

OCONEE JOINT  
REGIONAL SEWER  
AUTHORITY



AUGUST 2024



REGIONAL  
FEASIBILITY  
PLANNING  
STUDY  
2024



# Acknowledgements

## Consultant Team

W.K. Dickson & Co., Inc.: Angie Mettlen; Jennifer Barker, CPSM;  
Jeremy Brashears, PE; Joe Swaim, PE; Ramon Benitez

Willdan Financial Services: Daryll Parker; Jeff McGarvey

Bolton & Menk, Inc.: Katherine Amidon, AICP; Wes Brown, PE

The consultant team would like to thank the following groups for their participation and involvement in the completion of this feasibility study. We appreciate the candid discussions, sharing of data & information, and exchange of thoughts & ideas – all of which will continue to be critical for the successful implementation of the study's recommendations. It is recognized that the operation and management of public sewer systems is becoming increasingly more complex and expensive and that there are no easy solutions; however, we applaud the willingness of those involved to look for ways to work collaboratively to ensure the future of sewer for Oconee County. This is truly a watershed moment that requires action.

## Legal Consultation

Lawrence Flynn, III – Pope Flynn, LLC

## Staff and Leaders of Key Stakeholders

Oconee Joint Regional Sewer Authority

Oconee County

City of Seneca

City of Walhalla

City of Westminster

Town of West Union

Appalachian Council of Governments

## Feasibility Study Funding Partner

South Carolina Rural Infrastructure Authority (RIA)

# THE CONTENTS

<b>Purpose &amp; Need</b>	<b>1</b>
History of the OJRSA .....	1
<b>Evaluation Process</b>	<b>11</b>
OJRSA Key Stakeholders.....	11
Data Requests .....	12
Primary Stakeholder Meetings.....	12
Governance Legal Reviews.....	13
Research on Joint Water & Sewer Authorities in South Carolina.....	13
Collaboration with the Development of the Oconee County & Western Anderson County Sewer Master Plan.....	14
<b>Evaluation Results</b>	<b>17</b>
Technical, Operational & Environmental Compliance Evaluation.....	17
Oconee County.....	21
OJRSA .....	21
City of Seneca .....	26
City of Walhalla .....	30
City of Westminster .....	34
Town of West Union .....	37
<b>Financial Evaluation</b>	<b>39</b>
Oconee County.....	41
OJRSA .....	41
City of Seneca .....	45
City of Walhalla .....	50
City of Westminster .....	54
Town of West Union .....	58
<b>Utility Governance Evaluation</b>	<b>59</b>
Evaluation of the Current OJRSA Governance .....	59
Utility Governance Structures in South Carolina and their Relevance to OJRSA.....	62

---

**Evaluation Summary** **65**

---

Technical, Operational & Environmental Compliance Evaluation Summary..... 65  
Financial Evaluation Summary..... 67  
Comparison with RIA Utility Viability Assessment Tool Results ..... 72  
Governance Evaluation Summary ..... 73

---

**Recommendations** **77**

---

Sewer Treatment/Trunk Line Governance Recommendations ..... 78  
Sewer Collection System Governance Recommendations ..... 80

---

**Next Steps** **83**

---

---

## Tables

---

Table 1 – Foundational Documents for Sewer in Oconee County .....	2
Table 2 – CMOM Category Descriptions .....	18
Table 3 – Stakeholder Meeting Questions by CMOM Category .....	20
Table 4 – OJRSA High Level I/I Analysis Summary .....	25
Table 5 – Seneca High Level I/I Analysis Summary .....	29
Table 6 – Walhalla High Level I/I Analysis Summary .....	33
Table 7 – Westminster High Level I/I Analysis Summary .....	36
Table 8 – Financial Analysis Key Performance Indicators .....	40
Table 9 – Incremental Revenues at Various Project Costs.....	69
Table 10 – Typical Residential Bill at Various Project Costs .....	70
Table 11 – Regional Sewer Rate Comparison .....	71

---

## Charts

---

Chart 1 – OJRSA Operating Ratio (Including Depreciation).....	42
Chart 2 – OJRSA Operating Ratio (Excluding Depreciation).....	42
Chart 3 – OJRSA Days Cash on Hand .....	43
Chart 4 – OJRSA Quick Ratio .....	43
Chart 5 – OJRSA Liability to Asset Ratio.....	44
Chart 6 – OJRSA Percentage of Assets Depreciated .....	44
Chart 7 – OJRSA Capital Additions .....	45
Chart 8 – Seneca Operating Ratio (Including Depreciation).....	46
Chart 9 – Seneca Operating Ratio (Excluding Depreciation).....	46
Chart 10 – Seneca Days Cash on Hand .....	47
Chart 11 – Seneca Quick Ratio .....	47
Chart 12 – Seneca Debt Service Coverage Ratio .....	48
Chart 13 – Seneca Liability to Asset Ratio .....	48
Chart 14 – Seneca Percentage of Assets Depreciated .....	49
Chart 15 – Seneca Capital Additions.....	49
Chart 16 - Wahalla Sewer System Operating Ratio (Including Depreciation) .....	50
Chart 17 – Walhalla Sewer System Operating Ratio (Excluding Depreciation).....	51
Chart 18 – Walhalla Sewer System Days Cash on Hand .....	51
Chart 19 – Walhalla Sewer System Quick Ratio.....	52
Chart 20 – Walhalla Sewer System Liability to Asset Ratio .....	52
Chart 21 – Walhalla Combined System Percentage of Assets Depreciated .....	53
Chart 22 – Walhalla Sewer System Capital Additions .....	53
Chart 23 – Westminster Operating Ratio (Including Depreciation).....	54
Chart 24 – Westminster Operating Ratio (Excluding Depreciation) .....	55
Chart 25 – Westminster Days Cash on Hand .....	55
Chart 26 – Westminster Quick Ratio.....	56
Chart 27 – Westminster Debt Service Coverage.....	56
Chart 28 – Westminster Liability to Asset Ratio .....	57
Chart 29 – Westminster Percentage of Assets Depreciated.....	57
Chart 30 – Westminster Capital Additions .....	58

---

## Appendices

---

- Appendix A: OJRSA Foundational Documents
- Appendix B: Stakeholder Engagement Information
- Appendix C: Oconee County & Western Anderson County Sewer Master Plan Information
- Appendix D: Technical, Operational and Environmental Compliance Evaluation Data
- Appendix E: RIA Viability Tool Summary Results
- Appendix F: Viability/Sustainability Regulatory Information
- Appendix G: AWWA Water2050 Governance Report

## ACRONYMS

AC – asbestos concrete  
 ACOG – Appalachian Council of Governments  
 ARPA – American Rescue Plan Act  
 AWWA – American Water Works Association  
 CAP – compliance action plan  
 CCTV – closed circuit television  
 CIP – capital improvement plan  
 CMOM – capacity, management, operations, and maintenance  
 CMP – capital maintenance plan  
 Commission – Oconee County Sewer Commission  
 DSC – debt service coverage  
 EDA – United States Economic Development Administration  
 EPA – United States Environmental Protection Agency  
 FOG – fats, oils, and grease  
 GIS – geographical information system  
 GO – general obligation  
 GPD - gallons per day  
 GPS – global positioning system  
 I/I – inflow and infiltration  
 IAJR - Intermunicipal Agreement and Joint Resolution  
 IOA – Intergovernmental Operational Agreement  
 JAWSSA – Joint Authority Water and Sewer Systems Act  
 KPI – key performance indicators  
 Master Plan – Oconee County & Western Anderson Sewer Master Plan  
 MGD – million gallons per day  
 MOU – memorandum of understanding  
 NPDES – National Pollutant Discharge Elimination System  
 OJRSA – Oconee Joint Regional Sewer Authority  
 O&M – operation and maintenance  
 NOV – notice of violation  
 PER – preliminary engineering report  
 PVC – polyvinyl chloride  
 RCP – reinforce concrete pipe  
 RDII - rainfall derived inflow and infiltration  
 RIF – Retail Impact Fund  
 RIA – South Carolina Rural Infrastructure Authority  
 SC – South Carolina  
 SCDES – South Carolina Department of Environmental Services  
 SCDHEC – South Carolina Department of Health and Environmental Control  
 SCIIIP – South Carolina Infrastructure Investment Program  
 SOP – standard operating procedure  
 SLFRF – State and Local Fiscal Recovery Funds  
 SPD – Special Purpose District  
 SRF – State Revolving Fund  
 SSO – sanitary sewer overflow  
 SSS – satellite sewer system  
 SUR – sewer use regulation  
 SWAGIA – Sewer Water Action Group Intergovernmental Agreement  
 USDA – United States Department of Agriculture  
 UtSA – Utility Sustainability Assessment  
 VCP – vitrified clay pipe  
 WIF – Wholesale Impact Fund  
 WRF – water reclamation facility

This page is intentionally left blank.



# PURPOSE & NEED

## THE ULTIMATE GOAL

The ultimate goal of this effort is to provide insight into why the issues exist and outline recommendations on what may be done to ensure that sewer operations in Oconee County remain viable for the future.

The underlying need for the Oconee Joint Regional Sewer Authority (OJRSA) Regional Sewer Feasibility Study centers around the current governance structure which has been stated to "...not work efficiently or effectively due to conflicts among (its members) as to how the OJRSA should operate..." and has even resulted in threatened legal action by one of the members against OJRSA and the other members<sup>1</sup>. The conflicts around the operation of the OJRSA sewer system have, in some form, impacted the funding of necessary improvements, rate increases, disposition of excess unrestricted cash reserves, and planning for growth. The concern has been that, if left unaddressed, these conflicts may negatively impact the future of the organization and, thus the future of sewer in Oconee County. This includes both the maintenance of the existing infrastructure that are already needed or will be required as well as the potential future new infrastructure needs.

It is important to note that through the development of this study, each of the stakeholders involved were committed and passionate about doing the right thing for Oconee County with regard to sewer and there have been recent positive steps made to this end. The ultimate goal of this effort is to provide insight into why the issues exist and outline recommendations on what may be done to ensure that sewer operations in Oconee County remain viable for the future. The importance of this was recognized by RIA and demonstrated in their issuance of grant funding for the completion of this feasibility study.

The following section provides an overview of the history of the OJRSA and its foundational documents that prescribe the current governance structure.

## HISTORY OF THE OJRSA

The OJRSA was established through a series of legal acts, resolutions, and agreements that began with the creation of the Oconee County Sewer Commission (Commission) in 1971 as a Special Purpose District

<sup>1</sup>Based on information provided in "Exhibit A: OJRSA Regional Feasibility Planning Grant Application-Project Narrative" of the Request for Proposals for this study. (May 2023)

(SPD). The Commission was tasked with studying the feasibility of establishing sewer districts within the county. A referendum was held in Oconee County in 1976 to allow for the construction of a sewer system. Oconee County Council Resolution No. 76-21 (1976) officially approved the referendum results, confirming the authority of Oconee County to acquire, construct, maintain, and operate a sewer system. Oconee County Ordinance No. 78-2 (1978) established the governance structure and operational guidelines of the Commission<sup>2</sup>.

Over the years, various agreements have been made to clarify roles and responsibilities with regard to the provisions of sewer in Oconee County, ultimately ending with the creation of OJRSA in 2007 under SC Code Ann. §6-25-5, et seq., which is entitled the Joint Authority Water and Sewer Systems Act (JAWSSA).

**Table 1** and the information following provides a chronological overview of these successive actions and agreements along with their basic terms and conditions and is necessary to understand the complexity of the current governance structure of OJRSA<sup>3</sup>. Copies of the primary agreements are provided in Appendix A.

**Table 1. Foundational Documents for Sewer in Oconee County**

Law/Agreement	Summary
Act to Create the Oconee County Sewer Commission No. 950, 1971	Established the Oconee County Sewer Commission with five members appointed by the Governor upon the recommendation of the Oconee County Legislative Delegation, including the resident Senator. The Commission was tasked with studying the feasibility of establishing sewer districts and advising the county governing body and legislative delegation on district creation.
Resolution No. 76-21, 1976	Confirmed the results of a referendum approving the acquisition, construction, maintenance, and operation of a sewage waste disposal system in Oconee County.
Ordinance No. 78-2, 1978	Established the governance structure and operation guidelines for the Oconee County Sewer System, including the creation of the Oconee County Sewer Commission <sup>2</sup> with nine members appointed by the County Council. The Commission was responsible for operating the county's wastewater treatment program, setting rates for users, preparing annual budgets, and hiring personnel, subject to approval by the County Council.
Memorandum of Understanding, 2004	Established the roles and responsibilities of Oconee County and the Oconee County Sewer Commission regarding the county's wastewater treatment facilities. It confirmed the county's authority over the Sewer Commission and established financial arrangements.

<sup>2</sup>Same name as the initial SPD but different organization operating as a department of Oconee County

<sup>3</sup>It is noted that there may be other ancillary documents related to the history of OJRSA; however, the ones contained in this report are those that are the most pertinent to a review of the current OJRSA governance.

