



Oconee Joint Regional Sewer Authority

623 Return Church Road
Seneca, South Carolina 29678
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OCONEE JOINT REGIONAL SEWER AUTHORITY Ad-Hoc Reconstitution Committee and Executive Committee August 14, 2025

The Ad-Hoc Reconstitution Committee and Executive Committee meeting was held at the Coneross Creek Wastewater Treatment Plant.

Commissioners/Committee Members that were present:

- Katherine Amidon (Environmental Planner, Bolton & Menk)
- Chip Bentley (Appalachian Council of Gov'ts.)
- Amanda Brock (Oconee County)
- Kevin Bronson (City of Westminster) – Committee Chair
- Chris Eleazer (Oconee Joint Regional Sewer Authority)
- Lawrence Flynn (Pope Flynn - OJRSA Attorney) – *via Microsoft Teams*
- Joel Jones (Consultant, JonesWater)
- Scott Moulder (City of Seneca)
- Celia Myers (City of Walhalla)

Committee Members that were not present:

- Angie Mettlen, (Vice President, Ardurra)

OJRSA appointments and staff present were:

- Lynn Stephens, Secretary/Treasurer to the Board and Office Manager

Others present were:

- Norm Cannada, The Journal
- Dick Mangrum, WGOG Radio

A. Call to Order – Mr. Bronson called the meeting to order at 2:05 p.m.

B. Introduce the Members of the Committee – Mr. Bronson asked each committee member to introduce themselves. Mr. Bronson stated he wants to keep each of these committee meetings down to one-hour intervals without stifling any conversation or concerns. He asked everyone if there were any objections to this; there were no objections.

C. Discuss the Five (5) Recommendations of the Ad-Hoc Sewer Feasibility Implementation Committee (Exhibit A) – Mr. Bronson stated that all but two (2) of the current committee members were on the Feasibility Implementation Committee, and he expressed his appreciation to them for their work in developing the recommendations. Mr. Bronson also noted that number four (#4) of the five (5) recommendations (dissolving the Ad-Hoc Feasibility Implementation Committee and creating an Ad-Hoc Reconstitution Committee) has already been completed by the OJRSA board. There were no other comments about these recommendations.

D. Committee Discussion and Action Items:

- 1. Discussion and Approval of Support Resolution (Exhibit B)** – Mr. Bronson said Mr. Flynn drafted a simple resolution. He said there is a typo with the date on item G. It was discussed that the date should be July 15, 2025 and not June 16, 2025 as written.

Mr. Bronson said item B specifically states Seneca, Walhalla, and Westminster and asked if it should also include Oconee County and the Town of West Union. Mr. Flynn replied that West Union has the opportunity to join in the event they reach certain service thresholds (which haven't been met yet). He stated that for the Oconee County resolution, another finding would be added to state they are providing a recommendation based on a proposal to expand membership of the OJRSA, and he welcomes any comments from Oconee County personnel if they want something else to be added.

Mr. Bronson asked if Oconee County language is added, shouldn't that be on everyone's resolution in order that the same resolution is used across the entities? Mr. Flynn replied he could put in a general finding after item G since adding Oconee County is a recommendation. Mr. Bronson asked if Oconee County was good with that; Ms. Brock replied that Oconee County's attorney, Mr. David Root, will probably red line this. Ms. Brock said she already had a copy of this resolution and asked if this was the original or a new one; Mr. Flynn replied this is the original. Ms. Brock said she thinks Mr. Root will not red line it.

Mr. Bronson asked if there was any issue if each entity's resolution varied a little. Mr. Flynn replied this the resolution should be as standardized as possible, but it is not binding. The resolution is meant to establish common ground—that everyone is on board with the recommendations from the report and that no one is starting the process with serious misgivings. Mr. Flynn added that this is a difficult enough process, but the committee needs to ensure the foundation is strong to make it successful.

Mr. Bronson asked if Mr. Moulder had any issues. Mr. Moulder replied he didn't have any issues. He said there are a lot of questions, but this committee is charged with answering those questions on what implementation looks like. Mr. Bronson asked if the Appalachian Council of Governments (ACOG) is leaving it up to the entities; Mr. Bentley said yes. Mr. Moulder asked Mr. Bentley, as the 208 Water Quality Management, doesn't ACOG have some type of jurisdictional oversight; Mr. Bentley said they do but it is based on what the regional treatment facility is going to be and making sure everyone participates in it.

Mr. Eleazer asked if it was in the recommendation that the OJRSA should consider this within the 90-day timeline as well; Mr. Flynn replied that is correct. He added that it is probably a bit of overkill, but it shows the Rural Infrastructure Authority (RIA) and other governing bodies and the delegation that everyone is moving in the same direction with the goal being the long-term success of Oconee County and its municipalities. Mr. Moulder stated that it is beneficial as not all the representatives on the current OJRSA board are independent from the municipalities, so it gives them the opportunity to voice their opinions on the resolution.

Mr. Eleazer said he modified the resolution the OJRSA could use as best as he could and sent it to Mr. Flynn to finalize. He asked if it should go to the Finance and Administration Committee for consideration before going to the board. Mr. Bronson said it should go directly to the board since the Executive Committee is here and will approve it. Mr. Moulder and Ms. Myers agreed and said it could be sent back to the committee it needed.

Mr. Bronson said the timeline states the resolutions should be provided by October 13, 2025. He said that it is doable for Westminster and asked if it was doable with the other entities. Mr. Moulder, Ms. Myers, and Ms. Brock all stated that it was doable.

Mr. Flynn asked if he should create a template for each city or was everyone okay adapting it on their own with their councils. Mr. Bronson replied that he would like Mr. Flynn to add Oconee County. Mr. Moulder said he would like Mr. Flynn to draft one for everyone.

2. Consider the Timeline as Stated in the Recommendations (Exhibit C) – Mr. Bronson stated again that the first task is already completed and the resolution is to be done by October 13, 2025.

Ms. Brock said the recommendation by the Ad-Hoc Committee stated no more than two (2) representatives from the current board, and there are now three (3). She asked if this was changed by the board. Mr. Bronson said the recommendation was for the chair and vice-chair, but that would've left the City of Walhalla not being represented. The board wanted to be inclusive of the three (3) cities. Ms. Brock asked if the intent of the Ad-Hoc Committee was not to have that. Mr. Eleazer replied that the discussion was around having an odd number of members on this committee for voting purposes, but Mr. Flynn pointed out that if a tie-breaking vote was needed, there are bigger concerns to deal with. Ms. Brock said she agreed with that.

Mr. Moulder said the biggest obstacle and deliverable is in August 2026—determining who will be on the board and providing the list of recommendations to the delegation. Mr. Flynn said the amendments are important as it gives the delegation the recommendation authority, and the governor the gubernatorial appointment in lieu of the members. This will remove some of the politics.

