

STATE OF SOUTH CAROLINA) **INTERGOVERNMENTAL JOINT FUNDING**
) **AGREEMENT**
COUNTY OF BEAUFORT) **(Stoney Creek Sewer Expansion Project)**

THIS INTERGOVERNMENTAL AGREEMENT (the “*Agreement*”) is entered into with an effective date of _____, 2023, (the “*Effective Date*”) by and among (a) Beaufort County, a political subdivision of the State of South Carolina (the “*County*”), (b) the Town of Bluffton, a South Carolina municipal corporation (the “*Town*”), and (c) Beaufort Jasper Water Sewer Authority, a political subdivision and a special purpose district of the State of South Carolina (the “*Owner*” or “*BJWSA*”) (with the County, the Town, and BJWSA collectively referred to as the “*Parties*”).

WHEREAS, the Parties each recognize that failing septic systems can negatively impact public health, environmental health, quality of life, and economic growth; and

WHEREAS, the Parties have documented that chronic leaks from the Stoney Creek watershed area's septic tanks have emitted fecal coliform into the upstream portions of the May River, having negative environmental impacts on commercial fishing, shrimping and oystering, negative impacts on eco-tourism companies, and negative impacts on recreation and recreation-based businesses; and

WHEREAS, for many years, the Parties have employed various initiatives individually to achieve the goal of cleaner water and reduction in septic use including the Bluffton Town Council's adoption of the May River Watershed Action Plan in 2011 to serve as a guide in support of protecting the May River watershed and the May River Watershed Plan Advisory Committee in 2012 to provide specific recommendations for implementation; and

WHEREAS, the May River Watershed Action Plan identifies both the elimination of and proper maintenance of septic systems within the May River watershed as key strategies to protect water quality; and

WHEREAS, the Parties identified an opportunity to collaborate together on these shared objectives with funding through the South Carolina Infrastructure Investment Program (“*SCIIP*”) grant, a one-time initiative to improve water, wastewater and stormwater systems throughout the state using federal funds allocated by the 2021 American Rescue Plan Act (“*ARPA*”); and

WHEREAS, the SCIIP grant application identified this project as the May River Watershed Master Plan – Phase I: Stoney Creek-Palmetto Bluff Road Sewer Service Area (the “*Project*”) which was awarded to BJWSA in April 2023 as the Owner of the sewer system; and

WHEREAS, the original scope of the sewer project is defined in the SCIIP grant application, and included the installation of a new sewer system for an estimated 150 individual connections with capacity to accommodate an additional 50 connections as shown on the map; however, due to the increase in pricing since the time of the grant application, the parties have agreed to revise the scope of work for the sewer project to limit the total project cost to \$7.9 million, inclusive of work required to provide new public sewer service and work required for downstream sewer system improvements to accommodate the additional sewer flow from the priority project area in **Exhibit 1**; and

WHEREAS, the estimated construction cost of the sewer project as submitted in the SCIIP application was \$7,900,000, comprised of \$5,925,000 (75%) of SCIIP grant funding and \$1,975,000 (25%) local match detailed in **Exhibit 2**; and

WHEREAS, The SCIIP grant requires that local funds be used to pay for septic tank decommissioning and new sewer service connections on private property which shall be the responsibility of the Town and County **and therefore, the local funds shall be used to pay for the costs associated with those line items as set forth in Exhibit 2 prior to the local funds being used for any additional portion of the project; and**

WHEREAS, the Town and County agree to forego their right to receive capacity credits for the cost of sewer infrastructure associated with this project in exchange for BJWSA waiving the sewer capacity fee charges for any parcel connecting to sewer as part of this project in the priority areas identified in **Exhibit 1**; and

WHEREAS, the SCIIP grant funding does not cover the water portion of the project and BJWSA will be responsible for all costs and fees associated with the water project and connections for the parcels connecting to sewer, which is estimated to be approximately \$3,300,000; and

WHEREAS, due to the disparity in the financial responsibility of the Parties as set forth above, the Parties understand that BJWSA may apply for other State and Federal grants, including but not limited to unspent SCIIP grant funds, but that the ability of BJWSA to secure satisfactory grant funding for the Project shall not constitute a condition precedent to or a mandatory requirement of the Parties' obligations hereto; and

NOW, THEREFORE, for and in consideration of these premises and the mutual covenants set forth below, the Parties hereto hereby agree as follows:

Section 1 Roles and Responsibilities.

