

LOWCOUNTRY COUNCIL OF GOVERNMENTS BOARD OF DIRECTORS
THURSDAY, FEBRUARY 22, 2018 6:30 P.M.
POINT SOUTH, SOUTH CAROLINA

MINUTES

PRESENT:

ABSENT:

BEAUFORT COUNTY:

Phil Cromer, Town of Beaufort
Brian Flewelling, Beaufort County Council
Herbert Glaze, Beaufort County At-large
York Glover, Beaufort County Council
Alice Howard, Beaufort County Council
Joseph McDomick, Beaufort County Minority
Dan Wood, Town of Bluffton

Michael Covert
Gerald Dawson
Marc Grant
Mary Beth Heyward

COLLETON COUNTY:

Esther Black, Colleton County Minority
Bobby Bonds, City of Walterboro
Joe Flowers, Colleton County Council
Tim Grimsley, Town of Cottageville
Evon Robinson, Colleton County Council
Gene Whetsell, Colleton County Council

Tommy Mann
Crawford Moore

HAMPTON COUNTY:

Pete Hagood, Hampton County Minority
Ronald Mixson, Hampton County At-large
Travis Mixson, Town of Hampton
Buddy Phillips, Hampton County Council
Nat Shaffer, Town of Varnville

JASPER COUNTY:

John Carroll, City of Hardeeville
Tom Johnson, Jasper County Council
Joey Malphrus, Town of Ridgeland
Gwen Smith, Colleton County Minority

Henry Lawton

GUESTS: Paul Briggs, Dominion Energy; Sandy Cox, Town of Cottageville; Daniel Head, Sen. Graham's Office; Al Jenkins, Sen. Scott's Office; Celia Price, Colleton County; Brad Samuel, SCANA; Lisa Wechsler, Crowley-Wechsler CPA.

STAFF: Mike Butler, Sabrena Graham, Michelle Knight, Ginnie Kozak, Connie Schroyer, Sherry Smith, Ashley Young.

1. Call to Order Chairman Johnson called the meeting to order at 6:30 pm.

1.1. Pledge of Allegiance

1.2. Invocation

– Led by John Carroll

1.3. Introduction of Guests and Staff

1.4. Proxies

– Michael Covert & Gerald Dawson to Alice Howard; Tommy Mann to Gene Whetsell.

1.5. Approval of January 25, 2018 Minutes

Action – MOVED by Brian Flewelling, seconded by Joseph McDomick to approve the minutes as presented. Motion carried unanimously.

2. Presentations

2.1. Dominion Energy/SCANA Merger – Brad Samuel, SCANA & Paul Briggs, Dominion Energy.

- Based in Richmond, VA Dominion Energy operates in 18 states with assets from Connecticut to California but mostly it is a utility company in Virginia & N. Carolina for electric customers and a few northern states for gas customers.
- In January, Dominion Energy offered to buy SCANA Corp. in a deal valued at \$14.6B including debt. As part of the deal, Dominion is offering rebates for SCANA's SCE&G customers who have been paying for the aborted nuclear projects. About 500,000 customers would get a cash payment of about \$1,000 as well as a 7% reduction in rates. Also, customer costs for the nuclear projects will be paid off in 20 years instead of the 50-60 years if collected by SCANA. Additionally, Dominion will provide \$1M a year in money for charitable contributions in SCANA's communities for at least 5 years.
- This offer is only possible if the SC State Legislature does not repeal the Base Load Review Act of 2007. This law allows utilities to pass power plant capital financing onto customers. For the past 10 years SCE&G customers have been billed an average of \$27 monthly to help finance the projects.
- A repeal of the law would stop the extra customer costs immediately but Dominion would need the Act to recoup the debt if the merger was to go through. SCANA believes the merger would be beneficial locking in significant and immediate savings to its customers. If the Act is repealed, Dominion will rescind their offer.

Q: Why does Dominion want to buy SCANA?

A: Dominion sees the growth potential from the state's consistent uptick in economic development activity.

Q: What is the time frame for this proposal?

A: Initially, it was 6-9 months. However the senate has voted to delay the Public Commission's decision on matters with SCANA until December 2018. Dominion has agreed to wait.

Q: What percentage will customers be billed over the next 20 years for the payment of the failed projects?