Mr. Jones said there is a lot of leg work and asked Mr. Eleazer and Ms. Amidon if this is still practical. Ms. Amidon asked if it had been decided at what level that Ardurra and Bolton & Menk are to be involved. Mr. Bronson replied no and asked if Ms. Amidon had a recommendation. Ms. Amidon said she and Ms. Mettlen are here as third-party consultants supporting this committee by doing analysis and anything else consultants would do to get the committee to where it needs to be; however, the consultants cannot make the final decisions and choose the direction forward, because it won't be received well by the public. Mr. Bronson replied that Ms. Amidon, Ms. Mettlen, and Mr. Jones were invited onto this committee as non-voting members. Mr. Bronson asked if any of the other committee members had a recommendation about what the consultants will need to do in the process; there were no comments.

Mr. Bronson said he read in the minutes that the RIA would be open to helping finance the financial analysis. Ms. Amidon said that was a maybe; she said she knows by speaking with Ms. Bonnie Ammons of the RIA that they are looking for action at this end, and the resolution is only Step 1 of this action. RIA will also want to see some stakeholder commitment before they assist further as they feel they have already assisted with funding the feasibility study. Ms. Amidon added that she recommends this group going back to the recommendations that resulted from Weston & Sampson's Master Plan, because some of those things could get started during this reconstitution plan. She said she would be happy to take a pass with this. Mr. Bronson asked Ms. Amidon to do that first pass, and there could be a discussion about it at the next committee meeting.

Mr. Jones said a lot of money can be spent on the technical resources needed for the valuation and challenged the member agencies to determine what issues they have (technical or otherwise) to get through to allow the consolidation of their systems, and there may be a simpler solution to address this. Mr. Flynn said someone must do a deep dive on what the OJRSA board is taking on, and although everything won't be identified, it would be a good start with the system age, line degradation, and pump station utilization.

Mr. Bronson said this agenda doesn't state to adopt the timeline, but he asked if anyone was ready to adopt it. Mr. Bentley said it is fair to adopt but changes can be made.

Mr. Bentley made a motion, seconded by Mr. Eleazer, to adopt the Timeline as presented.

Ms. Brock stated that being Oconee County has so little technical valuations, it would be unfair for Oconee County to break a tie vote, so she may abstain. Mr. Eleazer said he put the timeline together based on the Ad-Hoc Feasibility Committee's recommendations, and they were target dates, so they can be adjusted. Ms. Brock said it is a motion to approve the timeline. Mr. Moulder asked Mr. Bentley if he wanted to change his motion.

Mr. Bentley amended his motion, seconded by Mr. Eleazer, to adopt the Timeline as presented and to accept the dates in the timeline are target dates that the committee will try to maintain progress

towards, acknowledging that things may come up and require adjustments on the dates. The motion carried.

- 3. Submittal of Quarterly Reports to South Carolina Rural Infrastructure Authority (SC RIA) –** Mr. Bronson said he and Mr. Eleazer spoke about having Ms. Stephens submit the reports to the RIA, and he asked if Ms. Stephens was asked about doing this. Mr. Eleazer said he did not ask Ms. Stephens and said when he reported each milestone during the first Ad-Hoc Committee, he would just email Ms. Ammons and give a bullet point about what was done, and Ms. Ammons was appreciative of that. Mr. Eleazer also stated that Ms. Ammons could receive key points from the meeting minutes.

Mr. Moulder made a motion, seconded by Mr. Bentley, to assign Sewer Authority staff with the responsibility of submitting the quarterly reports to the RIA. The motion carried.

- 4. Discuss Financial Evaluation of Wastewater Systems –** Mr. Bronson said he agreed with what Mr. Jones said earlier in the meeting that a lot of money can be spent on the valuations. Mr. Bronson asked, the way it is written in the report, if it is a deal breaker for any of the three (3) member cities and Oconee County, and he also asked if there were additional considerations this committee needs to have. Mr. Bronson added that this committee isn't tied to what they say, as they probably have not discussed it with their individual councils. Mr. Bronson said that although Westminster's council has received weekly reports, they haven't spoken about it in council yet either.

Mr. Moulder said that Seneca is in the same position and hasn't gotten feedback from its council on the recommendations. He said when they initially read the report, there were lots of questions about what the valuation, transfer, and debt would look like. This committee will have the job of answering these questions through the assessments. Mr. Moulder said Seneca is open to paying to bring in a team for a valuation of its system instead of having one (1) firm doing all the evaluations. He added that a lot of the financial analysis was performed during the report generation of the system with rates and customer base and asked if that could be reviewed and modified for condition analysis.

Mr. Bronson asked if it would be appropriate for each entity to go back and have these discussions with their individual councils and then bring the questions back to this committee to vet through. In addition, the councils should be asked if one (1) consultant should do all the valuations. Mr. Moulder was in favor of doing this.

Ms. Myers said she agreed with the feedback as well but added that the Ad-Hoc Committee was leaning towards one (1) consultant to do the valuations to keep the same parameters. Mr. Jones added that everyone should develop the scope through that one (1) consultant. Mr. Moulder was good with this.

Ms. Brock said the County Council is grateful to the Sewer Authority for having this amount of activity around change. She added she is good with getting the feedback but added that she may bring back many questions, and the answers presented may create even more questions. There was also some conversation about upcoming elections in the Member Cities and how more questions may be asked by new councilmembers.

Mr. Flynn suggested the question-and-answer part of the next committee meeting be held in Executive Session which would allow the committee members to speak freely. Mr. Moulder asked Mr. Flynn if that would follow the rules for holding an Executive Session, and Mr. Flynn felt it would.

Mr. Bronson asked if everyone felt they could have the discussions with their councils and have the questions to bring back in time for the next meeting. Everyone felt they could. There was some additional conversation about upcoming city elections that may bring up additional questions from new council members.

Ms. Amidon said that the valuation scope wouldn't be the same for everyone, as there are lots of unknowns. Mr. Eleazer stated that it should be the same scope sheet for each entity and that maybe the consultants could be utilized to put the analysis of the unknown items out for solicitation.

Ms. Amidon said the committee probably needs to determine what level of items need to be known for the valuation as it will cost more the more detail that is required.

Mr. Eleazer asked who was paying for this. Mr. Bronson said that is why he asked if the RIA was paying for it. This will need to be determined.

Ms. Amidon asked what the legal implications are for the OJRSA taking all these systems on if everyone is in support and is there anything the OJRSA needs to be aware of in terms of risk analysis. Mr. Flynn said the OJRSA is already accepting the waste from everyone's system, so the OJRSA is just taking on the cost of maintaining the collection systems, which is the cost of doing business. There is not a lot of heartburn on the legal side of the takeover.

- 5. Discuss Draft Language for State Law Modifications (Exhibit D)** – Mr. Bronson said the language states there will be a new board with a new way of it being created and the assets being owned collectively by one (1) entity. Mr. Bronson asked if there were any issues in the language Mr. Flynn drafted.