- a. BJWSA shall be the sole Owner of the infrastructure associated with the Project.
- b. BJWSA shall serve as the project manager. As the project manager, BJWSA shall manage the milestone schedule, the major elements of which include final engineered design, permitting, fully executing rights-of-way (temporary or permanent easements as needed), construction, and conducting testing and acceptance of the work. BJWSA shall use sound project management techniques in an effort to keep the Project on time and within budget.
- c. BJWSA shall seek any and all necessary easements in their name as Owner.
- d. BJWSA shall serve as the grant administrator, providing timely reports and retaining records as required by the grant terms and conditions.
- e. The Parties shall jointly provide community outreach and marketing of the Project to property owners and others within the Project area. As part of those efforts, the Town shall promptly provide the County and/or BJWSA with any relevant support materials reasonably requested to market the Project.
- f. The primary function of the County and the Town is to provide timely financial support for the Project and, to the extent permitted by law, to assist BJWSA in the community outreach and marketing for the Project. The non-grant expenditures and overages for the Project shall be split equally by the County and the Town.
- g. At the time it becomes aware of any potential schedule or cost overruns, or to any other material change required to the terms of this Agreement that pertains to the Project, BJWSA shall notify

the other Parties to obtain consent for a change order and/or a written amendment to this Agreement. All proposed or actual changes to the scope or any other increase to the Project budget are contingent upon approval and provision of funding for those increases by the governing bodies of the Town and the County.

- h. Any change orders to the design of the Project must be approved by the Town of Bluffton and Beaufort County within 15 days of receipt of the change order, provided such change orders are reasonably necessary for the completion of the Project.
- i. Sections 2.1.3 and 2.1.4 of the BJWSA's Sewer Use Regulation require the owner(s) of any house, building, trailer/mobile home/recreational vehicle, or property available for human occupancy, employment, recreation or other purpose that is located within 300 feet of any street, alley, or right-of-way in which there is public conventional sewer to connect to said sewer within sixty (60) days of the completion of the Project. The SCIIP grant requires that local funds be used to pay for septic tank decommissioning and new sewer service connections on private property, which shall be the responsibility of the Town and County as included and detailed in the budget cost estimate in **Exhibit 2**; provided, however, in the event that the costs associated with septic tank decommissioning and new sewer service connections exceeds those amounts detailed in the budget cost estimate, such excess amounts must be approved by the Parties in accordance with Section 1(g) of this Agreement.

Section 2 Financial Reconciliation.

- a. In its role as project manager, BJWSA shall have privity of contract with and supervision of all third-party vendors performing work on the Project.
- b. At BJWSA's discretion but not more often than once a quarter, the Parties shall reconcile expenditures incurred and paid by BJWSA for the Project by comparing actual costs to the budgeted costs. Costs shall not include BJWSA employee hours. All third-party expenditures must be directly related to the Project.
- c. Upon RIA's approval of the construction contract, the County and the Town shall remit their share of the matching funds required for the sewer portion of project to BJWSA by and through a check made payable to the Tupper, Grimsley, Dean and Canaday escrow account within ten (10) days after notice of the approval.
- d. The Parties recognize that Section 2.1.5 of BJWSA's Sewer Use Regulations provides that any property connected to BJWSA's wastewater system should also be connected to BJWSA's water system. Any direct or indirect costs incurred by the Parties in furtherance of this Project that may be attributable, in whole or in part, to the expansion, maintenance, or development of BJWSA's water system in the Project area shall be the sole and absolute financial responsibility of BJWSA and neither the Town nor the County shall be obligated to contribute financially to the same.
- e. Any disputes with regard to the expenditures related to the sewer portion of the project that cannot be resolved shall be submitted to mediation with a South Carolina Certified Mediator chosen by the Parties. In the event that the Parties cannot agree to such person, the Parties will submit the request to the Chief Administrative Judge for the Circuit Court of Beaufort County to designate a mediator to conduct the mediation. Mediation shall be non-binding.

Section 3 Schedule.

