OJRSA

Oconee Joint Regional Sewer Authority
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OCONEE JOINT REGIONAL SEWER AUTHORITY

Ad-Hoc Reconstitution Committee and Executive Committee
May 14, 2026

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

Commissioners/Committee Members that were present:

- Kevin Bronson (City of Westminster) – Committee Chair
- Chris Eleazer (Oconee Joint Regional Sewer Authority)
- Lawrence Flynn (Pope Flynn - OJRSA Attorney) – *via Microsoft Teams*
- Glenn Hart, Oconee County Councilman
- Joel Jones (Consultant, JonesWater)
- Scott Moulder (City of Seneca)
- Celia Myers (City of Walhalla *(arrived 9:06 a.m.)*

Committee Members that were not present:

- Katherine Amidon (Environmental Planner, Bolton & Menk)
- Angie Mettlen, (Vice President, Ardurra)
- Chip Bentley (Appalachian Council of Gov'ts.)

OJRSA appointments and staff present were:

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

Others present were:

- Will Kerr, Raftelis
- Barrett Funderburk, Raftelis
- Charles "Chazzo" Habliston, First Tryon Advisors
- Caleb Gilbert, The Journal
- Tony Adams, Oconee Co. Citizen

A. Call to Order – Mr. Bronson called the meeting to order at 9:02 a.m.

B. Approval of Minutes

1. **Ad Hoc Reconstitution Committee and Executive Committee Meeting of April 9, 2026**
Mr. Moulder made a motion, seconded by Mr. Eleazer, to approve the April 9, 2026 meeting minutes as presented. The motion carried.

C. Committee Discussion and Action Items

1. **Receive Quarterly Progress Report No. 3 as Submitted to South Carolina Rural Infrastructure Authority (RIA), OJRSA Board, and Oconee County (Exhibit A) –** Mr. Eleazer stated that the report was submitted to the RIA, and copies sent to the board commissioners and Oconee County. It was included in the board meeting minutes. It is presented to this committee for information only *(made a part of these minutes)*.

2. **Update on South Carolina Senate Bill 829 (Joint System Governance) –** Mr. Flynn stated that the bill was sitting in conference committee at the House Ways and Means but was presented for First Reading last week, Second Reading on Tuesday, and then Third Reading yesterday. Mr. Flynn stated it should be on the Governor's desk for approval, and there should not be any reason to veto it. If all goes as he expects, the bill should be finalized and completed by mid-next week (in approximately 5 business days). Mr. Flynn added that everyone should thank Senator Alexander for getting this past the finish line. Mr. Bronson thanked Mr. Flynn for all his work on the bill as well.
3. **Communication with Elected Officials and Leadership: Feedback and Future Memo Requests –** In Ms. Mettlen's absence, Mr. Jones filled the committee in for this discussion item. He stated that the facilitators met with most everyone but still has not yet met with Oconee County. They expect to meet with Oconee County soon.

   Mr. Jones said the facilitators have learned a lot and know enough right now to keep the process moving. He said this will be an ongoing process, and there will be another round of meetings in a couple months after receiving some more information from the studies.

   Mr. Jones stated that Memorandum #3 (pertaining to growth) was sent out. There weren't a lot of comments back and asked if anyone had any. Mr. Moulder replied he hadn't received any comments from his side.

   Mr. Jones stated that Memorandum #4 (regarding the proposed schedule and where this process stands) was sent out; this also didn't have many comments. Mr. Jones stated this memo will need revisiting after the committee receives the information from the studies.

   Mr. Jones mentioned the bill passage triggers a sixty (60)-day window to provide a list of potential board members to the delegates. He said this schedule will most likely need to change, as there is no agreement on what the representation will look like and who will be involved at this time. He asked everyone to start thinking about this. Mr. Moulder asked if Ms. Amidon and Ms. Mettlen will have a recommended structure on how this looks based on the meetings with the entities. Mr. Jones replied there is a draft recommended structure right now, but the feedback was that it may not be what everyone wants.

   Mr. Jones stated the next committee meeting will be in August and said the schedule will be revised at that time as it would be premature to do it now without the information from the studies. Mr. Bronson asked if the facilitators could provide the committee with a revised schedule to look at for the meeting; Mr. Jones said they will provide one that can be reviewed and modified. He also stated that the next memo might be the proposed steps forward.
4. **Introduction of Teams and Financial Studies Process Overview/Discussion –** Mr. Bronson asked the team to introduce themselves. Mr. Kerr introduced himself as the Senior Manager of Raftelis and the Project Manager for this study. He stated that Raftelis performs utility rates and finance focused in the southeast. He added that Ms. Melissa Levin is the Vice President of Raftelis and the Project Director for this study. She had a scheduling conflict for today's meeting but will attend the next one and looks forward to working with this committee. Mr. Funderburk stated he deals with the data for water and sewer utilities for Raftelis.

   Mr. Habliston stated that First Tryon is an advisory firm for the utilities and local government perspective. They assist with capital planning to fund capital projects and help with debt issuance to ensure all protocols are followed and the best deal is made. He stated that First Tryon will work in parallel with Raftelis.

   Mr. Kerr stated he wanted to make sure the team understands what the committee wants to get out of the project, and then he and Mr. Habliston gave a presentation to the committee *(made a part of these minutes)*.

   Mr. Kerr stated that he understands there was a 2024 regional feasibility study which laid out "why" a regional option should be explored, in which the answer is that the system isn't working as well as it was originally hoped. This brought up another question of "how"; how would something like this work, and how will it work financially? The study should try to answer these questions, determine a path forward with the potential consolidation of the collection systems with the OJRSA, and to see if it makes financial sense. There is also a rate component to the study to identify a unified structure of rates for a consolidated system and how it impacts customers.

Mr. Kerr asked if this is what the committee expects to get out of the study. Mr. Moulder said yes; Mr. Bronson said it was covered well with the bullet items presented. Mr. Jones added that there needs to be a clear distinction when you compare consolidated rates with what you have now versus what you need in the future, because the cost will not get cheaper. The rest of the committee was good with it.

The roles for Raftelis and First Tryon were presented. A financial plan will be developed first with revenue requirements (operating expenses, debt, and capital projects). Then accounts and usage will be determined (how many customers, how much sewer they are using), so future rates can be calculated that will cover all future capital needs. This is important to paint the picture of how things need to move forward.

Mr. Bronson said Raftelis did a great job for the City of Westminster in projecting growth and asked if that would be a part of this study for the OJRSA. Mr. Bronson added that growth is a pressure point on the plant, and it should be determined when that pressure point hits the trigger for the OJRSA where a plant upgrade needs to be designed. Mr. Bronson said that Mr. Eleazer has heat maps showing the projected future growth in the area that can be reviewed. Mr. Kerr replied that if you have capacity for growth in the system growth is great, but when you're getting close to the end of capacity to serve the growth, there is a problem due to more demand than supply.

