



Ad Hoc Reconstitution Committee and Executive Committee

OJRSA Operations & Administration Building

Lamar Bailes Board Room

February 12, 2026 at 9:00 AM

This advisory committee was established by the OJRSA Board of Commissioners at its August 4, 2025 meeting to consider the reorganization recommendations as identified in the [Ad Hoc Sewer Feasibility Implementation Committee Final Recommendations](#) report. This committee can neither create policy nor make decisions on behalf of the OJRSA or other wastewater service providers within the area. The recommendations are available at www.ojrsa.org/info.

OJRSA commission and committee meetings may be attended in person at the address listed above. The OJRSA will also broadcast meetings live on its YouTube channel at www.youtube.com/@OconeeJRSA (if there is a technical issue preventing the livestreaming of the meeting, then a recording will be published on the channel as soon as possible). For those not able to attend in person, then the OJRSA Board or Committee Chair will accept public comments by mail (623 Return Church Rd, Seneca, SC 29678) or at info@ojrsa.org. Comments must comply with the public session instructions as stated on the meeting agenda and will be received up until one hour prior to the scheduled meeting. If there is not a public session scheduled for a meeting, then comments shall not be accepted.

Agenda

A. Call to Order – Kevin Bronson, Committee Chair

B. Approval of Minutes

- Ad Hoc Reconstitution Committee and Executive Committee Meeting of December 11, 2025
- Ad Hoc Reconstitution Committee and Executive Committee Meeting of January 8, 2026 **Canceled due to lack of agenda items**

C. Committee Discussion and Action Items

1. Receive Quarterly Progress Report No. 2 as submitted to South Carolina Rural Infrastructure Authority, OJRSA Board, and Oconee County (Exhibit A) – Chris Eleazer, Committee Member
2. Update on legislative amendment (Exhibit B) – Lawrence Flynn, OJRSA Counsel
3. Review and discuss financial study proposals from Raftelis and First Tryon (Exhibits C and D) – Angie Mettlen, Facilitator
4. Consider long-term commitment from Oconee County as to areas to concentrate on growth and how it relates to the consolidation as mentioned during the December committee meeting – Kevin Bronson, Committee Chair
5. Discuss wholesale agreement options as mentioned during the December committee meeting – Kevin Bronson, Committee Chair
6. Communications with elected officials and leadership: feedback and future memo requests – Katherine Amidon, Facilitator
7. Establish dates for facilitators to meet individually with municipal and county administration – Katherine Amidon, Facilitator

D. Committee Member Discussion – Led by Kevin Bronson, Committee Chair

Discussion can be related to matters addressed in this meeting or for future consideration by the Board or Committee. Voting is not permitted during this session.

E. Adjourn

Upcoming Meetings

All meetings to be held in the Lamar Bailes Board Room unless noted otherwise.

- Operations & Planning Committee – February 19, 2026 at 8:30 AM
- Finance & Administration Committee – February 24, 2026 at 9:00 AM
- Board of Commissioners – March 2, 2026 at 4:00 PM
- Reconstitution Committee and Executive Committee – March 12, 2026 at 9:00 AM

Quarterly Progress Report: OJRSA Regional Feasibility and Reconstitution

Report No. 2

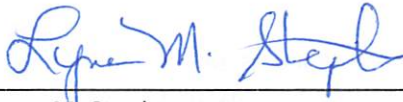
January 20, 2026

Submittal Statement

This report is provided to the South Carolina Rural Infrastructure Authority, Oconee Joint Regional Sewer Authority ("OJRSA") Board of Commissioners, and Oconee County Council in accordance with the recommendations provided by the Ad Hoc Regional Feasibility Study Implementation Committee and as accepted by the OJRSA Board of Commissioners on July 15, 2025.



Christopher R. Eleazer
OJRSA Executive Director, and
OJRSA Ad Hoc Reconstitution Committee Member



Lynn M. Stephens
OJRSA Secretary/Treasurer

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January 20, 2026

Background

In 2022, the Oconee Joint Regional Sewer Authority (“OJRSA” or “Authority”) was awarded a Regional Feasibility Planning Grant¹ by the South Carolina Rural Infrastructure Authority (“RIA”). OJRSA subsequently procured the services of W.K. Dickson (now, Ardurra) to develop a comprehensive Regional Feasibility Planning Study (“Planning Study”) to determine if regionalizing sewer collection, conveyance, and treatment in Oconee County, South Carolina (“County”) will streamline service delivery and enhance the success of the community and its quality of life. The Planning Study² included the analysis and recommendations in the following core areas: (1) governance structure; (2) revenues and finance; (3) environmental compliance, (4) utility resources, and (5) efficiency in operations and service.

The Planning Study was completed in August 2024 and adopted by the OJRSA Board of Commissioners (“Board”) in September 2024. A special Ad Hoc Regional Feasibility Study Implementation Committee (“Feasibility Committee”) was established by the Board in November 2024 to review, discuss, and evaluate the Planning Study’s primary recommendations and to provide independent recommendations for implementing this restructuring.

The Feasibility Committee established five major recommendations to reorganize/reconstitute the OJRSA under the South Carolina Joint Authority Water and Sewer Systems Act (the “Act”), as follows:

1. The collection systems of current Authority members and Oconee County should be consolidated into one combined system – owned, operated, and maintained by the reconstituted Authority.
2. The Authority should be reconstituted with a new five-member Board of Commissioners (the “New Board”).
3. The governance documents of the reconstituted Authority will be drafted and supersede all existing Authority governance documents and contracts, which must be dissolved as a part of this process. These documents will also provide that the reconstituted Authority will have the power to provide retail sewer services within its service area as necessary to support the operation of the consolidated collection systems. This should be finalized upon completion of the consolidation but can be drafted during the consolidation process.
4. The current Board will dissolve the Feasibility Committee and then establish a working group or smaller ad hoc committee to oversee and guide the initial implementation steps outlined above (the “Reconstitution Committee”³).
5. It is recommended that a communications plan for the reorganization be developed, which should be used by all entities involved. This plan will ensure clear and consistent messaging while also allowing for input from residents and customers of the Authority. Maintaining an open process is crucial to maximize the chances of success in consolidating the collection systems and establishing the reconstituted Authority with the New Board.