- a. The terms of the SCIIP grant require that all funds be committed by 12/31/2024 and expended by 06/01/2026.
- b. The SCIIP grant application projected the major milestone completion dates required to achieve the funds committed date and funds expended date. That schedule is: notice to proceed issued to design engineer October 2, 2023; final design complete, including obtaining all permits and easements by 10/1/2024; construction solicitation/advertise for bids/notice of award complete by 1/1/2025; construction start by 1/1/2025; construction complete by 5/1/2026. As project manager, BJWSA will finalize a more detailed project schedule and attach to this IGA as **Exhibit 3**, which shall be updated from time to time.
- c. As project manager, BJWSA will make every reasonable effort to adhere to the schedule, however the Parties acknowledge that there may be unforeseen circumstances, material availability issues, or other issues outside of BJWSA's control which may extend the schedule.
- d. All parties understand that the time limitations associated with the sewer project under the SCIIP grant schedule may result in a different completion date for the water project.

Section 4 General Provisions.

- a. The term of this Agreement shall be through 12/31/2026 or whenever the Project is finished, whichever is later. Termination of the Agreement in whole may only occur by an agreement by all the Parties.
- b. Except as otherwise provided herein, this Agreement may not be amended, changed, modified or altered without prior written consent of the Parties.
- c. In the event that any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.
- d. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- e. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.
- f. The captions or headings herein are for convenience only and in no way define, limit, or describe the scope or intent of any provision or sections of this Agreement.
- g. All notices required under this Agreement shall be in writing via US registered mail or via email with confirmation of delivery receipt.
- h. The recitals contained herein above and the exhibits attached hereto are hereby incorporated within this Agreement so that their contents are made a substantive part hereof.
- i.

[Remainder of Page Intentionally Omitted. Signature Page(s) and Exhibit(s) to Follow.]

IN WITNESS WHEREOF, the Parties have set their hands and seals to this Intergovernmental Agreement.

WITNESS:

BEAUFORT JASPER WATER SEWER AUTHORITY

By: _____

Verna Arnette, General Manager

WITNESS:

BEAUFORT COUNTY

By: _____

John Robinson, Beaufort County Administrator

WITNESS:

TOWN OF BLUFFTON

By: _____

Stephen Steese, Town Manager

EXHIBIT 1
MAP OF PROJECT AREA

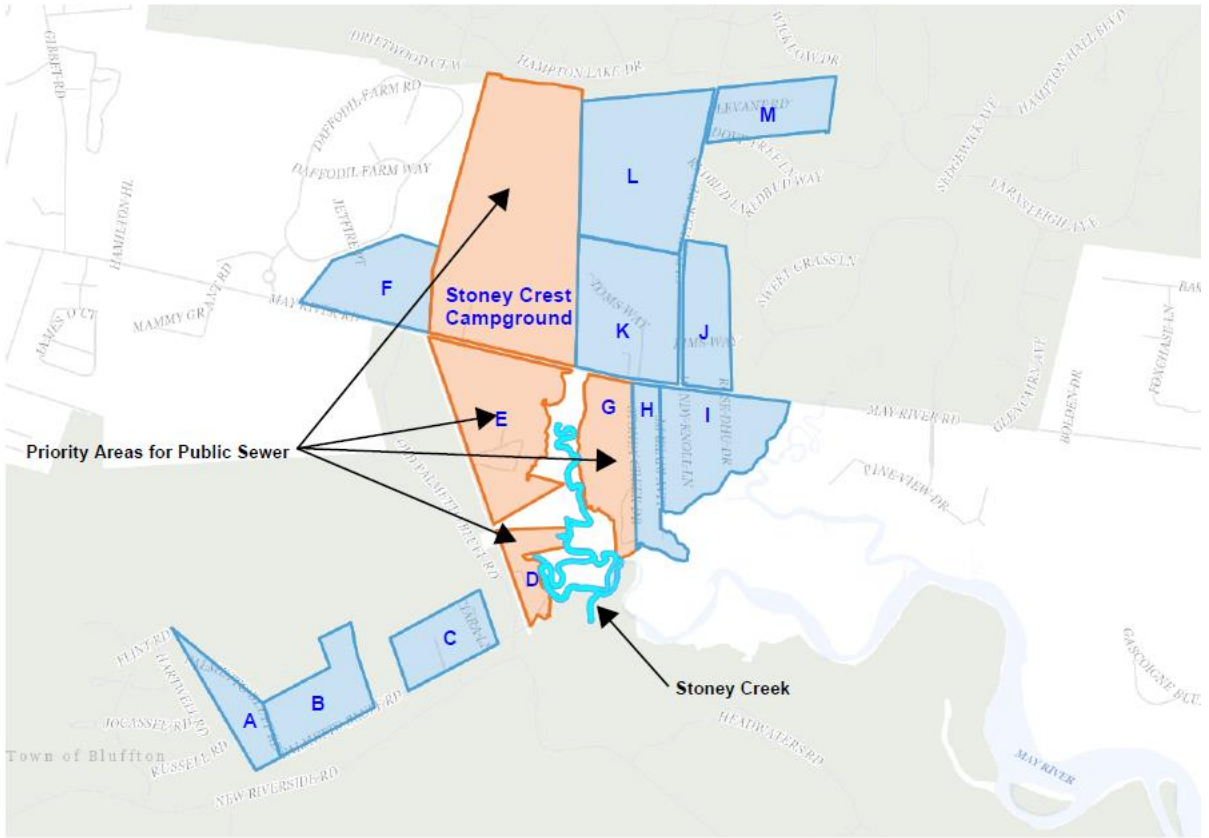


EXHIBIT 2

<u>LOW PRESSURE GRINDER BUDGET COST ESTIMATE</u>					
MAY RIVER WATERSHED SEWER IMPROVEMENTS					
October 9, 2023					
<u>Item No.</u>	<u>Description</u>	<u>QTY</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Cost Extension</u>
AREA 1					
1	Grinder Pump Station Install at Campground	1	EA	\$50,000	\$50,000
2	Grinder Pump Station Install at Parcels	12	EA	\$10,000	\$120,000
3	Decommission Septic Tanks (<i>demolish septic tank, install new service lateral to structure</i>)	12	EA	\$5,000	\$60,000
4	3" Conveyance Force Main to MH CP 100-055A	6,900	LF	\$35	\$241,500
5	3" Conveyance Force Main - HDD Across Stoney Creek	1,000	LF	\$65	\$65,000
6	Connect 3" Force Main to MH CP 100-055A	1	EA	\$4,000	\$4,000
7	Inline 3" Air Release Valves and Manhole (<i>assume every 1000'</i>)	8	EA	\$5,000	\$40,000
8	2" Collection Force Main	0	LF	\$30	\$0
9	Inline 2" Air Release Valves and Manhole (<i>assume every 1000'</i>)	0	EA	\$5,000	\$0
10	Clearing / Grubbing (<i>FM Length x 5 feet wide clear/grub area adjacent to roadway</i>)	34,500	SF	\$15	\$517,500
11	Dirt Road Restoration	0	LF		
12	Dirt Road Restoration - Regrade Entire Road (<i>15 feet wide road</i>)	0	SF	\$1	\$0
13	Dirt Road Restoration - Clean Fill / Scrapped w/ V-Ditch (<i>5 feet wide</i>)	0	SF	\$15	\$0
14	Dirt Road Restoration - Undistributed Backfill (<i>25% Pipe Length x 5 feet wide x 3 feet deep</i>)	0	CY	\$24	\$0
15	Engineered Backfill/Compacted Subgrade (<i>10% of Line 19</i>)	0	CY	\$40	\$0
16	Flowable Fill in lieu of Compacted Subgrade	50	CY	\$203	\$10,125
17	Open Cut & Patch Asphalt per SCDOT Regulations (<i>30% of FM length x 10 ft width = pavement impact</i>)	20,700	SF	\$25	\$517,500
18	Asphalt Overlay per SCDOT Regulations (<i>30% of FM length x 10 ft width = pavement impact</i>)	20,700	SF	\$10	\$207,000
19	Downstream Sewer Improvements (<i>new pumps and wet well addition to CP 100</i>)	1	EA	\$750,000	\$750,000