Mr. Kerr said this raises an engineering question: At what point do we have to plan out an expansion of the facilities, and how much will it cost? Raftelis cannot do this, but it can be factored into the revenue forecast and set up high-growth and low-growth scenarios in the capital plan which would move capital projects back and forth.

Mr. Moulder added that Ms. Mettlen, Ms. Amidon, and Mr. Jones are collecting the data and will speak with the financial team and say this is where OJRSA will be in the future on a certain date at an expansion standpoint.

Mr. Eleazer said a third-party consultant a presentation at the board meeting last week regarding expansion costs. They identified close to $30 per gallon to expand the facility with another 25% on top for the system expansion to accommodate growth. He will send this to Raftelis and First Tryon. He added that another assessor sent him a draft document stating that wastewater treatment has gone up 9% since last year.

Mr. Bronson asked how many years the financial planning model will go out. Mr. Kerr said they use an Excel document and build it way out to project 10, 20, or more years. Mr. Kerr added that he didn't recommend making decisions on anything outside of a three (3)- or five (5)-year window, but the longer ranges can be projected.

Mr. Kerr asked what the ideal horizon is that this committee wants to do. Mr. Moulder said that would be driven based on the date the expansion is anticipated; he added a costly expansion may occur in seven (7) years, so he wants to, at minimum, look far enough along now for when that expansion happens. Mr. Bronson said he agreed with Mr. Moulder and didn't think the study had to look beyond twenty (20) years.

Mr. Eleazer said he has the "checkbook" (a flow allocation of the treatment plant according to the state) and will provide Raftelis with a timeline that would give an estimate of when the OJRSA will hit the 80% mark. The OJRSA is currently about 1.3 million gallons away from the 80% mark. He said he can also provide an average of what has been permitted per year.

Mr. Moulder said that will be an inevitable expense, and this committee wants to make decisions today to prepare for that expense.

Mr. Bronson said Mr. Jamie Gilbert at Oconee Economic Alliance (OEA) has data that could be used to help determine growth, and the consulting team may also provide this data. Mr. Bronson said Mr. Gilbert does the industrial recruitment, has good land to put these facilities on, and there could be a half-million-gallon customer overnight. He added that Mr. Gilbert has said publicly to expect some announcements this summer.

Mr. Bronson stated there are two (2) components to look at: 1) the potential for industrial growth (which Oconee County has provided lots of money for the infrastructure to be put in), and 2) the cities have more residential growth and small commercial facilities. Mr. Bronson also stated, at one point, the OEA was looking at large wastewater consumers that would've brought the OJRSA to that 80% mark quickly and asked, as Raftelis works through this with the consulting team and Mr. Eleazer, to factor this in. Mr. Kerr said this is the exact information Raftelis is wanting to learn.

Mr. Kerr said he wants to make sure the committee understands that Raftelis' role is looking at the financial planning side from a consolidated basis. They may need to go look at each sewer system individually and try to isolate the costs associated with each system; however, this is not five (5) rates studies but rather a regional study.

Mr. Bronson replied that one of the previous presentation slides said Raftelis will determine what the current rate is versus a consolidated rate accounting for what Mr. Jones said earlier. He said that amongst the cities, there might be artificially low rates right now, as some of their maintenance items were deferred, but what will rates be when these maintenance items are no longer deferred? He also added that some of the cities, and the OJRSA, used SCIIP funds for recent sewer projects. He said there was an infusion of capital that was an anomaly, so there will be capital expenditures from the past twenty-four (24) months that will end in June.

Mr. Eleazer added that the OJRSA charges a separate volumetric rate for residential and non-residential users. Using the study that was specific to OJRSA for treatment costs, it was identified that it costs $6.44 per thousand gallons to treat waste, and the current residential rate is less than $6.00 per gallon. The OJRSA is making it up on the non-residential users to balance it out.

Mr. Eleazer said the OJRSA has two (2) separate systems: 1) the wholesale side, that serves the cities, which has a uniform base rate of $10.00 per residential and $15 per non-residential plus volumetric cost, and 2) the retail side, down near the interstate, which has a uniform rate but has separate base rates depending on meter size.

Mr. Eleazer also spoke about the OJRSA being under a Consent Order and how the budgeting process has been focused on getting out from under this order and not growth focused.

Mr. Bronson asked, in terms of going to bond market, if the OJRSA is under a Consent Order, if that would affect the bond rating and/or the terms. Mr. Habliston replied that it could; however, it sounds like the OJRSA is addressing the order and trying to get out from under it. Mr. Habliston said it would be a consideration from the bank perspective and the investors buying bonds, but he didn't think it would be prohibitive for the OJRSA to enter the capital markets or a drag on the rating.

Mr. Moulder added that, in his experience, satisfactory compliance with the regulatory agency is a strong factor; as long as in satisfactory compliance and show progress, it is okay.

Mr. Bronson said with this becoming a new Authority, how will that would affect the terms, as they will not have money and will need debt for plant expansion. Mr. Habliston said MetroConnects took a two (2)-step consolidation approach with two (2) special purpose districts in the first year and two (2) more the following year. It was done as simple as possible from a financial perspective, and eventually MetroConnects entered the public markets. There won't be a two-step process here. The OJRSA may start with a bank approach, and after a year or two, can go to public markets. The OJRSA can also go the SRF route.

Mr. Flynn reminded the committee that the SRF said they would not loan money to the current Authority; however, they had actively promoted the consolidation, so they would probably be favorable to loaning to the new Authority. Mr. Eleazer added that when he spoke with Ms. Trish Comp years ago, she said they were unwilling to loan money to the OJRSA as the board had not shown a willingness to increase rates at that time, and there hadn't been any increases since 2013; however, there have since been a few increases. Mr. Flynn stated that he felt the OJRSA could ask for some state money as well.

There was further discussion about the data that Raftelis still needs from the Member Cities and the OJRSA. Mr. Kerr said that there may be questions coming and more data requested. Mr. Eleazer asked what Raftelis needed from Oconee County. Mr. Kerr said a lot of the information isn't required from the county. Mr. Eleazer added that some of the information about Oconee County was included in the OJRSA data.

5. **Future Meeting Scheduling –** Mr. Jones stated that the next committee meeting will be held on Thursday, August 13, 2026 at 9:00 a.m. All committee members were good with that date.