The Feasibility Committee noted the recommendations were vital to the long-term success of the Authority, and in the absence of the implementation of these recommendations, the OJRSA runs the risk of significant regulatory compliance matters, lack of funding, and restrictions on growth and development of the County as a whole.

The final Feasibility Committee recommendations, which were presented to and accepted by the Board at a joint meeting with Oconee County Council in July 2025, included a list of specific tasks which were established by the Feasibility Committee with timelines associated with each function. These included:

1. Within 45 days (August 29, 2025)⁴, the current Board will dissolve the Feasibility Committee and

¹ RIA Grant Number RGRG-23-5006

² *Regional Feasibility Planning Study 2024* by W.K. Dickson, Bolton & Menk, and Willdan Financial Services. (www.ojrsa.org/info)

³ This committee was identified in the recommendations as the “Implementation Committee”

⁴ Target dates are included for each based on date the recommendations were accepted by the Board

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establish the Reconstitution Committee for further implementation oversight.

2. On a quarterly basis, the Reconstitution Committee will provide an update to RIA, the current Board, and Oconee County on the progress of the implementation of these initial recommendations.
3. Within 45 days (August 29, 2025), the legislative revisions to the Act will be finalized and provided to the Oconee County Delegation ("Delegation"). Consultation shall be made with the Delegation on whether lobbyist support will be needed.
4. Within 90 days (October 13, 2025), resolutions of support for system consolidation/Authority reorganization will be provided to and adopted by each governing body affected by the recommendations, including the Board, Seneca City Council, Walhalla City Council, Westminster City Council, West Union Town Council, and Oconee County Council.
5. Within 120 days (November 12, 2025), consultants shall be engaged, and the process of collection system evaluation (technical) and valuation (financial) will be initiated, including identification of potential funding for this effort and immediate rehabilitation projects that may be identified or on current Capital Improvement Plans ("CIP"). Additionally, a rate consultant will be engaged.
6. Within 120 days (November 12, 2025), a Communications Plan will be developed under the guidance of the Implementation Committee and provided to all entities involved.
7. Within 60 days of the approved changes to Act being approved (likely July/August 2026), the list of recommendations for the initial commissioners for the reconstituted Authority ("New Commission") will be provided to the Delegation.
8. Within 15 months (February 27, 2027), the evaluation and valuation of collection systems will be completed.
9. Within 18 months (May 12, 2027), the determination of a timeline for developing a unified, equitable rate structure will be provided as a part of the initial terms for collection system consolidation.
10. Within 24 months (July 15, 2027), legal documents to transfer collection system assets to the Authority will be executed, as well as all necessary reconstitution documents.
11. Within 25 months (August 16, 2027), if the legislative amendments have not been approved, plans for consolidation under the amended Act will be abandoned. Thereupon, the Authority will proceed to consolidate the member system and implement the reconstitution under the existing Act, with such process to be finalized by no later than 36 months (July 17, 2028). Additionally, all members shall be issued permits in compliance with the OJRSA Sewer Use Regulation ("SUR") and added as co-permittees under the National Pollutant Discharge Elimination System ("NPDES") permit.

Summary of Current Actions

This section separately addresses each of the specific tasks identified in the Background section above.

Committee Members

The following are members of the Ad Hoc Reconstitution Committee (also referred to herein as the "Committee"):

- Appalachian Council of Governments – Chip Bentley
- Oconee County – Glenn Hart⁵
- OJRSA – Chris Eleazer
- OJRSA Legal Counsel – Lawrence Flynn
- Seneca – Scott Moulder⁶

⁵ Glenn Hart replaced former Oconee County Amanda Brock on the Reconstitution Committee in December 2025. Mr. Hart is a member of Oconee County Council who represents County District 5.

⁶ Also a member of OJRSA Executive Committee

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- Walhalla – Celia Myers **Error! Bookmark not defined.**
- Westminster – Kevin Bronson **Error! Bookmark not defined.**
- Facilitator⁷ – Katherine Amidon
- Facilitator⁷ – Joel Jones
- Facilitator⁷ – Angie Mettlen

Town of West Union Mayor Linda Oliver has also participated in the meetings as a nonvoting member.

Committee Meetings

The following events and meetings occurred during the reporting period:

- October 9, 2025 – Ad Hoc Reconstitution Committee and OJRSA Executive Committee meeting
- November 13, 2025 – Ad Hoc Reconstitution Committee and OJRSA Executive Committee meeting
- December 11, 2025 – Ad Hoc Reconstitution Committee and OJRSA Executive Committee meeting

Recommendation Item 1: Dissolve Feasibility Committee and Create New Committee

Target Date: August 29, 2025

Status: Complete

See Report No. 1 for information.

Recommendation Item 2: Submit Quarterly Report

Target Date: Within 14 days after completion of each calendar quarter

Status: Report #2 complete

This quarterly report has been prepared and submitted in accordance with Recommendation Item 2. Best efforts will be made to submit quarterly reports to RIA within two (2) weeks of the conclusion of each calendar quarter⁸ until the conclusion of this program.

Recommendation Item 3: Submit Joint Authority Water and Sewer System Act Draft to Oconee County Delegation

Target Date: August 29, 2025

Status: In Progress

A draft version of the legislation was submitted to Senator Thomas Alexander (S.C. Senate District 1) on November 3, 2025. It is understood that the version was provided by the senator to the senate's legal counsel as there has been communication between him and OJRSA counsel during November and December.

Legal counsel has been working with the legislative draftsmen in the General Assembly, and anticipated the amended version of the Act to be introduced in the very near future.

