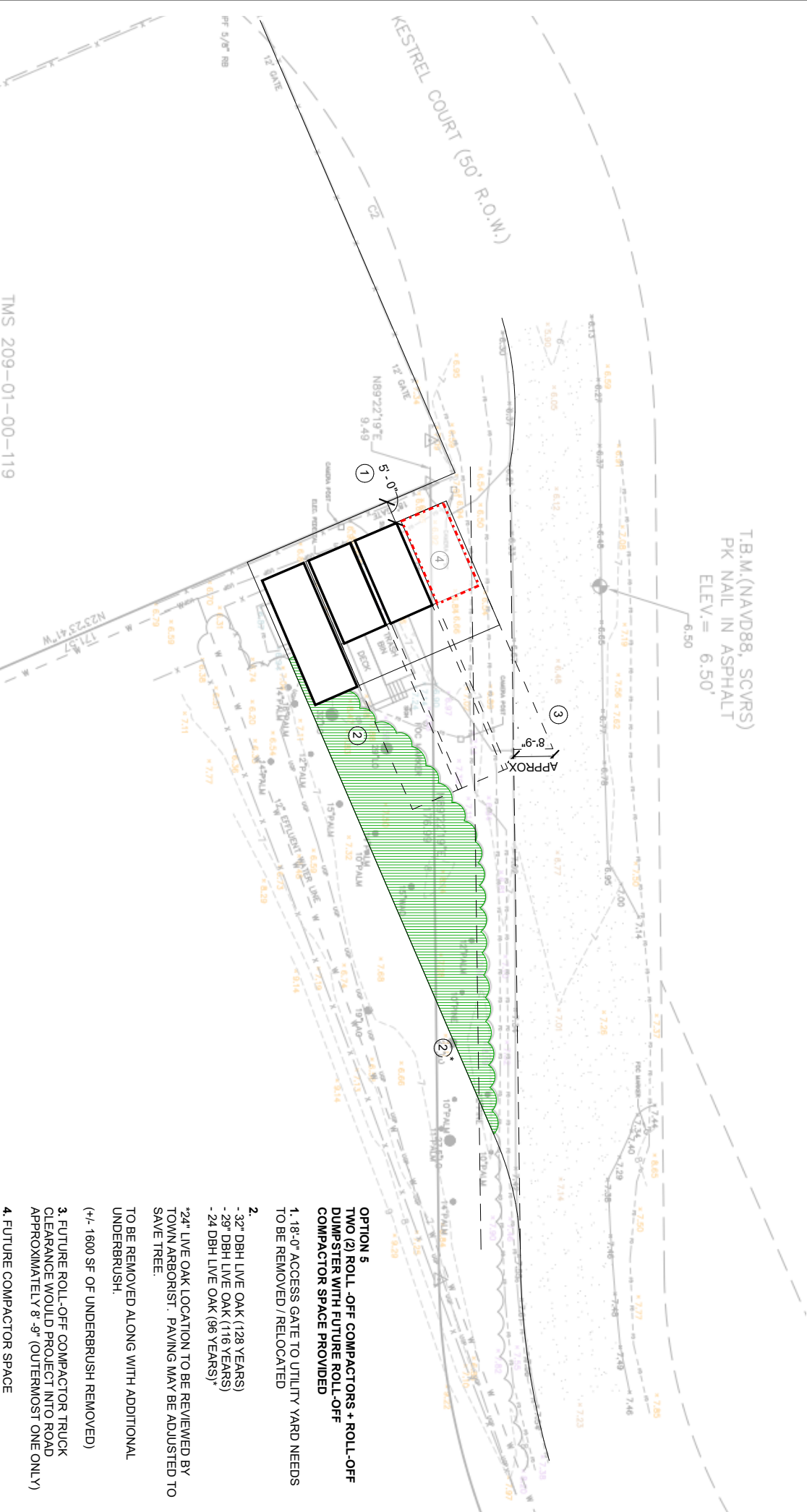
SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

TOWN OF KIAWAH ISLAND
(SEAL)

