

**MINUTES  
REGULAR MEETING  
FAIRFIELD JOINT WATER AND SEWER SYSTEM COMMISSION  
FEBRUARY 12, 2020**

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

**Others Present:** C. D. Rhodes, Patti L. Davis, Chris Clauson.

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 forty 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 Commission Crager, properly seconded by Commissioner Wood, to approve the agenda. ***The motion carried unanimously 5-0.***

**3. APPROVAL OF MINUTES**

Motion made by Vice Chair Robinson, properly seconded by Commissioner Crager, to approve the minutes of January 14, 2020. ***The motion carried unanimously 5-0.***

**4. Financial Advisor Presentation - C. D. Rhodes**

Per Mr. Rhodes, he was asked to arrange for some municipal financial advisors to present in order for selection to represent the Joint System. A financial advisor's role in, for instance, a bond issue, is to give advice on how best to structure the particular bond issue so that it is best received in the markets, the interest rate expected to pay for those bonds, and they also assist with the process of selling the bonds, getting a rating if needed and assisting all the way through closing. This is a very traditional role of a financial advisor. The needs of the Joint System right now are a little bit different, but they are no less important. The Joint System is not yet to the point of issuing bonds, but it is at the point of planning for the capital needs of the Joint System going forward, primarily the wastewater treatment plant. A lot of pieces will be

pulled together over the next couple of years in order to make this happen. There will obviously be some funding from the State, some funding from the County, and the hope is that the system itself will be able to generate some revenue to help fund the plant. All of these pieces and how they come together is a pretty complicated picture. We are at the point right now of needing someone to come in and help us understand what we might be able to do once the plant is up and running, for instance, how much debt the Joint System could sustain and what the best structure of the debt would be, so this can then be taken back to the State. A meeting was held with the State in 2019, and this was the direction the Joint System was given. In order to do this, the Joint System will need financial advice. Under the Procurement Policy for professionals, such as financial advisers, we are required to solicit at least three vendors to present their services. Through the process, we have encountered some attrition. Initially, the Davenport Firm was contacted along with Stiefel and First Tryon. Davenport backed out fairly early in the process. Brent Robertson with Stiefel unfortunately backed out just a couple of weeks ago. Mr. Robertson represents the County, and he wants to be involved going forward, but there were some concerns about his work for the Joint System conflicting with the County. First Tryon is here to present tonight being well qualified. After the presentation, the Joint System can vote to hire this firm or other firms can be brought in for further presentations.

**A.** Walter Goldsmith, Managing Director/Department Head and David Cheatwood, Managing Director, First Tryon Securities. Mr. Goldsmith began the presentation with an overview of the firm. As Mr. Rhodes stated, a financial advisor is not a bank or a lender, but instead, they give their clients independent financial advice. The firm is headquartered in Charlotte and has been in business almost 25 years with 30 employees. The firm's clients are in Virginia, North and South Carolina and Georgia. Most of their clients do not borrow frequently, only when a project is needed. The firm is brought in to look at things like debt capacity, debt affordability levels, structure of the debt and guidance through the process. They do focus on the long term plan, not just the upcoming transaction. Mr. Goldsmith then explained the firm's Capital Planning Model, and then presented the Commission with an example of this model. Per Mr. Goldsmith, when deciding on a financial firm, he believes it comes down to four things: Experience, the right resources (personnel, software and access), accessibility and enthusiasm. Chairman Gaddy inquired of the firm's active client list. Per Mr. Goldsmith, their client list tends to be very long term. For clients that he has lost, it tends to be that someone has retired and has an ongoing relationship with someone else in the field and chooses to go with that person. At any given point, the firm is working on around 25

different bond issues with 80% of those being in South Carolina. The firm has passion for what they do. Mr. Cheatwood then took over the presentation concerning the Capital Planning Model, showing different aspects of the Excel spreadsheet. Each model for each entity is different. Some items included in the model are existing debt, new debt, credit ratings, financial performance including historical, expected revenue sources, growth assumptions, capital improvement plans, impacts on revenue sources, etc. The firm has the capability of adding information live to the spreadsheet during planning sessions, work sessions or other meetings. To Mr. Cheatwood, it sounds like this will be a mix of many different funding sources, looking at different assumptions, turning certain things on and off. There is a standard water/sewer model, which Mr. Cheatwood demonstrated, and this can be tailored and built out as needed. Mr. Goldsmith feels this is like hiring an architect or an engineer to design a plan of finance. You have to come up with the money to start it, to operate it each year and to expand it into the future with also knowing what your risk points are. This is what this kind of plan does. Chairman Gaddy thanked Mr. Goldsmith and Mr. Cheatwood for the presentation. To reiterate, Mr. Rhodes stated this can be discussed in executive session as a potential contractual matter. The options are certainly to accept this as information and continue to consider. If First Tryon is hired, it would be doing so within the parameters of the Procurement Policy. Other firms can also be brought in if necessary.

**5. Resolution No. 2020-02: A Resolution Adopting the Public Hearings and Presentation Policy of the Fairfield Joint Water and Sewer System and Other Matters Related Thereto.**

Vice Chair Robinson made a motion to approve Resolution No. 2020-02, seconded by Commissioner Taylor. ***Motion carried unanimously 5-0.***

**6. Discussion of Public Hearing - Tuesday, February 25, 2020 - C. D. Rhodes**

Per Mr. Rhodes, a presentation was given in January to the COG's EPAC group, the Environmental Planning Advisory Commission, about the new wastewater treatment plant, the plans and the proposed amendments to the 208 Plan. One of the pieces of guidance was that a public meeting needed to be held to receive public input about the proposed plans. This has been scheduled on February 25, 2020, in the Council Chambers at 6:00 p.m. The format will be to briefly present where we are now, what we know about the plant and its potential location(s), but the real purpose of the meeting will be to allow the

public to provide their input. This is why the Public Meetings Policy was adopted. Mr. Clauson suggested the Joint System needed to have some formal policies about how the public meetings would work. After a brief presentation at the meeting, it will then be opened up for the public to give their opinions on the plans so far and what has been presented. This was seen to be an important step by the COG.

**7. 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.)**

At 5:44 p.m., it was moved by Vice Chair Robinson, seconded by Commissioner Crager, to go into executive session to discuss legal and financial adviser contractual issues. **Motion carried unanimously 5-0.**

At 6:29 p.m., motion made by Vice Chair Robinson, seconded by Commissioner Taylor, to come out of executive session and return to regular session. **Motion carried unanimously 5-0.**

Motion made by Commissioner Crager, seconded by Commissioner Wood, to retain the professional services of First Tryon and delegate the power to enter into a master services agreement to Commissioner Taylor pending a successful legal review. **Motion carried unanimously 5-0.**

Chairman Gaddy stated the next meeting is scheduled for March 18, 2020. Mr. Rhodes will not be available on the 18<sup>th</sup>; therefore, it was agreed the next meeting will be on March 11, 2020, at 5:00 p.m.

**8. Adjournment**

At 6:32 p.m., the Regular Meeting was adjourned by motion of Vice Chair Robinson, properly seconded by Commissioner Taylor. **The motion carried unanimously 5-0.**



PATTI L. DAVIS  
SECRETARY



ROGER A. GADDY  
CHAIRMAN