## REGIONAL FEASIBILITY PLANNING STUDY 2024

OJRSA

Memorandum of Understanding, 2005	Established agreements between Oconee County, the Commission, and several municipalities regarding water and sewer issues. It clarified funding and system maintenance responsibilities.
Sewer Water Action Group Intergovernmental Agreement, 2005	Outlined cooperation between Oconee County, municipalities, and the Commission for water and sewer infrastructure, ensuring fair treatment and cost distribution.
Amendment to Sewer Water Action Group Intergovernmental Agreement, 2006	Amended the original agreements that were executed in 1978 and 1979 in their entirety, contained many of the provisions in the previous agreements and outlined specific requirements related to the municipalities and Oconee County.
Cornelius vs. Oconee County, 2006	Involved a lawsuit regarding the county's funding plan for sewer projects, which the court ruled must comply with the terms of the 1976 referendum.
Intermunicipal Agreement and Joint Resolution, 2007	Created the OJRSA and outlined the responsibilities, rights, and obligations of the Authority and members regarding the operation and maintenance of the sewer infrastructure previously owned by the Commission. It established governance, representation, and voting mechanisms for the authority. It incorporated by reference the 2004 and 2005 MOUs along with the 2005 and 2006 agreements.
Oconee County Referendum, 2012	Expanded the allowable funding sources that could be utilized by Oconee County for the provision of sewer infrastructure in unincorporated areas of the county.
Intergovernmental Operation Agreement, 2019	Established terms governing collaborative efforts between Oconee County and the OJRSA, emphasizing Oconee County's ownership of the Sewer South System and outlining obligations related to operation, maintenance, access rights, financial responsibilities, and record-keeping.
Intergovernmental Operation Agreement Amendment, 2019	Clarified that Oconee County would own Phase I of the Sewer South System and that OJRSA would own Phase II.

*An Act to Create the Oconee County Sewer Commission No. 950, 1971*

The Commission was created by the South Carolina General Assembly under Act No. 950 (1971), which established it as an SPD to study the provision of sewer in Oconee County. The initial Commission was comprised of five (5) members appointed by the Governor upon the recommendation of the Oconee County legislative delegation, including the resident Senator. The members were to serve four-year terms and vacancies filled in a similar manner as the original appointment. The funds required for the Commission were to be included in the county appropriations act or appropriated from the county's contingency fund, subject to approval by the county legislative delegation.

The reason that the Commission was initially created as an SPD was due to the limited authority of South Carolina counties under the South Carolina Constitution to provide certain services, including sewer treatment and collection. SPDs, however, could provide these services; therefore, the establishment of an SPD allowed Oconee County to begin the process of establishing a county sewer system. After this SPD was formed, Home Rule was established by an amendment to Article X of the South Carolina Constitution. This amendment allowed counties to provide the services with limited interference from the South Carolina General Assembly; therefore, Oconee County then made the decision to hold a referendum for the county to establish a sewer system<sup>4</sup>. This referendum was held in 1976.

*Resolution No. 76- 21, 1976*

Resolution No. 76-21 of the Oconee County Council confirmed the results of the referendum held on April 13, 1976, in which the voters of Oconee County approved the acquisition, construction, maintenance, and operation of a sewer system.

*Ordinance No. 78- 2, 1978<sup>5</sup>*

Ordinance No. 78-2 of the Oconee County Council outlined the regulations and operations of the Commission, including the construction of a wastewater treatment plant along with necessary trunk sewer lines, to be financed by grants and revenue bonds. The three (3) major users initially were the cities of Seneca, Walhalla, and Westminster.

This ordinance established that the Commission would be comprised of nine (9) members. The members representing the cities would be designated by each city and appointed by Oconee County Council. The Council would also designate members representing the county. This initial membership was comprised of three (3) members from Seneca, 2 (two) members from Walhalla, two (2) members from Westminster and two (2) member from Oconee County. Generally, the Commission members served four-year terms.

Under this ordinance, the Commission was responsible for operating the county's sewer treatment program, including setting operating policies, fixing rates for users, preparing annual budgets, and hiring necessary personnel. However, all actions binding on the county and involving expenditure of funds or hiring personnel were subject to approval by Oconee County Council.

The ordinance emphasized the financial responsibility of the municipalities and their residents who were the major users of the sewer system. It required the Commission to operate the system in a financially sound manner, ensuring that user fees were sufficient to cover operating and maintenance costs, as well as the repayment of revenue bonds issued for construction and maintenance.

As a result of this ordinance, the county executed initial agreements with Seneca, Walhalla, and Westminster in 1978. A subsequent agreement was executed with West Union in 1979.

---

<sup>4</sup>There is some uncertainty if the SPD that was created by the 1971 legislation was ever officially rescinded or if the subsequent referendum and resolution by Oconee County Council made the SPD inactive or superseded it.

<sup>5</sup>Ordinance 78-2 was titled "An Ordinance for the Regulation and Operation of the Oconee County Sewer System" and was also known as the "Oconee County Sewer Ordinance of 1978".

*Memorandum of Understanding, 2004 (March 2, 2004)*

The Memorandum of Understanding 2004 (MOU 2004) between Oconee County and the Commission outlined their agreement regarding the roles and responsibilities concerning the county's sewer treatment facilities. It was part of negotiating intergovernmental agreements with water and sewer entities in Oconee County and clarified positions based on historical events since the Commission began constructing the Coneross Creek Wastewater Treatment Plant<sup>6</sup>.

The MOU 2004 confirmed the previous actions by Oconee County with regard to the Commission. It stated that the Commission had operated as an enterprise fund of the county, which would continue. It designated the Commission as the sewer agency and stated that Commission had the option of establishing separate sewer systems with the financial records of those systems being kept separately. This MOU 2004 also stated that the composition of the Commission would remain the same but that representation on the Commission may increase as the system expanded.

The MOU 2004 clarified that the rights of Seneca, Westminster, and Walhalla<sup>7</sup> in the Commission constituted an extension of their sewer systems, and that county did not obligate or encumber the general fund of Oconee County based on the operation of the system.

*Memorandum of Understanding, 2005 (February 24, 2005)*

The Memorandum of Understanding 2005 (MOU 2005) was issued as a part of the intergovernmental agreements between Oconee County, the Commission, Seneca, Walhalla, Westminster, and West Union. The MOU 2005 clarified issues that had not been included in the 1978 and 1979 agreements. Specifically, this MOU provided that the Commission had included depreciation of the sewer system in the rate setting process and the funds from depreciation could only be utilized for the sewer assets for which the funds were collected. It also clarified that the composition of the Commission was intended to reflect the users of the sewer system and that if the number of representatives or their composition needed to be changed, it would not reduce representation less than the entities' respective user percentages. Finally, MOU 2005 restated that Seneca, Walhalla and Westminster would submit their designated Commission representatives to the Oconee County Council for approval.

*Sewer Water Action Group Intergovernmental Agreement, 2005 (February 28, 2005)*

The Sewer Water Action Group Intergovernmental Agreement (SWAGIA) was the intergovernmental agreement referenced in the MOUs executed in 2004 and 2005 and was between Oconee County, the Commission, Seneca, Walhalla, Westminster, and West Union. These MOUs were incorporated into this SWAGIA, which outlined cooperation for controlled industrial and residential growth in unincorporated areas of the county and emphasized the need for water<sup>8</sup> and sewer infrastructure. It aimed to facilitate cooperation for water and sewer infrastructure expansion and maintenance. The agreement clarified that it did not prevent annexation through the extension of water infrastructure<sup>9</sup> by the municipalities and that the agreement was intended to

<sup>6</sup>Now known as the Coneross Creek Water Reclamation Facility (WRF).

<sup>7</sup>The Town of West Union was not mentioned in MOU 2004.

<sup>8</sup>This was the first agreement related to the Commission to reference drinking water infrastructure.

<sup>9</sup>Contingent annexation

provide protection for the municipalities related to cost of system expansion (water and/or sewer) outside of their municipal limits.

The SWAGIA established rate structures, maintained existing agreements, and outlined responsibilities for system management, compliance with laws and regulations, and communication between parties.

Regarding sewer systems, the agreement allowed the Commission to construct, own, and operate sewer collection and transportation systems in unincorporated areas of Oconee County but that the municipalities would have the first option to do so. For sewer lines in an unincorporated area of county where a public entity was in place to provide water, this entity would have the first right to construct sewer infrastructure and if that entity declined to do so, any other party to the SWAGIA could exercise this right. If two (2) or more parties wanted to construct this sewer infrastructure, the Commission would make the decision on which entity could do so. It also provided the means for any of the municipalities to accept sewer lines owned and operated by the Commission and outlined the conditions for connection to Commission sewer infrastructure in the unincorporated areas of the county. With regard to water, the SWAGIA stated that Oconee County would not compete with Salem, Seneca, Walhalla, Westminster, and West Union regarding the sale of water.

Additionally, the SWAGIA specifically stated that Oconee County would not issue bonds to be paid for by *ad valorem taxes*<sup>10</sup> collected from taxpayers located in the incorporated areas of the county for the provision of sewer in the unincorporated areas of the county. It also confirmed that the rates paid by users located in Seneca, Walhalla, and Westminster would include payment for the bonds used for the construction of the Coneross Creek Wastewater Treatment Plant and that the Commission would only use funds collected for the payment of the bonds for capital upgrades and facility expansion at the plant as well as for the Commission-owned sewer collection assets. Finally, the agreement stated that Town of Salem and Pioneer Water District<sup>11</sup> would enter into separate agreements with Oconee County and the Commission<sup>12</sup>. The term of this initial agreement was 13 years (expiration of March 31, 2018) and it stated that it incorporated and superseded all negotiations and representations with the exception of MOU 2004 and MOU 2005.

*Amended Sewer Water Action Group Intergovernmental Agreement , 2006 (April 18, 2006)*

The amendment to the 2005 SWAGIA between Oconee County, the Commission, Seneca, Walhalla, Westminster, and West Union amended the original agreements that were executed in 1978 and 1979 in their entirety. This amended agreement contained many of the provisions in the previous agreements and outlined specific requirements related to the municipalities and Oconee County.

<sup>10</sup>*Ad valorem* taxes are those imposed for personal property, such as real estate and vehicles, and the ability to collect such taxes lies with units of local government. Utilities organized under the JAWSSA are allowed by statute to encumber debt based on utility revenues (*i.e.*, revenue bonds, collateralized loans, etc.).

<sup>11</sup>Pioneer Rural Water District is an SPD that serves both Oconee and Anderson counties. While the enabling statute allows the District to provide sewer collection, discussions during the completion of the 2024 Oconee County & Western Anderson County Sewer Master Plan indicate that they are not planning to do so.

<sup>12</sup>In 2005, Oconee County also entered into a separate agreement with the South Carolina Department of Transportation to treat sewer from the Welcome Center located on I-85.

Specific to the municipalities, the amended agreement outlined items such as payment of pro rata shares of the overall system cost and required that each municipality maintain their respective sewer collection system in accordance with regulatory requirements as well as that they implement and enforce a sewer use ordinance. Specific to the county, it outlined requirements for providing municipalities with annual estimates for cost of system operation as well as the planned annual cost for each municipality for the upcoming year. It also stated that the Commission, through the county, would continue to make the annual payments of \$609,000 for an \$8.2 million loan to expand treatment capacity for industrial/commercial users. Oconee County also agreed to provide technical assistance for each municipality to establish user fees and that it would maintain the sewer system in accordance with regulatory requirements. The amended SWAGIA also included specific requirements related to the reduction of inflow and infiltration (I/I).

The amended agreement also included a provision that allowed any or all the municipalities to take specific action if the county failed to properly operate and maintain the sewer system, including taking necessary action to remedy the situation and seeking reimbursement for those expenses and bringing legal action against Oconee County to require proper operation and maintenance. It also stated that the municipalities would not be charged for the conveyance or treatment of any sewer that is not contributed by them or for the cost to construct sewer infrastructure that does not benefit the municipalities. Finally, it amended the term of the agreement with a new expiration date of March 31, 2042, and included a provision for automatic renewal for up to four (4) additional 10-year terms.

#### *Cornelius vs. Oconee County, 2006<sup>13</sup>*

The case of *Cornelius v. Oconee County* involved a lawsuit regarding the legality of the provision of sewer by the county. Specifically, the language of the 1976 referendum authorized the county to own and operate a wastewater treatment facility and limited funding to three (3) sources and service to specific areas. The funding sources outlined in the 1976 referendum included grants from state and federal agencies, revenue from the operation of the sewer systems, and bonds backed by those revenues. Susie Cornelius, a citizen of Oconee County, challenged the county's sewer system funding plan through a lawsuit filed in late 2004. Cornelius stated that the county planned to expand its sewer system using ad valorem taxes, which was not authorized by the initial referendum, and cited the county's sewer master plan and contract with the South Carolina Department of Transportation for the treatment of sewer from the I-85 Welcome Center. She stated that Oconee County intended to fund planned projects and offset any system losses with ad valorem tax revenue.

In 2006, the circuit court ruled in favor of Cornelius, stating that the county must fund sewer projects within its boundaries using only the specified funding sources provided for in the referendum. The county appealed this decision to the South Carolina Supreme Court, but the court affirmed the circuit court's decision, holding that the county is bound by the referendum's terms for expanding its sewer system.

<sup>13</sup>In discussions with stakeholders during this study, most signal this lawsuit and the subsequent court rulings as the reason that the OJRSA was created.

*Intermunicipal Agreement and Joint Resolution, 2007 (October 2007)*

The Intermunicipal Agreement and Joint Resolution (IAJR) between Oconee County, Seneca, Walhalla, and Westminster created the Oconee Joint Regional Sewer Authority pursuant to SC Code Ann. §6-25-5, *et seq.* West Union was not a party to this agreement but were noted as one of the primary users of the county's sewer system. This agreement conveyed the sewer assets owned by Oconee County to OJRSA with the provision that the Authority agreed to operate the system in a manner to benefit the residents of the municipalities and citizens and resident of the county.

In general, this new agreement simply restated many of the provisions of the previous agreements related to the Commission. There are a few specific portions of the IAJR that were different or warrant specific discussion. Article 3 enumerated the powers of OJRSA and, while it provided that the Authority could pledge revenues for debt issuance, including revenue bonds, it could not do so without approval by the members<sup>14</sup>. The process for this approval was defined as a resolution passed by a majority of each member's governing body and outlined in Article 4, Organization of the Authority, Appointment of Commissioners.

