

**MINUTES
REGULAR MEETING
FAIRFIELD JOINT WATER AND SEWER SYSTEM COMMISSION
SEPTEMBER 25, 2019**

Present: Roger A. Gaddy, Don Wood, Neil Robinson, Jason Taylor, Kyle Crager, Commissioners.

Others Present: C. D. Rhodes, Patti L. Davis, Ty Davenport, Chris Clauson, Laura Johnson, Lisa Muzekari from Thomas & Hutton and Lauren Culbreath.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80 (e), as amended, the following persons and/or organizations have been notified of the time, date and location of this meeting: The Independent Voice of Blythewood and Fairfield, The Country Chronicle and one hundred thirty one other individuals.

1. CALL TO ORDER

Chairman Gaddy called the Regular Meeting to order at 5:00 p.m.

2. APPROVAL OF AGENDA

Motion made by Vice Chair Robinson, properly seconded by Commissioner Crager, to approve the agenda. ***The motion carried unanimously 5-0.***

3. APPROVAL OF MINUTES

Motion made by Commissioner Crager, properly seconded by Vice Chair Robinson, to approve the minutes of May 1, 2019. ***The motion carried unanimously 5-0.***

4. Engineering Update

Ms. Lisa Muzekari from Thomas & Hutton came to the podium to give a brief engineering update. In regard to the Mega Site, the reviews of site/mass grading elements, transportation/roadway and water and wastewater for the Mega Site have been completed. Recommendations were made to the County for the following next steps:

- New interchange justification report
- Valencia Road Bridge replacement
- Valencia Road construction access improvements
- 8 inch construction water main along Valencia Road

- Water system improvements along Old Camden Road
- Coordination for a new waste water treatment plant, NPDES permit

The County then determined the next steps will include Valencia Road Bridge replacement and additional due diligence on property west of I-77. These projects are currently awaiting the Notice to Proceed.

The final JD letter concerning the wetlands for the mega site was received in August of 2019.

For the due diligence associated with the Weyerhaeuser property to the north, all environmental due diligence has been completed, including:

- Cultural resources
- Geotechnical
- Protected species
- Wetlands

Chairman Gaddy inquired if there was a conclusion concerning the wetlands. Per Ms. Muzekari, the package was submitted to the Army Corp of Engineers for review, and a field visit is scheduled for October 29.

5. Rate Study

Per Ms. Muzekari, scope and amendment have been given to the County to perform a utility customer analysis, which would then feed into the rate study. She has spoken to Mr. Rhodes concerning this. The utility customer analysis has to be based on the customer base. In order to do that, the customers must be determined, either direct customers or wholesale customers, and what those volumes entail. Projected population growth will also be looked at concerning future customers. That information can then be rolled into a rate study. The State has appropriated money to the County to be able to carry out the customer analysis and rate study. The rate study will begin as soon as the Notice to Proceed has been received with input from the various entities and the joint system itself. Mr. Rhodes inquired once the go ahead is received to proceed, how long will the rate study be anticipated to take. Per Ms. Muzekari, the data collection is usually the hardest part of a rate study. That entails collecting data from existing utilities and also projecting the growth and any planned development. This would probably be a three to six month time frame for completion. Commissioner Taylor inquired of Mr. Davenport when the Notice to Proceed would be given. Per Mr. Davenport, Thomas & Hutton has been given the Notice to Proceed. They are waiting on the letter from Mr. Taylor to Jennifer Fletcher (which has been done) and signatures on some documents that will be signed today. Per

Mrs. Muzekari, as soon as the Notice to Proceed is given, a kick-off workshop will be held with all the parties involved so they understand the process and the needed information. This way everyone will have input. It will be crucial to have input from all parties concerning evaluation and setting of the utility customer base and how this will be structured.

6. 208 Plan Amendment

Ms. Muzekari stated the 208 Plan will need to be amended in order to recognize the joint system and also to recognize that a new wastewater treatment plant would be projected for Fairfield County in the future. This process should take place once a wastewater treatment plant potential location is agreed upon. A PER can then be submitted to DHEC. This can also be the basis for the 208 Plan amendment. There are a few steps that will need to take place before that actual amendment can occur, but the COG is aware that it will be coming up.

Chairman Gaddy also stated at the last meeting in May, finalization of a formal presentation for associated engineering costs would be forthcoming and asked for feedback on this. Per Ms. Muzekari, those cost estimates are complete, and this report can be prepared. The wastewater treatment plant cost estimate will most likely need to be amended once the final location is decided upon due to the amount of pipe that will be needed.

