

Special Edition Water Lines

MountPleasantWaterworks.com



MOUNT PLEASANT WATERWORKS

June-July 2010

Road Widening Projects, an Unavoidable Cost to Mount Pleasant Waterworks' Customers

Road Widening and Improvement projects totaling \$176 million are planned for U.S. Highway 17 between the Ravenel Bridge and Wando High School over the next 36 months

Mount Pleasant Road Widening and Improvements

Project	Cost
Johnnie Dodds Blvd	\$84 M
Bowman Rd Phases 1&2	\$12 M
I-526 Flyover	\$50 M
Hwy 17 Phases 1&2	\$30 M

(see map on page 2). The Half Cent Sales Tax money will pay for the Johnnie Dodds Boulevard project. State, Federal, and Town money will fund the remaining projects. The road widening, improvements and associated storm drain piping are included in their budgets, but it does not include any funding for the relocation of the water and wastewater lines. The relocation of water and wastewater lines will be required to avoid conflicts with the new storm drain piping and will have to be undertaken at the expense of Mount Pleasant Waterworks' (MPW) customers. The construction schedule requires MPW Commissioners and staff to develop a funding plan to cover this added expense that was not included in MPW's normal short term budget.

To avoid a very high rate increase, the MPW Commissioners are considering a Special Assessment that will be billed monthly to each customer until the costs of these relocations are paid. When the relocation costs have been paid the Special Assessment will end. The Special Assessment will be charged per Residential Equivalent Unit (REU). An REU is the amount of water an average single family residence uses; therefore, most single family homes will only pay for one REU. Businesses, such as restaurants, that use more water will have a Special Assessment based on their REUs.

The Special Assessment will end when the projects are paid for.

"We have been struggling with this expense since we heard about the projects' expedited schedules and the effect it would have. We have met with the Town and County regarding funding, but we were unable to secure any money," stated MPW General Manager Clay Duffie. "We are sympathetic to the tough economic times and understand the burdens our customers are

facing. It has been a hard issue to tackle, but we think the Special Assessment is the best way to handle the expense," he added. The Commissioners are considering a Special Assessment not to exceed \$3.75 per REU per month that will begin July 1, 2010 and will be added to bills until the water and wastewater lines relocation costs are covered. At this time, the Special Assessment is scheduled to end in approximately 36 months.

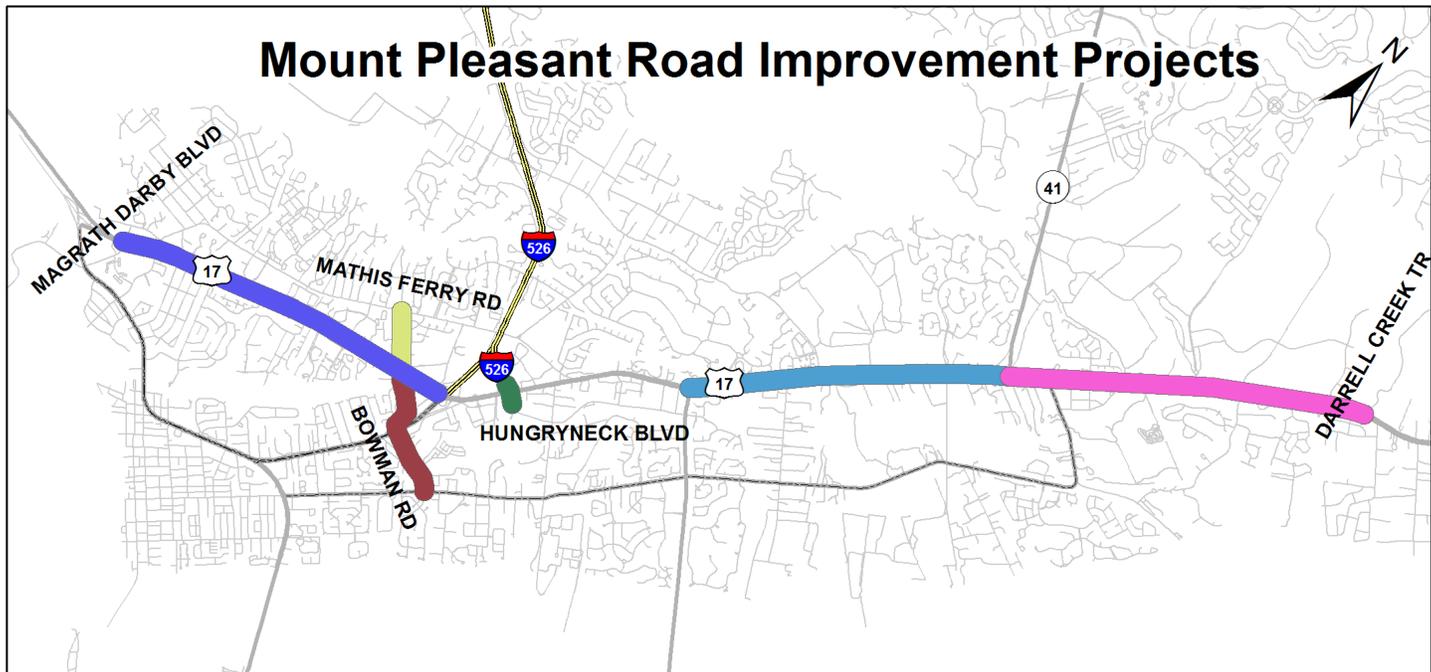
"The good news is, the Special Assessment will end when the projects are paid for. Yes, we have to pay for it, but I can assure you the Special Assessment will end. We will continually update our customers about the progress and the money collected to pay for these relocations. We are all in this together so our communication will be very open as it always is," stated Rick Crosby, MPW Vice Chair.