Mr. Flynn provided some background stating that he had preliminary conversations with the delegation, Senator Thomas Alexander, and his legislative liaisons. Being the legislature just finished year one of the two-year legislative cycle, the previous ad-hoc committee didn't want to waste a portion of the session. They wanted to get the language to a level where it's felt it allows the OJRSA to do all the things being proposed by the recommendations, giving the flexibility of the organization to be as successful as possible, and to use the political leverage of Senator Alexander to get it through. Mr. Flynn added that he feels the OJRSA is at the point if everyone is comfortable with it. Mr. Flynn stated it won't take anything away from what the OJRSA has but rather will add additional authorization on appointments, provide some clarifying language around issuance of bonds to make sure debt is properly approved, and provide the authority with more flexibility.

Mr. Bronson asked if everyone was comfortable making this a part of the presentation to their councils. Ms. Myers said it was already presented to the Walhalla council, and Mr. Bronson said it was to Westminster's council as well. Ms. Brock said, since Oconee County is not a part of the organization, they are good with it so far and want it to keep going. This isn't interesting to them just yet.

Mr. Bronson said he, Mr. Eleazer, and Mr. Flynn, (at a minimum) need to set up a meeting with the delegation, but he thinks this should be held off until this committee gets some feedback from the cities' and county's councils. Mr. Flynn said that makes good sense but recommended meeting with Senator Alexander in October to get some direction. The goal is to have the final introduction version in December, so it is ready to move come January 1, 2026.

Mr. Bronson asked Mr. Eleazer to contact Senator Thomas Alexander, Representative Bill Whitmore, and Representative Adam Duncan and share this information with them/lay the groundwork.

- 6. Establish Ad-Hoc Committee Meeting Schedule** – Mr. Bronson stated that the OJRSA board recommended having the meeting on the same day and time as the previous Ad-Hoc Feasibility Committee meeting: the second Thursday of each month at 9:00 a.m. All the committee members agreed.

Mr. Bronson summarized today's meeting:

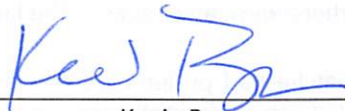
- Ms. Amidon will do a preliminary review of the Master Plan and come back with anything the committee should review.
- The committee members will bring in a list of questions from their council members.
- The committee members will bring in an outline of specs and whether they are technical or financial.

E. Upcoming Meetings

1. **Operations & Planning Committee** – Wednesday, August 20, 2025 at 8:30 a.m.
2. **Finance & Administration Committee** – Tuesday, August 26, 2025 at 9:00 a.m.
3. **Board of Commissioners** – Monday, September 8, 2025 at 4:00 p.m.
4. **Ad-Hoc Reconstitution Committee** – Thursday, September 11, 2025 at 9:00 a.m. (*Meeting schedule established earlier in today's meeting.*)

F. Adjourn – The meeting was adjourned at 3:08 p.m.

Approved By:

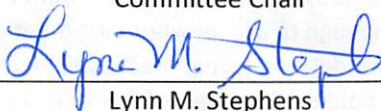


Kevin Bronson
Committee Chair

Date Approved:

8/14/25

Approved By:



Lynn M. Stephens
OJRSA Secretary/Treasurer

Notification of the meeting was distributed on August 7, 2025 to *Upstate Today*, *Anderson Independent-Mail*, *Westminster News*, *Keowee Courier*, WGOG Radio, WSNW Radio, City of Seneca Council, City of Walhalla Council, City of Westminster Council, Oconee County Council, SC DHEC, www.ojrsa.org, and posted at the OJRSA Administration Building.



Ad Hoc Reconstitution Committee and Executive Committee

OJRSA Operations & Administration Building
Lamar Bailes Board Room
August 14, 2025 at 2:00 PM

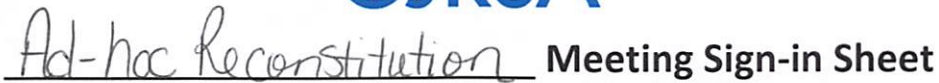
Amended – Meeting time corrected to 2:00 PM

This committee was established by the OJRSA Board of Commissioners on August 4, 2025 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 report is 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, Executive Committee Chair
- B. Introduce the Members of the Committee**
- C. Discuss the five recommendations of the Ad Hoc Sewer Feasibility Implementation Committee**
(Exhibit A) – Led by Kevin Bronson, Executive Committee Chair
- D. Committee Discussion and Action Items** – Led by Kevin Bronson, Executive Committee Chair, unless otherwise noted
 1. Discussion and Approval of Support Resolution (Exhibit B)
 2. Consider the timeline as stated in the recommendations (Exhibit C)
 3. Submittal of quarterly reports to South Carolina Rural Infrastructure Authority (SC RIA)
 4. Discuss financial evaluation of wastewater systems
 5. Discuss draft language for state law modifications (Exhibit D)
 6. Establish ad hoc committee meeting schedule
- E. Upcoming Meetings** *All meetings to be held in the Lamar Bailes Board Room unless noted otherwise.*
 1. Operations & Planning Committee – August 20, 2025 at 8:30 AM
 2. Finance & Administration Committee – August 26, 2025 at 9:00 AM
 3. Board of Commissioners – September 8, 2025 at 4:00 PM
 4. Ad Hoc Reconstitution Committee – *Meeting schedule to be established as stated in agenda item D.6*
- F. Adjourn**



ORGANIZATION

Oconee Joint Regional Sewer Authority • 623 Return Church Road • Seneca, South Carolina 29678 • 864.972.3900



REGIONAL SEWER FEASIBILITY STUDY

OJRSA Ad Hoc Regional Feasibility Study Implementation Committee OJRSA Reorganization Recommendations

June 16, 2025

The OJRSA Regional Feasibility Planning Study (“Planning Study”), completed in August 2024 and adopted in September 2024, recommended establishing the Ad Hoc Regional Feasibility Study Implementation Committee (“Ad Hoc Committee”). The purpose of this committee was to review, discuss and evaluate the Planning Study’s primary recommendations for a new governance structure for Oconee Joint Regional Sewer Authority (“Authority”) and to provide independent recommendations for implementing this restructuring.

The Ad Hoc Committee was established by the Board of Commissioners, as the governing body of OJRSA (“Board”), in November 2024. The initial Ad Hoc Committee was staffed with 10 members, and one *ex officio* member as follows:

- Chip Bentley, *Ex Officio* Member
- Amanda Brock, Oconee County
- Chris Eleazer, OJRSA
- Joel Jones, Utility Expert (Environmental/Utility Compliance)
- Scott McLane, Seneca
- Celia Myers, Walhalla
- Scott Parris, Westminster
- Graham Rich, Utility Expert (Economic Development), *resigned*
- Sue Schneider, Utility Expert (Management)
- River Stillwell, Utility Legal Expert
- Scott Willett, Utility Expert (Finance)

The Planning Study suggested a six month timeline for the Ad Hoc Committee to review prior work and complete initial evaluations for recommendations that would be presented to the Board and Oconee County, as an entity recommended for addition to the Authority under the Planning Study.

