

# TOWN COUNCIL MEETING

Kiawah Island Municipal Center  
Council Chambers  
January 10, 2017; 2:00 PM

## MINUTES

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

II. **Pledge of Allegiance**

**Present at the meeting:** Craig Weaver, Mayor  
John R. Wilson, Mayor Pro-Tempore  
Jack Koach  
Diana Mezzanotte  
Chris Widuch

**Also Present:** Stephanie Monroe Tillerson, Town Administrator  
Dwayne Green, Town Attorney  
Petra Reynolds, Town Clerk

III. **Approval of Minutes:**

A. Minutes of the Town Council Meeting of December 6, 2016

**Mr. Wilson made a motion to approve the minutes of the December 6, 2016 Town Council Meeting. The motion was seconded by Mr. Widuch and the minutes were unanimously passed.**

IV. **Mayor's Update:**

Mayor Weaver introduced the three new members, Mrs. Mezzanotte, Mr. Widuch, and Mr. Koach. He welcomed and thanked them for being a part of the new Council along with Mr. Wilson.

Mayor Weaver briefly reviewed the items on the agenda and explained the changes in the structure of the items on future Town Council Agendas. He indicated that in the future Public Hearings will not be held in a separate meeting prior to Town Council meetings. They will be included as an item in the main meeting agenda.

V. **Citizens' Comments (Agenda Items Only):**

**Andy Capelli – 160 Governors Drive**

*Mr. Mayor and members of Council, thank you for the opportunity to comment on the proposed utility rate increase application and the intervention process. I have two points regarding KIU and will be brief.*

*First- as a full time resident who has lived with the construction project for a second water line literally in my driveway for the last seven months, I can only say that I am glad it is almost finished. I would like to compliment two individuals –Becky Dennis of KIU and Ed Monahan the Livability Director at KICA - for their outstanding efforts during this long and at times frustrating project. Those efforts allowed all those directly affected residents to be kept informed and overcome concerns. Further, those efforts made the project easier for all those residents to endure this hardship. Thank you Becky and Ed.*

*Second - and most importantly, I commend the Mayor and Council for involving the Town in the rate increase application intervention process. We all look forward to those efforts going a long way to assure that the property owners of the island are treated fairly. While you likely have identified this issue I believe, one of the most critical assertions of the utility that must be proven is that of "redundancy". I have no reason to doubt the claim of the utility that the second pipeline is a totally redundant line and not necessary to provide an adequate supply of water under suitable pressure to assure the health and safety of property owners however, in the two plus years we have heard this claim I do not believe it has been challenged and proven correct. I believe that your intervention efforts need to not only challenge this assumption, but also prove it to be correct!*

*The stakes (cost) are high. If proven to be inaccurate and the line is really needed to provide water to the newly developing area now called ocean park then the cost of this project I believe is to be borne solely by the developer and not all the island's property owners. If that is the case, the Public Service Commission should deny the inclusion of any costs associated with the second pipeline when approving a water rate increase.*

*I trust your involvement through the intervention process will assure fair treatment of this and other matters involved in the water rate increase application by the public service commission for the benefit of all property owners.*

### **Wendy Kulick – 38 Marsh Edge Lane**

Mrs. Kulick also thanked Council for pursuing in the intervention of the KIU rate increase application. She commented the Office of Regulatory Staff (ORS) is touted as being a supporter and an advocate on behalf of property owners; but, in her experience over the many years in dealing with water rate increases, it has not been the case.

*Later this meeting, Council will approve appointments to several Town boards or committees. I do not remember seeing openings for these and other Town committees advertised, so that those residents who felt qualified to serve and had an interest in doing so could apply for consideration. If they were not advertised, I would ask Council to delay these and all other committee or board appointments be delayed until after they are advertised.*

*I appreciate Craig's discussion with me yesterday regarding how he plans to work towards providing answers to citizens' questions and responses to our comments once Council moves into the Municipal Center. In thinking about the conversation last night, I wondered how Council plans to provide responses and comments in a more timely way while still in this building. In addition, I look forward to hearing when and how I will be able to review answers to the questions posed between July and December of last year.*

*In the past, we have been told how the Town's administrative employees are swamped because of the numerous sets of minutes and other meeting documents which need to be transcribed. Because they are overburdened with these transcriptions, I have been told the Town cannot afford for them to use their time for other tasks.*

*If the Town is not going to hire temporary personnel to help relieve this backlog, I again offer to help transcribe minutes or type documents which do not contain confidential information. I stand willing and able to do so.*

**Mayor Weaver stated in the later discussion of committees, assignments, and those committees having openings will be announced. The appointment of the members to those committees will be deferred to the February Town Council meeting.**

**Dennis McGill – 100 Pleasant Valley Drive**

Mr. McGill quoted from the November 2012 Town Council minutes in which a motion was made for an expenditure of up to \$5,000.00 to engage attorney Mr. Frank Ellerbe for the intervention in two KIU cases before the PSC. He also questioned if the expenditure of \$20,000.00 to \$30,000.00 without getting into litigation was an appropriate figure in view of the 2012 expenditure for two cases.