D. Committee Member Discussion – None.

E. Adjourn – The meeting was adjourned at 10:13 a.m.

Upcoming Meetings

1. **Operations & Planning Committee –** Thursday, May 21, 2026 at 8:30 a.m.
2. **Finance & Administration Committee –** Tuesday, May 26, 2026 at 9:00 a.m.
3. **Board of Commissioners –** Monday, June 1, 2026 at 4:00 p.m.
4. **Reconstitution Committee & Executive Committee –** Thursday, August 13, 2026 at 9:00 a.m. *(A called meeting will be scheduled, if necessary.)*

Approved By: [signature] Date Approved: 8/13/26

Kevin Bronson
Committee Chair

Approved By: [signature]

Lynn M. Stephens
OJRSA Secretary/Treasurer

Notification of the meeting was distributed on April 10, 2026 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, SCDES, 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
May 14, 2026 at 9:00 AM

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

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

Agenda

A. Call to Order – Kevin Bronson, Committee Chair

B. Approval of Minutes

- Ad Hoc Reconstitution Committee and Executive Committee Meeting of April 9, 2026

C. Committee Discussion and Action Items

1. Receive Quarterly Progress Report No. 3 as submitted to South Carolina Rural Infrastructure Authority, OJRSA Board, and Oconee County (Exhibit A) – Chris Eleazer, Committee Member
2. Update on South Carolina Senate Bill 829 (Joint System Governance) – Lawrence Flynn, OJRSA Counsel
3. Communication with elected officials and leadership: feedback and future memo requests – Angie Mettlen, Facilitator
4. Introduction of teams and financial studies process overview/discussion – Melissa Levin/Will Kerr, Raftelis and David Cheatwood/Charles Habliston, First Tryon Advisors
5. Future meeting scheduling – Angie Mettlen and Joel Jones, Facilitators

D. Committee Member Discussion – Led by Kevin Bronson, Committee Chair
Discussion can be related to matters addressed in this meeting or for future consideration by the Board or Committee. Voting is not permitted during this session.

E. Adjourn

Upcoming Meetings

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

- Operations & Planning Committee – May 21, 2026 at 8:30 AM
- Finance & Administration Committee – May 26, 2026 at 9:00 AM
- Board of Commissioners – June 1, 2026 at 4:00 PM
- Reconstitution Committee and Executive Committee – August 13, 2026 at 9:00 AM *Per discussion on April 9, 2026, the next committee meeting will be August 13, 2026 at 9:00 AM; however, a called meeting will be scheduled if necessary.*

OJRSA

Ad-hoc Reconstitution **Meeting Sign-in Sheet**

Date: 5/14/26 **Time:** 9am **Location:** WWTP Board Room

NAME (Print)	POSITION/TITLE	ORGANIZATION
Joel Jones	Consultant	JonesWater
[illegible]		
Glenn Hart	Oconee	Oconee
TONY ADAMS	CITIZEN	
WILL KERR	RAFTELIS	CONSULTANT
BARRETT FUNDERBURK	CONSULTANT	RAFTELIS
Chuzzo Hablston	Consultant	First Tryon Advisors
SCOTT MOULDER	BOARD	SENECA
Caleb Gilbert	Journalist	The Journal
Celia Myers	Admin	Walhalla

Quarterly Progress Report: OJRSA Regional Feasibility and Reconstitution
Report No. 3
April 10, 2026

Submittal Statement

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

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

Lynn M. Stephens
OJRSA Secretary/Treasurer

Quarterly Progress Report: OJRSA Regional Feasibility and Reconstitution
Report No. 3
April 10, 2026

Background

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

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

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

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

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

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

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

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[1] RIA Grant Number RGRG-23-5006
[2] *Regional Feasibility Planning Study 2024* by W.K. Dickson, Bolton & Menk, and Willdan Financial Services. (www.ojrsa.org/info)
[3] This committee was identified in the recommendations as the "Implementation Committee"
[4] Target dates are included for each based on date the recommendations were accepted by the Board

establish the Reconstitution Committee for further implementation oversight.

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

Summary of Current Actions

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

Committee Members

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

- Appalachian Council of Governments – Chip Bentley
- Oconee County – Glenn Hart
- OJRSA – Chris Eleazer
- OJRSA Legal Counsel – Lawrence Flynn
- Seneca – Scott Moulder[5]
- Walhalla – Celia Myers[5]
- Westminster – Kevin Bronson[5]

[5] Also a member of OJRSA Executive Committee

- Facilitator[6] – Katherine Amidon
- Facilitator[6] – Joel Jones
- Facilitator[6] – Angie Mettlen

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

Committee Meetings

The following events and meetings occurred during the reporting period:

- January 8, 2026 – *Meeting cancelled*
- February 12, 2026 – Ad Hoc Reconstitution Committee and OJRSA Executive Committee meeting
- March 12, 2026 – Ad Hoc Reconstitution Committee and OJRSA Executive Committee meeting

Recommendation Item 1: Dissolve Feasibility Committee and Create New Committee

Target Date: August 29, 2025

Status: Complete

See Report No. 1 for information.

Recommendation Item 2: Submit Quarterly Report

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

Status: Report #3 complete

This quarterly report has been prepared and submitted in accordance with Recommendation Item 2. Best efforts will be made to submit quarterly reports to RIA within two (2) weeks of the conclusion of each calendar quarter[7] until the conclusion of this program.

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

Target Date: August 29, 2025

Status: Target date of submittal In Progress

Senate Bill 829 was introduced by Senator Thomas Alexander on January 20, 2026, and was referred to the Senate Committee on the Judiciary that same day. The committee adopted the amendment on March 17, and it received unanimous approval (40-0) on third reading by the Senate on March 19. The proposed legislation was then referred to the House Committee on the Judiciary on March 24.

Although out of the control of the OJRSA, the organization believes it is in a good position to see the pill passed into law before *Sine Die* on May 14, 2026.

Recommendation Item 4: Adoption of Resolutions of Support

Target Date: October 13, 2025

Status: Complete

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

- Seneca – August 26, 2025
- OJRSA – September 8, 2025
- Westminster – September 9, 2025
- Walhalla – September 16, 2025
- West Union – December 9, 2025
- Oconee County – March 3, 2026

[6] Facilitators are nonvoting members
[7] The end of March, June, September, and December of each year

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

Target Date: November 12, 2025

Status: In process

The Committee was presented with proposals from Raftelis Financial Consultants and First Tryon Advisors on February 12, 2026. After review, the body unanimously approved recommending to the OJRSA Board of Commissioners that they execute agreements with both financial firms to conduct the following (summarized):

- Phase 1: Raftelis Financial Consultants
  - Gather and analyze current financial information for the OJRSA and member entities (OJRSA, Oconee County, City of Seneca, City of Walhalla, City of Westminster, and Town of West Union), hereafter referred to as "Member Entities."
  - Project revenue requirements needed for operation and maintenance costs, capital costs (to include debt service payments and cash-financed capital), and reserve requirements for the consolidated system to include the Member Entities.
  - Examine billing records to determine customer demand for wastewater service and forecast billable units for next five-to-ten years.
  - Determine a retail rate for a combined sewer system for each year of the forecast period.
  - Develop a model for revenue requirements and perform operational and capital financial planning.
- Phase 2: First Tryon Advisors
  - Analyze the existing financial condition, credit profile, and debt portfolio of the OJRSA, and
  - Build a comprehensive financial planning model to assist in evaluating and establishing the consolidated system's debt capacity for various capital projects.

