


Water System Improvements

UPDATE

11/9/2017



Milestones

February 9, 2015-Issued RFP

April 9, 2015-Council Awarded RFP to Wharton Smith team

May 19, 2015-Phase I Agreement Executed

January 12, 2017-Adoption of Bond Ordinance

February 7, 2017 Preliminary Engineering Report

February 20, 2017 Guaranteed Maximum Price

April 13, Rates increased by 15% to pay for bond

June 29, 2017-Issued Official Statement Series 2017 Bonds offer

July 18, 2017 Issue Bonds CUSIP Number 28106HBD7

October 6, 2017-Acquired Easement on 3002 Lee Street from Colleton County



Water Improvement Update

A Request for Proposals for the Water Improvement Project was issued February 9, 2015. After interviewing several qualified teams, the Wharton and Smith team including Thomas and Hutton and Harn RO were selected and Phase I was approved by Council on April 9, 2015 and the Town entered into a Phase I contract May 19, 2015. The consulting team submitted a guaranteed maximum price on February 20, 2017 of \$7,200,000. The Bond was issued on July 18, 2017 in the amount of \$7,465,209 and included all costs associated with issuance of the bond with a maturity date of January 15, 2047.

RO WTP/Concentrate Discharge Line

Type of Permit	Expected Submittal	Date Submitted	Date Issued	Permit Number
NOI-NPDES Concentrate	6/29/2017	6/29/2017		
Draft Permit			8/25/2017	
Public Notice				
LCOG 208 Conformance	8/11/2017	8/11/2017	8/17/2017	
Public Hearing (if required)				
NPDES Permit				0049336
CZC Stormwater	11/17/2017			
NPDES Stormwater	11/17/2017			
DHEC PTC	2/9/2018			
DHEC PTO				
Building Permit				

Raw Water Transmission Line

Type of Permit	Expected Submittal	Date Submitted	Date Issued	Permit Number
CZC Stormwater	10/6/2017			
NPDES Stormwater	10/6/2017			
DHEC PTC	10/6/2017			
DHEC PTO				
SCDOT Encroachment				

Well 7

Type of Permit	Expected Submittal	Date Submitted	Date Issued	Permit Number
Groundwater PTC	10/10/2016	10/10/2016	1/9/2017	15WS002G025
CZC Stormwater	11/17/2017			
NPDES Stormwater	11/17/2017			
DHEC PTC	12/15/2017			
DHEC PTO				
Building Permit				



Well 8

Type of Permit	Expected Submittal	Date Submitted	Date Issued	Permit Number
Groundwater PTC	9/6/2017	9/6/2017	10/25/2017	15WS002G026
CZC Stormwater	10/6/2017	10/13/2017		
NPDES Stormwater	10/6/2017	10/13/2017		
DHEC PTC	10/13/2017	10/13/2017		
DHEC PTO				
Building Permit				

Revenue Bonds

According to our bond, we are supposed to complete the project within three years.

What happens if we do not complete the project within three years? The Town's decisions should ~~be~~^{not} be influenced by arbitrage, since it is unlikely that the Town is earning any arbitrage profits. The yield on the Bonds is 3.29%. Only if the bond proceeds are invested at a rate higher than that will there be any arbitrage concerns. If the bond proceeds are not spent quickly enough, the Town would need to "rebate" any arbitrage profits to the IRS and have a CPA make calculations every 5 years on how much arbitrage profits were made. If the Town expects a long delay, it would be prudent for the Town to notify the Trustee to restrict investments to below 3.29% (or some other techniques).

Revenue Bonds

What happens if we spend the money in three years? If the Town spends the bond proceeds quickly enough, it gets to keep any arbitrage profits.

Will arbitrage affect future bond ratings? It will have no impact on future bond ratings.

How does this impact customers? Water customers are bearing the burden of paying for a project that is being held up by litigation. Currently we pay \$125,535 interest and \$375,535 principal annually on the \$7,465,209 debt.

Litigation

The Town of Edisto Beach is currently in litigation related to its proposed site for the project.

McKenzie, et al v. Town of Edisto Beach C/A No.: 2016-CP-15-00635,

Town of Edisto Beach v. McKenzie, et al C/A No.: 2017-CP-15-00369,

McKenzie, et al v. Town of Edisto Beach, C/A No.: 2017-CP-15-00483.

The date of resolution of the litigation is uncertain and the Town of Edisto Beach has been told by its legal counsel the litigation could take 2 years as an estimate.