### **Becky Dennis – Kiawah Island Utility**

Mrs. Dennis explained the need for the redundant water line by recounting an event on December 27<sup>th</sup> where there was a break in the main line, a break in the St. Johns' water line and a valve failure. She stated that with no flow of water onto the Island for two and one-half days, KIU was dependent on the water stored in the Island's aboveground storage tanks. With the cooperation of irrigation users restricting their usage, KIU was able to manage the situation and supply residents without restriction. She stated the redundant line will give a secondary feed that will come from another source.

Mrs. Dennis gave a reminder of the PSC Public Night Hearing on February 7<sup>th</sup> at 6:00 pm at the Turtle Point Clubhouse to hear public complaints and concerns. She also noted that the ORS had begun their detailed audit of KIU.

## **VI. Old Business:**

### **A. KIU Rate Increase – Intervention Options**

Mayor Weaver gave a brief background of the Kiawah Island Utility's Rate Increase Application to the PSC and the prior Council's agreement to file as an Intervener. Mr. Green, the Town Attorney was requested to do some background research on the options available to the Town as an Intervener, what obligations or responsibilities the Town has and a brief explanation of the PSC application process.

Mr. Green reviewed the process by which KIU filed a petition to the PSC for a rate increase. The first step, a notice of intent was filed by KIU, followed by a petition accompanied by supporting data. He noted that all were filed within the time prescribed by state rules. Mr. Green reviewed the PSC process, responsibilities with regard to times and deadlines for notifications, and decisions, testimony, public hearings, and the commission rate order.

Mr. Green stated the Town filed a Petition for Intervention which was received by the PSC on December 22, 2016. He offered three stages of involvement currently open to council:

- 1) monitor the case after the petition to intervene – have no active role in the intervention
- 2) obtain outside counsel specializing in rate increase cases to pursue the Town's interests until a resolution can be obtained short of litigation
- 3) fully litigate the matter with outside counsel irrespective of cost until a resolution is obtained through a contested hearing

Mr. Green advised Council for to obtain outside counsel and stated after consideration of three firms recommended Mr. Frank Ellerbe. He indicated Mr. Ellerbe, with Sowell Grey Robinson who has extensive experience in this field, was is the only one who has agreed to handle this matter

within a fixed budget of \$15,000-\$20,000 and a capped fee of \$30,000. He added that past experience shows that a fully litigated rate increase case could cost in the range of \$80,000-\$125,000 to litigate, and Council could make a decision spend additional funds if it becomes necessary.

Mr. Koach asked if there were any others interveners to which Mr. Green responded that the Community Association has also filed a Petition to Intervene. Council Members, along with Mr. Green, discussed the Community Association's willingness to make a financial contribution of up to half of the Town costs with the Town remaining the sole client, and the intervention options and recommendation presented.

***Mr. Weaver made a motion to authorize the Town Attorney and Town Administrator to enter into a contract for legal services with Frank Ellerbe of Sowell Grey Robinson not to exceed \$30,000.00 total subject to the one-half contribution by the Kiawah Island Community Association and subject to approved by the Town's Ways and Means Committee. The motion was seconded by Mr. Wilson.***

***Mr. Koach made a motion to amend the already stated motion to include a written agreement with the Community Association spelling out their contribution and who was the lead client with respect to representation by legal counsel.***

***The amended motion was unanimously passed.***

## **VII. New Business:**

### **A. Appointment of Mayor Tempore**

***Mayor Weaver motioned to nominate John Wilson as Mayor Tempore. The motion was seconded by Mr. Widuch, and was unanimously passed.***