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During the initial meeting, Graham Rich was elected Chair of the Ad Hoc Committee. Thereafter, Mr. Rich resigned due to personal reasons. The Ad Hoc Committee determined that they had an adequate number of utility experts with experience across all relevant areas, making a replacement unnecessary. Mr. Joel Jones, former CEO of Renewable Water Resources, was subsequently elected to serve as Chair moving forward, while the rest of the committee membership remained unchanged. Since December 2024, the Ad Hoc Committee has been convened monthly to advance this important process. All Ad Hoc Committee meetings were properly advertised and open to the public in accordance with the South Carolina Freedom of Information Act. The meetings of the Ad Hoc Committee were held on the dates noted below, and minutes from each such meeting are attached hereto for reference:

- December 2, 2024
- January 9, 2025
- February 13, 2025
- March 13, 2025
- April 10, 2025
- May 8, 2025
- June 16, 2025

The following information outlines the Ad Hoc Committee's five major recommendations to reorganize/reconstitute the Authority under the Joint Authority Water and Sewer Systems Act.

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.

- Timely evaluations (technical) and valuations (financial) of the collection systems, including debt, asset viability, and immediate capital, are essential to finalize the terms of the system transfers to the Authority. This step is crucial in the process and should be completed as soon as possible. *(NOTE: For the consolidation of the current collection systems into the reconstituted Authority, the Town of West Union should be included in this effort.)*
- It is recommended that all affected entities, to include the Board, the governing bodies of each member of the Authority (Walhalla, Westminster and Seneca), Oconee County Council, and the West Union Town Council, adopt a

resolution expressing initial support for this consolidation effort. The resolutions can be non-binding and contingent upon the final terms and conditions of the transfers. However, it would demonstrate a unified approach and support for the overall process, potentially aiding in the acquisition of any future grant funding or other forms of financial support.

- A unified and equitable rate structure will be developed and deployed as a part of the governance documents of the reconstituted Authority. A timeline for developing and implementing this rate structure will be completed as soon as possible.
- If the consolidation of any or all collection systems does not progress in a timely manner, or at all, the Authority, in its current form, must issue individual permits to each entity that retains ownership of those systems. These permits will necessitate ongoing compliance with the Authority's Sewer Use Regulation ("SUR"), which is further mandated by the Authority's National Pollutant Discharge Elimination System ("NPDES") permit issued by the South Carolina Department of Environmental Services ("SCDES"). This action will empower the Authority to enforce the conditions of these permits as outlined in the SUR. Further, SCDES recently confirmed that the agency's expectation is that the Authority enforce its SUR for all upstream users as necessary to comply with the Authority's own NPDES permit. Any permits issued to the current member entities, Oconee County, and/or Town of West Union¹ would reflect this regulatory expectation, though the precise terms would be left to the Authority's discretion.

2. The Authority should be reconstituted with a five-member Board of Commissioners (the "New Board").

Based on the Joint Authority Water and Sewer Systems Act (SC Code Ann §§6-25-5, et. seq.) ("Act"), a "member of a joint system" is defined as "an authority that has

¹ Anecdotally, SCDES shared that it is presently dealing with a situation elsewhere in the state involving a wastewater utility with compliance difficulties linked to a single large upstream user. In that situation, EPA has recommended that SCDES make the utility and each satellite user a co-permittees on the upcoming renewal of the utilities' NPDES permit. Such action creates jointly and severally responsibility to the state and federal government for all noncompliance going forward. In the absence of the recommended consolidation or issuance of individual permits, it is possible regulators could impose such a co-permittee scenario on the Authority and all member entities in the future.

taken the actions necessary to form or join the joint system.” Based on this definition, the members with representative interests on the New Board will be the City of Seneca, the City of Walhalla, the City of Westminster and Oconee County. Draft legislation has been proposed to amend the Act to permit new methods for appointing commissioners to a joint authority. Conversations with legislative leadership have been ongoing, and proposed changes to the Act are expected to be considered during the 2026 legislative session at the earliest.² A copy of the proposed legislative changes to the Act are attached to this recommendation report.

Assuming these changes are approved, the full appointment of the commissioners to the New Board will be made by the Governor of South Carolina, based upon the recommendations of the Oconee County Legislative Delegation (the “Delegation”).

The following bullets provide the basic guidelines for commissioner recommendations. These will be outlined in the governance documents for the reconstituted Authority:

- All commissioners must reside within the service territory of the member to whom they are appointed to represent and have a service contract for public sewer at the time of appointment and for the duration of their term. At least one commissioner of the New Board shall be appointed from the service area of each member of the joint authority (i.e. one from Westminster, Walhalla, Seneca, and Oconee County, respectively).
- Gubernatorial appointed commissioners cannot be current elected officials or current staff of any Authority member.
- Clarifying language will be included in the governance documents for the reconstituted Authority to address changes to the Authority’s service territory and the potential impact on the appointment of future Commissioners. In general, if areas outside Oconee County are served, such customers would be

² If the legislative changes fail or take longer to be approved, the current Authority governance documents could be dissolved by the current Board and member entities and new governance documents drafted. In such event, it is recommended that the reconstituted Authority be served by a five-member New Board and subject to the parameters outlined in the Committee’s Recommendation 2. This act is further predicated on unequivocal endorsement that all of the existing collection systems be consolidated into a single system.

by contract and the New Board would not be expanded (*i.e., Anderson County*).

- Terms of commissioners will be dictated by the revised Act and will generally be for 4 years.
- Under this New Board structure and with collection system consolidation, all votes will be based on one vote per commissioner. All other voting protocols will be defined in the new governance documents.

If the proposed legislative amendments to the Act are not enacted, the New Board will not be recommended by the Delegation and appointed by the Governor but rather will continue under the current method of appointment whereby the members of the Authority appoint their respective representatives to the New Board. The following bullets provide the basic guidelines for Commissioner recommendations in the event the proposed legislative amendments are not adopted:

- For the New Board representation should be as follows:
 - City of Seneca – Recommendation for 1 commissioner;
 - City of Walhalla – Recommendation for 1 commissioner;
 - City of Westminster – Recommendation for 1 commissioner;
 - Oconee County – Recommendation for 1 commissioner; and
 - Recommendation for 1 at-Large commissioner to be agreed upon by Seneca, Walhalla, Westminster and Oconee County
- Best efforts should be undertaken to avoid the appointment of any commissioner that involves current staff of any member or any elected official. It is strongly encouraged that the bylaws of the New Board expressly prohibit any such *ex officio* or principal/agent service on the New Board.
- Clarifying language will be included in the governance documents for the reconstituted Authority to address changes to the Authority's service area and the potential impact on the appointment of future Commissioners. In general, if areas outside Oconee County are served, these would be by contract and the Board would not be expanded.