Phase 1 of the project is projected to be completed by September 2026. The second phase does not yet have a projected completion date, as this phase is predicated on information from Phase 1 and an ultimate determination that consolidation is feasible and what entities remain open to it.

The OJRSA Board unanimously approved the execution of both proposals on March 2, 2026. All entities except the Town of West Union are contributing financially to cover the cost of these studies based on an agreed upon formula.

Recommendation Item 6: Develop Communications Plan

Target Date: November 12, 2025

Status: Ongoing

The following Reconstitution Progress Communication Memorandums were disseminated to the councils and leadership of the Member Cities, Oconee County, Town of West Union, and key stakeholders:

- January 19, 2026 – Memo #2 summarized frequently asked stakeholder questions and responses from the Committee.
- Memo #3 and #4 are being prepared for review by the Committee.

Recommendation Item 7: Consider Initial Commissioners for New Authority

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

Status: Contingent on legislative approval

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

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

Target Date: February 27, 2027

Status: Study underway

As noted in Recommendation Item 5, this study is underway.

Recommendation Item 9: Develop Unified, Equitable Rate Structure

Target Date: May 12, 2027

Status: Not started

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

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

Target Date: July 15, 2027

Status: Not started

This task will begin much later in the process.

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

Target Date: August 16, 2027

Status: Not applicable at this time

This contingency item will only apply if legislative amendments are not approved or if the Reconstitution Committee cannot reach consensus. That said, there are some questions from some of the entities regarding the proposed Board appointment process and voting allocations with the reduced number of members. The facilitators recognize that these issues are ones that could derail the process. As such, they are working to clarify the process/voting allocations and address other concerns from the entities as they arise to keep this effort moving forward. The importance of transparent and open communication has been conveyed to the committee as the facilitators feel this to be a key factor in successfully completing the reconstitution of the authority.

Past Actions

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

AD HOC RECONSTITUTION COMMITTEE

Reconstitution Process Communication Memorandum #3

Date: April 17, 2026

To: Member Councils and leadership, Oconee County Council and leadership, West Union Council and leadership, and key stakeholders

From: Ad Hoc Reconstitution Committee

Purpose:

The goal of memo #3 is to summarize at a high level the process for which growth can occur within Oconee County. Questions regarding land use control and wastewater expansion led to the request for this topic.

Background:

Growth management generally is influenced significantly by the interaction of two distinct but interconnected forces: utility-driven expansion (of which wastewater is a part) and local government land use authority. While wastewater infrastructure can influence where development is viable, the primary and most direct control with respect to growth lies with municipalities and counties through legally established land use powers.

Utility Wastewater Expansion and Growth

Wastewater expansion plays an indirect role in shaping development patterns. Areas where wastewater infrastructure already exists, or where capacity can be reasonably extended, often become more attractive for growth, as centralized wastewater service typically lowers development costs and increases allowable densities. However, utility operations are a business and providers do not proactively extend services unless there is a demonstrated demand to justify the investment. In most cases within Oconee County in recent history developers have made the financial investment required for expansion or upgrades and not OJRSA or its members. In some cases significant grant money has been used.

Expanding wastewater service to meet demand without a clear, documented plan for where wastewater should be extended can lead to inefficient use of ratepayer and/or taxpayer funds, as utilities seek to balance service demands with financial stewardship. Therefore, wastewater availability often responds to growth rather than directly driving it.

Who else participates in the growth conversation?

South Carolina Department of Environmental Services: This state agency approves new septic systems and full replacements after confirming with the local utility, in this case OJRSA, that public services are not available.

Municipalities/Counties: Entities with land use jurisdiction can deploy a variety of growth control measures to help guide future development. A summary of many of these tools are provided at the end of this document. These entities can (and often) impose impact fees so that new users are not subsidized by current customers.

Planning Commissions: These governmental bodies are comprised of municipal or county stakeholders that typically serve as a recommending body to city, town, or county councils about land use policies and development agreements.

Developers: These groups seek out opportunities to acquire land, secure permits and financing, and oversee construction of various types of projects from single family residential to industrial development.

Oconee Economic Alliance: This non-profit entity is focused on recruitment and retention of industrial business within Oconee County.

Municipalities/Counties and Growth
South Carolina municipalities and counties possess direct legal authority to shape, manage, and control growth. These powers are granted primarily through the South Carolina Local Government Comprehensive Planning Enabling Act of 1994 (Title 6, Chapter 29 of the South Carolina Code of Laws):
https://www.scstatehouse.gov/code/t06c029.php

This framework provides the legal basis for local governments to:

- Protect public health, safety, and welfare;
- Direct how, where, and when development occurs;
- Coordinate infrastructure improvement;
- Guide private investment through long-term community visioning; and
- Protect sensitive natural and cultural resources.

Comprehensive Planning
Local governments must maintain a comprehensive plan, updated at least every ten years, reflecting long-term community goals. These plans are forward-looking documents developed with opportunities for public participation. Required plan elements include:

- Population
- Housing
- Economic development
- Community facilities
- Natural and cultural resources
- Land use
- Transportation
- Priority investment
- Resilience

While the comprehensive plan establishes the vision and policy direction, it is not enforceable by itself. Instead, it serves as the foundation for all legally binding land use regulations.

Regulatory Tools for Managing Growth

Municipalities and counties have a variety of statutory tools available to implement their comprehensive plans and manage growth. These tools—each chosen based on a jurisdiction's goals, context, and community character—include but are not limited to:

- **Zoning ordinances**
  Zoning divides land into districts and regulates allowable uses, density, and development intensity. It is the primary regulatory tool for guiding where and how growth occurs. A map compliments the ordinance so that each parcel within the municipality's or county's jurisdiction has an associated zoning code, or it is unzoned, meaning there are no restrictions to that parcel. Districts may include designations for single family homes, agricultural protection, industrial land use, parks and open space, etc.
- **Overlay and special zoning districts**
  Overlay districts place standards in specific geographic areas in addition to or a relaxation of the based zoning standards. Examples could be within floodplains, historic districts, or environmentally sensitive areas, allowing targeted growth management without changing the base zoning.
- **Conditional use and performance zoning**
  Conditional uses are additional standards that place limitations on an allowed use within a zoning district.
- **Performance Zoning**
  This type of zoning specifies minimum requirements or maximum limits on an area to allow more flexibility for developers while maintaining compatibility with surrounding development.
- **Floating Zone**
  This type of zoning is described within the zoning ordinance as an option but is not being used within the zoning base map. It specifies minimum requirements or maximum limits on an area to allow more flexibility for developers while maintaining compatibility with surrounding development.
- **Planned Development Districts**
  Planned Development Districts (PDDs) allow flexible and creative design for mixed-use development which often allows for a blend of residential, commercial, and open spaces. The parcels involved can be highly customized based on the project by the developer and must be approved by the local jurisdiction.