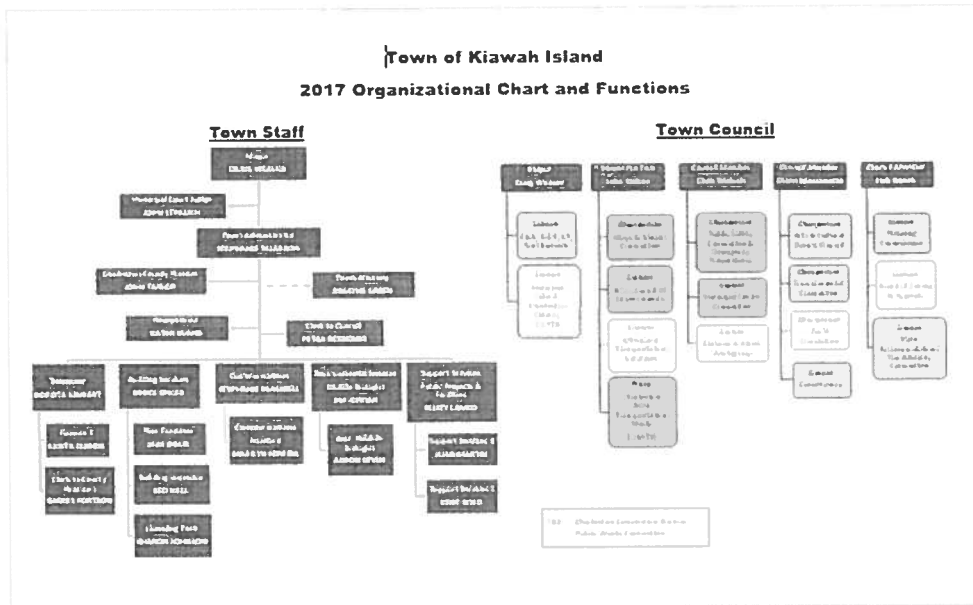
### **B. Council Committee Assignments**

### **C. Council Liaison Assignments**

Mayor Weaver gave a brief overview of the Council's roles as either a chairperson or a liaison to the Town's committees.

***Mayor Weaver made a motion to make the following assignments: John Wilson – Chairperson of Ways and Means Committee, Chris Widuch – Chairperson of Public Safety Committee, and Diana Mezzanotte – Chairperson of Arts and Cultural Events Council, Environmental and Audit Committees. The motion was seconded by Mr. Koach and was unanimously passed.***

Mayor Weaver reviewed the liaison roles: John Wilson – BCDCOGS, CHATS, off Island transportation initiatives, Chris Widuch – Municipal Center Committee, Communications Workgroup, Diana Mezzanotte – Kiawah Island Conservancy, and Jack Koach – Planning Commission, BZA, and SATAX Committee.



- D. Appointment of Town Treasurer
- E. Appointment of Town Clerk
- F. Appointment of Town Attorney

**Mayor Weaver made a motion to appoint, Petra Reynolds as Town Clerk, Mrs. Szubert as the Town Treasurer and Dwayne Green as Town Attorney. The motion was seconded by Mr. Wilson, and was unanimously passed.**

**G. 2017 Committee Appointments**

- Arts & Cultural Events Council

*Bill Blizard, Becky Hilstad, Judy Chitwood, Robert Hill, Jodi Rush, Joan Collar, and Van McCollum*

**Mrs. Mezzanotte motioned to reappoint the existing members to the 2017 Arts and Cultural Events Council. The motion was seconded by Mr. Widuch and was unanimously passed.**

Mrs. Mezzanotte announced an opening of an additional member to the Arts Cultural Events Council. She stated the opening will be advertised on the Town’s website, E-blasts, and submitted to the Community Association for publication to the Island’s residents.

- Construction Board of Appeals

*Brooks Fullerton, Tom Walkley, Andrew Lingle, Kevin Haddigan, Steve Sager, Marshall Beverly and Battalion Chief Ryan Kunitzer.*

**Mayor Weaver motioned to reappoint Mr. Fullerton, Mr. Walkley, Mr. Lingle, Mr. Haddigan, Mr. Sager, Mr. Beverly, and Chief Kunitzer to the 2017 Construction Board of Appeals for an additional three-year term. The motion was seconded by Mr. Koach, and was unanimously passed.**

#### H. Municipal Construction Committee Charter Amendment

Mayor Weaver explained the Municipal Center Committee has the primary responsibility of oversight of the construction activities of the new Municipal Center. The amendment to their Charter would remove the requirement of the chairperson of the Ways and Means Committee to Chair the Municipal Center Committee and move Council to a liaison role who would have oversight of the Committee and assign a chairperson. This would allow Mr. Labriola, given his expertise and involvement, to remain on the Committee until the completion of the new Municipal Center.