- Consistent with the Act, commissioner to serve at discretion of the members.
 - Under this New Board structure and with collection system consolidation, all votes will be based on one vote per Commissioner. All other voting protocols will be defined in the new governance documents.
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 current Ad Hoc Committee and then establish a working group or smaller ad hoc committee to oversee and guide the initial implementation steps outlined above (the “Implementation Committee”). The Implementation Committee is recommended to include:**
 - No more than 2 representatives of the current Board. Suggestion that these committee seats be held by the Board Chair and Vice Chair, since these positions are voted on by the current Board.
 - 1 representative of OJRSA staff.
 - 1 representative of Oconee County.
 - 1 representative of the Appalachian Council of Governments (ACOG).
 - No more than 2 additional facilitators (non-voting) may also be recommended.
 - Independent legal counsel should also remain actively involved in all consolidation efforts to ensure compliance with all legal requirements.
 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**

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the chances of success in consolidating the collection systems and establishing the reconstituted Authority with the New Board.

Summary Statement:

The Ad Hoc Committee believes the foregoing recommendations to be vital to the long-term success of the Authority. In the absence of the implementation of these recommendations, the Authority runs the risk of significant regulatory compliance matters, lack of funding, and restrictions on growth and development of the County as a whole. As a plan to implement these recommendations, an implementation timeline is attached hereto as Exhibit A and incorporated herein by reference.

ACCEPTED BY THE OJRSA BOARD OF COMMISSIONERS JULY 15, 2025

EXHIBIT A IMPLEMENTATION TIMELINE

The following bullets provide a target schedule associated with completion of these initial recommendations. The schedule begins when the current Board approves these Reorganization Recommendations:

- **Within 45 days**, the current Board will dissolve the current Ad Hoc Committee and establish the Implementation Committee for further implementation oversight.
- **On a quarterly basis**, the Implementation Committee will provide an update to the SC Rural Infrastructure Authority, the current Board and Oconee County on the progress of the implementation of these initial recommendations.
- **Within 45 days**, the legislative revisions to the Act will be finalized and provided to the Delegation. Consultation shall be made with the Delegation on whether lobbyist support will be needed.
- **Within 90 days**, 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, Oconee County Council).
- **Within 120 days**, 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. Additionally, a rate consultant will be engaged.
- **Within 120 days**, a Communications Plan will be developed under the guidance of the Implementation Committee and provided to all entities involved.
- **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 New Commission will be provided to the Delegation.
- **Within 15 months**, after consultant engagement the evaluation and valuation of collection systems will be completed.
- **Within 18 months**, after consultant engagement 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.
- **Within 24 months**, legal documents to transfer collection system assets to the Authority will be executed, as well as all necessary reconstitution documents.

EXHIBIT 1

- **Within 25 months**, if the legislative amendments have not be 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**. Additionally, all members shall be issued permits in compliance with the SUR and added as co-permittees under the NPDES permit, if consolidation for any member does not occur.

ACCEPTED BY THE OJRSA BOARD OF COMMISSIONERS JULY 15, 2025

ATTACHMENTS

- **Copies of Minutes of Ad Hoc Committee Meetings**
- **Draft of Proposed Amendments to the Act**

TO AMEND CERTAIN PROVISIONS OF TITLE 6, CHAPTER 25 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, TO AUTHORIZE CERTAIN CLARYIFYING AMENDMENTS REGARDING COMMISSIONERS, RECONSTITUTION, BOND APPROVAL AND DURATION.

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

SECTION 1. Section 6-25-20 shall be amended to add the following defined terms:

§ 6-25-20. Definitions.

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

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

SECTION 2. Section 6-25-50 shall be amended and restated as follows:

§ 6-25-50. ~~Agreement as to number of commissioners each member may appoint;~~ Application filed with Secretary of State; corporate certificate.

(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 or each proposed member setting forth:~~

(1) ~~the names of~~ number of 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) the a~~ a certified copy of a 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 member and~~ 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 shall be amended and restated as follows:

§ 6-25-60. Joint system to be managed and controlled by commission; appointment of commissioners; oath; records; seal; quorum; vacancies; expenses.

(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) Appointment by member. The governing body of each voting member of a joint system shall appoint one or more a commissioner, 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.~~ Further, and notwithstanding the appointment requirements above, in the event there are an even number of members of a joint system (i.e. 4, 6, 8, 10), 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 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 filled for the remainder of the unexpired term in the same manner as the original appointment. If a new member of a joint system is added under the provisions hereof such that there becomes an odd number of members of a joint system, any gubernatorial appointed commissioner shall be deemed to automatically vacate his position as a commissioner as of the date of the admission of such new member of a joint system and their respective appointment of a new commissioner.

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

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

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

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

~~(C)~~ (D) A majority of the commissioners of the joint system shall constitute a quorum. A vacancy on the commission of the joint system shall not impair the right of a quorum to exercise all rights and perform all the duties of a joint system. Any action taken by the joint system under the provisions of this chapter may be authorized by resolution at any regular or special meeting held pursuant to notice in accordance with bylaws of the joint system, and each resolution shall take effect immediately and need not be published or posted. Except as is otherwise provided in this chapter or in the bylaws of the joint system, a majority of the votes which the commissioners present are entitled to cast, with a quorum present, shall be necessary and sufficient to take any action or to pass any resolution. No commissioner of a joint system shall receive any compensation solely for the performance of duties as a commissioner, but each commissioner may be paid per diem, mileage, and subsistence expenses, as provided by law for state boards, committees, and commissions, incurred while engaged in the performance of such duties.

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

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

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

SECTION 4. Section 6-25-70 shall be amended and restated as follows:

SECTION 6-25-70. Change in membership of joint system.

(A) After the creation of a joint system, any other authority may become a member of the joint system upon:

- (1) adoption of a resolution or ordinance by the governing body complying with the requirements of Section 6-25-40 including publication of notice;
- (2) submission of an application to the joint system; and
- (3) approval of the application by resolution of the governing body of each member of the joint system except in the case of a joint system organized for the purpose of creating a financing pool, in which case the application must be approved by resolution of the commission.

(B) A member may withdraw from a joint system by resolution or ordinance of its governing body. A contractual right acquired or contractual obligation incurred by a member while it was a member remains in full force and effect after the member's withdrawal.

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

(D) If a new member of the joint system is added hereunder, the approval documentation required under subsection (A)(3) above shall determine whether any new commissioners shall be added to the commission as necessary to support such new member of the joint system. If a new commissioner is added, either by the member of the joint system or the Governor, as applicable, each such commissioner shall be appointed immediately.

SECTION 5. Section 6-25-80 shall be amended and restated as follows:

§ 6-25-80. Dissolution of system.

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

In the discretion of the members of a joint system for the proper and efficient operation of any joint system, an existing joint system may be reconstituted by following the procedures for the creation of a new joint system, mutatis mutandis.

SECTION 6. Section 6-25-110 shall be amended and restated as follows:

§ 6-25-110. Authorization to incur debt and issue bonds.