Recommendation Item 4: Adoption of Resolutions of Support

Target Date: October 13, 2025

Status: Partially Complete

The following resolutions of support for wastewater system consolidation/Authority reorganization have been adopted by the following as of December 31, 2025:

- Seneca – August 26, 2025
- OJRSA – September 8, 2025
- Westminster – September 9, 2025
- Walhalla – September 16, 2025

⁷ Facilitators are nonvoting members

⁸ The end of March, June, September, and December of each year

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- West Union – December 9, 2025

Those remaining to approve the matter include:

- Oconee County – It is unknown if and when the County will consider the resolution. Copies have been submitted to the County during Quarter 3 and Quarter 4 of 2025, but no action has been taken as of this report.

Recommendation Item 5: Initiate Collection System Technical Evaluation and Financial Valuation

Target Date: November 12, 2025

Status: To begin next quarter

This task is anticipated to begin during the first quarter of 2026.

Recommendation Item 6: Develop Communications Plan

Target Date: November 12, 2025

Status: Began in December 2025

The first draft version of communications was presented during the December meeting. It was decided to wait until after new city and town councilmembers took their oath of office in early January before disseminating the memo.

Recommendation Item 7: Consider Initial Commissioners for New Authority

Target Date: Within 60 days of approved changes to Act (likely July/August 2026)

Status: Contingent on legislative approval

If the recommended amendments to the Act are approved by the South Carolina Legislature and signed into law by the Governor, then the list of possible candidates for the New Commission will be provided to the Delegation soon thereafter (assuming the proper filing and reconstitution of the Authority).

Recommendation Item 8: Complete Technical Evaluation and Valuation of Collection Systems

Target Date: February 27, 2027

Status: Not started

Recommendation Item 5 must occur before project can be completed.

Recommendation Item 9: Develop Unified, Equitable Rate Structure

Target Date: May 12, 2027

Status: Not started

Recommendation Item 8 must be completed prior to beginning this task.

Recommendation Item 10: Execute Transfer of Wastewater Collection System Assets and Reconstitution Documents

Target Date: July 15, 2027

Status: Not started

This task will begin much later in the process.

Recommendation Item 11 (contingency): Abandon Consolidation and Reconstitution Plan

Target Date: August 16, 2027

Status: Not applicable at this time

This contingency item will only apply if legislative amendments are not approved or if the Reconstitution Committee cannot reach consensus. That said, there are some questions from some of the entities regarding the proposed Board appointment process and voting allocations with the reduced number of

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members. The facilitators recognize that these issues are ones that could derail the process. As such, they are working to clarify the process/voting allocations and address other concerns from the entities as they arise to keep this effort moving forward. The importance of transparent and open communication has been conveyed to the committee as the facilitators feel this to be a key factor in successfully completing the reconstitution of the authority.

Past Actions

See previous submittals for previous actions performed by the Reconstitution Committee.

A BILL

<<TITLE>>

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 6-25-20 of the S.C. Code is amended to read:

Section 6-25-20. For purposes of this chapter:

(1) "Joint Authority Water and Sewer System" or "joint system" means a government entity organized under this chapter to undertake or acquire a water or sewer project.

(2) "State" means the State of South Carolina.

(3) "Project" means a project undertaken by a joint authority water and sewer system to:

(a) impound, produce, treat, transmit, distribute, sell, and service water to a member, or to an authority that is not a member but who is engaged in providing water or sewer service, or to any other person or entity if water service is not otherwise available from any other source when approved by the governing body of each member; and

(b) collect, transport, process, treat, dispose, and control municipal, domestic, industrial, or communal waste, flood water, or storm water, whether in fluid, solid, or composite state, including specifically the control, abatement, or reduction of pollution for a member, or for an authority that is not a member and is engaged in waste and wastewater collection, treatment, and disposal, or to any other person or entity if sewer service is not otherwise available from any other source when approved by the governing body of each member.

(4) "Cost" or "cost of a project" means, but is not limited to, the cost of acquisition, construction, reconstruction, improvement, enlargement, or extension of any project, including the cost of studies, plans, specifications, surveys, and estimates of costs and revenues relating to the project; the cost of land, land rights, rights-of-way and easements, water rights, fees, permits, approvals, licenses, certificates, franchises, and the preparation of applications for and security for them; administrative, legal, professional, engineering, and inspection expenses; financing fees, expenses, and costs; working capital; insurance; interest on the bonds during the period of construction and for a reasonable period after construction as may be determined by the commission of the joint system; establishment of

1 reserves; and all other expenditures of the joint system incidental, necessary, or convenient to the
2 acquisition, construction, reconstruction, improvement, enlargement, or extension of any project and
3 the placing of the project in operation.

4 (5) "Governing body" means with respect to an authority; the board, commission, council, or other
5 entity charged by law with governing the authority.

6 (6) "Authority" includes:

7 (a) a county or municipality incorporated under the laws of this State;

8 (b) a consolidated political subdivision of this State;

9 (c) a commission of public works; and

10 (d) an agency or public body created under the laws of this State and authorized by legislation to
11 be engaged in the sale and service of water for industrial and domestic purposes, or the collection for
12 treatment of wastewater.

13 (7) "Revenue bonds" and "bonds" mean bonds, notes, certificates, or other obligations of a joint
14 system issued pursuant to the provisions of this chapter and include a refinancing or refunding of bonds,
15 notes, certificates, or other obligations, but which must be paid solely from the revenue or another
16 source of funds available to a joint system.

17 (8) "Member of a joint system" means an authority that has taken the actions necessary to form or
18 join the joint system.

19 (9) "Construction note" or "note" means a note of a joint system issued to provide funding for the
20 creation of a financing pool and the costs associated with it.

21 (10) "Financing agreement" means an agreement entered into by a joint system organized to create
22 a financing pool and a member of it in connection with the lending of the proceeds of construction
23 notes or portion thereof by the joint system to the member so as to provide for the repayment of amounts
24 loaned and interest on it by the member to the joint system.

