



**Town of Sullivan's Island, South Carolina
Water and Sewer Committee of Council
Meeting Minutes
Thursday, August 27, 2026**

1. Call to Order & Freedom of Information Act Requirements:

The Water and Sewer Committee of Council met at 9:15 a.m. on Tuesday, August 27, 2026 at Town Hall, all requirements of the Freedom of Information Act having been satisfied. Present were Council Committee members Justin Novak (Chair), Melanie Burkhold, and Jody Latham. Staff members present were Water & Sewer Manager Gregg Gress, Jason Blanton, and Bridget Welch. There were two (2) members of the public and no (0) members of the media present.

Chair Novak called the meeting to order at 9:19 a.m., and stated the press and public were duly notified pursuant to State Law.

2. Presentation: Raftelis Consultants Review of Cost Recovery Policy

Mihaela Coopersmith from Raftelis presented an overview of the Town's cost recovery policy, stating they have been working with the Town since 2008. The cost recovery document was started in 2023 and is to collect information on how things are done in the Water & Sewer department. It is documentation of processes set in place to create financial stability over time.

One aspect of the services is assisting with financial planning, looking at how rates are being charged as well as what to charge to make sure the costs of services are being covered. They also look at different rate structure changes. She explained rate increases are necessary because the water and sewer fund is an enterprise fund and must be self-sufficient. No other sources of revenue can be used to fund the department's revenue requirements; it can only be funded from user charges. She reviewed how the rate increases are determined, using a large amount of data provided from staff as well as projections for further costs.

Ms. Coopersmith then provided a detailed look at the document, with visuals and data explaining the flow of funds, water reserve structure, and sewer reserve structure. For the water reserves, there are five dedicated reserve funds that are needed to support the Town's \$30-40M water infrastructure, with a minimum 12-month O&M reserve set aside for emergencies only. The Town also sets aside an annual amount equal to depreciation into dedicated R&R reserve funds. They must also plan for additional capacity purchase reserve to meet future needs, like additional capacity from Charleston Water System.

The sewer reserve structure is similar to the water structure but has six dedicated reserve funds and one outstanding SRF loan that should be retired soon.

She concluded with a slide outlining policy direction needed by the Committee to finalize the document. Water & Sewer Department Manager Greg Gress commented he does not have a final cost number or date for additional capacity but feels it will likely be more than \$3M and will happen in the near future. The main driver for this is the construction of bigger homes that use more water, as well as a large increase in the installation of irrigation meters and irrigation usage. Chair Justin Novak gave background information on the contract with CWS and the water that is purchased from them. Though the population of the Island remains relatively static, the increase in water usage has driven up costs and has to be considered with creating policies and making decisions. There was further discussion about what the specific reserve funds are for and how they compare them to similar municipalities. Ms. Coopersmith then took questions from the Committee, staff, and the public.

Chair Novak and Mr. Gress spoke about various capital improvement projects the department currently has, including replacing water mains to help with a red water problem. There have also been plans to replace our line sewer lines. There was also discussion about the depreciation fund, which is used to maintain and protect Town assets, like the treatment plant, water towers, deep wells, etc. The 8.7 water delivery CIP balance is related to what we owe CWS for our portion of the capital fund assets (how the water is delivered to us). Updates that CWS is doing in the future to their infrastructure in order to comply with PFAS regulations will reflect in those bills and we will likely see bills for upwards of \$1M. The charges come once the projects are completed and it is better to have the funds to pay the bill, rather than finance through CWS. Next, they reviewed the vehicle and equipment maintenance and replacement funds, which is based on a useful life cycle. This fiscal year added funds to maintain and replace lab equipment. Last, they reviewed the debt service retirement and debt service reserve funds, which is required by SRF. Mr. Blanton explained more about how the debt service works.

Chair Novak, Mr. Gress, and Ms. Coopersmith then discussed the current rate structures and options moving forward, which include monthly fixed charges for water customers and sewer customers, as well as a tiered rate structure, and the differences between wholesale and purchase capacity customers. Mr. Gress and Ms. Coopersmith also took questions from the Committee and the audience.

3. Public Comment

- Gary Visser, resident – commented on the water towers.
- Neil Garfinkle, resident – had questions on the GO bond. He also later commented on rate structures, customers, etc.

4. Communications/Additional Items from WWTF Manager, Greg Gress

a. Construction/Project updates

Mr. Gress commented on the following:

- The riff-raff projects at Lift Stations 1 and 3 are complete
- Around 1800 feet of sewer line needs to be replaced with an estimated cost of \$170,000.
- The clarifiers at the treatment plant need to be cleaned and painted, at an estimated cost of \$160,000.
- Doing a feasibility study needs to be looked at again.
- Around 200 AMI meters have been replaced and it would cost around \$170,000 to replace the data points.
- There will be a Lowcountry District stormwater overview meeting focusing on water & sewer conflicts.
- The department will begin flushing the system this fall and will last through the winter. Notices will be sent out to affected residents.

5. Discussion/Motions:

a. Approval of the Minutes from the May 19, 2026 Committee Meeting

Motion was made by Melanie Burkhold, seconded by Jody Latham, to approve the May 19, 2026 Committee Meeting minutes, passed unanimously.

b. Discussion of Old Working Draft of Written Cost Recovery Policy and Raftelis Consultants Presentation

This will be an in-depth discussion at the next meeting.

c. Landscaping at lift stations

Ms. Burkhold requested further looking into concealing the view of the lift stations at one resident's request.

d. Fenced storage located next to water tower

Ms. Burkhold also said residents near the water tower have asked about fencing off the storage area so they don't have look at storage supplies. Mr. Gress said he would look into costs for a fence.

6. Review of Active and Pending Projects

- a. Analysis & Plan for Town Deep Water Wells
- b. AMI Meters
- c. W&S Ordinance Clean-Up Discussion
- d. Private Sewer Lateral Policy for I&I Reduction
- e. Pump/Lift Stations

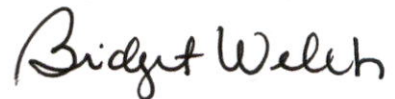
7. Set the date for the next W&S Committee Meeting

A poll will be sent out to decide the next date

8. Adjourn

Motion was made by Jody Latham, seconded by Melanie Burkhold, to adjourn the Water and Sewer Committee meeting at 11:22 a.m., passed unanimously.

Respectfully Submitted,

A handwritten signature in black ink that reads "Bridget Welch". The signature is written in a cursive, flowing style.

Bridget Welch