A joint system may incur debt for any of its purposes and may issue bonds pledging to the payment as to both principal and interest the revenues, or any portion, derived or to be derived from all or any of its projects and any additions and betterments or extensions or contributions or advances from its members or other sources of funds available to it. A joint system may not undertake a project required to be financed, in whole or in part, with the proceeds of bonds without the approval of the governing bodies of each member which is obligated or to be obligated under any contract for the payment of amounts to be pledged as security therefore and a favorable vote of two-thirds of all commissioners. Notwithstanding the foregoing, when a commission is

appointed under Section 6-25-60(B)(2), no separate approval of the governing bodies of each member shall be required for the issuance of any bonds, and such bonds shall be authorized and approved by a simple majority of the commissioners. Any project may be preauthorized, preapproved or otherwise permitted under the terms of the project contract for the joint system, and such authority, approval or permission shall constitute all necessary approval of the respective governing bodies of each member herein. A joint system formed only for the purpose of creating a financing pool may issue notes in anticipation of the issuance of bonds by its members to the government.

SECTION 7. Section 6-25-128 shall be amended and restated as follows:

§ 6-25-128. Contracts between authority and joint system; duration.

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

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

Payments by an authority under a contract for the purchase of capacity and output from a joint system may be made from the revenues derived from the ownership and operation of the water system of the authority or from such other sources of funds as may be available, including any amounts received as payments in lieu of taxes. An authority may not pledge its full faith, credit, and taxing power to secure its obligations to the joint system or the bonds of the joint system. An authority is obligated to fix, charge, and collect rents, rates, fees, and charges for water or sewer services, facilities, and commodities sold, furnished, or supplied through its water or sewer system sufficient to provide revenues adequate to meet its obligations under any contract and to pay any

and all other amounts payable from or constituting a charge and lien upon the revenues, including amounts sufficient to pay the principal of and interest on general obligation bonds, if any, heretofore or hereafter issued by the authority for purposes related to its water or sewer system.

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

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

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

TO AMEND CERTAIN PROVISIONS OF TITLE 6, CHAPTER 25 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, TO AUTHORIZE CERTAIN CLARYIFYING AMENDMENTS REGARDING COMMISSIONERS, RECONSTITUTION, BOND APPROVAL AND DURATION.

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(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 or each proposed member~~ setting forth:

(1) ~~the names of~~ number of 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) the a~~ certified copy of a 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 member and~~ 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 shall be amended and restated as follows:

§ 6-25-60. Joint system to be managed and controlled by commission; appointment of commissioners; oath; records; seal; quorum; vacancies; expenses.

(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) Appointment by member. The governing body of each voting member of a joint system shall appoint one or more a 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.~~ Further, and notwithstanding the appointment requirements above, in the event there are an even number of members of a joint system (i.e. 4, 6, 8, 10), the project contract, bylaws or other similar agreement for the joint system may authorize one additional member of the commission; such additional ~~member of the commission~~ 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 ~~member~~ commissioner shall 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 filled for the remainder of the unexpired term in the same manner as the original appointment. If a new member of a joint system is added under the provisions hereof such that there becomes an odd number of members of a joint system, any gubernatorial appointed commissioner shall be deemed to automatically vacate his position as a commissioner as of the date of the admission of such new member of a joint system and their respective appointment of a new commissioner.

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

~~(a) The total number of customers served by the joint system (including customers served by members of the joint system) must be divided by the total number of commission seats, the result being an apportionate average.~~

~~(b) The respective number of customers of each member of the joint system must be divided by the apportionate average to determine an appointive index.~~

(ea) The Governor, based upon the recommendation of the legislative delegation from each county that the joint system operates, shall appoint ~~a number of commissioners to the commission from each~~ each commissioner. Each appointed commissioner must reside within a household receiving utility services from the joint system or a member of the joint system ~~equal to the whole number indicated by its appointive index. If by this method there are insufficient members appointed to complete the commission, an appointive index closest to the next highest whole number shall be authorized to have an additional commissioner. Further, and notwithstanding the appointive index.~~ In making such appointments, there shall be at least one commissioner appointed by the Governor from the service area of each member of the joint system.

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

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

~~(C)~~ (D) A majority of the commissioners of the joint system shall constitute a quorum. A vacancy on the commission of the joint system shall not impair the right of a quorum to exercise all rights and perform all the duties of a joint system. Any action taken by the joint system under the provisions of this chapter may be authorized by resolution at any regular or special meeting held pursuant to notice in accordance with bylaws of the joint system, and each resolution shall take effect immediately and need not be published or posted. Except as is otherwise provided in this chapter or in the bylaws of the joint system, a majority of the votes which the commissioners present are entitled to cast, with a quorum present, shall be necessary and sufficient to take any action or to pass any resolution. No commissioner of a joint system shall receive any compensation solely for the performance of duties as a commissioner, but each commissioner may be paid per diem, mileage, and subsistence expenses, as provided by law for state boards, committees, and commissions, incurred while engaged in the performance of such duties.

(E) All commissioners shall hold the qualifications of an elector. ~~In the case of a gubernatorial appointment, such appointee must be a qualified elector residing within the area served by the joint system.~~

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

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

SECTION 4. Section 6-25-70 shall be amended and restated as follows:

SECTION 6-25-70. Change in membership of joint system.

(A) After the creation of a joint system, any other authority may become a member of the joint system upon:

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

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

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

(B) A member may withdraw from a joint system by resolution or ordinance of its governing body. A contractual right acquired or contractual obligation incurred by a member while it was a member remains in full force and effect after the member's withdrawal.

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

(D) If a new member of the joint system is added hereunder, the approval documentation required under subsection (A)(3) above shall determine whether any new commissioners shall be added to the commission as necessary to support such new member of the joint system. If a new commissioner is added, ~~;~~ either by the member of the joint system or the Governor, as applicable, each such commissioner shall be appointed immediately.

SECTION 5. Section 6-25-80 shall be amended and restated as follows:

§ 6-25-80. Dissolution of system.

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

In the discretion of the members of a joint system for the proper and efficient operation of any joint system, an existing joint system may be reconstituted by following the procedures for the creation of a new joint system, mutatis mutandis.

SECTION 6. Section 6-25-110 shall be amended and restated as follows:

§ 6-25-110. Authorization to incur debt and issue bonds.

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

SECTION 7. Section 6-25-128 shall be amended and restated as follows:

§ 6-25-128. Contracts between authority and joint system; duration.

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

A contract concerning the sale or purchase of capacity and output from a project may extend for a period not exceeding fifty years from the date of the contract and may be renewable and extended upon terms as the parties may agree for not exceeding an additional fifty years; and the

execution and effectiveness is not subject to any authorizations or approvals by the State or any agency, commission, or instrumentality or political subdivision of them. Additionally, the contract may further provide that bonds or other indebtedness of the joint system may exceed the term of an initial or existing contract between or among the joint system and the respective members of the joint system, and in such event the contract, or at least the payment obligations of each member, shall be automatically extended to a period commensurate with the term of the bonds or other indebtedness.