25 (11) "Financing pool" means a fund of money, obtained through the issuance of a construction note
26 of a joint authority water and sewer system, which may be loaned to the members of it by way of
27 interim financing. A joint system may not lend more than five percent of the principal amount of a
28 financing pool to a not-for-profit corporation established pursuant to Chapter 35 of Title 33.

29 (12) "Government" means the United States of America, acting through the United States
30 Department of Agriculture, or its successor, and the agencies and divisions of it.

31 (13) "Interim financing" means bond anticipation notes issued pursuant to the provisions of Sections
32 11-17-10 to 11-17-120 in anticipation of the issuance of bonds of an authority to be sold to the
33 government.

34 (14) "Legislative Delegation" means all members of the South Carolina Senate and South Carolina
35 House of Representatives representing any county where a joint system is located.

36 (15) "Governor" means the Governor of the State of South Carolina.

SECTION 2. Section 6-25-50 of the S.C. Code is amended to read:

Section 6-25-50. (A) The governing bodies of the members of a joint system shall form an agreement specifying the number of commissioners ~~each member may appoint to a commission created~~ to govern the joint system pursuant to Section 6-25-60.

(B) ~~Two or more commissioners~~ The proposed members of a joint system shall jointly file an application with the Secretary of State ~~an application signed by the commissioner of each proposed member~~ setting forth:

(1) the ~~names-number~~ of all proposed members of the joint system, the number of proposed commissioners, and ~~their respective appointed commissioners~~ the method of appointment pursuant to Section 6-25-60(B);

(2) a certified copy of a resolution of each member determining it is in its best interest to participate in the proposed joint system;

~~—— (a) the resolution of each member determining it is in its best interest to participate in the proposed joint system; and~~

~~—— (b) the resolution appointing the member's commissioner;~~

(3) the desire that the joint system be organized as a public body corporate and politic under this chapter;

(4) the name which is proposed for the joint system; and

(5) the purpose for creation of the joint system.

The Secretary of State shall file the application if after examining it and determining that it complies with the requirements in this section and that the proposed name of the joint system is not identical with that of any other corporation of the State or any agency or instrumentality or so nearly similar as to lead to confusion and uncertainty.

After the application has been filed, the Secretary of State shall issue a corporate certificate that must be filed with the application, and the joint system then must be constituted a public body corporate and politic under the name proposed in the application. The corporate certificate shall set forth ~~the names of all voting members and of~~ the name of the joint system. There also must be stated upon the corporate certificate the purpose for which it has been created, as set forth in the application. Notice of the issuance of such corporate certificate must be given to all members of the joint system by the Secretary of State.

In any suit, action, or proceeding involving the validity or enforcement of, or relating to, contract of a joint system, the joint system in the absence of establishing fraud shall be conclusively considered to have been established in accordance with the provisions of this chapter upon proof of the issuance of the certificate by the Secretary of State. A copy of the certificate, duly certified by the Secretary of

State, is admissible in evidence in any suit, action, or proceeding and is conclusive proof of the filing and contents.

SECTION 3. Section 6-25-60 of the S.C. Code is amended to read:

Section 6-25-60. (A) The management and control of a joint system is vested in a commission that may consist of no fewer than five members and no more than eleven members. A commissioner has one vote and may have additional votes as a majority of the members of the joint system determines. Notwithstanding the provisions of this subsection requiring the commission managing a joint system to have no fewer than five members and no more than eleven members, a joint system in existence on this section's effective date and having fewer than five members or more than eleven members on this section's effective date may continue to maintain the number of members serving on the section's effective date and may add additional members as its commissioners determine.

(B) As contemplated by the initial application to the Secretary of State, commissioners serving on the commission may be appointed under one of the following procedures:

(1) The governing body of each voting member of a joint system shall appoint~~a commissioner one or more commissioners, pursuant to Section 6-25-50(A),~~ to serve as a commissioner of the joint system. ~~A commissioner has one vote and may have additional votes as a majority of the members of the joint system determines.~~ A commissioner serves at the pleasure of the governing body by which he was appointed. A commissioner, before entering upon his duties, shall take and subscribe to an oath before a person authorized by law to administer oaths to execute the duties of his office faithfully and impartially, and a record of each oath must be filed with the governing body of the appointing authority. ~~—Notwithstanding the provisions of this subsection requiring the commission managing a joint system to have no fewer than five members and no more than eleven members, a joint system in existence on this section's effective date and having fewer than five members or more than eleven members on this section's effective date may continue to maintain the number of members serving on the section's effective date and may add additional members as its commissioners determine.~~

In the event there are an even number of members of a joint system, the project contract, bylaws or other similar agreement for the joint system may authorize one additional member of the commission; such additional commissioner shall be recommended by the legislative delegation from each county where the joint system is located, and upon receipt of such recommendation, such additional commissioner shall be appointed by the Governor. Any gubernatorial appointment shall be for a term of four years and shall serve until a duly appointed successor is appointed and qualified. Any commissioner appointed by the Governor hereunder must reside within a household receiving utility services from the joint system or a member of the joint system. Any vacancy of such member must be

1 filled for the remainder of the unexpired term in the same manner as the original appointment. If a new
2 member of a joint system is added under the provisions hereof such that there becomes an odd number
3 of members of a joint system, any gubernatorial appointed commissioner shall be deemed to
4 automatically vacate his position as a commissioner as of the date of the admission of such new member
5 of a joint system and their respective appointment of a new commissioner.

6 (2) The commissioners may be appointed by the Governor in accordance with the following
7 procedures:

8 (a) The Governor, based upon the recommendation of the legislative delegation from each
9 county that the joint system operates, shall appoint each commissioner. Each appointed commissioner
10 must reside within a household receiving utility services from the joint system or a member of the joint
11 system. In making such appointments, there shall be at least one commissioner appointed by the
12 Governor from the service area of each member of the joint system.