- **Land Development Regulations**
  Land Development Regulations govern aspects of land use such as subdivision design, stormwater, infrastructure, environmental protection, and site development.
- **Development Impact Fees**
  These are one-time charges on new developments used to fund infrastructure necessitated by growth and can be used as a tool to encourage development to pay a proportional share of public facility costs. Different rules apply for implementing general governmental development impact fees versus utility-based impact fees.
- **Development Agreements**
  These are voluntary contracts that provide stability for long-term projects and protection from regulatory changes while the project is underway. Terms are dictated by the size of upland acreage.
- **Capital Improvements and Utility Extension Policies**
  Capital improvement planning and utility extension policies coordinate infrastructure investment with growth and can effectively direct the timing and location of development.
- **Urban Growth Boundaries**
  Boundaries within which local governments provide public facilities like wastewater and water infrastructure as a way to direct growth.
- **Annexation, and Intergovernmental Coordination**
  Annexation authority and planning coordination agreements allow municipalities to manage growth at the urban edge and guide development beyond municipal boundaries. Intergovernmental coordination is important at the boundary where the city and town meets the unincorporated areas.

Summary

Growth in Oconee County is shaped by the actions of utilities, local governments, and development stakeholders. While wastewater expansion can influence where development becomes feasible, it remains an indirect driver—utilities extend or upgrade service only when justified by a specific project or community need, ensuring responsible stewardship of ratepayer and/or taxpayer funds. In contrast, South Carolina municipalities and counties hold the primary, direct authority on growth management through the comprehensive planning process and the suite of regulatory tools derived from state law. When used effectively, comprehensive plans, zoning ordinances, land development regulations, capital improvement strategies, and funding mechanisms, such as impact fees, allow local governments to guide growth deliberately, protect community character, and align public investment with long-term goals.

The tools outlined in this document underscore that growth management is most successful when wastewater infrastructure planning and land use policy are aligned and mutually reinforced. Regular review of comprehensive plans and land use regulations ensures they continue to reflect evolving community priorities, while thoughtful coordination between utilities and local jurisdictions ensures that infrastructure capacity supports—not dictates—future growth patterns. By working collaboratively and deploying these tools strategically, Oconee County and its municipalities can balance economic development, environmental stewardship, and the long-term vision articulated by their communities.

AD HOC RECONSTITUTION COMMITTEE

Reconstitution Process Communication Memorandum #4

Date: April 22, 2026

To: Member Councils and leadership, Oconee County Council and leadership, West Union Council and leadership, and key stakeholders

From: Ad Hoc Reconstitution Committee

Purpose:

The goal of memo #4 is to provide a brief summary regarding the current status of the project, an update to the project timeline, and a list of potential future memos. The project status is intended to provide elected officials and staff with a summary response when questions arise regarding the progress being made. These items were requested by the ad hoc reconstitution committee to be updated and included at the end of future communication memos.

Project Status Summary:

The ad hoc reconstitution committee has continued to meet on a regular basis, and the facilitation team has completed one-on-ones with the following parties: Appalachian Council of Governments, OJRSA, Seneca, Walhalla, West Union, and Westminster. The facilitation team is supposed to meet with Oconee County later in April for their one-on-one meeting. Raftelis and First Tryon have been hired to complete financial studies, which will help answer many remaining questions regarding the value of each system and consolidation. These studies will continue through the summer.

Current Implementation Timeline:

**Note that this is subject to change as the project evolves and will be updated with subsequent communication memos.*

The following bullets were the original target schedule associated with completion of the initial recommendations from the feasibility study as proposed on June 16, 2025.

- **Within 45 days**, the current Board will dissolve the current Ad Hoc Committee and establish the Implementation Committee for further implementation oversight. *Complete – The implementation ad hoc 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. This committee can make nonbinding recommendations. The report is available at www.ojrsa.org/info.*

- **On a quarterly basis**, the Implementation Committee will provide an update to the SC Rural Infrastructure Authority (SCRIA), the current Board and Oconee County on the progress of the implementation of these initial recommendations.
  In-progress. Three reports have been provided by OJRSA to SCRIA so far including October 2025, January 2026, and April 2026.

- **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.
  Revisions complete and submitted.

- **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.
  Complete as of March 3, 2026 for all listed parties.

- **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.
  Complete. First Tryon and Raftelis are engaged and are beginning work. The Raftelis study is expected to be completed by September 2026. Some portions of the First Tryon study will run concurrently with the Raftelis study; however, their final work will be dependent on whether consolidation will move forward. ***<u>The completion of the Raftelis study is considered a major milestone in determining if system consolidation will occur and all parties will need to indicate their agreement to continue to move forward.</u>***

  Below are the expected outcomes of these studies:

  - *Strategic Financial Roadmap: Clear understanding of debt capacity, affordability, and long-term capital planning.*
  - *Decision Support: Data-driven insights to guide prioritization of projects and justify potential mergers/consolidations into OJRSA.*
  - *Enhanced Governance: Transparent communication tools for councils, boards, committees, and stakeholders.*
  - *Clear Understanding of Financial Needs: Insight into revenue requirements for both individual subdistricts and a consolidated system.*
  - *Equitable and Sustainable Rate Structure: Rates aligned with industry best practices, financial objectives, and capital needs.*

- *Customer Impact Transparency: Analysis of how proposed changes affect affordability and fairness.*
- *Decision Support Tool: A robust model to guide future rate adjustments and capital planning.*
- *Strategic Recommendations: Guidance on policy considerations, economies of scale, and long-term financial sustainability.*

- **Within 120 days,** a Communications Plan will be developed under the guidance of the Implementation Committee and provided to all entities involved.
  Complete. During the December 11, 2025, ad hoc reconstitution committee meeting, it was determined that a series of communication memos be developed based on questions received. These memos are to be sent to OJRSA Member Councils and leadership, Oconee County Council and leadership, West Union Council and leadership, and key stakeholders.

- **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.
  Act adoption is in progress. S.829, the Joint System Governance bill, was unanimously approved by the Senate and sent to the House. The bill currently resides in the House Committee on Judiciary. No action has occurred since March 24, 2026.
  https://www.scstatehouse.gov/sess126_2025-2026/bills/829.htm

- **Within 15 months,** after consultant engagement the evaluation and valuation of collection systems will be completed.
  In-progress. Completion anticipated late summer/early fall 2026.

- **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.
  Not yet initiated, pending results from Raftelis study and agreement for all parties to move forward with consolidation. If there is agreement, the remainder of the work by First Tryon will be completed and the schedule for this will be provided.

- **Within 24 months**, legal documents to transfer collection system assets to the Authority will be executed, as well as all necessary reconstitution documents.
  Not yet initiated, pending results from Raftelis and First Tryon studies and board approved reconstitution process.