By: _____
John Labriola, Mayor

Attest: _____
Clerk of Council

DRAFT



T.B.M. (NAVD88, SCVRS)
PK NAIL IN ASPHALT
ELEV. = 6.50'

APPROX 8'-9"

OPTION 5
TWO (2) ROLL-OFF COMPACTORS + ROLL-OFF
DUMPSTER WITH FUTURE ROLL-OFF
COMPACTOR SPACE PROVIDED

1. 18'-0" ACCESS GATE TO UTILITY YARD NEEDS
TO BE REMOVED / RELOCATED
2.
 - 32" DBH LIVE OAK (128 YEARS)
 - 29" DBH LIVE OAK (116 YEARS)
 - 24" DBH LIVE OAK (96 YEARS)*
- *24" LIVE OAK LOCATION TO BE REVIEWED BY
TOWN ARBORIST. PAVING MAY BE ADJUSTED TO
SAVE TREE.
- TO BE REMOVED ALONG WITH ADDITIONAL
UNDERBRUSH.
- (+/- 1600 SF OF UNDERBRUSH REMOVED)
3. FUTURE ROLL-OFF COMPACTOR TRUCK
CLEARANCE WOULD PROJECT INTO ROAD
APPROXIMATELY 8'-9" (OUTERMOST ONE ONLY)
4. FUTURE COMPACTOR SPACE



Tab | 5

TOWN COUNCIL

Agenda Item



Request for Town Council Action

TO: Mayor and Council Members

FROM: Craig Harris, Director of Public Safety

SUBJECT: Barrier Island Ocean Rescue - Beach Patrol Contract

DATE: 2/1/2022

BACKGROUND:

The Town posted an RFP for Beach Patrol and Code Enforcement Services. The Town received one bid proposal, which came from the Barrier Island Ocean Rescue.

Over the past week, staff has worked with representatives from the Barrier Island Ocean Rescue to discuss the proposal amount and work hours to understand the increase in cost for services better.

The Town has had a contract with Barrier Island Ocean Rescue for beach patrol services since October of 2009. The Town entered into the last contract in 2017 for three years with the option of two one-year extensions for \$320,765 annually.

In 2019, the Town entered into a separate contract with Barrier Island Ocean Rescue for Code Enforcement Services, explicitly highlighting the need to enforce the Short Term Rental Ordinance for \$288,580 annually.

ANALYSIS:

After discussions with the Barrier Island Ocean Rescue representatives and the Town Administrator, I respectfully request that the Town Council treat the contracts with Barrier Island Ocean Rescue separately.

After Hours Code Enforcement

As new to my position and the Director of Public Safety, I wholeheartedly support moving forward with the new contract for Beach Patrol Services and making no changes to the Code Enforcement Contract but amending that the current contract for one year expires in February 2023. This option allows me sufficient time to access the Town's overall code enforcement services with our in-house code enforcement team and after-hours code enforcement team.

Beach Patrol

Staff met and worked with co-partners of the Barrier Island Ocean Rescue to determine the level of services we feel would more align with the needs of Kiawah Island. Over the years, the beach has become more crowded with day visitors, tourists and residents; moreover, over the last two years, the beach has probably seen a substantial increase in visitors due to the pandemic. Therefore, there is no denying that service needs increased from 2017. However, as with the After Hours Code Enforcement services, I am respectfully requesting sufficient time to access the Town's overall Beach Patrol services and to have a better grasp on the need for the Town.

Therefore, the staff requests that the Town Council approve Option two as described on the attached page.

ACTION REQUESTED:

Town Staff requests that Town Council approve the contracts with Barrier Island Ocean Rescue for Beach Patrol services for \$584,000 per year and Code Enforcement services for \$288,580 per year.

BUDGET & FINANCIAL DATA:

These contracts will be funded through General and Restricted Funds (SATAX and LATAX).