AREA I - Construction Subtotal	\$2,582,625
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AREA 2					
1	Grinder Pump Station Install at Parcels	41	EA	\$10,000	\$410,000
2	Decommission Septic Tanks (<i>demolish septic tank, install new service lateral to structure</i>)	41	EA	\$5,000	\$205,000
3	3" Conveyance Force Main to Stoney Crest Campground	5,500	LF	\$35	\$192,500
4	Inline 3" Air Release Valves and Manhole (<i>assume every 1000'</i>)	6	EA	\$5,000	\$30,000
5	2" Collection Force Main	3,200	LF	\$30	\$96,000
6	Inline 2" Air Release Valves and Manhole (<i>assume every 1000'</i>)	4	EA	\$5,000	\$20,000
7	Clearing / Grubbing (<i>FM Length x 5 feet wide clear/grub area adjacent to roadway</i>)	43,500	SF	\$15	\$652,500
8	Dirt Road Restoration	3,200	LF		\$0
9	Dirt Road Restoration - Regrade Entire Road (<i>15 feet wide road</i>)	48,000	SF	\$1	\$48,000
10	Dirt Road Restoration - Clean Fill / Scrapped w/ V-Ditch (<i>5 feet wide</i>)	16,000	SF	\$15	\$240,000
11	Dirt Road Restoration - Undistributed Backfill (25% Pipe Length x 5 feet wide x 3 feet deep)	12,000	CY	\$24	\$288,000
12	Engineered Backfill/Compacted Subgrade (<i>10% of Line 14</i>)	1,200	CY	\$40	\$48,000
13	Flowable Fill in lieu of Compacted Subgrade	50	CY	\$203	\$10,125
14	Downstream Sewer Improvements (see Phase I)	0	EA	\$370,000	\$0
AREA 2 - Construction Subtotal					\$2,240,125

AREA 3					
1	Grinder Pump Station Install at Parcels	6	EA	\$10,000	\$60,000
2	Decommission Septic Tanks (<i>demolish septic tank, install new service lateral to structure</i>)	6	EA	\$5,000	\$30,000
3	2" Collection Force Main	2,300	LF	\$30	\$69,000
4	Inline 2" Air Release Valves and Manhole (<i>assume every 1000'</i>)	3	EA	\$5,000	\$15,000
5	Clearing / Grubbing (<i>FM Length x 5 feet wide clear/grub area adjacent to roadway</i>)	11,500	SF	\$15	\$172,500
6	Dirt Road Restoration	2,300	LF		

7	Dirt Road Restoration - Regrade Entire Road (15 feet wide road)	34,500	SF	\$1	\$34,500
8	Dirt Road Restoration - Clean Fill / Scrapped w/ V-Ditch (5 feet wide)	11,500	SF	\$15	\$172,500
9	Dirt Road Restoration - Undistributed Backfill (25% Pipe Length x 5 feet wide x 3 feet deep)	8,625	CY	\$24	\$207,000
10	Engineered Backfill/Compacted Subgrade (10% of Line 12)	863	CY	\$40	\$34,500
11	Flowable Fill in lieu of Compacted Subgrade	50	CY	\$203	\$10,125
12	Downstream Sewer Improvements (See Phase I)	0	EA	\$370,000	\$0
AREA 3 - Construction Subtotal					\$805,125
					\$5,627,875
CONSTRUCTION SUB TOTAL = AREA 1 + AREA 2 + AREA 3					
A	General Conditions & Mob/Demob (5%)				\$281,394
B	Construction Contingency (10%)				\$562,788
C	Professional Fees (20%)				\$1,125,575
E	Total Pipe Length	18,900	LF		
F	Easements (full pipe length x 15 foot width)	6.51	Acre	\$50,000	\$325,413
G	Fee Simple Purchase (0.5 Acre at Stoney Crest Plantation Campground and access road)	0.50	Acre	\$50,000	\$25,000
TOTAL PROJECT COST - AREA 1 + AREA 2 + AREA 3					\$7,948,044

EXHIBIT 3

Table 2: Proposed Project Schedule

Task	Anticipated Time
BJWSA ISSUES NOTICE TO PROCEED FOR DESIGN SERVICES	12/1/2023
KICKOFF MEETING WITH BJWSA	12/4/2023
SURVEY COMPLETE	2/02/2024
30% - PROJECT DESIGN	4/5/2024
60% - PROJECT DESIGN	7/12/2024
90% - PROJECT DESIGN	10/18/2024
LAND ACQUISITION COMPLETE	11/8/2024
PERMITTING COMPLETE	11/8/2024
100% - PROJECT DESIGN	11/15/2024
BID ADVERTISE DATE	12/6/2024
BID OPEN DATE	1/10/2025
BJWSA ISSUES NOTICE TO PROCEED FOR CONSTRUCTION	2/3/2025
CONSTRUCTION SUBSTANTIAL COMPLETION/PUNCHLIST	4/1/2026
PUNCHLIST ITEMS COMPLETE	5/1/2026
RECEIVE AND PROCESS FINAL CONTRACTOR PAYMENT	5/15/2026
COMPLETE CLOSEOUT WITH RIA	6/1/2026