A: SCANA is charging about \$25 per month per customer. Dominion can reduce that fee to \$18-19 a month, eventually decreasing the fee yearly.

Q: Are the state legislatures in the 18 states that Dominion currently serves as restrictive in the utility business as South Carolina?

A: No. None of the states Dominion does business in have a Base Load Review Act.

Q: Is Dominion involved in building or have plans to build more reactors?

A: No. But they do operate five units and are in the process of decommissioning one.

Q: Are any meters exempt from the rebate?

A: No meters are exempt. The rebate will be given to everyone; residential, industrial, commercial, educational, etc. To clarify, it has to be metered electricity to qualify. Some areas, like municipal lighting that are not on a meter, will not be eligible.

Q: A \$1,000 rebate will not pay back all that customers paid in for the past 10 years.

A: The Base Load Review Act was written by our state legislators, not just SCANA. Everyone was aware of the pros and cons of the act. This is just the terrible consequence of not being able to complete the projects triggered by the bankruptcy of Westinghouse. There was roughly a billion dollar settlement given to SCANA from their parent company Toshiba. 100% of the settlement was passed onto customers to help stabilize rates. Without the means to finish the projects, construction had to be suspended and the sites abandoned per IRS regulations. This is why the property and assets were offered to Santee Cooper.

Q: What are Dominion's plans for the future?

A: The company is moving more towards solar energy. Dominion currently has the largest solar project here in Jasper County. However, natural gas-fired base load generation will

still be needed until the storage of solar energy can be developed.

Q: Are there any plans for solar expansion in South Carolina?

A: Not at this time.

Q: Will SCANA become a subsidiary of Dominion Energy?

A: They will become a part of Dominion Energy but the SC headquarters will remain in Columbia.

Q: What is going to happen to SCANA's shareholders?

A: SCANA shareholders would get about two-thirds of a share of Dominion Energy common stock for each share of SCANA common stock, equivalent to about \$55 per share. SCANA shareholders also need to approve the merger by a two-thirds vote.

Q: What will be the costs to SCANA employees such as job loss and benefits?

A: The benefit package will be comparable and in many aspects better. Most of the 5,400 employees will keep their jobs unless their function is a duplication of a Dominion position. In those cases, SCANA employees will have ample time to find alternate work. There will be job protection until 2020.

2.2. Walterboro Public Transit Project – Ginnie Kozak & Michael Butler

- A \$100,000 grant from the SC Dept. of Employment and the SC Workforce Development Board to the Lowcountry Workforce Development Area was obtained to provide bus service in the Walterboro area. The LCOG Planning Dept. has assisted with the project.
- The grant's goal is to provide transportation for those attending training and vocational education programs. Those using the bus service for those purposes receive documentation that allows them to ride free. Other riders are charged one dollar to ride the bus.
- Walterboro was ideal because of the many educational services, employers and social service agencies located within a 5-mile radius.
- A new 15 passenger bus was purchased and is operated by Palmetto Breeze. Since November 2017 there has been an average of 350 rides per month. The bus schedule runs in the mornings and afternoons.
- The demo grant ends in June 2018.

3. New Business

3.1. Lowcountry Regional Development Corporation (LRDC) Annual Meeting

3.1.1. LRDC Annual Financial Report for the Years Ended September 30, 2017 & 2016 - L.Wechsler

- A detailed report of the financial year was given. The financial statements of the LRDC were fairly stated. No deficiencies were found. Copies of the report were distributed at the meeting.
- End of year net assets and cash were \$366,904.
- The LRDC deeded a spec building in the Estill Industrial Park back to Hampton County.
- LRDC is holding and dispersing funds for the Yemassee Depot project. There was \$7,715 in the account at the end of the year.
- MOVED by Brian Flewelling, seconded by Joseph McDomick to receive the report. Motion carried unanimously.

Action

3.2. Section 5310 Rural/Small Urban Transit Project Funding – Ginnie Kozak

- Section 5310 Funds are available for local agencies serving elderly and disabled citizens. Funds can be used to purchase transportation service or to purchase a vehicle.
- A prioritized list of projects, as recommended by the LCOG Transportation Committee, was distributed to board members for review.
- MOVED by Bobby Bonds, seconded by Evon Robinson to accept the proposed prioritized distribution of 5310 funds. Motion carried unanimously.