Barrier Island Ocean Rescue

32 Sora Rail Road
Kiawah Island, SC 29455
www.BeachPatrolSC.org



31 January, 2022

Dear Members of the Council,

Please find enclosed two options for Beach Patrol staffing models as requested by Town Staff. The first option (Option 1) is to maintain the current staffing model that has been in use since 2013. The second option (Option 2) keeps the staffing consistent with the 2013 staffing model through the majority of the year, but adds another vehicle and staff member from Memorial Day through August 15th.

Barrier Island Ocean Rescue would like to strongly recommend to Council that the amount of service on the beach be increased to keep up with the growing numbers of patrons, calls for service, and enforcement activity. Since the last fully executed contract was signed in 2017, we have seen many of our key metrics more than triple. Please see the chart below referencing the statistics that are reported to the Public Safety Committee annually.

Activity	2017	2021	Percent Increase
Enforcement Actions	397	1933	386%
Medical Responses	103	438	325%
Stingray Stings	50	271	442%

As always, BIOR is committed to performing the best possible service for the Town of Kiawah Island, and we thank you for your consideration.

Very Respectfully,

Robert Edgerton

Michael Sosnowski

Option 1 Schedule:

Contractor shall perform work daily in accordance with the following schedule:

October 1 through Thursday before Easter

One employee (one vehicle) is responsible for full coverage of the beach throughout the day.

Workday: 8:00 a.m. to 5:00 p.m.

Friday before Easter through May 14

Two employees (two vehicles), patrolling independently to maximize beach coverage. One vehicle will be operated by the supervisor of the day.

Workday: 8:00 a.m. to 6:00 p.m.

May 15 through Thursday before Memorial Day

Three employees (3 vehicles) patrolling independently for maximum beach coverage. One person will be designated as the supervisor. Shifts will be staggered and overlapping to ensure adequate coverage and response during the workday hours.

Workday: 7:00 a.m. to 8:00 p.m.

Friday before Memorial Day through August 15

Five employees (5 vehicles) patrolling independently for maximum beach coverage. One person will be designated as the supervisor. Shifts will be staggered and overlapping to ensure adequate coverage and response during the workday hours.

Workday: 7:00 a.m. to 8:00 p.m.

August 16 through Labor Day Monday

Three employees (3 vehicles) patrolling independently for maximum beach coverage. One person will be designated as the supervisor. Shifts will be staggered and overlapping to ensure adequate coverage and response during the workday hours.

Workday: 7:00 a.m. to 8:00 p.m.

Tuesday After Labor Day through September 30

Two employees (two vehicles) patrolling independently to maximize beach coverage. One vehicle will be operated by the supervisor of the day.

Workday: 8:00 a.m. to 6:00 p.m.

Cost: \$522,600

Option 2 Schedule:

Contractor shall perform work daily in accordance with the following schedule:

October 1 through Thursday before Easter

One employee (one vehicle) is responsible for full coverage of the beach throughout the day.

Workday: 8:00 a.m. to 5:00 p.m.

Friday before Easter through May 14

Two employees (two vehicles), patrolling independently to maximize beach coverage. One vehicle will be operated by the supervisor of the day.

Workday: 8:00 a.m. to 6:00 p.m.

May 15 through Thursday before Memorial Day

Three employees (3 vehicles) patrolling independently for maximum beach coverage. One person will be designated as the supervisor. Shifts will be staggered and overlapping to ensure adequate coverage and response during the workday hours.

Workday: 7:00 a.m. to 8:00 p.m.

Friday before Memorial Day through August 15 (Staggered 8hrs shift)

Six employees (6 vehicles) patrolling independently for maximum beach coverage. One person will be designated as the supervisor. Shifts will be staggered and overlapping to ensure adequate coverage and response during the workday hours.

Workday: 7:00 a.m. to 8:00 p.m.

August 16 through Labor Day Monday

Three employees (3 vehicles) patrolling independently for maximum beach coverage. One person will be designated as the supervisor. Shifts will be staggered and overlapping to ensure adequate coverage and response during the workday hours.

Workday: 7:00 a.m. to 8:00 p.m.