13 (b) Excepting the initial appointments as necessary to create a staggered commission which may
14 be two or four years, respectively, each commissioner must be appointed and serve for a term of four
15 years and until his successor is appointed and qualified, provided that the terms of the commissioners
16 must be staggered such that approximately one-half of the total members appointed by the Governor
17 must be appointed or reappointed every two years. A vacancy must be filled for the remainder of the
18 unexpired term in the manner of the original appointment. Respecting the initial commission appointed
19 herein, the minority portion of the staggered membership, representing those authorities with the lowest
20 number of customers of the joint system, shall serve for an initial two-year term.

21 ~~(B)~~(C) The commissioners of the joint system shall annually, or biennially, if provided in the bylaws
22 of the joint system, elect, with each commissioner having one vote, one of the commissioners as
23 chairman, another as vice chairman, and other persons who may, but need not be commissioners, as
24 treasurer, secretary and, if desired, assistant secretary. The office of treasurer may be held by the
25 secretary or assistant secretary. The commission may also appoint such additional officers as it deems
26 necessary. The secretary or assistant secretary of the joint system shall keep a record of the proceedings
27 of the joint system, and the secretary must be the custodian of all books, records, documents, and papers
28 filed with the joint system, the minute book or journal of the joint system, and its official seal.

29 ~~(C)~~(D) A majority of the commissioners of the joint system shall constitute a quorum. A vacancy on
30 the commission of the joint system shall not impair the right of a quorum to exercise all rights and
31 perform all the duties of a joint system. Any action taken by the joint system under the provisions of
32 this chapter may be authorized by resolution at any regular or special meeting held pursuant to notice
33 in accordance with bylaws of the joint system, and each resolution shall take effect immediately and
34 need not be published or posted. Except as is otherwise provided in this chapter or in the bylaws of the
35 joint system, a majority of the votes which the commissioners present are entitled to cast, with a quorum
36 present, shall be necessary and sufficient to take any action or to pass any resolution. No commissioner

1 of a joint system shall receive any compensation solely for the performance of duties as a
2 commissioner, but each commissioner may be paid per diem, mileage, and subsistence expenses, as
3 provided by law for state boards, committees, and commissions, incurred while engaged in the
4 performance of such duties.

5 (E) All commissioners shall hold the qualifications of an elector.

6 (F) Commissioners appointed under subsection (B)(2) may not be an officer or employee of a
7 member of a joint system, and no commissioner shall be permitted to serve on an ex officio basis.
8 Separately, for commissioners appointed under subsection (B)(1), the members of the joint system may
9 include a restriction in the project contract, bylaws or other agreement for the joint system that no
10 commissioner may be an officer or employee of a member of a joint system, and no commissioner shall
11 be permitted to serve on an ex officio basis.

12 (G) Any commissioner appointed hereunder shall be deemed to forfeit his respective position if such
13 person (1) lacks, at any time during his term of office, any qualifications for the office prescribed by
14 general law and the Constitution, or (2) is convicted of any crime, other than civil infractions or
15 misdemeanors for which no imprisonment is imposed.

16
17 SECTION 4. Section 6-25-70 of the S.C. Code is amended to read:

18
19 Section 6-25-70. (A) After the creation of a joint system, any other authority may become a member
20 of the joint system upon:

21 (1) adoption of a resolution or ordinance by the governing body complying with the requirements
22 of Section 6-25-40 including publication of notice;

23 (2) submission of an application to the joint system; and

24 (3) approval of the application by resolution of the governing body of each member of the joint
25 system except in the case of a joint system organized for the purpose of creating a financing pool, in
26 which case the application must be approved by resolution of the commission.

27 (B) A member may withdraw from a joint system by resolution or ordinance of its governing body.
28 However, Aa contractual right acquired or contractual obligation incurred by a member while it was a
29 member, expressly including any indebtedness or any obligation to make payments thereon, remains
30 in full force and effect after the member's withdrawal.

31 (C) Notice of a change in membership must be filed in the Office of the Secretary of State. No change
32 is final until this filing occurs. The filing is not required if a joint system is organized only for the
33 purpose of creating a financing pool.

34 (D) If a new member of the joint system is added hereunder, the approval documentation required
35 under subsection (A)(3) shall determine whether any new commissioners shall be added to the
36 commission as necessary to support such new member of the joint system. If a new commissioner is

1 added, either by the members of the joint system or the Governor, as applicable, each such
2 commissioner shall be appointed immediately.

3
4 SECTION 5. Section 6-25-80 of the S.C. Code is amended to read:

5
6 Section 6-25-80. Whenever the commission of a joint system and the governing body of each of its
7 members shall by resolution or ordinance determine that the purposes for which the joint system was
8 formed have been substantially fulfilled and that all bonds issued and all other obligations incurred by
9 the joint system have been fully paid or satisfied, the commission and members may declare the joint
10 system to be dissolved. On the effective date of the resolution or ordinance, the title to all funds and
11 other income and property owned by the joint system at the time of dissolution must be disbursed to
12 the voting members of the joint system according to its bylaws.

13 In the discretion of the members of a joint system for the proper and efficient operation of any joint
14 system, an existing joint system may be reconstituted by following the procedures for the creation of a
15 new joint system, mutatis mutandis. In the event of a reconstitution, any former member may elect to
16 withdrawal from the joint system prior to the effective date of the reconstitution by submitting a petition
17 to the joint system, which shall be filed with the new application under Section 6-25-50 above. No
18 withdrawal shall be permitted unless and until all contractual rights and obligations, including debt
19 obligations, of the withdrawing member have been fulfilled to the satisfaction of the remaining
20 members, as certified in a resolution or ordinance of the remaining members filed with the application.
21 Upon withdrawal, the withdrawing member's capacity rights in the project shall immediately terminate.