Article 4 also changed the manner of appointment of commissioners and the constitution of the governing board from the manner outlined for the Commission. Specifically, Seneca was authorized to appoint four (4) members, with one (1) of these appointments not being a resident of any member municipality or employed by any member. Walhalla and Westminster were both authorized to appoint two (2) members each and those two (2) municipalities were authorized to jointly appoint one (1) member that was not a resident of any member municipality or employed by any member<sup>15</sup>. This article also established that Board members would serve four (4) year terms but could be removed by their appointing member.

Article 13 incorporated by reference all previous agreements and MOUs, including 2006 Amended SWAGIA, 2005 SWAGIA, 2004 and 2005 MOUs and 2006 West Union IGA.

Article 14 outlined the manner in which West Union would become a member of the Authority, which was when their sewer flow reached 10% of the total flow being conveyed to the OJRSA system.

Article 15 provided that the members would agree to extend sewer infrastructure to areas designated by Oconee County and that Oconee County would provide adequate funding for the construction, operation, and maintenance of that infrastructure. It also stated that the county agreed to cooperate with OJRSA and its members to pass and adopt necessary ordinances for compliance with laws and regulations that may be beyond the jurisdiction of OJRSA.

Article 16 confirmed that term of the agreement, which was the same as outlined in the 2006 Amended SWAGIA.

*Oconee County Referendum, 2012 (November 6, 2012)*

In November of 2012, Oconee County held another sewer referendum to modify the 1976 referendum and allow funding for the acquisition,

<sup>14</sup>The members were defined in the Agreement as Seneca, Walhalla, and Westminster.

<sup>15</sup>Prior to the creation of OJRSA, Oconee County had representation on the Commission.



construction, and operation of sewer infrastructure from a wider variety of sources. These included state and federal grants, revenue bonds issued by the county, general obligation bonds issued by the county from special assessments, taxes or service charges, ad valorem or other taxes, fees, or funds of the county, one or more contracts between the county and other entities using the sewer facilities and revenues stemming from the operation of the facilities. This referendum passed and was the vehicle that allowed Oconee County to issue the \$25 million sewer general obligation bonds in October 2023<sup>16</sup> for the provision of sewer infrastructure on the I-85 corridor<sup>17</sup>.

*Intergovernmental Operation Agreement, 2019 (April 15, 2019)*

The Intergovernmental Operation Agreement (IOA) between Oconee County and OJRSA intricately outlined the terms governing their collaborative efforts for the provision, operation, and maintenance of sewer infrastructure in specific unincorporated areas of the county. This infrastructure was defined as Sewer South System-Phase I and included all sewer assets within the Golden Corner Commerce Park and the entirety of the parallel sewer trunk lines on South Carolina Highway 59 that terminate at the Coneross Creek WRF.

Through this agreement, OJRSA would provide operation and maintenance of these sewer assets on behalf of the county and would be responsible for all future extensions and expansions of the Sewer South System, provided that such are not for persons, entities, or areas outside Oconee County. This agreement also clarified that any costs associated with the Sewer South System would not be charged to the OJRSA member municipalities to their customers and funding would be the responsibility of the county. The county also agreed to reimburse OJRSA for costs related to the operation and maintenance of the Sewer South System - Phase I.

This agreement also provided that OJRSA would construct Phase II of the Sewer South System utilizing grant funds from the South Carolina Rural Infrastructure Authority (RIA) and the United States Economic Development Administration (EDA) and that the county would cover any costs needed for completion of Phase II if the grants funds were not enough. It is unclear if this same agreement can be used for OJRSA to operate and maintain future county sewer assets once constructed.

With regard to capacity, this IOA provided that OJRSA would allocate capacity in the OJRSA system (including the Coneross Creek WRF) when requested by the county for any and all construction and/or extension of sewer infrastructure in unincorporated areas of Oconee County.

*Intergovernmental Operation Agreement Addendum, 2019 (May 30, 2019)*

This addendum to the IOA between Oconee County and OJRSA clarified the ownership and responsibilities related to the Sewer South System. The original agreement outlined the operation and maintenance of Sewer South System-Phase I and the future construction of Phase II. The addendum confirmed that the county owned Phase I, including the pump station, sewer transmission line within the Golden Corner Commerce Park, and the dual sewer transmission trunk lines to the Coneross Creek WRF and that OJRSA would own Phase II.

<sup>16</sup>The bond documents state that the purpose for the issuance was "...(i) designing, acquiring, constructing, installing, equipping to rehabilitating various capital projects, including wastewater improvements and related equipment, and other capital projects, together with all appurtenances necessary, useful, or convenient for the maintenance and operation of same ("Capital Projects") and (ii) paying costs of issuance of the Bonds."

<sup>17</sup>This specific purpose was outlined by Oconee County staff in stakeholder meetings as well as public meetings held by County Council regarding the purpose of the bond funds.

This page is intentionally left blank.

# EVALUATION PROCESS

## OJRSA KEY STAKEHOLDERS

The following entities were identified as key stakeholders<sup>18</sup> for this study:

- Oconee County
- OJRSA
- City of Seneca
- City of Walhalla
- City of Westminster
- Town of West Union

The technical, operational, financial, and environmental compliance elements for each stakeholder's sewer utility were evaluated in order to determine the overall 'health' of the collective sewer operations in Oconee County and how any recommendations around governance may provide benefits related to efficiencies that could be realized through economies of scale.

The Appalachian Council of Governments (ACOG) was also engaged as a resource for this effort. The ACOG is the entity designated by the South Carolina Department of Health and Environmental Control (SCDHEC)<sup>19</sup> as the 208 planning agency for the Appalachian Region of South Carolina, which includes Oconee County. This means that they oversee the Appalachian 208 Water Quality Management Plan, which in part, ensures that there are plans for adequate sewer infrastructure based on a 20-year planning period and identifies the entities that will manage and carry out the plan. ACOG staff have worked with the key stakeholders in Oconee County on various initiatives related to sewer and they understand the issues that have resulted in the need for this feasibility study.

<sup>18</sup> Seneca, Walhalla, and Westminster are also identified in various documents as OJRSA members, member entities and member-municipalities.

<sup>19</sup>As of July 1, 2024, SCDHEC was reorganized into two separate state agencies, the South Carolina Department of Public Health (SCDPH) and the South Carolina Department of Environmental Services (SCDES), as a result of Act 60 of the Acts and Joint Resolutions of the General Assembly for the State of South Carolina for the Year 2023. The environmental functions of SCDHEC will be contained within the newly formed SCDES after this date. In this report, SCDHEC will be used for historical references and SCDES will be used for future references.



It is recognized that there are other sewer stakeholders in Oconee County; however, they are not currently party to any of the existing agreements, and it was determined that the current governance challenges with the OJRSA must be addressed initially before other entities could be a part of any modified sewer organization in the county. In addition, Weston & Sampson Engineers, Inc. and Bolton & Menk, Inc. were tasked with the completion of the 2024 Oconee County & Western Anderson County Master Plan<sup>20</sup> (Master Plan). The focus of the 2024 Master Plan was to evaluate "...the feasibility of sanitary sewer upgrades and extension in Oconee County..." and included a review of the other public and private sewer entities in the county.

## DATA REQUESTS

Initially, data from readily available sources was compiled for each of the key stakeholders in advance of the initial stakeholder meeting.

Data requests along with follow-up questions were provided to each key stakeholder in an effort to collect additional data following the initial stakeholder meetings and in preparation for the one-on-one stakeholder meetings.

Copies of the data request/follow-up questions for each entity are provided in Appendix B and covered the following general topics:

- Financial data
- Technical/operational data
- Environmental compliance data
- Follow-up questions specific to each stakeholder

## PRIMARY STAKEHOLDER MEETINGS

### Initial Stakeholder Meetings

Initial stakeholder meetings were held on November 8, 2023, at the Walhalla Depot. The meetings were held with each of the key stakeholders in groups. The initial meeting was held from 8:30-10:00am and included representatives from Oconee County, City of Seneca, OJRSA and ACOG. The second meeting was held from 10:30am-12:00pm and included representatives from the City of Walhalla, the City of Westminster, OJRSA, and ACOG. The same content/questions were covered in each meeting.

Because the intent of these initial meetings was to discuss more of the history of the sewer governance in Oconee County, the groups invited were limited to the current stakeholders on the OJRSA Board and Oconee County. The Town of West Union was included in the subsequent one-on-one stakeholder meetings.

The presentation provided for these meetings, which includes the discussion questions as well as a general summary of the responses are provided in Appendix B.

<sup>20</sup> The final version of this plan is provided on the OJRSA website at the following link: <https://www.ojrsa.org/sewer-study/>

## One-on-One Stakeholder Meetings

Following the initial stakeholder meetings and a review of the preliminary information provided, one-on-one meetings were then held with each stakeholder, to include the Town of West Union. These meetings were held on January 30-31, 2024. As detailed above, additional data requests and follow-up questions were provided to each stakeholder following the initial meeting and before these individual meetings. These are included in Appendix B and were the basis for the discussions.

Following stakeholder meetings, the consultant team evaluated information provided and held study coordination meetings to complete the analyses presented in this report.

Members of the study consultant team also attended numerous OJRSA Board and committee meetings in order to collect additional information and details relevant to the current OJRSA governance.



## GOVERNANCE LEGAL REVIEWS

OJRSA provided the consultant team with access to one of their attorneys on retainer to vet questions regarding legal processes for the governance options evaluated through the study. Lawrence E. Flynn, III of the Pope Flynn Group is a South Carolina attorney with a primary focus on serving as legal counsel for units of local government across the state as well as bond counsel for debt issuance and counsel for the creation of combined utility systems, such as those organized under the JAWSSA.

Legal reviews for the following general governance options were discussed with Mr. Flynn in preparation of this report:

- JAWSSA
- SPDs
- Multi-county organizations<sup>21</sup>
- Consolidated governments<sup>22</sup>
- Operational agreements

These reviews focused on the identification of the potential legal and political requirements of various utility governance models and how that may impact any recommendations resulting from this study.

## RESEARCH ON JOINT WATER AND SEWER AUTHORITIES IN SOUTH CAROLINA

As a part of the governance evaluation, the study consultant team also completed research on other South Carolina utilities that have been established under the JAWSSA. These included:

- Joint Municipal Water & Sewer Commission
- Anderson Regional Joint Water System
- Fairfield Joint Water & Sewer System<sup>23</sup>

<sup>21</sup>Generally, SPDs whose charters allow for expansion into multiple counties.

<sup>22</sup>Generally, City-County consolidation that extends to all government functions, not just utilities.

<sup>23</sup>The Fairfield Joint Water & Sewer System was in the very early stages of formation at the time of the study; therefore, little information was available regarding its specific governance structure.

- Williamsburg County Water & Sewer Authority
- Low Country Regional Water System

## COLLABORATION WITH THE DEVELOPMENT OF THE OCONEE COUNTY & WESTERN ANDERSON COUNTY SEWER MASTER PLAN

The development of the Master Plan for OJRSA was completed concurrently with this study and staff from Bolton & Menk, Inc. participated in both studies to ensure consistency and collaboration. This was done because both studies are critically important to the future of sewer in Oconee County.



Through combined research and Oconee County stakeholder/public engagement, the Master Plan delineated the most feasible areas where sewer should be provided, which focused on the central portion of the county and also incorporated an update on sewer service in the I-85 corridor/Fair Play/Townville area. The reason for this focus area was due to public input and to the fact that this is the area in Oconee County where sewer infrastructure is already in place and thus where new sewer could/should be constructed. According to the Master Plan, the "...area is bound roughly by the City of Westminster's future growth area to the west, Sumter National Forest and the City of Walhalla and the Town of West Union to the north, and Lake Hartwell to the east and south." This area is also where much of the county's growth is already occurring. Where applicable, stakeholder/public engagement questions for the Master Plan that would also provide valuable input for this feasibility study were utilized.

In addition to the stakeholders identified above, this Master Plan also considered the following additional sewer entities in Oconee County:

- State of South Carolina – Oconee County State Park
- Foxwood Hills – Private residential community
- Chickasaw Point – Private residential community
- Jacabb Utilities – Private utility serving travel center on Exit 4 of I-85 in Anderson County
- Oconee County School District – West Oak High School
- Carolina Landing Campground – Private entity
- South Carolina Department of Parks, Recreation & Tourism – I-5 Welcome Center

## REGIONAL FEASIBILITY PLANNING STUDY 2024

OJRSA

- The Pier – Private residential community
- Keowee Key – Private residential community
- Tamassee DAR School – Private entity

In addition, the key stakeholders for this feasibility study and the other county sewer entities outlined above, the following entities were invited to participate Master Plan planning stakeholder group:

- ACOG
- Duke Energy
- Fort Hill Natural Gas
- Pioneer Rural Water District
- Blue Ridge Electric Cooperative
- Town of Salem
- US Army Corps of Engineers
- SCDHEC
- Oconee County Soil & Water Conservation District
- Lake Hartwell Association
- Lake Hartwell Partners for Clean Water
- Upstate Forever
- Friend of Lake Keowee Society
- Lake Keowee Source Water Protection Team
- Advocates for Quality Development
- Clear Water Solutions
- Oconee County Economic Alliance
- South Carolina Farm Bureau
- Clemson University

The Master Plan evaluated the feasibility of integrating these additional sewer systems into either the OJRSA collection system or into the collection systems of one of the key satellite sewer system (SSS) stakeholders. As such, it provides the framework for any future sewer consolidation in Oconee County outside the current members of the OJRSA; however, it was determined that any modifications to the basic governance structure of OJRSA must be determined first before such additional consolidation efforts could be considered.