Tuesday After Labor Day through September 30

Two employees (two vehicles) patrolling independently to maximize beach coverage. One vehicle will be operated by the supervisor of the day.

Workday: 8:00 a.m. to 6:00 p.m.

Cost: \$584,000



Tab | 6

TOWN COUNCIL

Agenda Item

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)
)
)
_____)

**AMENDMENT TO AGREEMENT BETWEEN
THE TOWN OF KIAWAH ISLAND
AND
ISLAND BEACH SERVICES, LLC**

WHEREAS, the **Town of Kiawah Island** and **ISLAND BEACH SERVICES, LLC** entered into an agreement on **December 2, 2019** for the purpose of providing Short Term Rental Ordinance Code Enforcement services.

WHEREAS, the Town and Island Beach Services wish to amend said agreement in the following particulars:

1. **TERM:** This agreement amount shall be extended from February 2, 2022 to February 13, 2023.

All other provisions of the agreement entered into on December 3, 2019 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment this 1st day of February 2022.

WITNESSES

Town of Kiawah Island

By: John D. Labriola
Its: Mayor

Island Beach Services, LLC

By: Rob Edgerton
Its: Owner



Tab | 7

TOWN COUNCIL

Agenda Item

2022

Planning Commission

The Commission is composed of 7 members appointed by the Mayor and Town Council. Appointments are for four-year terms

Fred Peterson, Chairman (2023)

5544 Green Dolphin Way
Kiawah Island, SC 29455
(843) 670-9512
Email: fred.m.peterson@gmail.com

William (Bill) Dowdy (2025)

87 Bufflehead Drive
Kiawah Island, SC 29455
(843) 641-0160
Email: Dowdy.bill@yahoo.com

Andrew J. Capelli (2025)

160 Governor's Drive
Kiawah Island, SC 29455
(843) 768-9113
Fax: (843) 768-0399
Email: acapelli35@hotmail.com

Robert (Brit) Stenson (2024)

142 Blue Heron Pond
Kiawah Island, SC 29455
(843) 768-4242
Email: britstenson@gmail.com

Larry Iwan (2026)

35 Salt Cedar Lane
Kiawah Island, SC 29455
(843) 768-6626
Email: plinyiwan@msn.com

Madeleine Kaye (2023)

252 Sea Marsh Drive
Kiawah Island, SC 29455
(843) 670-6801
Email: applevalley54@yahoo.com

***Joanne K. Hennessy (2024)**

12 Blue Heron Pond Road
Kiawah Island, SC 29455
(843) 732-4051
Email: hennj@aol.com

John Taylor, Planning Director

Town of Kiawah Island
4475 Betsy Kerrison Parkway
Kiawah Island, SC 29455
Phone: 768-9166
Email: jtaylor@kiawahisland.org

John R. Moffitt, Council Liaison

36 Painted Bunting Court
Kiawah Island, SC 29455
Phone: 704-968-5130
Email: jmoffitt@kiawahisland.org

***new member to be appointed**



Mayor

John D. Labriola

Council Members

Maryanne Connelly

John Moffitt

Scott Parker

Dan Prickett

Town Administrator

Stephanie Monroe Tillerson

MEMORANDUM

TO: Stephanie Tillerson, Town Administrator

CC: John Moffitt, Town Council Planning Liaison

FROM: John Taylor, Jr., Planning Director

DATE: January 20, 2022

SUBJECT: Planning and Zoning Committee Vacancy

The following person has been recommended to fill the current vacancy of the Planning Commission. Included is a submitted resume. Please feel free to follow up with any questions or concerns.

Planning Commission:

There is currently **one** vacancy on the Planning Commission. Member of the Planning Commission serve four-year terms; however, the recommended name is to fill the existing term of Ms. Gaye Stathis (Resigned October 2021). Ms. Stathis' term is set to expire in 2024.