- **Within 25 months**, if the legislative amendments have not been approved, plans for consolidation under the amended Act will be abandoned. Thereupon, the Authority will proceed to consolidate the member system and implement the reconstitution under the existing Act, with such process to be finalized by no later than **36 months**. 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. *Not yet initiated, pending results from Raftelis and First Tryon studies and legislative decision. If the legislation passes but there is no agreement around consolidation after the completion of the Raftelis study, the overall schedule will be updated for the completion of the reconstitution of the Authority.*

Future Potential Communication Memo Topics:

1) **Order of Operations/Responsible Party:** What happens when ___Fill in the blank____. This may yield multiple memos, and timing will be based on decisions that have yet to be made. Here are some examples:
    a. Sewer backs up? Who's fixing it?
    b. Determining Rates? Who has a say?
    c. Who is responsible for billing?
2) **Rate Memo:** Standalone memo about rates that could also be formatted for public consumption to explain how we got here with rates and what the new rates reflect.
3) **Wholesale Agreement:** Explain what a wholesale agreement is and what the implications of being a wholesale customer would be.

Oconee Joint Regional Sewer Authority

Regional System Rate Study Kickoff

May 14, 2026

RAFTELIS

Agenda

1. Introduction & Overview
2. Current Project Understanding
3. Study Process
4. Milestones & Timeline
5. Data Requests
6. Q&A

Project Team - Introductions

Melissa Levin
Executive Vice President

Will Kerr
Senior Manager

Barrett Funderburk
Consultant

DAVID CHEATWOOD
MANAGING DIRECTOR

- 20+ years of tax-exempt and taxable financing expertise
- Extensive experience covering general government, utilities, and healthcare systems
- B.S. in Business Administration from UNC Chapel Hill; J.D. from UNC Chapel Hill

CHAZZO HABLISTON
VICE PRESIDENT

- 13+ years of tax-exempt financing expertise
- Experience in the debt capital markets
- Develops custom pro-forma modeling and cash flow forecasting
- BA, Economics, Davidson College; The London School of Economics and Political Science

Who is Raftelis?

The most experienced utility financial and management consulting practice in the nation.

RAFTELIS

Raftelis has provided financial/ organizational assistance for

2,000+

public agencies and utilities

that serve more than

50%

of the U.S. population

including the agencies serving

41

of the nation's 50 largest cities

RAFTELIS

Experience

Relevant Experience:

MetroConnects Regionalization Study

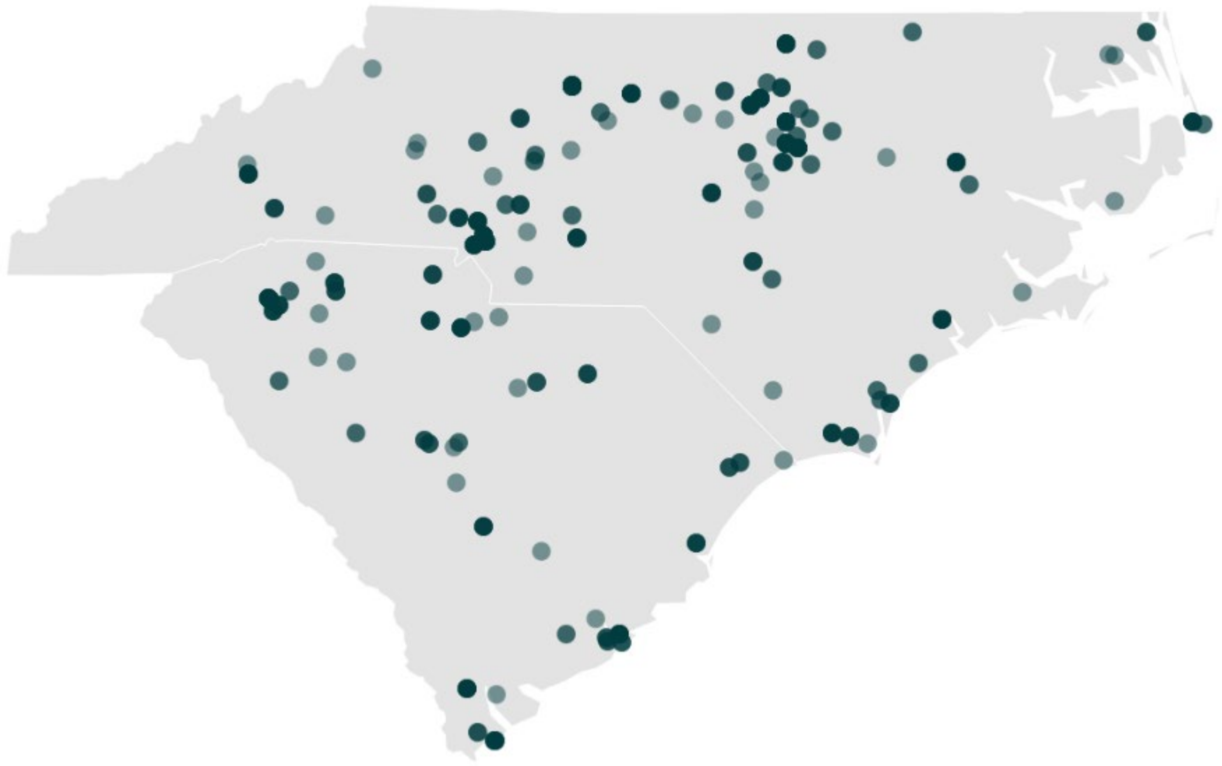
Joint Municipal WSC – Town of Swansea

York County – Lake Wylie / River Hills System (Blue Granite)