With regard to the financial evaluations completed for this regional feasibility study, the Master Plan provided high-level capital costs for a 20-year planning horizon for OJRSA, including the I-85 corridor that may or may not be funded by Oconee County in the future. The capital projects outlined were focused both on OJRSA sewer system rehabilitation and on needed sewer expansion to accommodate growth, both residential and commercial/industrial. The recommended scenario in the Master Plan will require over \$312 million<sup>24</sup> in investment by OJRSA over the next 20 years, including the expansion of the Coneross Creek WRF to 13 million gallons per day (MGD)<sup>25</sup>.

The Master Plan Executive Summary and the Presentation of the Final Report to the OJRSA Board are provided in Appendix C.

<sup>24</sup>In 2024 dollars and not inclusive of debt service.

<sup>25</sup>The Coneross Creek WRF is currently permitted at 7.8 MGD.

This page is intentionally left blank.



# EVALUATION RESULTS

## TECHNICAL, OPERATIONAL AND ENVIRONMENTAL COMPLIANCE EVALUATION

The purpose of the technical, operational, and environmental compliance evaluation was to provide a high level assessment of the key stakeholders associated with the OJRSA based on specific categories of the Capacity, Management, Operations, and Maintenance (CMOM) framework for sewer utilities. The CMOM framework established by the US Environmental Protection Agency (EPA) is meant to provide a consistent method to analyze the overall capability of a sewer utility to meet minimum regulatory requirements and maintain viability into the future.

For this study, the evaluation included a review of available technical documents (e.g., CMOM documents, Compliance Action Plans, SCDHEC inspection reports, other SCDHEC compliance and inspection documents, and SCDHEC sanitary sewer overflow (SSO) data) for each key SSS stakeholder, follow-up technical discussions with key stakeholders, and available sewer flow data for a high level inflow/infiltration analysis. Copies of the overall analyses for each key SSS stakeholder are provided in Appendix D.

This evaluation provided a high level review of the following overarching parameters:

- **System Description:** Identification of key system characteristics (e.g., pipe diameter, system materials, and system age).
- **Operations:** Day-to-day activities involved in operating a wastewater system. This included evaluating engineering design review process, staffing, asset inventory, and emergency response plans. This included activities such as monitoring flow rates, conducting inspections, operating pumps, and valves, responding to emergencies, and coordinating with other utilities or agencies.
- **Maintenance:** Activities involved in maintaining a wastewater system. Maintenance involves the regular upkeep and repair of the wastewater infrastructure to ensure its proper functioning

and longevity. This includes tasks such as cleaning and inspecting pipes, repairing leaks or breaks, replacing worn-out equipment, and performing preventive maintenance to prevent system failures.

- **Environmental Compliance:** Review of any recent enforcement actions, including SSOs and the response to those actions.
- **Inflow/Infiltration Analysis:** Completion of a high level inflow/infiltration analysis for each OJRSA key (SSS) key stakeholders. This analysis utilized available 2023 OJRSA Flow Report information and evaluated dry and wet weather flows. For this analysis, the average dry weather flow was determined using the week of October 10, 2023, and comparing against the flows of the December 24-26, 2023, rain event (<1-year, 33-hour event)<sup>26</sup>, and assumed a two (2) day system response. The rainfall derived inflow and infiltration (RDII) was compared to the calculated allowable inflow and infiltration (I/I) per the October 2023 OJRSA Sewer Use Regulation (SUR) to identify if the key SSS stakeholders met the allowable I/I threshold. An additional 25% I/I contingency was provided to each key SSS stakeholder to account for potential equipment inaccuracy and OJRSA's potential I/I contribution upstream of the meter location.

Table 2 defines the key CMOM components used for this high level evaluation.

Table 2: CMOM Category Descriptions

Category of CMOM	Description
Engineering Design	The engineering design category evaluated various aspects of wastewater system design and construction. This includes assessing design criteria documents, construction review procedures, staff involvement in design reviews, testing procedures, inspection protocols, documentation on private service lateral design, and equipment standardization.
Organizational Structure	The organizational structure category evaluated the utility's personnel structure with an organizational chart and any vacancies. For this analysis, the EPA's Manpower Requirements for Wastewater Collection System in Cities and Towns up to 150,000 in Population (1973) <sup>27</sup> was utilized to establish a high level staffing baseline.
Budgeting	The budgeting category assessed financial aspects such as fund allocation for maintenance and capital improvements, cost separation, budgeted pipe replacement programs, and financial planning for system repairs and upgrades.

<sup>26</sup>Obtained from the NOAA Atlas 14 Point Precipitation Estimates Table for the Seneca/Walhalla/Westminster areas ([https://ndsc.nws.noaa.gov/pfds/pfds\\_map\\_cont.html?bkmrk=sc](https://ndsc.nws.noaa.gov/pfds/pfds_map_cont.html?bkmrk=sc)). This source was used where this data is referenced throughout the report.

<sup>27</sup>The "Manpower Requirements for Wastewater Collection Systems in Cities and Towns up to 150,000 in Population" EPA, 1973 is the most directly relevant material on this subject currently supported by the US Environmental Protection Agency for this study.

Safety	The safety category assessed safety policies, procedures, and equipment, including written policies, safety meetings, training programs, injury rate monitoring, and equipment availability
Equipment	The equipment and maintenance category assessed effective maintenance practices within the utility. It includes record-keeping for equipment, prioritizing maintenance, allocating funds for repairs, and managing spare parts inventory.
Management Information System	The management information system category evaluated the utility's information management practices, including written instructions, presence of a system, record maintenance, update frequency, and the inclusion of relevant specific information, tracking and management of assets.
System Mapping	The system mapping category assessed the utility's mapping practices that provide accurate and up-to-date sewer system mapping of system assets in a GIS format.
Sewer Cleaning & Condition Assessment	The sewer cleaning & condition assessment category evaluated sewer inspection and cleaning practices for efficiency and effectiveness. It assessed documentation, standardization, post-repair inspections, condition assessment methods, operation procedures, defect rating systems, and record-keeping.
Capacity Assessment	The capacity assessment category evaluated the utility's capacity management practices, ensuring effective assessment and planning for sewer system functionality and reliability. This also included an evaluation of system I/I.
Environmental Compliance	The environmental compliance category evaluated adherence to state regulations and engagement with relevant government agencies. It included maintenance of accessible documentation of any exceedances, violations, and permits and whether there is prompt response to any violations.

In order to gather information necessary for this evaluation, a series of questions/requests for information were provided to each OJRSA key SSS stakeholder. **Table 3** outlines these standard questions and requested data, which were used to establish high level technical, operation and compliance observations and metrics for each participating stakeholder.

**Table 3: Stakeholder Meeting Questions by CMOM Category****Engineering Design**

- Are there design standards and/or details specific to the municipality? (YES, NO, N/A)
- Is there a document describing the design review process? (YES, NO, N/A)
- Does municipality have procedure to test and inspect rehabilitated system elements? (YES, NO, N/A)
- Does municipality attempt to standardize sewer system equipment and materials? (YES, NO, N/A)

**Organizational Structure**

- Is an organizational chart available showing overall staff structure including O&M staff? (YES, NO, N/A)
- How many staff positions are currently vacant?
- On average how long do O&M positions remain vacant?

**Internal Communications**

- How do utility staff typically communicate? (Staff meetings, e-mail, phone/text, other)
- Does the sewer municipal department communicate/coordinate with other connecting municipal systems? (YES, NO, N/A)

**Budgeting**

- Who is responsible for setting the priorities for the utility Capital Improvement?
- Are cost for collection system O&M separated from other utility services? If not, what percent of utility overall budget is allocated to O&M?
- Does the utility have a Capital Improvement Plan (CIP) identifying prioritized repairs/replacements/rehabilitation? (YES, NO, N/A)
- Is a portion of the utility budget (excluding grants) budgeted to rehabilitation/replacement of the system? (YES, NO, N/A)

**Safety**

- Does the utility have a written safety policy or procedures? (YES, NO, N/A)
- Does the utility have a procedure to deal with asbestos pipe if encountered? (YES, NO, N/A)

**Equipment**

- Does municipality have an Equipment and Parts Inventory List? (YES, NO, N/A)
- Is there a document identifying approximately when equipment should be replaced? (YES, NO, N/A)

**Management Information System**

- Does utility have a system for tracking maintenance activities? (YES, NO, N/A)

**System Mapping**

- Does the municipality have GIS documenting sewer assets? (YES, NO, N/A)
- At a minimum does the GIS fields include information for manhole/pipe size, manhole/pipe material, and installation/age? (YES, NO, N/A)

**Sewer Cleaning Condition Assessment**

- Does utility have a document standardizing O&M and documentation? (YES, NO, N/A)
- Does utility clean the sewer system (pipe and manholes) routinely? (YES, NO, N/A)
- If so, what percentage of the system is cleaned per year on average?
- Does utility investigate the condition of the sewer system (pipes and manholes) routinely? (YES, NO, N/A)
- If so, what percentage of the system is investigated on average per year?
- Does the utility perform smoke testing or dye testing of the system to identify potential defects routinely? (YES, NO, N/A)
- If so, what percentage of the system is smoke tested/dye tested per year on average?

**Pump Station**

- Does the utility have any pump stations?
- If so, does the utility have Standard Operation Procedures (SOP) and Standard Maintenance Procedures for each pump station?
- Is there a standard training protocol for staff to operate and maintain pump stations?

**Capacity Assessment**

- Has the utility performed a capacity analysis of the system within the last 10 years?
- If able, has the utility identified areas of concern for wet-weather vs dry-weather capacity?
- Does the utility have a continuing I/I Abatement Program or Plan?
- Are there any SSOs reported to SCDHEC attributed to rainfall?

**Overflow Emergency Response Plan**

- Does the utility have a document outlining Overflow Emergency Response Plan?

## Oconee County<sup>28</sup>

---

At the time of this study, Oconee County's sewer system consists primarily of one (1) pump station at Golden Corner Commerce Park and additional infrastructure is under construction for Sewer South, which is to be owned, operated, and maintained by OJRSA. OJRSA is contracted to provide operation and maintenance services for the county on the sewer assets in place and is collaborating with them on the construction of the additional sewer infrastructure. Oconee County currently does not operate or maintain any sewer system components and does not have any staff for these functions. Therefore, a technical review of existing sewer operations could not be performed.

It is acknowledged the county has plans to expand retail sewer along the I-85 corridor with the issuance of a \$25 million general obligation (GO) bond<sup>29</sup> and there is a need for a long-term operations and maintenance strategy as those sewer assets become operational. Currently, the sewer assets related to Sewer South are covered under IOAs between OJRSA and Oconee County, which are associated with sewer ownership, operations, maintenance, and construction.

## OJRSA

---

The documents used for the high-level technical, operational and compliance evaluation of OJRSA sewer system included:

- Response to Study Questions/Stakeholder Meeting Discussions
- OJRSA Budgets for FY2024 and FY2025
- SCDHEC Consent Order 21-025-W
- OJRSA Preliminary Engineering Report (*March 10, 2022*)
- OJRSA Comprehensive Management Plan: Operations CMOM (*September 2022*)
- OJRSA Gap Analysis Technical Memorandum (*January 3, 2023*)
- OJRSA Gravity Mains by CCTV Priority Area Map
- OJRSA Sewer Use Regulation (SUR) (*October 1, 2023*)
- OJRSA Emergency Standard Operating Procedure (*July 12, 2021*)
- Draft OJRSA Development Policy (*May 6, 2024*)
- OJRSA Collection System Model Report (*July 2023*)
- SCDHEC OJRSA Coneross Creek WRF Compliance Evaluation (*April 19, 2024*)

## System Description

The OJRSA system serves the combined customers of Westminster, Walhalla, West Union, Seneca, and other private, SCDES permitted SSS systems through trunk gravity main and pump station. The estimated service population is 22,777<sup>30</sup>. The OJRSA sewer trunk system consists of approximately 56 miles of gravity sewer line, 15 miles of sewer force main,

<sup>28</sup>At the time of this study, Oconee County does not have representation on the OJRSA Board; however, the county has installed and is in the process of expanding retail sewer collection for the I-85 corridor area.

<sup>29</sup>As this report was being finalized, the consultant team was made aware of a ruling from the Oconee County Court of Common Pleas on a lawsuit filed by the South Carolina Public Interest Foundation regarding the legality of the use of these bond funds. The ruling sided with the plaintiff and stated that Oconee County "... may not use bond revenues for sewer project(s) that will only benefit the southern part of the county while taxing the entire county..." and resulted in a temporary injunction being imposed on the use of the bond funds until a trial can be held.

<sup>30</sup>Estimated from the combined sewer service populations of the key SSS stakeholders.

and 16 pump stations, including one owned by Oconee County<sup>31</sup>. The majority of the gravity system comprised of 8 to 36 inch pipe consisting of reinforced concrete (RCP), vitrified clay (VCP), and polyvinyl chloride (PVC) material. Records indicate majority of the system was built in the 1970's and 1980's. OJRSA also owns, operates, and maintains the 7.8 MGD Coneross Creek WRF, which was constructed in the late 1970's. The most recent significant upgrade to the plant was completed in 1996.

In stakeholder discussions, OJRSA staff stated that they would consider accepting collection system assets from the other stakeholders, but that the current foundational agreements would still present problems with regard to the separation of wholesale and retail budgets.

OJRSA does have their system mapped in GIS with feature classes providing asset characteristics. OJRSA also has respective record drawings for most assets linked and referenced to each gravity system asset. Currently, Oconee County had historically maintained OJRSA's GIS data with OJRSA using a provided GIS online platform. In early 2024, OJRSA started a transition to house and update their GIS information internally.