***Mayor Weaver made a motion to appoint John Labriola as a member of the Municipal Center Committee. The motion was seconded by Mrs. Mezzanotte and was unanimously passed.***

***Mayor Weaver made a motion to approve the amendment of the language of the Municipal Center Committee Charter as proposed. The motion was seconded and unanimously passed.***

#### I. Public Works Charter Amendment

Mayor Weaver stated that the Public Works Committee has been in existence for several years, with members, but has never met. In an effort to provide oversight of future Town infrastructure projects the Public Works Committee Charter would be amended to change Council's role from chairperson to liaison. The members appointed will have specific skills related to the Town's public works issues and will choose the chairperson from the group. Mr. Weaver announced openings for members on the Committee to be appointed at the February Town Council Meeting.

***Mayor Weaver made a motion to approve the amendment of the language of the Public Works Committee Charter as proposed. The motion was seconded by Mrs. Mezzanotte and unanimously passed.***

### VIII. **Town Administrator's Report:**

#### a. Update on Debris Removal and Costs

Mr. Lameo gave an update of the cost of the three-week post storm debris removal which covered the entire Island including the regimes. He stated the Town used the Andell Tract behind Freshfields as the DHEC approved staging site to separate the construction debris from vegetation. To date thirteen hundred tons of vegetation has been ground and with 200 to 300 tons still to be transported off the Island. Approximately 800 to 1,000 tons of construction debris has been compressed and will be transported to the Carolina Waste Facility. From pick-up to transportation to the staging site, to grounding or compressed, and removal, the Town has paid out \$573,000.00 and the amount is expected to rise as more invoices are received.

Mr. Lameo stated the Community Association has submitted to the Town \$226,000.00 in storm debris removal expenditures which have been submitted to FEMA through the Town

for reimbursement. He explained the FEMA reimbursement process noting that FEMA has not indicated what amount will be reimbursed.

**b. Council Workshop**

Mr. Tillerson stated Town Council will be holding their annual workshop over two half-days on January 26<sup>th</sup> – Afternoon from 1:00pm to 5:00pm – Governors Room at the Osprey Point Clubhouse and January 27 – Morning from 8:00 am to 12:00 pm.

**c. Boardwalk Repairs**

Mr. Lameo gave an update of the damage and repairs to boardwalks along the beach. He stated that even though the beach sustained substantial dune loss, the dunes have begun building back. He stated approximately 80% of the 170 which includes Community Association, Resort, regime, public and private boardwalks were damaged by the storm. Work is continuing on the rebuild or redesign of damaged boardwalks to get them operational as soon as possible. Letters has been sent to the homeowners of the ten boardwalks that were deemed dangerous with approximately half being repaired or made safe.

Ms. Tillerson gave an update for the Municipal Center Committee. She stated the Committee has not met since the last update but the project is going well with no issues causing a major concern. The next meeting will be on January 18<sup>th</sup> at 11:30 am.

Ms. Tillerson stated that any committee openings will be announced in the next E-Blast this week. As of now;

- the Planning Commission has 3 openings - 2 terms expiring and 1 replacement
- BZA has 1 opening – term expiring

**IX. Council Member:**

- a. Committee Updates
- b. General Comments

**Mrs. Mezzanotte** had no report or comments

**Mr. Wilson** reported that he and the Mayor attended a meeting of the John's Island Task Force, a group of residents and landowners from Johns and Wadmalaw Island with representatives of Kiawah, Seabrook, Community Association, Coastal Conservation League, and the Open Land Trust. He stated the purpose of the group is to provide an unified voice to Charleston County on what needs to be done with Johns Island roads. He indicated the Task Force wrote a position paper on Johns Island roads which was presented to Charleston County.

**Mr. Widuch** reported there will be one opening on the Public Safety Committee which will be added to the advertisements. He also stated that he is appointing Mr. Labriola Chairperson of the Municipal Center Committee.

**Mrs. Mezzanotte** reported the *Arts and Cultural Events Council* will be advertising for another member with a rewritten job description listing committee tasks and preferred skills. The opening will be advertised on the Town Website, Town email blasts, submitted to KICA for KICA Listserv their email distribution, and iKiawah. She also stated Arts and Cultural Events Council Charter has been rewritten and will be brought to Council for approval in February.

Mrs. Mezzanotte report the Sunday night Quentin Baxter/Houston Person event was sold out with close to 300 tickets distributed. There will be 5 more performance this month - the next one being the Fred Hersch Trio (Arts event) on 1/14 and Wycliff Gordon Quintet (Cultural event) on 1/19. Also, our Art Film Series starts this Friday.