22
23 SECTION 6. Section 6-25-110 of the S.C. Code is amended to read:

24
25 Section 6-25-110. A joint system may incur debt for any of its purposes and may issue bonds
26 pledging to the payment as to both principal and interest the revenues, or any portion, derived or to be
27 derived from all or any of its projects and any additions and betterments or extensions or contributions
28 or advances from its members or other sources of funds available to it. A joint system may not undertake
29 a project required to be financed, in whole or in part, with the proceeds of bonds without the approval
30 of the governing bodies of each member which is obligated or to be obligated under any contract for
31 the payment of amounts to be pledged as security therefore and a favorable vote of two-thirds of all
32 commissioners. Notwithstanding the foregoing, when a commission is appointed under Section 6-25-
33 60(B)(2), no separate approval of the governing bodies of each member shall be required for the
34 issuance of any bonds, and such bonds shall be authorized and approved by a simple majority of the
35 commissioners. Any project may be preauthorized, preapproved or otherwise permitted under the terms
36 of the project contract for the joint system, and such authority, approval or permission shall constitute

1 all necessary approval of the respective governing bodies of each member herein. A joint system
2 formed only for the purpose of creating a financing pool may issue notes in anticipation of the issuance
3 of bonds by its members to the government.
4

5 SECTION 7. Section 6-25-128 of the S.C. Code is amended to read:
6

7 Section 6-25-128. An authority may contract to buy from the joint system water required for its
8 present or future requirements, including the capacity and output, or a portion or share of one or more
9 specified projects. An authority also may contract for the collection or treatment of wastewater,
10 including present or future capacity, or a portion or share of another project. The creation of a joint
11 system is an alternative method whereby an authority may obtain the benefits and assume the
12 responsibilities of ownership in a project, so a contract may provide that the authority forming the
13 contract is obligated to make a payment required by the contract whether or not a project is completed,
14 operable, or operating notwithstanding the suspension, interruption, interference, reduction, or
15 curtailment of the output of a project or the water contracted for, and that the payments under the
16 contract are not subject to reduction, whether by offset or otherwise, and are not conditioned upon the
17 performance or nonperformance of the joint system or any other member of the joint system under the
18 contract or any other instrument. A contract with respect to the sale or purchase of capacity or output,
19 or a portion or share of them, of a project entered into between a joint system and its member authorities
20 also may provide that if an authority or authorities default in the payment of its or their obligations with
21 respect to the purchase of the capacity or output, or a portion or share of them, in that event the
22 remaining member authorities which are purchasing capacity and output under the contract are required
23 to accept and pay for and are entitled proportionately to and may use or otherwise dispose of the
24 capacity or output which was to be purchased by the defaulting authority.

25 A contract concerning the sale or purchase of capacity and output from a project may extend for a
26 period not exceeding fifty years from the date of the contract and may be renewable and extended upon
27 terms as the parties may agree for not exceeding an additional fifty years; and the execution and
28 effectiveness is not subject to any authorizations or approvals by the State or any agency, commission,
29 or instrumentality or political subdivision of them. The contract may further provide that bonds or other
30 indebtedness of the joint system may exceed the term of an initial or existing contract between or among
31 the joint system and the respective members of the joint system, and in such event the contract, or at
32 least the payment obligations of each member, shall be automatically extended to a period
33 commensurate with the term of the bonds or other indebtedness.

34 Payments by an authority under a contract for the purchase of capacity and output from a joint system
35 may be made from the revenues derived from the ownership and operation of the water system of the
36 authority or from such other sources of funds as may be available, including any amounts received as

1 payments in lieu of taxes. An authority may not pledge its full faith, credit, and taxing power to secure
2 its obligations to the joint system or the bonds of the joint system. An authority is obligated to fix,
3 charge, and collect rents, rates, fees, and charges for water or sewer services, facilities, and
4 commodities sold, furnished, or supplied through its water or sewer system sufficient to provide
5 revenues adequate to meet its obligations under any contract and to pay any and all other amounts
6 payable from or constituting a charge and lien upon the revenues, including amounts sufficient to pay
7 the principal of and interest on general obligation bonds, if any, heretofore or hereafter issued by the
8 authority for purposes related to its water or sewer system.

9 An authority that is a member of a joint system may furnish the joint system with money derived
10 from the ownership and operation of its water or sewer system or facilities and provide the joint system
11 with personnel, equipment, and property, both real and personal, and from any other sources legally
12 available to it for such purposes. An authority also may provide services to a joint system.

13 A member of a joint system may contract for, advance, or contribute funds derived from the
14 ownership and operation of its water or sewer system or facilities or from another legal source to a joint
15 system as agreed upon by the joint system and the member, and the joint system shall repay the
16 advances or contributions from the proceeds of bonds, operating revenue, or other funds of the joint
17 system, together with interest as agreed upon by the member and the joint system.

18
19 SECTION 8. This act takes effect upon approval by the Governor.

20 ----XX----



February 2, 2026

Mr. Chris Eleazar
Executive Director
Oconee Joint Regional Sewer Authority
623 Return Church Road
Seneca, SC 29678

Subject: Proposal for Oconee Joint Regional Sewer Authority Rate Study

Dear Mr. Eleazar:

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to submit this proposal to provide financial consulting services to the Oconee Joint Regional Sewer Authority (OJRSA). We appreciate the opportunity to submit this proposal, which details our understanding and approach to meeting OJRSA's objectives.

Project Understanding

OJRSA was established through a series of legal acts, resolutions and agreements that began with the creation of the Oconee County Sewer Commission in 1971. Since that time, several agreements have been made to clarify roles and responsibilities with regard to the provisions of sewer in Oconee County, ultimately ending with the creation of OJRSA in 2007. Entities involved in OJRSA include Oconee County, OJRSA, the City of Seneca, the City of Walhalla, the City of Westminster, and the Town of West Union.

In 2024, OJRSA secured funding from the South Carolina Rural Infrastructure Authority to fund a regional sewer feasibility study for Oconee County, SC. The goal of the study was to provide insight into key issues facing sewer service in the County and to outline recommendations to ensure that sewer operations in Oconee County remain viable for the future. The Study, which was performed by Ardurra (formerly W.K. Dickson & Co, Inc), Bolton & Menk, Inc. and Willdan Financial Services, was completed in August 2024 (2024 Regional Feasibility Planning Study) and provided several recommendations and next steps, which include the completion of a detailed financial and cost-of-service study that considers the 20-year capital improvement needs .