### Environmental Compliance

OJRSA is currently under a SCDHEC Consent Order 21-025-W as a result of SSOs occurring throughout the OJRSA trunk system in 2019 and 2020. As a result of this Order, OJRSA has completed the following actions:

- CMOM Report (*September 23, 2022 - prepared by WK Dickson & Co., Inc.*)
- Preliminary Engineering Report (*March 3, 2022 - prepared by WK Dickson & Co., Inc.*)
- Gap Analysis (*January 3, 2023 - prepared by WK Dickson & Co., Inc.*)
- SUR updates (*October 2023*)

Unique to OJRSA is the responsibility for the enforcement of the SUR requirements for each of the OJRSA key SSS stakeholders. This is required as a result of the National Pollutant Discharge Elimination System (NPDES) issued by SCDHEC. Specific to this, SCDHEC Consent Order 21-025-W requires OJRSA to actively enforce its SUR and direct each OJRSA SSS stakeholder to conduct a CMOM audit, develop a financial planning, determine required personnel, create, and implement inspection schedules and documentation, enforce FOG (fats, oil, and grease) ordinance, catalog equipment, develop system inventory, and other necessary components for each sewer system to function properly.

OJRSA updated its SUR in October 2023 for the primary purposes of defining acceptable I/I amounts, enhancing the FOG ordinance, defining enforcement authority, and including additional discharge permit requirements. Even with these updates and the adoption of the required SUR components by each OJRSA key SSS stakeholders, this study revealed that the enforcement of existing regulatory requirements is difficult for OJRSA due to the each SSS stakeholder either being unable to comply due to lack of resources or being unresponsive to requests. OJRSA cited issues with FOG compliance and enforcement within the sewer systems of the key stakeholders and

<sup>31</sup>This information was obtained through a detailed analysis of GIS provided by OJRSA and Oconee County. This does differ somewhat from the length of gravity and force main line shown on the OJRSA website; however, this was not consequential to the analysis completed for this study. It should be noted that Oconee County's Golden Corner Commerce Park force main consists of two parallel lines that are approximately 10.5 miles in length.

insufficient response to address hydrogen sulfide complaints. Although under an active Consent Order, OJRSA is taking positive steps with regard to overall environmental compliance. This is demonstrated by recent SCDHEC inspections conducted on its pretreatment program and the Coneross Creek WRF in March 2023 and April 2024, respectively. Neither of these inspections identified any deficiencies. It should be noted that OJRSA has received only satisfactory compliance inspection ratings on the Coneross Creek WRF and industrial site stormwater since 2017.

### **Engineering Design**

OJRSA recently approved and implemented standard specifications and a development policy in May 2024, which is recognized as a supplement to the SUR. At the time of the stakeholder meetings, OJRSA staff conducted some plan reviews and outsourced some reviews to a consulting engineer. OJRSA also performs all pretreatment and FOG inspections for each key SSS stakeholder.

### **Organizational Staffing**

At the time of this study, OJRSA had 17 employees dedicated to the sewer system (collection and treatment) and two (2) vacant positions. As a part of the CMOM efforts completed for Consent Order compliance, a detailed staffing analysis completed in 2022 concluded that a staff of 22 to 24 is recommended based on the current OJRSA operations.

This means that OJRSA's staff levels are slightly lower than recommended considering they are responsible for operating treatment and trunkline sewer, maintaining retail sewer for Oconee County, and operating sixteen (16) pump stations. They are actively seeking candidates to fill vacant positions.

### **Budgeting**

OJRSA maintains two (2) unrestricted operations & maintenance (O&M) funds – one (1) for the O&M of the OJRSA wholesale assets and one (1) for the O&M of the retail system associated with Oconee County sewer infrastructure at the Golden Corner Commerce Park in the Sewer South System and along the I-85 corridor. Based on OJRSA organizational documents and intragovernmental agreements, funds from these budgets cannot be used to subsidize the wholesale operations and maintenance and vice versa.

The Wholesale O&M Budget includes funding for the overall operation of the wholesale sewer assets that benefit the key SSS stakeholders. There are maintenance-related projects covered in this budget as well as some limited transfers to the Projects & Contingency Fund for larger capital improvements. For FY2024, this budget was approximately \$6.4 million, which was just slightly over the anticipated revenues by approximately \$330,000. For FY2025, the Wholesale O&M Budget is slightly less at \$6.2 million, with anticipated overage above revenues of just over \$81,000.

For the FY2024 Retail O&M Budget, OJRSA approved a budget of just over \$13.3 million, which included the expenses associated with the construction of the Sewer South infrastructure. The revenue for this budget was covered by grants from RIA and EDA and reimbursements from Oconee County. In FY2025, this budget was approved for just over \$3.7 million in expenses, again still associated with the Sewer South System and expected to be covered by grant funds or by the county. Once operational, this fund will be based on actual revenues and expenses, being subsidized where necessary by the county. Based on current intragovernmental agreements, none of the

revenue derived from these assets associated with Oconee County can be used for the operation and maintenance of any shared assets covered by the Wholesale O&M Budget.

The revenue for OJRSA operations is generated primarily through user fees, as OJRSA is not authorized to collect ad valorem taxes.

Currently, OJRSA is budgeting for normal O&M expenses within the wholesale system; however, this needs to be addressed annually as expense increases associated with the system and as the system continues to age. For the retail system, this budget will need to be reviewed critically as these assets become operational.

In addition to these unrestricted funds, OJRSA has three (3) restricted funds: Project & Contingency Fund, used primarily for capital projects; Wholesale Impact Fund (WIF), which includes revenues collected from impact fees, industrial capacity fees and interests earned on investment to be used for associated projects within the wholesale system necessary as a result of development; and, a Retail Impact Fund (RIF), which includes revenues collected from impact fees, industrial capacity fees and interests earned on investment to be used for associated projects within the county retail system necessary as a result of development. For FY2024, there was just over \$10.8 million budgeted for capital and planning projects. The majority of these projects are associated with funding from the South Carolina Infrastructure Investment Program (SCIIP)<sup>32</sup>. There were no capital projects associated with either the WIF or RIF budgets. For FY2025, funds just over \$9.4 million have been budgeted for capital and planning projects, again primarily funded through SCIIP or other grant proceeds. There are no capital projects anticipated in the WIF or RIF budgets for FY2025.

### Safety

Safety practices were provided in the CMOM Report and OJRSA Emergency Action Plan and are referenced in the OJRSA Emergency Standard Operating Procedure. During the stakeholder meetings, staff indicated safety of employees was critical. As result, in 2018 OJRSA invested in developing a Process Safety Management Program, a Risk Management Plan, an Emergency Action Plan, a Contractor Safety Policy Manual, training, and implementing standard safety practices such as the chlorine emergency orientation and protocols. In 2017-2018, they also participated in a voluntary OSHA inspection used to identify areas of improvement.

### Equipment

OJRSA has a detailed equipment spreadsheet provided in the CMOM Report. This spreadsheet provided pictures of key equipment, equipment details (i.e., model number, date received, condition, primary use, anticipated replacement, etc.), estimated value as well as an inventory ledger for smaller tools. For OJRSA, key equipment includes maintenance vehicles, septic tank pump truck, multiple dump trucks, a rotary cutter, a trailer mounted jetter, tractor, multiple bypass pumps, multiple backhoe excavators, a trencher, trailers, and miscellaneous operation tools and material.

Most of the OJRSA equipment is sufficient for routine O&M of its sewer system assets; however, the jetter is undersized for most diameters of

<sup>32</sup>The SCIIP grant funds are being administered by the South Carolina Rural Infrastructure Authority (RIA) from the American Rescue Plan Act (ARPA), State & Local Fiscal Recovery Fund (SLFRF), provided to South Carolina from the US Treasury.



pipe within the OJRSA system. Future budgeting efforts should include replacement of this equipment over time and purchase of new equipment as O&M needs change.

### Management Information System

OJRSA currently has a computerized maintenance management system (CMMS); however, it is not utilized due to functionality issues that limit staff's ability to efficiently input or query the software. OJRSA is in the process of investigating systems that can help them manage maintenance activities, asset management, and track work orders. Currently, work orders are tracked manually by the OJRSA Operations Director.

An integrated CMMS solution would allow OJRSA to manage its sewer system assets more effectively, including identifying areas where rehabilitation efforts should be focused in the coming years.

### Sewer Cleaning and Condition Assessment

OJRSA developed standard O&M documentation and a checklist as part of their CMOM effort. Since 2023, they have prioritized investigation of the trunk gravity system, with a focus on the highest priority areas of the system based on SSOs and I/I. Since 2022, OJRSA has cleaned and inspected approximately 60,000 linear feet of the gravity trunk system, which included investigations required by the Consent Order as well as annual routine cleaning and investigation.

OJRSA now includes a line item in the Wholesale O&M Budget to cover routine cleaning and investigation of the trunk system per the CMOM recommendations.

### Inflow and Infiltration Analysis

As part of the overall analysis, a high level RDII analysis of OJRSA's system was completed. This analysis compared average dry weather flows from October 22, 2023, against the flows from the December 24-26, 2024, rain event<sup>33</sup> using OJRSA's Flow Reports for 2023. **Table 4** provides a summary of this analysis.

**Table 4: OJRSA High Level I/I Analysis Summary**

	TOTAL
Dry Weather (gal/wk)	13,172,829
12/24/23 Wet Weather (gal/wk)	27,237,176
12/24/23 Total RDII (gal/wk)	14,064,347
Est. Average Daily RDII* (gpd)	7,032,174
Total Allowable I/I per Day for OJRSA (gpd)	N/A
High Level I/I Deduction	N/A

\* Note SUR indicates RDII municipality cannot exceed amount on ANY given DAY. OJRSA Flow Station 2023 Report provided weekly data. Wet weather response in a collection system is typically 1-2 days. For this calculation, it is assumed the RDII is distributed equally over two days for this high level analysis. Typically, the day of the rain event will incur the majority of I/I in the OJRSA system.

The OJRSA I/I is comprised of both I/I from the key SSS stakeholders and the OJRSA's trunk system. Based on the flow records provided and the flow metering locations, it is difficult to determine the I/I specifically attributed to

<sup>33</sup>It should be noted that the December 24-26, 2024, rain event was <1-year, 33-hour rain event and the OJRSA SUR standard is for a 5-year rain event.

OJRSA system from I/I contributed by connecting key SSS stakeholders. The general explanation for how this I/I analysis was conducted is provided in the description of the individual parameters of the technical evaluation.

A more detailed flow analysis of OJRSA's system was provided in OJRSA's Preliminary Engineering Report dated March 10, 2022, confirming ongoing I/I concerns that must continue to be addressed.

### Capacity Assessment

OJRSA completed a Collection System Model Report in July 2023. The model runs evaluated system performance and capacity in dry weather, 2-year wet weather, and 5-year wet weather. Model results did not identify significant dry weather capacity concerns but did identify capacity concerns in portions of the system when the 2-year wet weather and 5-year wet weather flows were applied.

SCDHEC data indicates that SSOs occurring on September 3, 2022, September 5, 2002, April 8, 2023, and January 9, 2024, can be attributed to rainfall. This means that the capacity of the OJRSA trunk system is limited during wet weather as result of I/I occurring throughout the regional system, including I/I stemming from key SSS stakeholders.

This is a further indication that capacities throughout the OJRSA trunk system are likely limited during rain events and this extraneous flow also limits capacity at the Coneross Creek WRF. The efforts to systematically rehabilitate the trunk system and pump stations along with the enforcement of the SUR requiring similar I/I reduction efforts within the sewer systems of the key stakeholders should continue.

## City of Seneca

Below is a summary of documents used for the high level technical, operational and compliance assessment of City of Seneca collection system:

- Response to Study Questions/Stakeholder Meeting Discussions
- City of Seneca Budgets for FY2024 and FY 2025
- Seneca Light & Water Organizational Chart
- OJRSA Notice of Violation (*February 14, 2024*)
- City of Seneca Sewer GIS
- SCDHEC Satellite Sanitary Sewer Permit Inspection Report (*June 19, 2020*)
- Sewer System Lift Station Standard Operating/Emergency Overflow Procedures (*July 2016*)
- List of Potential Sewer Projects (*December 15, 2023*)

### System Description

The City of Seneca has a sewer service population of approximately 14,040<sup>34</sup>. The city's sewer system consists of approximately 130 miles of gravity sewer lines, ranging in diameter from 4 to 18 inches, 28 pump stations served by approximately 30 miles of force main. The majority of the known gravity system is comprised predominately of 8 inch lines consisting of mostly of PVC and VCP material. Seneca's force mains are predominately ductile iron. From staff estimations, portions of the collection system located in downtown Seneca are over 100 years old with other portions being 50 years or older. The city does

<sup>34</sup>Seneca stated that they have approximately 6,000 sewer accounts. Based on Census data for Oconee County, the average person per household is 2.34. This results in an approximate sewer service population of 14,040. This is significantly less than the current SCDES data for Seneca's primary service population of 37,478 for its public drinking water system.

have their collection system in GIS with most sewer attributes detailed. During the stakeholder meetings, Seneca staff stated that they would be willing to accept sewer assets from the other stakeholders; however, they would only do so if the water assets, where applicable, were also conveyed. They were less inclined to convey sewer assets to another entity, but it may be considered in the future.

### **Environmental Compliance**

At the time of this study, Seneca was not under any formal enforcement action related to its sewer collection system. During a June 25, 2020, SCDHEC inspection, the city received an overall satisfactory rating. This inspection did note specific deficiencies in preventive maintenance related to I/I evaluation, gravity system flow monitoring, and gravity system cleaning and investigation.

