

**MAYOR**

Shirley Sessions

**CITY COUNCIL**

Barry Brown, Mayor Pro Tem

Monty Parks

Jay Burke

Nancy DeVetter

Spec Hosti



**ACTING  
CITY MANAGER**

Michelle Owen

**CLERK OF COUNCIL**

Jan LeViner

**CITY ATTORNEY**

Edward M. Hughes

Tracy O'Connell

**CITY OF TYBEE ISLAND**

**CITY COUNCIL WORKSHOP  
AGENDA  
October 19, 2023 at 3:00 PM**

**Call to Order**

**Items for Consideration**

1. Water-Sewer Project Funding
2. Water - Sewer Rates

**Adjournment**

*Individuals with disabilities who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities are required to contact Jan LeViner at 912.472.5080 promptly to allow the City to make reasonable accommodations for those persons.*

**File Attachments for Item:**

1. Water-Sewer Project Funding



# City of Tybee Island

## Memorandum

To: Mayor Sessions & Members of City Council  
 From: Jen Amerell, Finance Director  
 Date: October 17, 2023  
 Re: Water / Sewer Utility Future Strategy

### Overview

In March 2021, City Council approved a restructuring of water/sewer utility rates and a five year capital improvement plan in response to failing infrastructure and a decrease of cash on hand. The goals of the restructuring included:

- Reduce and simplify the number of fixed classes and eliminate zero charge usage
- Establish a uniform 5,000 gallon usage tier and a peak season
- Introduce a 25% premium for usage over 10,000 gallons during peak season
- Annual increase to fixed and variable rates beginning with fiscal year 2023 based on the five year capital improvement plan and annual budget requirements
- Capital project borrowing of \$2.5 million annually
- \$250,000 annual fund balance replenishment

In Fall 2022, as a result of feedback from multi-unit owners, staff was directed to revisit the water/sewer rate structure as part of the 2024 budget. During the time the 2024 budget was passed, including year three and four of the capital improvement plan, work on the upcoming debt issue was beginning. In August 2024, Council approved a reimbursement resolution for \$7.5 million based on three years of projects, some projects beginning work immediately due to urgency.

Originally, the upcoming workshop was geared specific to directing staff on utility rates and another potential restructuring. Potential rate calculations were based on the assumption of the projects included in five year plan. With the recent conversations regarding the Utility's capital projects and debt issuance, finalizing a necessary rate adjustment would be premature. A determination, agreement and conversation of the capital projects and financing needs to be first.

### Recommendation

Guidance from Mayor and City Council on next steps.

### Attachments

- 1 – Water / Sewer 5 Year On-going Approved Projects
- 2 – Water / Sewer CIP Years 1 & 2 Spent To Date from 2021 Debt Issue

Water / Sewer CIP Years 1 & 2  
 2021 Debt Issue Budget & Actuals Spent to Date w/ Variances

Project Description	Budget FY22-23 (A)	Amount Spent	(Over) / Under	Variance Explanation
Clarifier #2	\$ 500,000	\$ 359,563	\$ 140,437	
Geotching Mapping	50,000	31,878	18,122	
Bar Screen Installation	200,000	192,829	7,171	
Modular Lab Installation	150,000	245,231	(95,231)	Additional costs of electrical and supply lab
Reuse Water System	100,000	15,398	84,602	
Sludge Press	30,000	21,167	8,833	
Vehicles & Equipment	-	25,491	(25,491)	Pickup for replacement of unrepairable one
WWTP & Well Generators	-	347,258	(347,258)	Project moved up in priority due to failure of back up generators at water tower, 14th street well and WWTP
Replacement of Sanitary Sewer mains	1,400,000	1,403,849	(3,849)	Lighthouse area sanitary sewer replacement & emergency repairs on Jones
Replacement of Water mains	250,000	613,773	(363,773)	Emergency waterman replacement on 2nd, new water main on 6th, movement of water main off lot into easement
Raise Well Houses above Flood Plain	600,000	-	600,000	
Raise Pumps and Lift Stations	200,000	162,915	37,085	
Replacement of Sanitary Force mains	200,000	16,222	183,778	
Lift Station Replacement and Maintenance	320,000	221,092	98,908	
Water Tower Maintenance & Painting	-	208,150	(208,150)	Prior approved work on Fort Screven Water tower (structural for telecommunications that needs completion, total of \$350,000)
SCADA for WWTP & Wells	-	178,497	(178,497)	City Manager accelerated project after boil water advisory due to failing SCADA
Lift Station #6 Scrubber (Jones Ave)	-	222,764	(222,764)	Council moved project up in priority due to constant odor (B)
WWTP Repairs	-	38,414	(38,414)	Unscheduled emergency repairs of catwalk
Totals	\$ 4,000,000	\$ 4,304,491	\$ (304,491)	

(A) Amounts agreed to approved 2021 Water / Sewer Bond Resolution & Budget

(B) Projects costs included in the \$7.5 million reimbursement resolution approved 8/24/23

Water / Sewer 5 Year On-going Approved Projects

Project Description	CIP in Budget Year(s)						Total
	FY22-23 (A)	2024 (B)	2025 (B)	2026	2027		
Clarifier #2	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Geotching Mapping	50,000						50,000
Bar Screen Installation	200,000						200,000
Modular Lab Installation	150,000						150,000
Reuse Water System	100,000						100,000
Sludge Press	30,000						30,000
WWTP Grit Removal & Odor Control System		1,100,000					1,100,000
Vehicles & Equipment		125,000					125,000
WWTP Building Maintenance		220,000					220,000
WWTP & Well Generators		225,000					225,000
Replacement of Sanitary Sewer mains	1,400,000	1,555,000	1,128,000	858,000	1,005,000		5,946,000
Replacement of Water mains	250,000	250,000	250,000	200,000	241,500		1,191,500
Raise Well Houses above Flood Plain	600,000	350,000	350,000	350,000	-		1,650,000
Raise Pumps and Lift Stations	200,000						200,000
Replacement of Sanitary Force mains	200,000	150,000	200,000	250,000			1,050,000
Lift Station Replacement and Maintenance	320,000	300,000	300,000	30,000	30,000		980,000
Water Tower Maintenance & Painting			250,000				250,000
Lift Station #1 Scrubber			250,000				250,000
Ultra Violet Disinfection			350,000	25,000			400,000
<b>Totals</b>	<b>\$ 4,000,000</b>	<b>\$ 4,275,000</b>	<b>\$ 3,078,000</b>	<b>\$ 1,713,000</b>	<b>\$ 1,551,500</b>	<b>\$ 14,617,500</b>	

(A) Amounts agreed to approved 2021 Water / Sewer Bond Resolution & Budget

(B) Amounts agreed to approved 2024 Budget and approved 2023 Bond Reimbursement Resolution (approved 8/24/23)