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Date: 10/29/2013 11:42:27 AM

Subject: Re: Draft Relocation Study Committee Report

Senator Martin,

I sincerely appreciate your thoughts and comments with regard to the work of the Utility Relocation Study Committee. I haven't yet received comments back from all of our members, but it is my desire that we discuss all comments and suggestions at our next meeting. Much like you, I too was hoping for a very simple solution to this issue, but with so many involved diverse entities, a simple solution has remained elusive. Maybe the result of all the comments I receive back will help to simplify our end product into something we can all support.

Thanks,

Charlie Gray

In a message dated 10/25/2013 9:47:38 A.M. Eastern Daylight Time, shane@senatormartin.com writes:

Dear Chairman Gray,

I truly appreciate all of the hard work that went into this report, and I agree that we have learned much valuable information concerning the hardships facing localities and their utilities when SCDOT undertakes road construction or movement. I am a staunch advocate of alleviating the unfunded mandates that utilities face, but I also

must maintain caution when I consider any action that will impact the taxpayer, especially if that action will impinge upon taxpayers who will not directly benefit from the tax hike. I also am staunchly opposed to growth in government as I have not yet seen a problem caused by too little government. This recommendation grows government. I finally must admit that I cannot see how this proposal, with its multiple lines of activity and responsibility, stand any chance of working better than simply appropriating enough money to SCDOT for state road projects or letting localities pay for their own projects. The model proposed herein is one that heaps complexity upon a simple problem. That, for me, is not a good recipe.

I must note three main points of objection. First, I simply cannot under any circumstances support the idea of mandating that utilities, which are local governments, raise taxes upon their customers. The General Assembly not long ago won perhaps the greatest victory in a generation for the taxpayers when it forbade local governments from using homeowners as an ATM via the property tax. I cannot imagine such a short time later taking the floor of the Senate and arguing for the exact opposite, i.e. that we now force local governments to raise taxes on property owners, many of whom may never see the benefits of the tax itself.

Second, this proposal suggests that the revenue fall into the jurisdiction of at least three different government entities. Monies collected for the State non-federal highway fund, by contrast, go straight to the SCDOT—and that organization isn't even one of the three contemplated by this proposal even though it is the one that will do the work. The proposal instead gives administration of this money to the Rural Infrastructure Authority for reasons that remain completely unclear to me. The statute that created the RIA reads, in part, that, "The corporate purpose of the authority is to select and assist in financing qualified rural infrastructure by providing loans and other financial assistance to municipalities, counties, special purpose and public service districts, and public works commissions for constructing and improving rural infrastructure facilities." Perhaps I have misunderstood, but I believed that this study meant to address a statewide problem and not just a rural problem. The RIA, furthermore, is a granting organization that is focused on economic development unlike the SCDOT which focuses on roads and bridges that, to my understanding, is the point of this study. The report then suggests that on top of the multi-layered bureaucracy already contemplated that the Assembly create an "Advisory Committee" to set up "administrative guidelines". This is government at its worst—layers of bureaucracy that confuse and ultimately stymie the proposal itself. This component of the proposal seems to me completely unnecessary and needlessly complicated.

Third, I cannot agree with the conclusions reached in this report that this complex effort to institute a new regime of taxation and funnel it through myriad state agencies will somehow actually improve things. The report says on page 3 that, "utilities as well as SCDOT will be incentivized to work more closely for optimal and lower cost relocation solutions...." The report also says on page 7 that, "sharing of

relocation costs...will ensure that such costs are minimized....” Nothing in my experience as a taxpayer or public official indicates to me that either of this will be the case. No evidence is presented, furthermore, to substantiate these claims. They simply are made in the report. I cannot and will not use these arguments in order to further the cause of a tax increase.

I regrettably must inform the Committee that I cannot support this proposal in its current form. I believe that we have a relatively simple problem: how to pay for utilities relocation during a road or bridge project. The solution ought to be equally simple in that the state pays for state road projects and locals pay for local projects. Creating yet another tax regime and setting up yet another government entity to share the purpose of an existing government entity is exactly what our constituents do not want and exactly what, in my experience, never works.

I think that this Committee has done an excellent job calculating the ratio of utility relocation to road widening/bridge replacement. **We should focus on this accomplishment and have the General Assembly use it when appropriating money for those types of projects. This way, when a road needs to be widened, the money will be there to move the utilities.** As I mentioned in Committee, all of the money going to “special projects” in the state budget could be reallocated to real projects like this Committee is working on. I will do all that I can to make that happen.

I appreciate our work and look forward to prioritizing our state spending so we can properly care for our infrastructure needs without burdening local entities.

Regards,

Shane

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Sent: Thursday, October 17, 2013 3:55 PM

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Subject: Draft Relocation Study Committee Report

Good Afternoon,

Attached please find a DRAFT of the Utility Relocation Study Committee Report. Please review and provide comments, corrections, and critiques as you see fit. I need to have your input no later than **Monday, November 04, 2013 at close of business**. If I don't hear from you by that time, your complete concurrence is assumed.

Please keep this draft confidential until the entire Committee has had a chance to review it and provide comments and consolidation. I appreciate your work on the Committee and your time in reviewing this lengthy, but important document. Please let me know if you have any questions.

Thanks,

Charlie Gray

Utility Relocation Steering Committee Chair

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Chesterfield County Rural Water Co.