The city did receive a Notice of Violation (NOV) of the SUR from OJRSA on February 14, 2024, for noted excessive hydrogen sulfide at a pump station. In addition, OJRSA has also recently required (February 2024) Seneca to take CMOM efforts to reduce I/I coming from their collection system into the OJRSA trunk system. During the study stakeholder meetings, Seneca indicated that they adopted OJRSA FOG regulation and have agreed to allow OJRSA staff to complete the inspections. Through this process OJRSA is also supposed to review grease trap plans, where applicable. It was noted that there are sometimes differences in opinion on the interpretation of requirements. The process of having specific plans approved by OJRSA prior to issuance of operational or occupancy permits is meant to ensure consistency and compliance with the OJRSA SUR.

### **Engineering Design**

For any new development, the city performs internal reviews using their sewer standards which go above those required by SCDES. As part of the review, a permit for wastewater system capacity from OJRSA is required if connecting to the collection system. This is meant to ensure coordination and consistency between the key SSS stakeholders and OJRSA. There have been issues noted with the consistency of this process with all key SSS stakeholders.

### **Organizational Staffing**

During stakeholders meetings, Seneca stated that they had a single crew of nine (9) employees dedicated to the sewer system with three (3) vacant positions. No plans to increase staff for sewer collection system were noted. The city's Light & Sewer Department consists of a staff of 24<sup>35</sup> covering O&M responsibilities for all water and sewer utilities.

Following staffing guidance from EPA Manpower Requirement for Wastewater up to 150,000 in Population, a staff of 16 to cover approximately 351 manhours per week is recommended to operate a sewer system serving a population of Seneca's size. Based on this, it appears that the city's staff dedicated to the sewer collection system is lower than recommended based on the number of sewer assets in the system, including 28 pump stations, which is the most among the key SSS stakeholders.

During discussions with city staff, it was noted that there are a number of their key utility staff who will be retiring over the next several years and the succession planning is of critical importance to them.

<sup>35</sup>For FY2024, Seneca budgeted for a total of 81 staff under the Light & Water Fund. These staff cover administration, billing, engineering, maintenance, water distribution, water treatment, sewer collection, electric distribution, and electric generation.

## Budgeting

Seneca has a single enterprise budget, Water & Light Fund, which covers funding of the water, sewer, and electrical systems. They do have sewer-related revenues and expenditures separated within this enterprise fund budget. For FY2024, approximately \$5.6 million was budgeted for sewer operations; however, just over \$3.9 million of that is attributable to the wholesale sewer expenses for OJRSA wastewater treatment. \$350,000 was budgeted specifically for sewer maintenance and repairs. For FY2025, just over \$5.9 million has been budgeted for sewer operations, with a similar amount allocated for wholesale sewer expenses. An increase of \$150,000 has been added to the amount budgeted for sewer maintenance and repairs. At the time of the stakeholder meetings, the city indicated that they did not have a formal sewer CIP, but indicated capital projects are primarily development driven. Recent capital projects (outside of those that are development driven) have been/are being completed using grants funds from SCIP, local ARPA and RIA<sup>36</sup>. Staff further noted that they are in the process of developing a formal CIP with their consultant.

Overall, Seneca stated that they do not have a schedule for collection system rehabilitation. It has been mostly reactive; however, the formal CIP is expected to address this and provide a more formal process for sewer capital improvements and maintenance. Seneca did note that they had recently upgraded seven (7) of their pump stations and had replaced a majority of the oldest VCP collection lines.

## Safety

Seneca has a Safety Policy and Emergency Response Plan confirming a written active procedure for this element.

## Equipment

According to the SCDHEC inspection, Seneca has ample documentation of their equipment and parts. The city did indicate there is no schedule to replace equipment and indicated equipment is replaced on an as needed basis.

For FY2025, Seneca has budgeted for a sewer main line camera truck system and an additional camera system, which will facilitate crews being able to do more preventative maintenance on the collection system.

## Management Information System

Seneca indicated that they have a work order tracking system but do not have an integrated CMMS or other asset management program. Even a simple system for managing utility assets would be of benefit to Seneca going forward. A systemized, consistent way to track utility assets and their condition helps improve the capital and maintenance project planning process.

## Sewer Cleaning and Condition Assessment

During the stakeholder meetings, Seneca staff indicated that approximately 10% of the gravity system is cleaned and investigated annually. The SCDHEC inspection report from 2020 indicated videoing was conducted in problem areas quarterly and as needed in other areas of the system. This inspection report also indicated less than less than 10% of the system was being cleaned and inspected at that time. As follow-up the city provided a

<sup>36</sup>RIA also issues grants from state-appropriated funds allocated on an annual basis.

spreadsheet summarizing gravity system investigation at a percentage equal to 10% of their system beginning 2022 with scheduled investigations. Based on the current schedule, portions of Seneca's gravity lines directly conveying flow to OJRSA, including, Martins Creek and Perkins Creek sewer basins, are scheduled for investigation in 2025-26 and 2028-2030, respectively.

While Seneca has historically had a more reactionary approach for sewer cleaning and assessment, they are taking steps to institute a more proactive approach. This should also be a part of their CMOM-related efforts required by OJRSA for compliance with the SUR.

**Inflow and Infiltration Analysis**

As part of the analysis of the system, a high level RDII of Seneca's collection system at the points where flow is conveyed to OJRSA was completed. The analysis compared average dry weather flows from October 22, 2023, against the flows from the December 24-26, 2024, rain event using OJRSA's Flow Reports for 2023. It concluded the Seneca collection system likely exceeded the allowable I/I during the December 24-26, 2024, rain event. **Table 5** provides a summary of the analysis.

**Table 5: Seneca High Level I/I Analysis Summary**

	Richland FMS	Perkins PS	TOTAL
Dry Weather (gal/wk)	343,100	9,299,829	<b>9,642,929</b>
12/24/23 Wet Weather (gal/wk)	631,200	15,546,276	<b>16,177,476</b>
12/24/23 Total RDII (gal/wk)	288,100	6,246,447	<b>6,534,547</b>
Est. Average Daily RDII* (gpd)	144,050	3,123,224	<b>3,267,274</b>
Total Allowable I/I per Day for Seneca (gpd)			<b>3,033,555</b>
High Level I/I Deduction			<b>Excess I/I</b>

\* Note SUR indicates RDII municipality cannot exceed amount on ANY given DAY. OJRSA Flow Station 2023 Report provided weekly data. Wet weather response in a collection system is typically 1-2 days. For this calculation, it is assumed the RDII is distributed equally over two days for this high level analysis. Typically, the day of the rain event will incur the majority of I/I in the OJRSA system.

Following OJRSA's SUR allowable I/I requirement with additional contingency, the city's estimated allowable I/I is 3,033,55 gallons/day. During the analyzed wet weather event, a peak RDII of 3,267,274 gallons/day was approximated, exceeding the total allowable I/I per day for Seneca. The general explanation for how this I/I analysis was conducted is provided in the description of the individual parameters of the technical evaluation.

As previously stated, the points at which flows are measured make it difficult to determine the I/I contribution from OJRSA lines and SSS stakeholder lines. This was taken into account when determining the high-level I/I outlined in **Table 5**.

**Capacity Assessment**

No information was provided regarding the evaluation of sewer collection system capacity nor was there a mention of capacity issues in the SCDHEC inspection report from 2020. SCDHEC data indicates that SSOs occurring on March 11, 2024, and June 10, 2024, can be attributed to rainfall. This means that there are areas of Seneca's system that may be limited in capacity during wet weather as result of I/I.

There is an informal moratorium on additional flow in the Seneca Creek area of the collection system, which includes a portion of the OJRSA trunk system.

This is due to wet weather capacity issues with the existing force main. It is being resolved with the installation of a new force main that is being funded by a developer.

As was previously noted, OJRSA has requested that Seneca complete a CMOM-like evaluation in order to address I/I. Specific capacity analyses should be a part of this process.

## City of Walhalla

---

Below is a summary of documents used for the high level technical, operational and compliance assessment of City of Walhalla sewer collection system:

- Response to Study Questions/Stakeholder Meeting Discussions
- City of Walhalla Water Department Organizational Chart
- City of Walhalla Budgets for FY2024 and FY2025
- SCDHEC Consent Order 20-052-W
- SCDHEC Satellite Sanitary Sewer Permit Inspection Report (*November 22, 2019*)
- City of Walhalla Sewer Compliance Attainment Plan (*March 2021*)
- City of Walhalla CMOM Report (*July 2022*)
- Email with list of equipment (*January 16, 2024*)

### System Description

The City of Walhalla has a sewer service population of approximately 4,446<sup>37</sup>. The city's sewer system consists of approximately 40 miles of gravity sewer lines with diameters ranging from 4 to 18 inches and three (3) pump stations served by approximately 6 miles of force main. The majority of the gravity system is comprised predominately of 6, 8 and 12 inch lines. Staff estimated that the majority of the system is 50 years or older and made mostly of VCP material. Walhalla does have some mapping of their system, but they do not have or maintain a GIS system. They work with Oconee County on this effort. Through discussions in stakeholder meetings, Walhalla staff indicated that they would be willing to convey the city's sewer assets to another entity but would be unwilling to convey their water assets.

### Environmental Compliance

Walhalla was issued SCDHEC Consent Order 20-052-W after receiving an unsatisfactory rating for SCDHEC inspection conducted on June 28, 2019. As required by this enforcement action, the city has completed and submitted a Compliance Action Plan (CAP) dated March 2021 prepared by Goodwyn, Mills and Cawood, Inc. and Capacity Management Operation and Maintenance (CMOM) Plan dated July 2021 also prepared by Goodwyn, Mills and Cawood, Inc.

Using these plans as the basis, OJRSA has also recently required (February 2024) Walhalla to identify specific projects aimed at reducing I/I coming from their collection system into the OJRSA trunk system.

During the study stakeholder meetings, Walhalla noted that they adopted the OJRSA FOG regulation and have agreed to allow OJRSA staff to complete the

<sup>37</sup>Walhalla stated that they have 1,900 sewer accounts. Based on Census data for Oconee County, the average person per household is 2.34. This results in an approximate sewer service population of 4,446. This is significantly less than the current SCDES data for Walhalla's primary service population of 18,511 for its public drinking water system.

inspections. Through this process OJRSA is also supposed to review grease trap plans, where applicable. Recently, there have been some concerns about FOG requirements that have been raised by Walhalla businesses. OJRSA has agreed to revisit these requirements. The process of having specific plans approved by OJRSA prior to issuance of operational or occupancy permits is meant to ensure consistency and compliance with the OJRSA SUR.

### Engineering Design

For any new development, Walhalla follows SCDHEC sewer standards. The city's Planning Department is working to develop their own sewer standards. The current review process is for a city staff member to review the plans and coordinate with the developer or developer's engineer. Walhalla does not receive many plans due to limited growth.

Similar to the other entities, a permit for wastewater system capacity from OJRSA is required if connecting to the collection system. This is meant to ensure coordination and consistency between the key SSS stakeholders and OJRSA. There have been issues noted with the consistency of this process with all key SSS stakeholders.

### Organizational Staffing

At the time of the stakeholder meetings, Walhalla had a single crew of three (3) employees dedicated to the sanitary sewer system; however, they also assist with water system operations and maintenance when needed. The city does not have plans to increase sewer staff, but they are trying to hire more water staff to allow the dedicated sewer staff to focus on the collection system. Overall, the city's Public Works Department has a staff of 13 covering additional responsibilities from sewer including water system, roads, stormwater, and other related functions. Following staffing guidance from EPA Manpower Requirement for Wastewater up to 150,000 in Population, a staff of 15 personnel and approximately 174 manhours a week is recommended to operate a sewer system of Walhalla's size. The city's staff levels dedicated to the sewer system appear to be significantly below recommended levels.

In the FY2025 budget, Walhalla has planned to add 3 additional staff to their water crews. While not dedicated to the sewer collection system, city staff indicated that they will be available to assist with sewer system needs.

While Walhalla did not have any vacancies when the stakeholder meetings were held, their Utilities Director recently resigned. This staff member was one of the longest tenured employees with significant institutional knowledge of the city's utilities, including the sewer collection system.

### Budgeting

Walhalla maintains an Enterprise Fund that does break out sewer, but it does not provide distinct line items detailing the budgeted expenses. In a review of the FY2024 budget, it was noted that the expenditures for sewer decreased drastically from just over \$1.5 million in FY2023 to \$192,747 in FY2024 and \$205,520 for FY2025 (proposed). This is primarily due to the way that OJRSA now bills each key SSS stakeholder<sup>38</sup>, which changed from being based on sewer flows each month to water usage for each sewer customer within the stakeholder's system. The previous budgets included an estimated expenditure for payment of the wholesale sewer each month to OJRSA.

<sup>38</sup>OJRSA adopted the new wholesale user fee mechanism on February 6, 2023.

Because Walhalla's sewer rates only cover the OJRSA wholesale rate with no volumetric charge<sup>39</sup>, this is simply a pass-through charge and the payments for the monthly wholesale bill to OJRSA are no longer budgeted. Therefore, the expenditures outlined in the budget for sewer are to cover all relevant expense for the collection system, including O&M.

In the stakeholder meetings, Walhalla staff noted that the sewer budget is not self-sustaining and transfers within the Enterprise Fund (from water revenues) are often needed. Staff estimated that annual sewer maintenance expenses are approximately \$20,000, which was also documented in the CMOM plan. Based on the proposed FY2025 budget, the Walhalla City Council has directed staff to have the sewer fund 'break even'. The addition of a rate above the OJRSA wholesale rate is projected to do this. This budget does have an increase of \$15,000 for sewer maintenance for FY2025.

Historically, capital improvement projects have been developed on an annual basis with the City Council setting the priorities. Currently, city staff stated that they are working to develop a Capital Improvement Plan (CIP) and Capital Maintenance Plan (CMP) for a five (5) year planning window. This will allow staff to better communicate priorities and allow proactive budgeting to complete them. Based on recent budgets, all major sewer capital projects are and have been completed with grants, primarily from SCIIP and ARPA funds.