7. Retaining a Financial Advisor

Per Mr. Rhodes, Items 7 and 8 are very much related. We are at the point now where we are trying to piece together funding for the plant, lines, etc., and this will be a big number. There are many pieces and many parties who will contribute, but the County will certainly be one of the big contributors. This effort will be cobbled together because there is no one source from which to obtain \$40m. On day one, the joint system itself will not have the needed revenues to sustain this amount, so it will require piecing together borrowing tools and revenue streams from different sources to come up with the necessary money needed to build the plant. Once discussions lead to how to borrow against many different revenue streams and how all of that comes together, we pretty quickly get outside of the realm of just pure legal advice. Mr. Rhodes can tell the County how to borrow, how the joint system can borrow, how the Town can borrow and how all the entities can get money into the joint system to allow it to borrow. However, what he cannot tell us, due to being prohibited under SEC regulations, is that based upon those revenue streams, exactly how much all the entities can borrow, what is

the best structure under which they might borrow, what the probable rates might be, what the advisable term of any borrowing might be, etc. Mr. Rhodes is prohibited from providing this information because it is financial advice. This information should come from a qualified municipal financial advisor. We might not be at the point, as of today, where we need to bring in a financial advisor, but we will be there very quickly, possibly in the matter of a few months. Because the County will have a significant role in the funding of the plant, Mr. Rhodes advised it makes good sense to bring someone in who understands the County's finances, revenue streams and how all of these work with the County's existing debt and financial obligations. Therefore, he would advise that someone be brought in who is familiar with this. The County does not have a financial advisor, but they do have a placement agent who assists them on an annual basis with an annual general obligation bond, and through those efforts is very familiar with the County's finances. Brent Robertson with Stifel, which is a national firm, would be very well qualified for this position. A decision would not have to be made on this tonight, but Mr. Rhodes wanted to introduce the concept in order to start the conversation of how the process will work and when it would make sense to go forward with this. Before beginning to hire these professionals, a policy needs to be in place to tell us how we go about doing this. This is as good a time as any to get the procurement policy started, because this discussion is necessitating a procurement policy. Chairman Gaddy inquired if the County has a relationship with any financial advisors. Commissioner Taylor stated that the County does have a relationship with Mr. Robertson with Stifel, and this firm is used for the County's bonds. Chairman Gaddy would also like to speak with two or three others in this field before making a decision. Per Mr. Rhodes, at this point, there is no basis for a bid process, but we can certainly bring in some firms to give some information. After the interview process, the Commission would then make a determination of who they are most comfortable with. Commission Taylor does feel it is more relational, and checking references would be a very good tool. Vice Chair Robinson stated his concern with "borrowing capacity" and would this affect the County Council separate from the Joint Water Authority. Per Mr. Rhodes, at present we are laying out tools in the tool box. It will be up to the Commission to make the final decision which tools it wants to use and to the extent the County will have to help will be up to Council to decide its willingness to participate. Right now, it's purely a matter of laying out options so the decision makers can make the decisions. This is where the financial advisor would come in and tell us how much we can expect to bring in from each option and which to concentrate on. Mr. Rhodes can tell us what the tools are, the financial advisor can tell us what the financial impact would be, and given that there will be a close relationship between the Joint

System and the County, it makes sense to have someone come in who understands both sides of the equation and how it all works together.

8. Procurement Policy

With the Commission's direction, Mr. Rhodes would like to prepare a draft procurement policy for the Commission to review prior to the next meeting. This can be distributed for each member to review to make sure all the terms and provisions are acceptable, purchasing limits are acceptable and allowances are in place to be able to directly hire professionals. Once this policy is in place, it would then make sense to proceed to the hiring of the financial advisor. This definitely does not need to happen today but may be needed in the next three to four months. Commissioner Crager inquired if a complete procurement policy is envisioned or just a services procurement policy. Per Mr. Rhodes, he would proceed with the complete policy at this point, and this will give the commission an opportunity to open discussions concerning purchasing and how that might work, among other topics. It can always be amended or replaced in the future. Vice Chair Robinson made a motion to begin the procurement policy draft, properly seconded by Commission Taylor. ***The motion carried unanimously 5-0.*** Mr. Rhodes stated he would have this document ready by the next meeting with the draft out prior to the meeting for review.

9. EXECUTIVE SESSION (The following statement is provided in compliance with the South Carolina Freedom of Information Act: Subsequent to Executive Session, Commission may take action on matters discussed in Executive Session.)

- A. Update on Funding of Wastewater Treatment Plan (Receipt of Legal Advice Subject to Attorney-Client Privilege Related to the Funding of a Wastewater Treatment Plant).**
- B. Update on Mitford Water System (Receipt of Legal Advice Subject to Attorney-Client Privilege Related to Mitford Water System).**
- C. Update on Possible Location of Wastewater Treatment Plan (Receipt of Legal Advice Subject to Attorney-Client Privilege Related to the Possible Location of Wastewater Treatment Plant).**

At 5:25 p.m., it was moved by Vice Chair Robinson, seconded by Commissioner Taylor, to go into executive session for the above listed items. ***The motion carried unanimously 5-0.***

At 6:20 p.m., it was moved by Commissioner Taylor, seconded by Commissioner Crager, to come out of executive session and return to open session. ***The motion carried unanimously 5-0.***

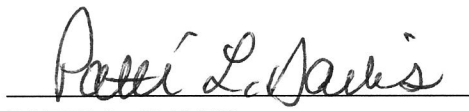
10 ACTION ON MATTERS DISCUSSED IN EXECUTIVE SESSION

No action was taken in executive session, and discussion was accepted as information.


Chairman Gaddy stated the next meeting is scheduled for October 16; however, he will be out of town. Discussion ensued, and determination was to have the next meeting on October 30.

11 ADJOURNMENT

At 6:23 p.m., the Regular Meeting was adjourned by motion of Vice Chair Robinson and second by Commissioner Crager. ***The motion carried unanimously 5-0.***



PATTI L. DAVIS
SECRETARY



ROGER A. GADDY
CHAIRMAN