Action

4. Reports

4.1. Finance Report for January 2018 – Sherry Smith

- Revenues over expenditures were \$89,160. 82% of the budget has been expended.
- A couple of adjustments made this year in the collection of accounts receivables has resulted in a stronger cash flow.
- Copies of the monthly Financial Statement were distributed in agenda packets.

4.2. Community and Economic Development Report – Michelle Knight

- March 16th is the deadline for the spring round of CDBG grant applications.
- Copies of the Community & Economic Development Report were distributed in agenda packets.

Q: Why were two CDBG applications denied in Colleton County?

A: The Neyles Library, a rural project, did not have a big enough community impact to justify a grant award. The coroner's office equipment grant, written quickly to make the deadline and the first grant request of its kind, may be resubmitted.

Q: Can the Neyles Project also be resubmitted?

A: Based on SC Dept. of Commerce feedback, it will not be funded.

4.3. Aging Report – Ashley Young

- LCOG's Consumer Choice Home Care program will end as of February 28, 2018 terminating all current Home Care provider MOUs. For several years the Lowcountry Area on Aging (AAA) has had a surplus of funds, which have now been exhausted.
- Clients and providers have received official notification of the program's end.
- The program will restart next fiscal year. The AAA intends to restructure the program to better serve those most in need for as long as possible.

4.4. Director's Report – Sabrena Graham

- LCOG staff has been communicating with the Director of the Dam Safety & Stormwater Permitting Division of DHEC as to the status of the Pocotaligo Road-Buckfield Dam repair. Jill Stewart could not attend the February LCOG Meeting. She shared that there has been no further advancement as to the dam's repair. DHEC will continue working to determine proper ownership and responsibility and push the proper owner to make decisions that would lead to repair.
- The COG Directors met with the Governor's Deputy Chief of Staff on Feb. 1. Mr. Plowden suggested placing a budget request in the Governor's budget rather than the failed requests in the Senate & House budgets. COGs need to tell their stories more. We do not often receive recognition for our role in successful projects. The work of LCOG needs to be made known to our local, state and federal partners. Your acknowledgement of our contribution to your projects will be greatly appreciated.
- The Workforce Department underwent a financial and programmatic monitoring by the SC Dept. of Employment & Workforce for the 2017 Program year. Congratulations to Workforce and Finance teams for a job well done.
- I recently attended the States of Colleton and Jasper County breakfasts to hear of the accomplishments and future plans for their counties.
- The COG Directors group will be meeting with the new USDA Director in March to discuss partnership opportunities of USDA services for residents and local governments.
- Nathaniel Stroud "Buddy" Thompson, the first LCOG Director, passed away on Jan. 14. A donation to the Hollings Cancer Center was given in his memory. Also, long-time Aging Director Marvile Thompson passed away in December.
- A copy of the Director's Report was distributed at the meeting.

4.5. Planning Reports – Distributed for Information: 208 Report & Regional Unemployment Chart

5. Council Time

- Chairman Johnson requested that a representative from DHEC be invited to speak at the next meeting regarding the Pocotaligo Road–Buckfield Dam repair.
- Former Varnville Mayor and past LCOG Board Chair Jeanine Cannington passed away recently. Frank McClure, prominent in the Varnville Community, also passed away.
- Dan Head from Sen. Lindsey Graham’s office gave a brief report:
 - Congress now has a 2-year funding deal in place. The appropriation bill is now being written for funding through the end of the fiscal year. When the process starts again, it will be at the higher cap to include more defense spending.
 - The office is now accepting appropriation requests. If the COG has specific programs they would like to see funded or to request additional funding, Mr. Head will provide information for how to submit a request.
- Al Jenkins from Sen. Tim Scott’s office gave a brief report:
 - A new provision in the tax bill called “Opportunity Zones” will provide incentives for investment into low income communities. The Governor will be designating the zones but will likely be the same as the Promise Zone areas. More information can be found on the Senator’s webpage.
 - The office is receiving priorities for infrastructure improvements; major roads, bridges, etc.
- The Jasper Port Project should be a priority infrastructure improvement for the Lowcountry.

6. Adjourn

- MOVED by Joe Flowers, seconded and approved by consensus to adjourn the meeting. Meeting adjourned at 7:53 pm

Minutes submitted by Connie Schroyer

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