The Community will benefit from the Road Widening and Improvement Projects.

"Completion of Johnnie Dodd's Boulevard (U.S. 17) Widening Project and these other projects are critical to the residents and businesses of Mount Pleasant, as well as surrounding areas," stated Mayor Swails "I am not going to apologize for accelerating everything and causing some problems. Our citizens really want to see this. It's just going to be biting the bullet for three years," he continued.

The Town of Mount Pleasant and Mount Pleasant Waterworks have a long standing relationship of working together to improve the Mount Pleasant economy. The relationship between adequate infrastructure and a vital economy has been evident throughout the development of successful and thriving towns across the United States. Whether in terms of enticing new economic activities or supporting and expanding existing businesses, successful economic development depends on a strong infrastructure. The Town's infrastructure includes many factors; perhaps the two most critical are the water and wastewater system and the transportation system. Investments in the transportation system enhance an economy's infrastructure "stock" and such actions are necessary for economic development and economic growth.

Mount Pleasant Road Improvement Projects



■	Johnnie Dodds Blvd	Project Cost: \$84 Million
■	Bowman Rd Phase 1	Project Cost: \$12 Million
■	Bowman Phase 2	
■	I-526 Flyover	Project Cost: \$50 Million
■	Hwy 17 Phase 1	
■	Hwy 17 Phase 2	Project Cost: \$30 Million

Mount Pleasant Waterworks Commissioners Consider the FY2011 Budget

The Commissioner's are preparing to adopt a revised Operating Budget for FY2010 and proposed FY2011 Operating and Capital Budgets. MPW Commissioners are considering the following with the Fiscal Year 2011 budget:

- A temporary Special Assessment for the line relocations associated with the Road Widening and Improvement Projects not to exceed \$3.75 per REU per month effective July 1, 2010. The Special Assessment is estimated to end in 36 months.
- A 4.25% increase in water and wastewater volumetric rates beginning with all bills rendered after January 1, 2011, is being considered. The increase equates to \$2.04 per month for the typical customer using 5,000 gallons of water.
- An amendment to the Security Deposit Policy that requires a \$100 per REU security deposit from all new customers.
- Adjustments to several ancillary fees and charges to cover the cost of providing service.
- Debt funding \$27 million for improvements to the Center Street Wastewater Treatment Plant and installation of a water transmission line along Hwy 17/Johnnie Dodds Blvd.

The rate increase will help pay for necessary updates and maintenance of the Commission's treatment and distribution system and annual capital expenditures. Even with the proposed rate increase and Special Assessment Mount Pleasant Waterworks' average bill will remain the lowest in Charleston County.

FY2011 Budget Meeting Schedule

June 7, 2010— Public Hearing on Proposed Operating and Capital Budgets and FY2011 and FY2012 rates, fees and charges at 5:30 p.m.

June 28, 2010— Annual Commission Meeting to Adopt FY2011 and FY2012 Budgets and Rates at 6:00 p.m.

Operating Expenditures Budgets:

Revised FY2010	\$21,132,306
FY2011	\$22,813,784
Capital Expenditures Budget:	\$17,218,798