1. **Joanne Hennessy (Term set to expire 2024)**
12 Blue Heron Pond Road Kiawah Island, SC 29455 | Ph. 847-732-4051
hennj@aol.com

Joanne K. Hennessy
12 Blue Heron Pond Road
Kiawah Island, SC 29455
847-732-4051
hennj@aol.com

Experience: 2006-2019 Served on the Planning, Zoning and Housing Committee of the Representative Town Meeting of the Town of Darien, CT. 3 years as member, 4 years as elected vice chair, 6 years as elected chair.

- Involved with three land acquisitions for the Town
- Worked on three major new multi use development projects
- Worked on 105 unit new affordable housing project
- Helped write the State required 10 year Plan of Conservation and Development
- Served on the Flood Mitigation Strategy Committee
- Served on the Affordable Housing Trust Board
- Worked on contract issues to insure best interests of the Town were served

Prior professional experience:

- New Trier High School, Winnetka, IL: Strategic Planning Finance Committee
- Baxter Travenol Laboratories, Deerfield, IL: Senior Product Manager
- American Hospital Supply Corp., Evanston, IL: Marketing and Product Manager
- The First National Bank of Chicago: Management development program

Additional experience: Varied and numerous volunteer positions including Arts, etc. on Kiawah, various boards and school positions in Illinois and Connecticut. Ran the Town of Darien Paddle Tennis League for 130 women. Served on the Fairfield County Paddle Tennis Board. Worked on design and build of two homes.

Education:

BA Economics and English from Wellesley College
MBA Finance from Kellogg Graduate School of Management, Northwestern University

References provided upon request.



Tab | 8

TOWN COUNCIL

Agenda Item

2022

Construction Board of Appeals

*The Committee members serve three-year terms which expire on January 31st, 2023
and are appointed by the Mayor and Town Council.*

Andrew Lingle, Chairman

AGL Services
3226 Maybank Highway
Building E-10
Johns Island, SC 29455
Phone: 843-297-2475
Email: Andrewlingle@aglair.com

Maurice (Mo) Mangan

Mangan, Inc.
PO Box 749
Johns Island, SC 29457
Phone: 843-425-1511
E-mail: mkmanganinc@gmail.com

Stephen B. Sager

Electrician
582 Oyster Rake
Kiawah Island, SC. 29455
Phone: 768-4865 (H)
Phone: 617-429 0630 (M)
E-mail: ssager@sbsager.com

Marshall Beverly

Beverly Plumbing, LLC
3026 Plow Ground Rd.
Johns Island, SC 29455
Phone: 843-559-5732
E-mail: beverlyplumbing@aol.com

Kevin Haddigan

Haddigan Electrical Contractors, LLC
2938 Highway 17N
Mt. Pleasant, SC 29466
Phone: 843-884-0268
Email: kevin@haddiganelectrical.com

***Noel E. Kade**

Dolphin Architects & Builders
3730 Bohicket Rd Suite 6
Johns Island, SC 29455
Phone: 843-830-2703
NoelKade78@gmail.com

***Chris Wilholt**

Battalion Chief / Fire Marshal
St. John's Fire District
1148 Main Road
Johns Island, SC 29455
Phone: 843-559-9194
E-mail: cwilholt@stjfd.org

Bruce Spicher, Building Official

Town of Kiawah Island
4475 Betsy Kerrison Parkway
Kiawah Island, SC 29455
(843) 768-9166
bspicher@kiawahisland.org

***new members to be appointed**

Lead Architect

Noel Kade joined Dolphin Architects & Builders in 2014 as lead architect. In August 2015, the Charleston Regional Business Journal recognized Noel among their *40 Under 40*, as a rising professional leader to watch.

Her passion for great design and keen listening skills results in custom-home designs that express the homeowner's sense of style and architectural inspiration. Noel's attention to detail results in floor plans, living spaces, and architectural features that achieve the lifestyle goals of Dolphin's clients.

During her 20-year career, Noel has designed and managed hundreds of residential, federal, medical, educational and commercial projects individually valued up to \$29 million. Responsibilities included day-to-day management from design planning through construction, offering organizational skills and problem-solving techniques to ensure the highest level of quality for every project.