Raleigh Water (NC) Local Consolidation Models

Cape Fear PUA (NC) – Town of Wrightsville Beach

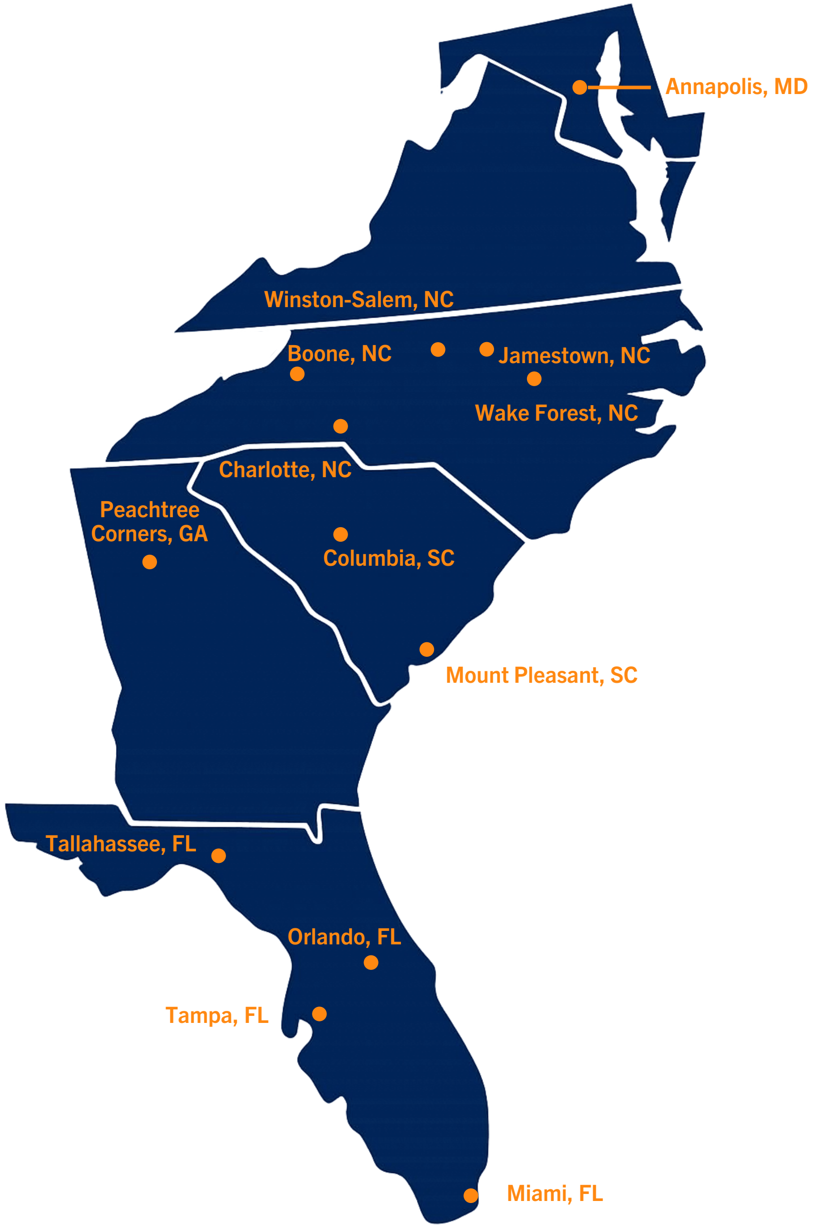
Raftelis has unparalleled experience providing financial and rate assistance to utilities in the Carolinas.



Overview of First Tryon Advisors

Our professionals serve over 500 clients throughout the Southeast and nationwide

- Practice Overview
  - First Tryon is a full-service municipal advisory practice serving the needs of state and local governments, utility systems, independent K-12 schools, colleges & universities, charter schools, healthcare organizations, senior living communities, and not-for-profit foundations & associations.
  - We serve over 500 clients nationwide.
  - Our combined team consists of 33 motivated professionals.
  - We do not serve as an underwriter and only provide municipal advisory services to our clients.
- Mission
  - To become indispensable to our clients by providing cutting edge municipal advisory services with integrity and simplicity.
- Access to First Tryon Securities' Sales & Trading Desk
  - The municipal advisory team at First Tryon has access to real-time market information for tax-exempt and taxable securities through the secondary market trading platform of First Tryon Securities.
- Office Locations
  - Our primary offices are located in Charlotte, NC and Annapolis, MD.



South Carolina Experience

First Tryon is committed to serving the needs of South Carolina's governmental and not-for-profit borrowers

South Carolina Cities
Aiken, City of
Anderson, City of
Beaufort, City of
Central, Town of
Chapin, Town of
Charleston, City of
Cheraw, Town of
Clemson, City of
Clover, Town of
Conway, City of
Coward, Town of
Florence, City of
Folly Beach, City of
Forest Acres, City of
Fort Mill, Town of
Fountain Inn, City of
Gaffney, City of
Georgetown, City of
Goose Creek, City of
Greenville, City of
Greenwood, City of
Hanahan, City of
Hilton Head Island, Town of
Inman, City of
Irmo, Town of
Isle of Palms, Town of
Jackson, Town of
Johnsonville, City of
Lake City, City of
Lancaster, City of
Landrum, City of
Laurens, City of
Marion, City of
Mount Pleasant, Town of
Myrtle Beach, City of
Newberry, City of
North Augusta, City of
North Charleston, City of
North Myrtle Beach, City of
Orangeburg, City of
Pageland, Town of
Pawley's Island, Town of
Pendleton, Town of
Pickens, City of

South Carolina Cities
Port Royal, Town of
Reidville, Town of
Rock Hill, City of
Simpsonville, City of
Sullivan's Island, Town of
Sumter, City of
Summerville, Town of
Surfside Beach, Town of
Tega Cay, City of
Travelers Rest, City of
Union, City of
West Columbia, City of
Woodruff, City of
York, City of

South Carolina Counties
Abbeville County
Allendale County
Anderson County
Beaufort County
Berkeley County
Calhoun County
Charleston County
Chesterfield County
Darlington County
Dorchester County
Fairfield County
Florence County
Greenville County
Kershaw County
Lexington County
Marion County
McCormick County
Orangeburg County
Pickens County
Richland County
Saluda County
Spartanburg County

South Carolina Utilities / SPDs
Anderson County Fire District
Beaufort-Jasper W&S
Belmont Fire Department
Belton-Honea Path Water Authority

South Carolina Utilities / SPDs
Boiling Springs Fire District
Cassatt Water System
City of Florence W&S
Clinton-Newberry Natural Gas
Darlington County W&S
Fairfield County Joint W&S Authority
Fripp Island PSD
Gantt Fire, Sewer, and Police District
Gilbert-Summit Rural Water District
Grand Strand Water & Sewer Authority
Greater Greenville Sanitation District
Greenville Water
Greenwood Metropolitan District
Hilltop Fire District
Hilton Head Island PSD #1
Homeland Park Water District
Inman-Campobello Water District
Isle of Palms W&S
Lake Cunningham Fire Department
Lancaster County Natural Gas Authority
Lancaster County Water Sewer District
Laurens County W&S
Laurens CPW
Liberty-Chesnee-Fingerville Water District
MetroConnects (Greenville County)
Mount Pleasant Waterworks
North Charleston Sewer District
Oconee Joint Regional Sewer Authority
Parker Sewer & Fire Subdistrict
Patriots Energy Group
Powdersville Water District
Renewable Water Resources
Richland County Recreation Commission
South Greenville Fire District
South Island Public Service District
South Lynches Fire District
Spartanburg Water
St. John's Fire District
St. Paul's Fire District
Startex Jackson Wellford Duncan Water District
Summerville CPW
Tega Cay Utilities
Woodruff Roebuck Water District
York County Natural Gas Authority

South Carolina School Districts
Berkeley County School District
Charleston County School District
Dillon County Board of Education
Florence County School District No. 1
Florence County School District No. 5
Spartanburg County School District No. 4
Spartanburg County School District No. 6

Not-For-Profit
Greenville Housing Fund
Riverbanks Zoo

Healthcare
Hampton Regional Medical Center
Kershaw County Health District
Lexington Medical Center
McLeod Health
Southern Senior Living

