

**TOWN COUNCIL
SPECIAL CALL MEETING
Municipal Center Council Chambers
March 28, 2022; 2:00 pm**

Minutes

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

Present at Meeting: Dan Prickett, *Mayor Pro Tem*
Maryanne Connelly, *Councilmember*
John Moffitt, *Councilmember*
Dr. Scott Parker, *Councilmember*

Present via Zoom: John D. Labriola, *Mayor*
Joe Wilson, *Town Attorney*

Also Present: Stephanie Tillerson, *Town Administrator*
John Taylor, Jr., *Planning Manager*
Petra Reynolds, *Town Clerk*

Present via Zoom: Joe Wilson, *Town Attorney*
Jack Pringle, *Attorney representing the Town*

II. New Business:

A. To Discuss and Approve the Settlement Agreement between the Parties of Record in the Kiawah Island Utility Rate Case Pending Before the South Carolina Public Service Commission.

Mayor Labriola stated that the purpose of the meeting was to receive an update from Mr. Pringle on the work done relative to the Kiawah Island Utility (KIU) rate increase request.

Mr. Pringle stated that the rate increase case filed by KIU last fall sought \$1,355,000.00 or 14.1% in additional revenues. The Town, along with the SC Office of Regulatory Staff and the SC Department of Consumer Affairs (Consumer Advocate), intervened in the case by reviewing the requested discovery and pre-filed testimony. Settlement discussions prior to the hearing have resulted in a proposal that included a reduction to \$555,000.00 or a 5.76% increase in revenues, allowing \$1,800,000.00 of the second water line construction expenses to be placed on its balance sheet as a regulatory asset, agreement by KIU to be regulated as a rate of return based utility, and a lower 8.69% rate of return on equity. As a part of the settlement, the base rates for water and sewer would not change, with incremental increases to usage-based or consumption services.

Councilmembers engaged in an in-depth discussion of the proposed settlement, including the percentage of rate of return of equity and increase in revenues in comparison to other utility rate cases; the percentage of the average bill would increase with the original rate increase request vs. the proposed rate increase, and the KIU total revenue base and total revenues after the proposed increase.

Mr. Paul Hennessy, 12 Blue Heron Pond Road, asked for consideration of;

- the long term implications of the moving KIU to a rate of return on equity-based utility,
- if the proposed settlement rate increase is comparable to the rates of similar communities and utilities,
- why there would not be a full hearing if a settlement is reached,

- the opinion of the consumer advocate on the settlement, and
- if the settlement, compared to other communities, is fair to both the residential and commercial water users.

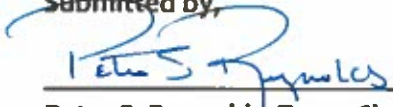
Mr. Pringle responded to each of the points in Mr. Hennessy's comments.

Councilmember Connelly made a motion to approve the Settlement Agreement between the Parties of Record in the Kiawah Island Utility Rate Case Pending Before the South Carolina Public Service Commission. Councilmember Parker seconded the motion, and it was unanimously passed.

III. Adjournment:

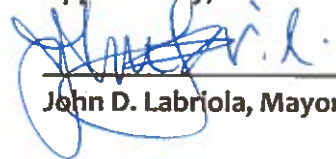
Mayor Pro Tem Prickett made a motion the adjourn the meeting at 2:46 pm. Councilmember Parker seconded the motion, and it was unanimously passed.

Submitted by,



Petra S. Reynolds, Town Clerk

Approved by,



John D. Labriola, Mayor

Date