She began her career in Nashville with Johnson Johnson Crabtree Architects, creating healthcare and educational spaces across the country. Following eight years with JJCA, Noel relocated to Charleston as architect for Lindbergh & Associates, a multi-discipline firm specializing in Federal projects. While at Lindbergh, Noel utilized her expertise to secure numerous contracts matching client goals and needs with their budgets, while providing error-free drawings. In 2011, after O'Brien & Gere purchased Lindbergh and Associates, Noel rose quickly as a project manager and ultimately served as the Architectural Studio Leader for the Federal Sector.

Noel earned a bachelor's degree in Architecture from the University of Tennessee in 2002, while serving on the Dean's Student Advisory Council [DSAC]. Noel is an NCARB certified architect, registered in South Carolina, North Carolina, Tennessee and Kentucky.

Noel's past and present civic and professional activities and certifications include:

- Board of Directors, 2011-2015, Charleston Chapter of the American Institute of Architects
- Architectural Review Board, 2012-2019, Oak Terrace Preserve in North Charleston
- Member – U.S. Green Building Council
- Leadership in Energy and Environmental Design (LEED) Accredited Professional
- Board of Directors, 2013, Society of American Military Engineers
- Construction Documents Technologist (CDT), Construction Specifications Institute
- Board of Directors, Rebuilding Together – Nashville
- March of Dimes – Nashville

Chris Wilhoit | Chief Fire Marshal
St. John's Fire District

I started my career in the fire service in 2006. I joined St. Johns Fire District as a Deputy Fire Marshal in 2019 and then was promoted to Fire Marshal in October 2021. I have more than 12 years of experience working with fire codes, guides and standards. In addition to my time in the fire service, I have experience working as a fire suppression system technician and as a commercial property inspector for the insurance industry.



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TOWN COUNCIL

Agenda Item

TOWN OF KIAWAH ISLAND

ARTS AND CULTURAL EVENTS COUNCIL COMMITTEE CHARTER

1. The **Town of Kiawah Island** Arts and Cultural Events Council (ACEC) **was established on June 9, 2004.** Its function is to enhance community and tourist appreciation and involvement in performing arts within the Town of Kiawah Island and its environs by providing a diversity of planned and budgeted programs. The committee shall be a standing committee of the Town Council and shall advise the Town on matters relating to the planning, development, ~~organization~~**organization**, and implementation of activities relating to the visual and performing arts.

2. The ACEC shall strive to ensure that Kiawah is recognized as an arts and culturally minded community.

3. Oversight responsibility will be handled by the Arts Council Board comprised of:

- One member of Town Council that will act as the Town Council liaison
- ~~Two~~**One** designated members of the **Arts Council**~~CEC, a Chairman and Vice Chairman, that will act as the ACEC liaisons~~
- Town Communications Manager ~~& Arts Council Chairman~~
- **Town Administrator**

The ~~ACEC~~ **will be chaired by the Town's Communications Manager or designee and its** membership shall be comprised of at least five (5), but not more ~~than nine (9)~~ eleven (11), Kiawah Island property owners appointed by the Mayor with consent of the Town Council. Member terms shall be for one year and expire annually on January 31. Committee members may be reappointed for successive terms as approved by the Mayor and Town Council. The Town Council may appoint up to three (3) advisory members (non-voting) to the ~~ACEC~~ to assist and support the Committee.

4. The ~~ACEC~~ is a "working" committee tasked with:

- a. Sourcing concerts and cultural arts events
- b. Season programming and program diversity
- c. Reporting preliminary season selections, after the planning session, ~~to the~~**to the Arts Council Board.**
- d. Assisting in the development and distribution of promotional materials
- e. Preparing production plans ~~and managing logistics~~ of performance
- f. Assisting at events
- g. Evaluating the event results

5. Preferred skill set should include:

- a. Cultural arts background and expertise
- b. Excellent planning and organizational capabilities
- c. Knowledge of performing arts and performing arts groups
- d. Ability to work in harmony with performing arts groups and other Arts Council members.