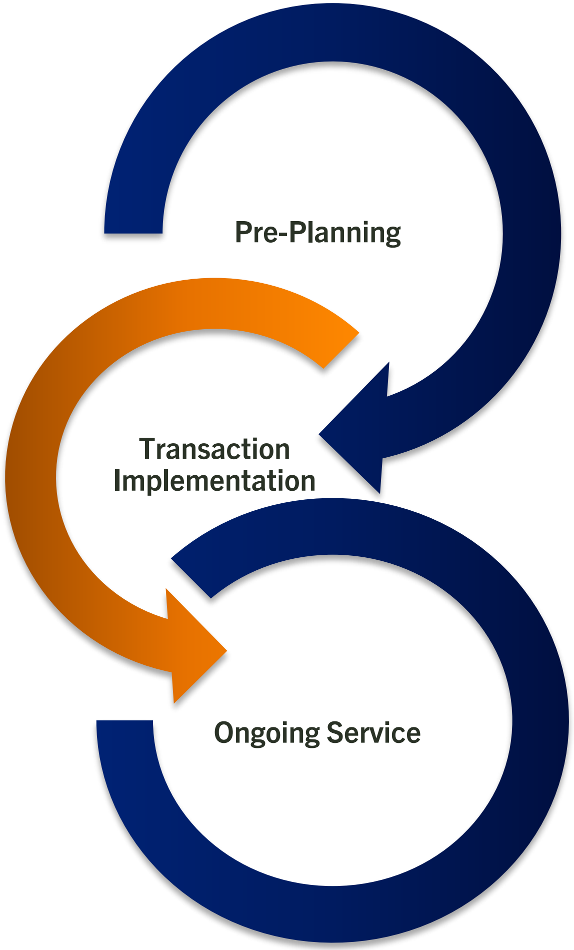
Higher Education
Anderson University
Charleston Southern University
Coastal Carolina University
Greenville Technical College
The Citadel Foundation
Tri County Technical College
University of South Carolina Development Foundation
Winthrop University

K-12 Schools
Berkeley Charter Education Association
Greer Middle College Charter High School
Pinewood Preparatory School

Other
Greenville Arena District
R.D. Anderson Vocational School
Southern Connector
State of South Carolina

First Tryon's Approach / Role of a Municipal Advisor

First Tryon takes a three-pronged approach to servicing its clients needs



- Pre-Planning
  - Understanding the client's short and long-term objectives
  - Debt Capacity/Affordability
  - Debt Modeling and Capital Planning
  - Evaluation of Financing Alternatives
  - Credit Strategy
  - Monitor Refinancing Opportunities
  - Apprise client of market conditions
- Transaction Implementation
  - Develop timeline / assist with procurement of additional professionals (underwriters, trustees, verification agents, etc.)
  - Coordinate meetings with the working group
  - Document review and comment
  - Coordinate meetings/calls with rating agencies, prepare materials
  - Evaluate bond proceeds investments
  - Coordinate sale/pricing (public market or bank loan)
- Ongoing Service
  - Investment management
  - Rating surveillance and credit matters
  - Monitor refinancing opportunities
  - Keep client informed of new regulations, economic conditions, and rating agency news that may impact the client
  - Evaluate underwriter / bank ideas or proposals, as requested
  - Attend or present at meetings as requested

Background of the Study

- Result of 2024 Regional Feasibility Planning Study
- Goal
  - Determine the financial path forward for a potential consolidation of sewer utilities serving the OJRSA region
  - Evaluate whether a regionalized sewer system makes financial sense for the participating entities and ratepayers
- Key Outcomes
  - Consolidated regional financial plan and revenue requirements
  - Regional rate analysis under a unified structure
  - Ratepayer impact comparison (consolidated vs. current rates)
  - Financial feasibility determination with data-driven recommendations

Raftelis Objectives

- Financial Planning
  - Develop understanding of each entity's individual revenue requirements (O&M expenses, debt, capital projects, etc.) and billable units of service (flows & number of accounts).
  - Prepare projection of revenue requirements for a <u>consolidated system</u>
  - Consolidate financial planning assumptions into comprehensive regional financial plan.
    - Combined CIP, regional account & use projections, cost savings from economies of scale, etc.
- Cost of Service and Rate Calculation
  - Calculate rates that adhere to general cost-of-service principles and meet pricing objectives that address the regional needs and concerns.
  - Highlight the impacts of a proposed regional solution to current and future ratepayers.
  - Consider rate/cost mechanics of new regional structure and impact to systems

First Tryon Objectives

- Assess the debt and funding capacity of the newly reconstituted OJRSA.
- Assist Raftelis in developing pro forma financial models, with a particular emphasis on maintaining appropriate Debt Service Coverage and Cash Balances from a lender / credit perspective.
- Lead OJRSA through the debt issuance process (bank or public market), which may include the redemption / defeasance / payoff of existing debt of each member of the Authority and/or the funding of new money capital projects.

Process

Task 1: Project Initiation, Management, & Data Collection

Task 2: Project Revenue Requirements

Task 3: Establish and Forecast Billable Units of Service

Task 4: Calculate Rates

Task 5: Model Development

Task 6: Recommendations & Presentation

Key Issues

- Ability to separate sewer costs from other expenses
- Quantifying operating costs & capital needs for combined system
- Structure of billing arrangements
  - Reimbursement from OJRSA/combined system to entities for billing services?
- Asset transfer for consolidation
  - Purchase agreements? Franchise fees? Surcharges? Rate differentials?
    - Important to note that all costs are ultimately borne by customers
- Demonstrating impact to customers – “Does this make financial sense?”
- ***What else?***

Key Milestones & Schedule

- Data Collection and Review - Underway
- Kickoff Meeting – May 14
- Meetings with Individual Entities – June
- Preliminary Findings – Late July / Early August
- Final Report and Presentation – Mid-September

Data Requests

Raftelis Request - Status	OJRSA	Oconee County	Seneca	Westminster	Walhalla	West Union
Audits & Budgets	X		X	X	X	
Operating Costs	X			X		
Debt & Capital	X	X	X	X	X	
Reserve Balances	X			X		
Customer Billing Units	X		X	X	X	X

“X” denotes information received.

- First Tryon’s Data Requests
  - Loan transcripts for all existing debt that is serviced in whole or in part by Sewer System related revenues.
  - To the extent any loan is repaid by multiple revenues sources (e.g. Water and Sewer revenues), a breakdown of the portion of the loan that is serviced specifically by Sewer System related revenues.

Discussion Questions (If Time Allows)

Discussion Questions for Each Entity

- How well are sewer system costs defined (split between utilities, etc.)?
- Has each entity performed a recent rate and/or cost-of-service study?
- How has debt been used historically to fund sewer assets?
- How well are future capital needs defined?

Q+A

Thank you!

RAFTELIS

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First Tryon Advisors

SIMPLIFYING PUBLIC FINANCE

WWW.FIRSTTRYON.COM

MSRB Registrant