### **Safety**

A Safety Policy and Emergency Response Plan were developed as part of the CMOM plan provided by the city. During the stakeholder meetings, Walhalla staff indicated they have seen benefit from having the written safety plan and it is improving how they operate and respond.

### **Equipment**

According to the Walhalla's CMOM plan, the city did not have a complete inventory list of equipment, and it was recommended that one be developed. During the stakeholder meetings, staff indicated they did not have much equipment dedicated to sewer but were planning to purchase more.

Going forward, some process for managing these sewer equipment assets would be beneficial to appropriately account for them and their eventual replacement as a part of the annual budgeting process.

### **Management Information System**

Walhalla does not have a formal tracking system or CMMS. City staff currently track work orders using paper or Google forms. They noted that they are investigating purchasing a formal CMMS system for managing utility assets, but this had not been completed at the time of the study.

Even a simple system for managing utility assets would be of benefit to Walhalla going forward. As outlined for the equipment, a systemized, consistent way to track utility assets and their condition helps improve the capital and maintenance project planning process.

### **Sewer Cleaning and Condition Assessment**

Walhalla has developed standard operation and maintenance documentation as part of their CMOM plan. During stakeholder meetings, city staff indicated they have not performed significant collection system investigations in recent years.

<sup>39</sup>Based on the proposed FY2025 Budget, a sewer base rate of \$5.00 (inside residents) and \$10.00 (outside residents) above the OJRSA wholesale rate has been recommended.



The staff stated that they hope to increase that in the upcoming year as part of the CMP referenced above.

For the pump stations, the city did have Standard Operating Procedures (SOP) and indicated there is a standard training protocol to operate and maintain these sewer assets. City staff indicated the SOP and training have been beneficial.

**Inflow and Infiltration Analysis**

As part of the analysis of the system, a high level RDII of the areas of Walhalla’s collection system at the points where flow is conveyed to OJRSA<sup>40</sup> was completed. The analysis compared average dry weather flows from October 22, 2023, against the flows from the December 24-26, 2024, rain event using OJRSA’s Flow Reports for 2023. It concluded the Walhalla and West Union collection systems likely exceeded the allowable I/I during the December 24-26, 2024, rain event. **Table 6** provides a summary of the analysis.

**Table 6: Walhalla/West Union High Level I/I Analysis Summary**

	Coneross FMS	TOTAL
Dry Weather (gal/wk)	1,936,200	<b>1,936,200</b>
12/24/23 Wet Weather (gal/wk)	6,192,200	<b>6,192,200</b>
12/24/23 Total RDII (gal/wk)	4,256,000	<b>4,256,000</b>
Est. Average Daily RDII* (gpd)	2,128,000	<b>2,128,000</b>
Total Allowable I/I per Day for Walhalla/West Union (gpd)		<b>884,520</b>
High Level I/I Deduction		<b>Excess I/I</b>

*\* Note SUR indicates RDII municipality cannot exceed amount on ANY given DAY. OJRSA Flow Station 2023 Report provided weekly data. Wet weather response in a collection system is typically 1-2 days. For this calculation, it is assumed the RDII is distributed equally over two days for this high level analysis. Typically, the day of the rain event will incur the majority of I/I in the OJRSA system.*

Following OJRSA’s SUR allowable I/I requirement with additional contingency, the city’s estimated allowable I/I is 884,520 gallons/day. During the analyzed wet weather event, a peak RDII of 2,128,000 gallons/day was approximated, exceeding the total allowable I/I per day for Walhalla and West Union. The general explanation for how this I/I analysis was conducted is provided in the description of the individual parameters of the technical evaluation.

As previously stated, the points at which flows are measured make it difficult to determine the I/I contribution from OJRSA lines and SSS stakeholder lines. This was taken into account when determining the high-level I/I outlined in **Table 6**.

**Capacity Assessment**

Walhalla indicated that a capacity study of their sewer collection system has not been performed. Staff do identify areas of concern by monitoring manholes during significant rain events and they have utilized temporary gravity flow meters. The CMOM report referenced that proposed projects to improve the system would be detailed in a PER; however, this PER was not provided during this study. SCDHEC data indicates that SSOs occurring on December 26, 2023, January 9, 2024, and January 25, 2024, can be attributed

<sup>40</sup>Because of how the collection systems of Walhalla and West Union are connected, these numbers include sewer flows from both entities. West Union’s collection system is comprised of only approximately 1 mile of collection line.

to rainfall. This means that there are areas of the Walhalla (and West Union) collection system(s) that may be limited in capacity during wet weather as result of I/I.

As was previously noted, OJRSA has requested that Walhalla complete a CMOM-like evaluation in order to address I/I. Specific capacity analyses and the finalization of the referenced PER should be a part of this process.

## City of Westminster

Below is a summary of documents used for the high level technical, operational and compliance assessment City of Westminster sewer collection system:

- Response to Study Questions/Stakeholder Meeting Discussions
- Updated FY2024 Organizational Chart
- City of Westminster Budgets for FY2024 and FY2025
- SCDHEC Consent Order 21-018-W
- SCDHEC Satellite Sanitary Sewer Permit Inspection Report (*April 10, 2020*)
- City of Westminster Compliance Attainment Plan for SCDHEC Consent Order 21-018-W (*June 2021*)
- City of Westminster Sewer Equipment List
- System Description

The City of Westminster has a sewer service population of approximately 3,823<sup>41</sup>. The city's sewer system consists of approximately 28 miles of gravity sewer comprised of predominately 6 to 8 inch sanitary sewer line with no pump stations or force mains. Based on staff estimations, the majority of the system is 50 years or older and a predominately comprised of asbestos concrete (AC) and VCP materials with some Orangeburg pipe in some of the older sections of the system. At the time of this study, the city indicated that it does not have a robust GIS system with sewer assets identified. They primarily rely on their consultant for this. Westminster has GPS-located manholes, but they have not been added to GIS. City staff currently use physical paper maps to identify and locate assets within their collection system.

During meetings with Westminster staff, they indicated that the city would be willing to convey their sewer assets to another entity but would be unwilling to convey their water assets.

### Environmental Compliance

Westminster was issued SCDHEC Consent Order 21-018-W after receiving an unsatisfactory rating during a January 9, 2020, SCDHEC inspection. Staff indicated that this was a result of being unable to produce requested records. At the time of the stakeholder meetings, the City of Westminster completed and submitted a CAP dated June 2021 prepared by the Rosier Group. The PER had been submitted to SCDHEC for their review and approval.

Using these plans as the basis, OJRSA has also recently required (February 2024) Westminster to identify specific projects aimed at reducing I/I coming from their collection system into the OJRSA trunk system.

During the study stakeholder meetings, Westminster noted that they adopted

<sup>41</sup>Westminster stated that they have 1,180 sewer accounts. Based on Census data for Oconee County, the average person per household is 2.34. This results in an approximate sewer service population of 3,823. This is significantly less than the current SCDES data for Westminster's primary service population of 8,085 for its public drinking water system.

the OJRSA FOG regulation and have agreed to allow OJRSA staff to complete the inspections. Through this process OJRSA is also supposed to review grease trap plans, where applicable. The process of having specific plans approved by OJRSA prior to issuance of operational or occupancy permits is meant to ensure consistency and compliance with the OJRSA SUR.

### **Engineering Design**

For any new development, Westminster follows SCDHEC sewer standards, and they are reviewed by an engineering consultant. The city generally accepts the engineering consultant's approval and/or recommendations.

As part of the review, a permit for sewer system capacity from OJRSA is required if connecting to the collection system. This is meant to ensure coordination and consistency between the key SSS stakeholders and OJRSA. There have been issues noted with the consistency of this process with all key SSS stakeholders.

### **Organizational Staffing**

At the time of stakeholder meetings, Westminster had two (2) employees dedicated to the sewer collection system. The city's Public Works Department has a staff of 18 that cover additional utility/public works responsibilities, including sewer, water, roads, stormwater, etc. When sewer emergencies arise, these Public Works staff members can be diverted to assist. Staff noted that there were no immediate plans to increase sewer staff.

Following staffing guidance from EPA Manpower Requirement for Wastewater up to 150,000 in Population, a staff of 12 personnel and approximately 160 manhours a week is recommended to operate a sewer system of Westminster's size. The city's staff levels dedicated to the sewer system appear to be significantly below recommended levels.

### **Budgeting**

Westminster has a single enterprise budget that covers water, sewer, and electrical funds. They do have sewer-related revenues and expenditures separated within this enterprise fund budget. For FY2024, just over \$1.3 million was budgeted for the sewer collection system, including general operation and maintenance and exclusive of wholesale sewer charges. For FY2025, \$919,609 has been budgeted for sewer collections.

During the stakeholder meetings, city staff noted that there were no specific plans to include additional sewer rehabilitation in the FY2025 budget<sup>42</sup>. Recent capital projects have been and are being funded through grants from SCIIP and local ARPA dollars. It was also noted that Westminster utilizes zoning/land use planning in order to grow its utilities. For sewer, they look for infill development where it can connect to the existing gravity system. For low density development, septic tanks can still be utilized.

### **Safety**

During the stakeholder meetings, staff indicated they have a printed document that outlines basic safety procedures and are currently in the process of updating it.

### **Equipment**

Westminster provided an equipment list that included a jetting machine, a 16-foot CCTV trailer, and five (5) flow meters for the sewer system. The staff also

<sup>42</sup>Subsequent to the stakeholder meetings and as part of the FY2025 budget process, Westminster stated their intention to issue a \$5 million bond for water, sewer, and electric system improvements.

have access to a vacuum truck, back hoes, an excavator, and a dump truck. The list did not have additional information such as make, model, value, age, or other related information. Staff indicated that they have established an overall equipment replacement program and budget approximately \$500,000 per year for this purpose.

Going forward, it would be beneficial to capture this additional information for the sewer equipment assets to appropriately account for them and their eventual replacement as a part of the annual budgeting process.

**Sewer Cleaning and Condition Assessment**

Currently, Westminster stated that cleaning and smoke/dye testing is conducted on an as needed basis, which covers approximately 2% of the system per year. Condition assessment using CCTV is difficult due to deterioration of the existing pipe. The city recognized the majority of the system is deteriorated but is unable to quantify the percentage of the system that needs to be replaced and/or rehabilitated.

Based on the age and the type of materials in the collection system, it is likely that a majority of the system is in need of rehabilitation.

**Inflow and Infiltration Analysis**

As part of the analysis of the system, a high level RDII of the areas of Westminster’s collection system at the points where flow is conveyed to OJRSA was completed. The analysis compared average dry weather flows from October 22, 2023, against the flows from the December 24-26, 2024, rain event using OJRSA’s Flow Reports for 2023. It concluded the Westminster collection system likely exceeded the allowable I/I during the December 24-26, 2024, rain event. **Table 7** provides a summary of the analysis.

**Table 7: Westminster High Level I/I Analysis Summary**

	Colonels FMS	Miller BR FMS	TOTAL
Dry Weather (gal/wk)	481,300	1,112,400	1,593,700
12/24/23 Wet Weather (gal/wk)	2,825,700	2,041,800	4,867,500
12/24/23 Total RDII (gal/wk)	2,344,400	929,400	3,273,800
Est. Average Daily RDII* (gpd)	1,172,200	464,700	1,636,900
Total Allowable I/I per Day for Westminster (gpd)			604,800
High Level I/I Deduction			Excess I/I

\* Note SUR indicates RDII municipality cannot exceed amount on ANY given DAY. OJRSA Flow Station 2023 Report provided weekly data. Wet weather response in a collection system is typically 1-2 days. For this calculation, it is assumed the RDII is distributed equally over two days for this high level analysis. Typically, the day of the rain event will incur the majority of I/I in the OJRSA system.

Following OJRSA’s SUR allowable I/I requirement with additional contingency, the city’s estimated allowable I/I is 604,800 gallons/day. During the analyzed wet weather event, a peak RDII of 1,636,900 gallons/day was approximated, exceeding the total allowable I/I per day for Westminster. The general explanation for how this I/I analysis was conducted is provided in the description of the individual parameters of the technical evaluation.

Westminster has provided feedback on the I/I calculations and, as previously stated, the points at which flows are measured make it difficult to determine the I/I contribution from OJRSA lines and SSS stakeholder lines. This was taken into account when determining the high-level I/I outlined in **Table 7**.

## Capacity Assessment

Westminster indicated that a specific capacity of study of their sewer collection system has not been performed. Staff do monitor manholes during significant rain events. While Westminster does not have a specific I/I abatement plan, they have identified areas, such as Oak Street, that are priorities for repairs/replacement. SCDHEC data indicates that SSOs occurring on January 4, 2024, and March 7, 2024, can be attributed to rainfall. This means that there are areas of Westminster's system that may be limited in capacity during wet weather as result of I/I.

As was previously noted, OJRSA has requested that Westminster complete a CMOM-like evaluation in order to address I/I. Specific capacity analyses and the finalization of the referenced PER should be a part of this process.

## Town of West Union

---

Below is a summary of documents used for the high level technical, operational and compliance assessment of Town West Union's sewer collection system:

- Response to Study Questions
- Response to Study Questions/Stakeholder Meeting Discussions
- SCDHEC Consent Order 20-052-W
- SCDHEC Satellite Sanitary Sewer Permit Inspection Report (*September 15, 2020*)

## System Description

The Town of West Union has a sewer service population of approximately 468. Its sewer collection system consists of approximately 1 mile of gravity sewer, most of which is 8-inch PVC line. According to staff, the majority of the system is over 40 years old.