6. The ACEC shall:

- a. Develop annual budgets for review/ approval by the Ways and Means Committee and final

approval of Town Council.

- b. Work to enhance community, visitor and tourist appreciation of arts and cultural events within the Town and environs by providing a diversity of programming.
- c. Publish an annual report summarizing fiscal-year events and accomplishments.
- d. Develop relationships with local, state, regional and national arts organizations.
- e. Develop relationships with schools, businesses and other organizations supporting the arts.

7. The funding sources for the ACEC will be derived from:

- a. General Funds – the primary source of funding for the resident related events.
- b. Local, County and Hospitality Tax Funds – the primary source of funding for the tourist and visitor related events.
- c. Funding levels will be determined through the budget process

8. The ACEC will utilize a variety of methods, including advertisement in a general publication newspaper to attract and solicit interest from local and national talent for events. A schedule of events for both residents and tourists/visitors will be submitted to Town Council during the budgeting process timetable.

Applications Process

Applications to the ACEC for tourism and visitor related activities will be published on the Town website at www.kiawahisland.org. The AC will review the applications, select and schedule within the budget and will present final program details and costs to the Ways and Means Committee and then to Town Council for final approval. The requesting organization will be notified in writing of the Council's decision by ~~an arts council member or the arts and cultural events coordinator~~ ~~the Town Treasurer (SMT1)~~.

Contracting

Each funded event shall be bound by a Town of Kiawah Island Special Events contract.

Payment Terms

Payment will be made directly to the requesting organization in the form of a check, per contract terms agreed upon between the town and performer and/or performer's agent. Normally, these payments are presented on the performance day, but prepayments may be made if negotiated during the contract. Deposits will not be more than 50% of the contracted amount.



Tab | 10

TOWN COUNCIL

Agenda Item



New Business – H
Committee Appointments

TOWN COUNCIL

Arts & Cultural Events Committee



TOWN OF *Kiawah Island*

4475 Betsy Kerrison Parkway | Kiawah Island, SC 29455 | (843) 768-9166 | Fax (843) 768-4764 | www.kiawahisland.org

2022

ARTS & CULTURAL EVENTS COUNCIL

*Committee members are appointed by Town Council and serve one year terms.
All terms expire on January 31.*

Stephanie Braswell, Chairman

843-768-5113
843-532-3269 cell
sbraswell@kiawahisland.org

David Wohl, Vice Chairman

157 Governors Drive
Kiawah Island, SC 29455
304-552-9060 cell
Dwohl23@gmail.com

Bill Blizard

736 B Virginia Rail Road
Kiawah Island, SC 29455
843-768-3303
843-906-7666 cell
billblizard@gmail.com

Judy Chitwood

4817 Green Dolphin Way
Kiawah Island, SC 29455
843-693-4565 cell
j_e_chitwood@yahoo.com

Becky Hilstad

33 Marsh Edge Lane
Kiawah Island, SC 29455
843-469-3271 cell
bthilstad@aol.com

Van McCollum

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404-401-0678
vanmccollum982@gmail.com

Jodi Rush

143 Flyway Drive
Kiawah Island, SC 29455
843-641-0096
703-966-5351 cell
jrush25@comcast.net

Joan Collar

194 Sanderling Court
Kiawah Island, SC 29455
843-768-0474
843-224-9455 cell
jcfromsc@aol.com

Kristin Thompson

101 Shoolbred Court
Kiawah Island, SC 29455
443-254-8616 cell
kristin@rhettstbluff.com

Dylan Keith

4752 Tennis Club Lane
Kiawah Island, SC 29455
843-885-4077 cell
dylan@dylan-k.com

Kimberly Adele

4752 Tennis Club Lane
Kiawah Island, SC 29455
843-885-4072 cell
info@cirqueduo.com

Arts & Cultural Events Coordinator

Ruthie Foster

843-768-9976
864-906-2060 cell
rfoster@kiawahisland.org



New Business – H
Committee Appointments

TOWN COUNCIL

Audit Committee

2022 AUDIT COMMITTEE

Members are appointed by the Mayor and Town Council and serve for one year terms. Terms expire on January 31.