OJRSA has requested that Raftelis, in collaboration with Ardurra, Bolton & Menk, Pope Flynn, LLC (legal counsel), and First Tryon Advisors (financial advisor), together the "Project Team", prepare a scope of services to perform the detailed financial and cost-of-service analysis as identified in the 2024 Regional Feasibility Planning Study. The following project approach details the tasks that we believe are necessary to complete the study for OJRSA.

Scope of Services

We have developed the following Scope of Services based on our understanding of OJRSA's needs. The scope of services can be adjusted, as needed, to better suit the needs of OJRSA or address other rate and finance-related issues if they arise. Our proposed scope of services includes the items listed below.

Task 1: Project Initiation, Management, and Data Collection

The project management task begins with the submittal of this engagement letter and continues throughout the duration of the Study. It is designed to ensure the Study progresses in an efficient and deliberate manner. This task will include administrative components related to project management and quality assurance and control processes.

As part of this task and since Raftelis will be a new addition to the team that performed the 2024 Regional Feasibility Planning Study, a kick-off meeting will be held to ensure we have a thorough understanding of all available information for this study and the relationships among stakeholders.

Raftelis will prepare and submit to OJRSA and member entities a detailed data request list so readily available data can be forwarded to Raftelis. The data required will include, but not be limited to, operating and capital budgets, customer billing information, financial reports, population or growth forecasts, ordinances, and contractual agreements. Note that this information will be needed from each entity (Oconee County, OJRSA, the City of Seneca, the City of Walhalla, the City of Westminster, and the Town of West Union).

Task 2: Project Revenue Requirements

The first step in the study process will be developing forecasts of revenue requirements. The revenue requirements will include all operating and maintenance (O&M) costs, capital costs (including annual debt service payments and cash-financed capital), and reserve requirements.

Using information and documents provided as part of the 2024 Regional Feasibility Planning Study and information provided in response to the data request, Raftelis will prepare a revenue requirement forecast for OJRSA. The revenue requirements will consider costs for a consolidated system to include OJRSA, Oconee County, City of Seneca, City of Walhalla, City of Westminster, and the Town of West Union.

Raftelis understands that the data provided as part of the 2024 Regional Feasibility Planning Study will be used to determine a projection of operating expenses for a consolidated system and entity. Raftelis will rely on these estimates, as well as those from Ardurra and Bolton & Menk, to establish the combined system operating costs. To the extent necessary, Raftelis will collaborate with the Project Team to ensure that reasonable estimates for additional operating costs and/or cost efficiencies from economies of scale are considered. A forecast of system operating expenses will be prepared that accounts for cost increases driven by system growth and general inflation.

The projection of revenue requirements will reflect the individual system's current and future capital needs, as established in the previous studies. Additionally, it is our understanding that each individual entity/utility has been asked to provide capital plans as a directive of the results of the 2024 Regional Feasibility Planning Study. Capital project costs will be compiled and, with assistance from Ardurra and Bolton & Menk, a five-to-ten-year capital project list will be established. Funding sources for future capital projects will include a combination of rates/cash, grants, and future debt (as discussed further in the following paragraph).

Revenue requirements must consider current and future debt service costs. Payment schedules for existing OJRSA debt will be paired with future debt service cost related to: 1) planned debt-funded capital projects for the combined system and 2) if applicable, the retirement of debt associated with the assets for the local collection systems (Oconee County, the City of Seneca, the City of Walhalla, the City of Westminster, and/or the Town of West Union). Raftelis will rely on First Tryon Advisors to advise on the size, timing, terms, and structure of all future debt issuances.

The forecast of revenue requirements will consider certain financial and debt policies, including debt service coverage and days cash on hand. Policies and metrics will be identified, tracked, and incorporated into the forecast of revenue requirements. Raftelis will meet with OJRSA staff to review all components of the forecast of revenue requirements. We will solicit staff input to ensure the forecast is consistent with the expressed financial objectives.

Task 3: Establish and Forecast Billable Units of Service

Raftelis will examine each entity's billing records to determine customer demand for wastewater service. To do so, Raftelis will use detailed water/sewer usage information from each of the sewer entities. Based on the information obtained, Raftelis will develop a forecast of billable units of service over a five-to-ten-year forecast period using growth assumptions for each entity or utility's service area. We will discuss key assumptions with OJRSA staff and the Project Team to ensure consistency with previous studies and local knowledge.

Task 4: Calculate Rates

The next step in the study process is to calculate retail rates for a combined system using the analyses from Tasks 2 and 3. Rates will be calculated using wastewater cost-of-service concepts for each year in the forecast period and adjusted, where possible, to provide for a smooth forecast of rates. Customer impact analyses will be performed to understand the impact of proposed rate changes to different types of customers from each entity. This will help OJRSA assess the full impacts on customers under individual and consolidated systems.

A combined/consolidated entity will also need to consider other rate/cost mechanisms to reflect the new structure of local sewer service. For example, it may be appropriate to consider a billing charge (cost per-bill charge) that OJRSA is responsible for paying to local water providers for billing on OJRSA's behalf. We will discuss these items with OJRSA and the Project Team at the kickoff meeting to ensure a comprehensive list of rates/charges for evaluation is established. Fee methodologies will be established that are straightforward and consistent with industry standards.

Task 5: Model Development

At the heart of any successful rate study is the model used to develop revenue requirements and perform operational and capital financial planning, review customer information, and calculate rates and revenues. The model incorporates the results of each of the other tasks in the engagement, and is sophisticated enough to perform the complex calculations involved in a comprehensive rate analysis with the ability to analyze various rate scenarios.

The model created for this engagement will be developed using Microsoft Excel and will be based on a model framework that incorporates industry-standard rate-setting methodologies in a user-

MR. CHRIS ELEAZAR
OCONEE JOINT REGIONAL SEWER AUTHORITY

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friendly manner. The rate model will be built using our innovative modeling approach and will include a customized and interactive dashboard.