**Mrs. Mezzanotte** reported *Environmental Committee's* January meeting has been cancelled and the first meeting will be Tuesday, February 14<sup>th</sup> at 3:00pm. She indicated Charter and Membership are being reviewed, along with preparation for the next budgeting cycle. The Committee is accepting funding applications for new environmental projects which must directly address one or more of the goals detailed in the Town's Comprehensive Plan. Preproposals are requested by February 15<sup>th</sup> to be reviewed and if approved by the Environmental Committee the final proposal is due by April 1<sup>st</sup>.

**X. Citizen Comments:**

**Wendy Kulick – 38 Marsh Edge Lane**

*An article in the Post and Courier on December 15, 2016, noted indictments against officials of St. Paul's Fire District after an audit found budget irregularities and following an investigation by the FBI and SLED. In July 2015 Dixon Hughes Goodman, the forensic accountants employed by the Town, issued a report detailing their findings after a review of the Town's financial records and procedures. It has now been a year and a half and to date, the Town has yet to report on any indictments or arrests of the former Town Administrator or former Town Treasurer despite detailed documentation of their alleged embezzlement of public monies. Since last fall, there have been numerous instances similar to the actions taken against individuals who have stolen money from their employers, in both the public and private sector. Why have we seen no action against the Town's two former employees? When can we expect action to be taken?*

**Mayor Weaver** stated he has requested Councilman Koach and the Town Attorney contact the federal and state authorities to reassess all the developments and actions which have taken place and to see what steps can be taken by Council of the Town to move the process forward. **Mayor Weaver** stated he expects more specifics to be brought forward at the coming meetings.

**Virginia Abbott – Sea Forrest Drive**

Mrs. Abbott stated she represented Windswept I, II, III, and Parkside in speaking to Boardwalk 22. She stated she understood the design of the boardwalk was not a decision made by the Town and she stated she was assured the Town would abide by any reconstruction configuration decision made by the ARB and the Community Association which she appreciated. Mrs. Abbott spoke to the boardwalks on the Island as a gateway to the Island and for many, the first experience on the Island. Without the availability of an access to the beach, those guests will find other places to visit and that will affect all of entities and homeowners on the Island. She asked that for the Town support in their Boardwalk 22 request.



### **Dave DeStefano – Burroughs Hall**

Mr. DeStefano stated he overheard a conversation in which the parties were in a discussion of the possibility that the Town would be purchasing more property on Betsy Kerrison Parkway near Resurrection Road. To dispel any rumors he asked if the new Council anything about a future purchase.

**Mayor Weaver responded by stating he had not been approached nor had any conversation in reference to the Town purchasing any additional property.**

### **Dennis McGill – 100 Pleasant Valley Drive**

Mr. McGill directed his question to the Town Attorney. His question referenced the three PSC intervention options which he presented to Council, asking if Mr. Green could not perform the work required in Option 1 until the point of trying to resolve the matter following the Public Hearing.

**Mr. Green responded by stating his understanding of the process was that information gathering and the audit was already taking place and an engaged attorney would immediately start monitoring that information. He also stated he would assist the engaged attorney to minimize the cost to the Town.**

Mr. McGill asked if Mr. Green agreed that the main issue or bulk of the work is not legal but rather engineering and accounting and with that, questioned why the legal representation would be so costly.

**Mr. Green stated the \$15,000.00 to \$20,000.00 budgeted amount was a fair amount based on hourly rates for attorneys with this specialized expertise.**

Mr. McGill questioned why the Town was not speaking to the Resort, given the amount of water they use, it would be reasonable to think they might be interested in contributing to the cost.

### **Marilyn Larach – 1082 Terrapin Court**

Dr. Larach stated when she became the president of KPOG she learned about the many years of water rate intervention cases with the PSC and noted that the past costs of legal representation to KPOG were substantially higher than what was committed by Council.

### **Roger Warren – President of Kiawah Island Golf Resort – Cotton Hall**

Mr. Warren stated the Resort decided not to be an intervener in the PSC case because it is thought to be a government function for the Town and the Community Association and trusts in the ability of both organizations and those who have intervention experience to make the determination. He indicated the decision made by Council to be fair an appropriate one.

XI. Executive Session:  
None

XII. Adjournment:

*Mr. Koach motioned to adjourn the meeting at 3:44 pm. The motion was seconded by Mr. Wilson and carried unanimously.*

Submitted by,



Petra S. Reynolds, Town Clerk

Approved by,



Craig E. Weaver, Mayor

2/8/17

Date