Maryanne Connelly, Chairman

4927 Green Dolphin Way
Kiawah Island, SC 29455
(973) 610-4889
mconnelly@kiawahisland.org

John P. Ross

429 Sea Lavender
Kiawah Island, SC 29455
(843) 718-9999
johnpross@icloud.com

Andrew J. Capelli

160 Governor's Drive
Kiawah Island, SC 29455
(843) 768-9113
acapelli35@hotmail.com

Dorota Szubert, Town Treasurer

4475 Betsy Kerrison Parkway
Kiawah Island, SC 29455
(843) 768-9166
dszubert@kiawahisland.org

James A Williams

37 Burroughs Hall
Kiawah Island, SC 29455
(843) 243-0423
jamesalbertwilliams@msn.com

***Pamela A. Pollitt**

78 Dungannon Hall
Kiawah Island, SC 29455
(843) 768-8619
papollitt@yahoo.com

***new member to be appointed**

RESUME - PAMELA A POLLITT

Pamela A Pollitt

78 Dungannon Hall

Kiawah Island, SC 29455

Active CPA in South Carolina - name Pamle A Pollitt, license # 4988 granted 01/30/1997

EDUCATIONAL BACKGROUND

Bowling Green State University, Bowling Green, Ohio
BS majoring in History and Education

University of Cincinnati, Cincinnati, OH
MA in History

Case Western Reserve University, Cleveland, OH
Masters Degree in Information Science

University of Cincinnati, Cincinnati, OH
MBA in Accounting and Marketing

SUMMARY OF WORK EXPERIENCE

Taught junior high school in Rockland County, NY for one year

Worked in various Libraries in Ohio

After receiving my MBA worked 10 years for a major international accounting firm-Grant Thornton in Cincinnati, OH

Head of Finance for Southwestern Regional Transit Authority in Cincinnati, OH for 10 years

Work in finance in various industries and in various capacities in Charleston SC, including real estate, hospitality and architecture

The last 8 years I have had my own accounting business, working with start-up companies in a variety of industries including architecture and hospitality with special emphasis on financial planning for the owners



New Business – H
Committee Appointments

TOWN COUNCIL

SATAX Committee

2022

SATAX Committee

STATE ACCOMMODATIONS TAX

The members serve a one-year term expiring on January 31st and are appointed by the Mayor and Town Council

Dan Prickett, Chairman

Non-voting Member
573 Whimbrel Road
Kiawah Island, SC 29455
dprickett@kiawahisland.org
Phone (843) 768-0584

David Wohl

Arts Council
157 Governors Drive
Kiawah Island, SC 29455
Dwohl23@gmail.com
Phone (304) 552-9060

Roger Warren

Kiawah Island Golf Resort
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Fax: (843) 768-6631

***Steven Ellis**

Akers Ellis Real Estate & Rentals
3730 Bohicket Road #5
Johns Island, SC 29455
steven.ellis@akersellis.com
Phone (843) -768-9844

John Wilson

Property Owner
749 Glossy Ibis Lane
Kiawah Island, SC 29455
jrwilson749@msn.com
Phone (843) 768-0685

***Jodi Rush**

Property Owner
143 Flyway Drive
Kiawah Island, SC 29455
Jrush25@comcast.net
Phone (703) 966-5351

Amy Anderson

South Street Partners
345 Freshfields Drive, Suite 210
Kiawah Island, SC 29455
aanderson@southstreetpartners.com
Phone: (864) 365-0702

Don Semmler

Andell Inn
300 Farm Lake View Road
Kiawah Island, SC 29455
donald.semmler@gmail.com
Phone: (843) 801-1251

Dorota Szubert

Town Treasurer
4475 Betsy Kerrison Park
Kiawah Island, SC 29455
Phone: (843) 768-9166
dszubert@kiawahisland.org

***new member to be appointed**