Payments by an authority under a contract for the purchase of capacity and output from a joint system may be made from the revenues derived from the ownership and operation of the water system of the authority or from such other sources of funds as may be available, including any amounts received as payments in lieu of taxes. An authority may not pledge its full faith, credit, and taxing power to secure its obligations to the joint system or the bonds of the joint system. An authority is obligated to fix, charge, and collect rents, rates, fees, and charges for water or sewer services, facilities, and commodities sold, furnished, or supplied through its water or sewer system sufficient to provide revenues adequate to meet its obligations under any contract and to pay any and all other amounts payable from or constituting a charge and lien upon the revenues, including amounts sufficient to pay the principal of and interest on general obligation bonds, if any, heretofore or hereafter issued by the authority for purposes related to its water or sewer system.

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

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

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

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| Changes: | |
| <u>Add</u> | 11 |
| Delete | 13 |
| Move From | 0 |
| <u>Move To</u> | 0 |
| <u>Table Insert</u> | 0 |
| Table Delete | 0 |
| <u>Table moves to</u> | 0 |
| Table moves from | 0 |
| Embedded Graphics (Visio, ChemDraw, Images etc.) | 0 |
| Embedded Excel | 0 |
| Format changes | 0 |
| Total Changes: | 24 |

Meeting minutes not included in this version of the report but are available at <https://ojrsa.org/wp-content/uploads/Recommendations-2025-6-15-FINAL-includes-all-meeting-minutes.pdf> or www.ojrsa.org/info. These links include access to the full report and attachments, including meeting minutes, as accepted by the OJRSA Board of Commissioners at its July 15, 2025 called meeting.

Sample resolution from Lawrence Flynn

A RESOLUTION ACKNOWLEDGING RECEIPT OF, AND EXPRESSING SUPPORT FOR, THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE AD HOC REGIONAL FEASIBILITY STUDY IMPLEMENTATION COMMITTEE; AND OTHER MATTERS RELATED THERETO.

NOW THEREFORE, be it resolved by the City Council of the City of Westminster (the “**City Council**”), the governing body of the City of Westminster, South Carolina (the “**City**”), as follows:

Section 1 Findings. The City Council make the following findings in connection with the adoption of this resolution (this “**Resolution**”):

A. The City is a municipal corporation of the State of South Carolina (the “**State**”) located in Oconee County, South Carolina, and as such possesses all general powers granted by the Constitution and statutes of the State to such public entities.

B. The City is a member of Oconee Joint Regional Sewer Authority (“**OJRSA**”), a joint authority sewer system organized under Title 6, Chapter 25 of the Code of Laws of South Carolina 1976, as amended (the “**Act**”), created in 2007 by its three member-municipalities: the City of Seneca, South Carolina (“**Seneca**”), the City of Walhalla, South Carolina (“**Walhalla**”), and the City (collectively, the “**Members**”).

C. OJRSA commissioned the Regional Feasibility Planning Study (“**Planning Study**”), which was completed in August 2024 and formally adopted by the Board of Commissioners, as the governing body of OJRSA (“**Board**”) in September 2024.

D. The Planning Study recommended the formation of an Ad Hoc Regional Feasibility Study Implementation Committee (“**Ad Hoc Committee**”) to further evaluate and develop implementation strategies to restructure OJRSA.

E. The Board established the Ad Hoc Committee in November 2024, who convened regularly from December 2024 through June 2025 to conduct a comprehensive review of the Planning Study and develop independent recommendations for implementation.

F. The City’s representative, Mr. Scott Parris, served as a member of the Ad Hoc Committee throughout its deliberations.

G. On June 16, 2025, the Ad Hoc Committee issued a final report entitled “OJRSA Reorganization Recommendations” that includes five major recommendations for the reorganization and reconstitution of OJRSA under the Act (the “**Recommendation Report**”).

H. The recommendations are intended to address longstanding operational, governance, regulatory, and financial challenges facing OJRSA and the Members, and to provide for a coordinated, compliant, and sustainable regional wastewater system to serve the current and future needs of Oconee County and its municipalities.

I. The City Council has received and reviewed the Recommendation Report, including the proposed implementation timeline, and recognizes the importance of working cooperatively and in good faith with OJRSA, Seneca, Walhalla, Oconee County, and other stakeholders to advance the implementation of the recommendations therein.

Section 2 Support for Implementation. The City expresses its support for the recommendations contained in the Recommendation Report and agrees to work in good faith with OJRSA, the other Members, Oconee County, and other affected entities to evaluate and, where appropriate, implement the proposed actions, including but not limited to: (i) the consolidation of Members' sewer collection systems, including the City's system, and enforced compliance of all applicable sewer user regulations; (ii) the development of a reconstituted governance structure for OJRSA, including the elimination of ex officio, principal-agent or other potentially conflicted members; (iii) the drafting of new governance documents; (iv) participation in the formation of an implementation committee to shepherd the reorganization process; and (v) the use of a coordinated communications plan to support public engagement and transparency. In addition to its confirmation and support of the major recommendations of the Recommendation Report, the City further supports and agrees that changes to the Act are needed and necessary to fully formulate the terms and findings of the Recommendation Report. Finally, the City Council will act in good faith to assure the City's compliance with the timeline for implementation of the Recommendation Report, including the engagement of all necessary consultants and other personnel necessary to formalize the planned restructuring.

Section 3 Non-Binding Intent. This Resolution expresses the City's non-binding intent to proceed in good faith with the evaluation and implementation process, with the understanding that final approvals of any restructuring or system consolidation actions will remain subject to the review and approval of City Council based on mutually agreed-upon terms and conditions.

Section 4 Further Action; Effective Date. The City Administrator is hereby directed to deliver this Resolution to OJRSA and any State regulatory agencies or entities in order to evidence the City's initial approval of the Recommendation Report. This Resolution shall become effective immediately upon its adoption.

DONE AND ADOPTED, this ____th day of _____ 2025.

CITY OF WESTMINSTER, SOUTH CAROLINA

Mayor

(SEAL)

ATTEST:

City Clerk



“OJRSA Reorganization Recommendations” Exhibit A Timeline

| Task | Target Schedule for Completion* | Target Date |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------|
| Current Board will dissolve the current Ad Hoc Committee and establish the Implementation Committee (“Reconstitution Committee”) for further implementation oversight. | 45 days | 8/29/2025 |
| Legislative revisions to the Joint Authority Water and Sewer Systems Act (“Act”) will be finalized and provided to the Oconee County Delegation. Consultation shall be made with the Delegation on whether lobbyist support will be needed. | 45 days | 8/29/2025 |
| Reconstitution Committee will provide <u>quarterly updates</u> to the SCRIA, the current Board, and Oconee County on the progress of the implementation of the initial recommendations. | Quarterly | 9/30/2025 |
| Resolutions of support for consolidation/OJRSA reorganization will be provided to and adopted by each governing body affected by the recommendation, including: OJRSA, Seneca, Walhalla, Westminster, West Union, & Oconee County. | 90 days | 10/13/2025 |
| Consultants shall be engaged and the process of collection system <u>technical evaluation</u> and <u>financial valuation</u> will be initiated, including the identification of potential funding for effort and immediate rehabilitation projects that may be identified or current CIP. Additionally, a <u>rate consultant</u> will be engaged. | 120 days | 11/12/2025 |
| Communication plan to be developed under the guidance of the Reconstitution Committee and provided to all entities involved. | 120 days | 11/12/2025 |
| List of recommendations for the initial commissioners for the New Commission will be provided to Delegation. | Within 60 days of Approved Changes to Act [†] | 8/1/2026 |
| Complete the technical evaluation and financial valuation of the collection systems. | 15 months after beginning process | 2/27/2027 |
| Unified, equitable rate structure timeline will be provided as part of initial terms for collection system consolidation. | 18 months after beginning process | 5/12/2027 |
| Legal documents to transfer collection system assets to OJRSA to be executed, as well as all necessary reconstitution documents. | 24 months after beginning process | 7/15/2027 |
| If the legislative amendments have not be approved, plans for consolidation under the amended Act will be abandoned. Thereupon, the OJRSA 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. Additionally, all members shall be issued permits in compliance with the OJRSA Sewer Use Regulation and added as co-permittees under the NPDES permit, if consolidation for any member does not occur. | 25 months after beginning process | 8/16/2027 |

* As noted in Exhibit A of the “OJRSA Reorganization Recommendations,” the implementation schedule is to begin when the OJRSA Board of Commissioners accepted the report its July 15, 2025 called meeting.

[†] Estimated to be July/August 2026.

TO AMEND CERTAIN PROVISIONS OF TITLE 6, CHAPTER 25 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, TO AUTHORIZE CERTAIN CLARYIFYING AMENDMENTS REGARDING COMMISSIONERS, RECONSTITUTION, BOND APPROVAL AND DURATION.

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

SECTION 1. Section 6-25-20 shall be amended to add the following defined terms:

§ 6-25-20. Definitions.

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

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

SECTION 2. Section 6-25-50 shall be amended and restated as follows:

§ 6-25-50. ~~Agreement as to number of commissioners each member may appoint;~~ Application filed with Secretary of State; corporate certificate.

(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 or each proposed member setting forth:~~

(1) ~~the names of~~ number of 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) the a~~ a certified copy of a 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 member and~~ 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 shall be amended and restated as follows:

§ 6-25-60. Joint system to be managed and controlled by commission; appointment of commissioners; oath; records; seal; quorum; vacancies; expenses.

(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) Appointment by member. The governing body of each voting member of a joint system shall appoint one or more a 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.~~ Further, and notwithstanding the appointment requirements above, in the event there are an even number of members of a joint system (i.e. 4, 6, 8, 10), 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 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 filled for the remainder of the unexpired term in the same manner as the original appointment. If a new member of a joint system is added under the provisions hereof such that there becomes an odd number of members of a joint system, any gubernatorial appointed commissioner shall be deemed to automatically vacate his position as a commissioner as of the date of the admission of such new member of a joint system and their respective appointment of a new commissioner.

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

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

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

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

~~(C)~~ (D) A majority of the commissioners of the joint system shall constitute a quorum. A vacancy on the commission of the joint system shall not impair the right of a quorum to exercise all rights and perform all the duties of a joint system. Any action taken by the joint system under the provisions of this chapter may be authorized by resolution at any regular or special meeting held pursuant to notice in accordance with bylaws of the joint system, and each resolution shall take effect immediately and need not be published or posted. Except as is otherwise provided in this chapter or in the bylaws of the joint system, a majority of the votes which the commissioners present are entitled to cast, with a quorum present, shall be necessary and sufficient to take any action or to pass any resolution. No commissioner of a joint system shall receive any compensation solely for the performance of duties as a commissioner, but each commissioner may be paid per diem, mileage, and subsistence expenses, as provided by law for state boards, committees, and commissions, incurred while engaged in the performance of such duties.

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

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

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

SECTION 4. Section 6-25-70 shall be amended and restated as follows:**SECTION 6-25-70.** Change in membership of joint system.

(A) After the creation of a joint system, any other authority may become a member of the joint system upon:

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

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

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

(B) A member may withdraw from a joint system by resolution or ordinance of its governing body. A contractual right acquired or contractual obligation incurred by a member while it was a member remains in full force and effect after the member's withdrawal.

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

(D) If a new member of the joint system is added hereunder, the approval documentation required under subsection (A)(3) above shall determine whether any new commissioners shall be added to the commission as necessary to support such new member of the joint system. If a new commissioner is added, either by the member of the joint system or the Governor, as applicable, each such commissioner shall be appointed immediately.

SECTION 5. Section 6-25-80 shall be amended and restated as follows:**§ 6-25-80.** Dissolution of system.

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

In the discretion of the members of a joint system for the proper and efficient operation of any joint system, an existing joint system may be reconstituted by following the procedures for the creation of a new joint system, mutatis mutandis.

SECTION 6. Section 6-25-110 shall be amended and restated as follows:**§ 6-25-110.** Authorization to incur debt and issue bonds.

A joint system may incur debt for any of its purposes and may issue bonds pledging to the payment as to both principal and interest the revenues, or any portion, derived or to be derived from all or any of its projects and any additions and betterments or extensions or contributions or advances from its members or other sources of funds available to it. A joint system may not undertake a project required to be financed, in whole or in part, with the proceeds of bonds without the approval of the governing bodies of each member which is obligated or to be obligated under any contract for the payment of amounts to be pledged as security therefore and a favorable vote of two-thirds of all commissioners. Notwithstanding the foregoing, when a commission is

appointed under Section 6-25-60(B)(2), no separate approval of the governing bodies of each member shall be required for the issuance of any bonds, and such bonds shall be authorized and approved by a simple majority of the commissioners. Any project may be preauthorized, preapproved or otherwise permitted under the terms of the project contract for the joint system, and such authority, approval or permission shall constitute all necessary approval of the respective governing bodies of each member herein. A joint system formed only for the purpose of creating a financing pool may issue notes in anticipation of the issuance of bonds by its members to the government.

SECTION 7. Section 6-25-128 shall be amended and restated as follows:

§ 6-25-128. Contracts between authority and joint system; duration.

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

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

Payments by an authority under a contract for the purchase of capacity and output from a joint system may be made from the revenues derived from the ownership and operation of the water system of the authority or from such other sources of funds as may be available, including any amounts received as payments in lieu of taxes. An authority may not pledge its full faith, credit, and taxing power to secure its obligations to the joint system or the bonds of the joint system. An authority is obligated to fix, charge, and collect rents, rates, fees, and charges for water or sewer services, facilities, and commodities sold, furnished, or supplied through its water or sewer system sufficient to provide revenues adequate to meet its obligations under any contract and to pay any

and all other amounts payable from or constituting a charge and lien upon the revenues, including amounts sufficient to pay the principal of and interest on general obligation bonds, if any, heretofore or hereafter issued by the authority for purposes related to its water or sewer system.

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

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

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