Task 6: Recommendations & Presentation

Raftelis will be able to assist OJRSA as necessary in presenting the results of the study and supporting study recommendations. We will work with OJRSA to determine the most appropriate level of stakeholder interaction. For the purpose of this scope of services, we have included three in-person presentations.

Project Fees

We propose to complete the scope of work detailed in this engagement letter for fees and expenses not-to-exceed \$99,605. Estimated fees assume approximately 323 professional hours. Attachment A provides a work plan, detailing our anticipated level of effort. The project fees are based on our standard hourly billing rates for professional and administrative personnel assigned to the project, plus direct expenses. Expenses would relate to travel costs, computers, postage, supplies, etc.

It is our practice to bill monthly for fees and expenses as they are incurred during a project. The attached work plan provides an estimate of the time required to complete each task, and we reserve the right to shift hours among tasks and personnel as circumstances may change during the project. Total fees and expenses will be limited to the not-to-exceed amount unless specific approval for an adjustment in scope is approved by OJRSA. If actual fees incurred are less than the estimated fees in the work plan, then these savings will be retained by OJRSA.

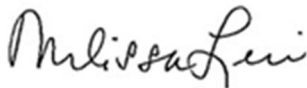
Project Schedule

It is Raftelis' understanding that OJRSA would like to have the combined system rate study completed as soon as possible. Raftelis anticipates that the study can be completed by the end of September 2026, however, much of the analysis is dependent on information to be provided by outside parties. Raftelis will work with OJRSA to try and meet desired timeframe recognizing that there may be issues that arise.

We look forward to working with you and your team at OJRSA. Should you have any questions, please do not hesitate to contact me at (704)373-1199. If the provisions of this engagement letter are acceptable, please sign and return one copy of the letter for our files. We are delighted to have this opportunity to be of continued assistance to OJRSA.

Very truly yours,

RAFTELIS FINANCIAL CONSULTANTS, INC.



Melissa Levin
Executive Vice President

MR. CHRIS ELEAZAR
OCONEE JOINT REGIONAL SEWER AUTHORITY

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We accept the terms of this engagement letter:

<hr/>	<hr/>
Signature	Name of authorized agent
<hr/>	<hr/>
Date	Title



6101 Carnegie Boulevard, Suite 210
Charlotte, NC 28209

WORK ORDER NUMBER 2

WORK ORDER to the Agreement dated December 7, 2021, by and between the Oconee Joint Regional Sewer Authority (the “**Client**”) and First Tryon Advisors, LLC (the “**Advisor**”).

SERVICES

The Advisor will provide the following Services under this Work Order:

- Evaluate and provide a detailed analysis of the Client's existing financial condition, credit profile and debt portfolio.
- Build a comprehensive financial planning model (the “Model”) to assist in evaluating and establishing the Client's debt capacity for various projects, as well as evaluating the potential reconstitution of the Client and consolidation / merger of existing entities under the Client's management, taking the following variables into consideration:
 - Project Specific Items:
 - Timing and amounts
 - Available revenue sources
 - Available funding structures
 - Financing term
 - Amortization/debt service
 - Prioritization of capital project needs
 - Reconstitution and Consolidation / Merger Specific Items:
 - Timing of proposed consolidation(s) / merger(s)
 - Existing and proposed cash flows of entities coming under the Client's management
 - Financial condition, credit profile and debt portfolio of entities coming under the Client's management
 - Revenue/cost/growth projections
 - Impact on financial ratios, coverages, etc.
- Work hand-in-hand with the Client's staff to refine the Model to help forecast future financial performance based on pro forma projections provided by the Client, evaluate the Client's debt capacity and affordability and assess the sensitivity of the Client's various planning assumptions.
- At the Client's request, participate in Board meetings, workshops and committee meetings to facilitate the development of the Model.

TERM

The Term with respect to the Services to be performed under this Work Order shall end 30 days after the completion of the Services described above, unless terminated earlier in accordance with the Agreement.

COMPENSATION

In establishing fees, the Advisor takes into account multiple factors, including the efficiency with which the work was done, the result achieved, the complexity of the matter and any special experience or expertise applied to it, any extraordinary scheduling or preemptive attention devoted to the project, and the degree of professional responsibility or liability undertaken by the firm.

For the services to be performed in connection with the above-mentioned Scope of Services, the Advisor proposes an hourly rate of \$400/hour with invoices to be processed on a monthly basis. The Advisor will consult with the Client if at any time the Advisor believes that circumstances require an adjustment to its fees. In addition, the

Oconee Joint Regional Sewer Authority
Work Order Number 2
January 5, 2026
Page 2 of 2

Advisor will alert the Client when its cumulative fees reach \$25,000 at which point the Client can consent to additional work under this Work Order up to an additional \$25,000 or such other mutually agreeable amount.

In addition to the compensation outlined above, the Client will reimburse the Advisor for out-of-pocket expenses incurred in connection with the Services. Customary out-of-pocket expenses include, without limitation, costs of travel, meals, lodging, printing/copying, etc. The Advisor will bill the Client for such expenses at cost, with no mark-up. The Advisor will not bill the Client for indirect costs such as telephone, fax, and conference call services; instead, the Client will pay the Advisor an administrative expense fee equal to 4% of any invoiced fee for Services as reimbursement for costs not reasonably allocable on a client-by-client basis.

The Advisor is firmly committed to demonstrating value to the Client throughout the financing process. If at any time the Client believes that the Services provided are not consistent with the fees charged by the Advisor, the Client may adjust the fee for such Services to any amount the Client deems appropriate.

AGREED AND ACCEPTED this _____ day of _____, 2026:

OCONEE JOINT REGIONAL SEWER AUTHORITY

By: _____
Name: _____
Title: _____

FIRST TRYON ADVISORS, LLC

By: 
Name: David Cheatwood
Title: Managing Director

By: 
Name: J. Walter Goldsmith
Title: CEO