Similar to the statements from Walhalla and Westminster, West Union staff stated that they would be willing to convey their sewer system to another entity but would be unwilling to convey their water system.

## Environmental Compliance

A SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union on September 15, 2020, resulted in an overall unsatisfactory rating. No additional information was provided with regard to the response to this NOV or other compliance-related issues.

At the time of this report, OJRSA had not specifically required West Union to complete any specific actions with regard to I/I reduction. This is primarily because there is currently no way to discreetly analyze West Union's sewer flow apart from Walhalla's flow.

During the study stakeholder meetings, West Union noted that they adopted the OJRSA FOG regulation and have agreed to allow OJRSA staff to complete the inspections. Through this process OJRSA is also supposed to review grease trap plans, where applicable. The process of having specific plans approved by OJRSA prior to issuance of operational or occupancy permits is meant to ensure consistency and compliance with the OJRSA SUR.

### **Engineering Design**

There is minimal development occurring in West Union because there is limited area that can be annexed. For any development, town staff do the reviews and engage OJRSA for their review and approval with regard to capacity.

### **Organizational Staffing**

During the stakeholder meetings, West Union stated that they have one (1) staff member that is responsible for water, sewer, streets, and public works. Following staffing guidance from the EPA Manpower Requirement for Wastewater up to 150,000 in Population, a staff of twelve (12) personnel and approximately 160 manhours a week is recommended to operate a sewer system of West Union's size. While this recommendation may be excessive for West Union, it was acknowledged by staff that having a single staff member responsible for all utilities and public works functions is an issue.

### **Budgeting**

West Union did not provide budgets; however, staff did state their water system revenues subsidize the sewer system. In addition, there is no formal capital improvement planning process in place. There is limited ability to generate additional sewer revenue because of inability to expand the system and 80% of the existing customers are on fixed incomes, which limits the capability to raise rates significantly.

### **Safety**

West Union was not able to provide information on the sewer collection system safety protocols and processes.

### **Equipment**

West Union staff indicated that they do not have equipment for sewer O&M.

### **Management Information System**

During the stakeholder interviews, West Union staff stated that they did have a formal sewer information management system. Records and information related to repairs, etc. are maintained in a binder.

### **Sewer Cleaning and Condition Assessment**

The sewer has not been evaluated using CCTV or cleaned to best of the staff's knowledge.

### **Inflow and Infiltration Analysis**

Sewer flow from both Walhalla and West Union are accounted for by the same OJRSA flow meter; therefore, a separate RDII analysis for West Union could not be conducted.

### **Capacity Assessment**

West Union has not completed any level of capacity assessment on their sewer collection system.



# FINANCIAL EVALUATION

The financial evaluation of each key SSS stakeholder was developed to address certain Key Performance Indicators (KPIs) including such things as debt service coverage ratio, operating ratio, and liquidity (e.g., days cash on hand). The information for this evaluation was derived from multiple years of Financial Statements and Independent Auditor's Reports for each key SSS stakeholder. In-depth verification of the information was not conducted nor was it discussed with stakeholder financial advisors. The analysis is meant to provide a consistent overview of the financial condition of each stakeholder's sewer system. More detailed financial analyses going forward may result in these metrics being revised.

The metrics used and the description of each are outlined in **Table 8**.



**Table 8: Financial Analysis Key Performance Indicators**

Financial Indicator	Description
Operating Ratio (Including Depreciation)	The operating ratio offers insight into operational efficiency and financial performance by incorporating depreciation expenses. By including depreciation in the operating ratio, it can assess the system's ability to generate sufficient revenues to fund the ongoing costs associated with maintaining and replacing its infrastructure. For the purpose of this analysis, the operating ratio is calculated as revenues divided by operating expenses (including depreciation). A higher operating ratio indicates greater operational efficiency and financial viability, as it implies that a smaller portion of operating revenue is consumed by total operating expenses, including depreciation. A lower operating ratio may suggest inefficiencies or challenges in controlling operating expenses relative to revenue, potentially impacting the utility system's financial health and sustainability.
Operating Ratio (Excluding Depreciation)	The operating ratio excluding depreciation offers a measure of the utility's ability to fund operating expenses, excluding consideration for capital replacements. A higher ratio indicates greater operational efficiency and financial viability, as it implies that a smaller portion of operating revenue is consumed by expenses. A lower ratio may suggest inefficiencies or challenges in controlling operating expenses relative to revenue.
Days Cash On Hand	Days cash on hand (DCH) is a standard financial metric used to assess the liquidity and financial health of an operating entity. DCH represents the number of days the system can cover its operating expenses (excluding depreciation) using only its unrestricted cash reserves. This reflects the system's ability to withstand unforeseen challenges such as equipment failures, natural disasters, or economic downturns without disrupting services or defaulting on obligations. A higher number of days cash on hand signifies greater financial stability and resilience. Many utility systems set a targeted minimum of 180 days.
Quick Ratio	The quick ratio provides insight into short-term liquidity and the ability to meet immediate financial obligations. The quick ratio is calculated as the current assets divided by the current liabilities. A higher quick ratio indicates a greater ability to cover short-term liabilities without relying on the sale of inventory, implying a healthier financial position and lower risk of default. A lower ratio may suggest potential liquidity challenges.
Debt Service Coverage	Debt service coverage measures the ratio between a utility system's operating income and its debt service payments, including principal and interest. It provides insight into the system's ability to manage debt while continuing to invest in infrastructure upgrades, maintenance, and expansion projects. A strong debt service coverage ratio is often a requirement for obtaining favorable financing terms and maintaining investor confidence.
Liability to Asset Ratio	The liability to asset ratio assesses the extent to which a utility system relies on liabilities to support its investment in assets. A lower liability to asset ratio indicates a healthier financial position, suggesting that the utility system has a more substantial portion of its assets supported through equity rather than debt or other liabilities. A higher ratio may signal higher financial risk, as it implies a larger portion of assets is funded through borrowing.
Percentage of Assets Depreciated	Depreciation represents the systematic allocation of the cost of assets over their useful lives, acknowledging age, obsolescence, and other factors. A higher percentage may indicate aging assets and facilities, while a lower percentage may indicate more recent reinvestment into the system. This metric may help plan for asset replacements or upgrades.
Capital Additions	Capital additions represent investments made to expand, upgrade, or replace infrastructure. Such additions typically include expenditures on new facilities, equipment, or technology aimed at improving service reliability, efficiency, or capacity.



## Oconee County

---

Because Oconee County does not currently operate and maintain sewer infrastructure, a specific sewer financial analysis was not completed for this stakeholder. As has been previously discussed in this report, the county has issued a \$25 million bond for sewer improvements, which they have stated is for sewer infrastructure to serve the I-85 corridor. During stakeholder meetings, county staff indicated that there were no plans to develop a sewer department or operate and maintain sewer infrastructure. This, however, should be a consideration in future financial analyses related to sewer in Oconee County. These discussions also revealed that the county had been paying over \$600,000 per year to OJRSA to support sewer projects within the unincorporated areas of Oconee County. As noted previously, the ability of the county to use the revenue generated from this bond issuance has been challenged by a citizen lawsuit. The ultimate results of this suit were pending at the time of the completion of this report. These payments were stopped in 2012 and a 2016 settlement between OJRSA and the county resulted in \$1.9 million being paid to OJRSA for 2013-2016.

## OJRSA

---

Financial records from 2018 – 2023<sup>43</sup> were utilized to analyze the financial performance of the OJRSA sewer system. One specific situation was noted that has had an impact on several of these metrics, which was the return of funds in excess of the operating budget to the key SSS stakeholders in August 2019. Based on discussions during stakeholder meetings, this was done by the members of the OJRSA Board because projects that had been budgeted were not being implemented. This action depleted much of the OJRSA cash reserves<sup>44</sup>.

### Operating Ratio (Including Depreciation)

With a targeted **minimum** of 1.00, this metric fluctuated from 0.64 to 0.98 indicating a possible need for more revenues to fund depreciating assets. This financial metric is related to the ability to fund the renewal of system assets with existing revenues.

Based on the overview of financial data since 2018, OJRSA has been making progress in adding revenue to allow for funding needed capital improvements. The ability to invest in renewing these assets is even more critical because the majority of the OJRSA sewer assets are at least 50 years old. To increase revenues, OJRSA began increasing wholesale rates effective October 2021 based on recommendations from First Tryon Advisors<sup>45</sup>.

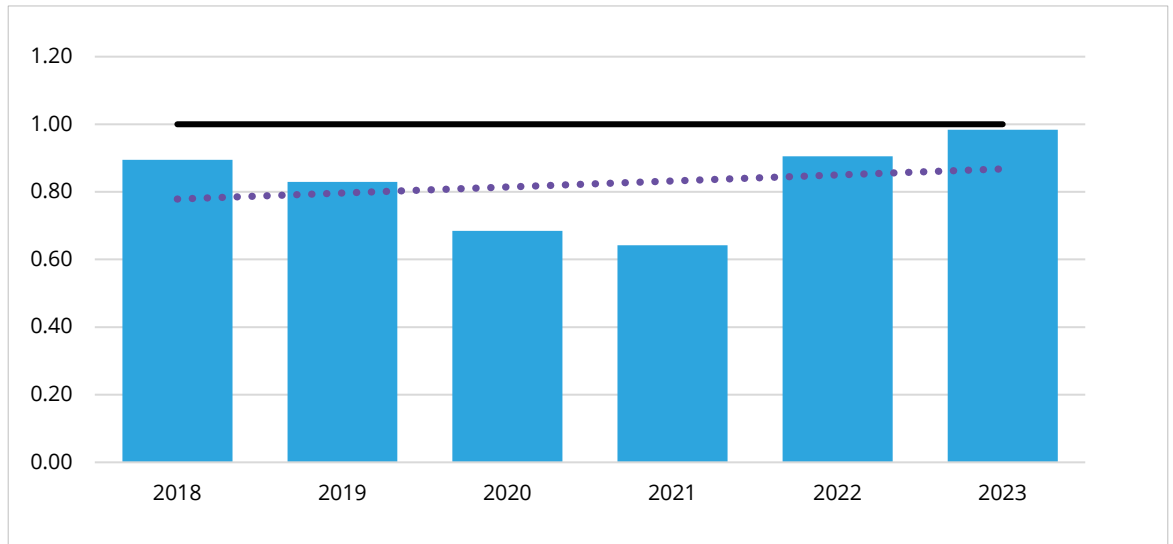
---

<sup>43</sup> Note that this includes all OJRSA funds. It is recognized that some of the OJRSA funds are currently restricted based on its current governing documents, which does limit where funds can be utilized.

<sup>44</sup>Based on OJRSA Board Meeting Minutes, \$5 million was retained in the Depreciation and O&M account with all funds in excess of \$5 million being returned to Seneca, Walhalla, and Westminster by the end of FY2019 based on their average pro rata shares over the previous five (5) years initially discussed to be used to fund improvements in their respective collections systems. As a part of this action, a Capital Replacement Plan was to be established to determine how the annual capital contributions made by each SSS stakeholder would be spent. The amount returned was approximately \$4.5 million. Discussions with Oconee County revealed that did not receive any of these funds although the funds that they had been contributing annually to OJRSA were likely included in the monies returned to the municipalities.

<sup>45</sup>These recommendations came as result of a meeting with SC Rural Infrastructure State Revolving Fund (SRF) staff concerning OJRSA's ability to qualify for SRF financing.

**Chart 1: OJRSA Operating Ratio (Including Depreciation)**

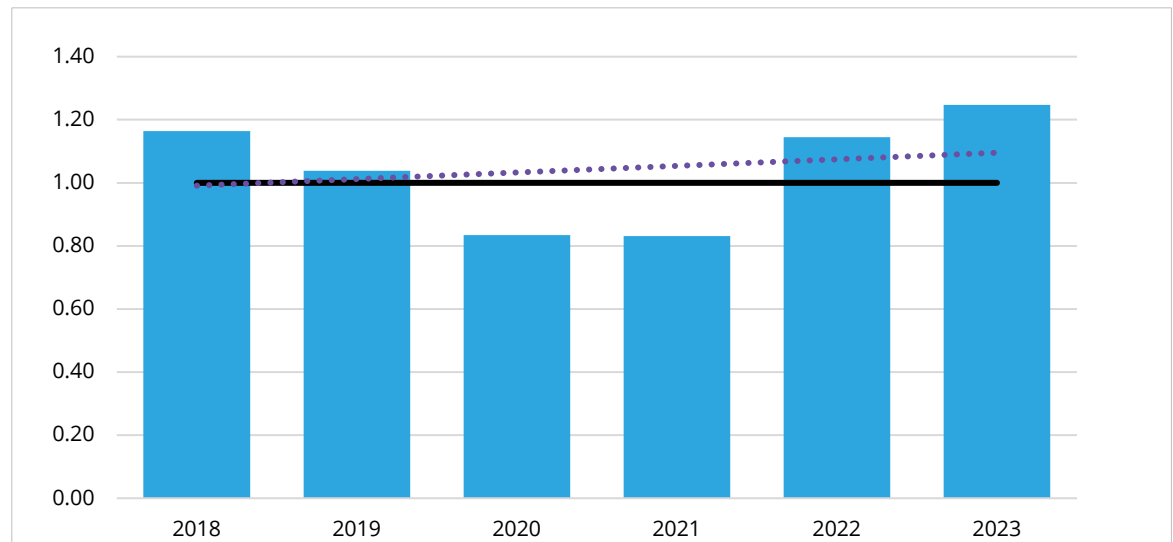


**Operating Ratio (Excluding Depreciation)**

With a targeted **minimum** of 1.00, this metric has fluctuated from 0.83 to 1.25 indicating potential for nominal reinvestment in depreciating assets. This metric provides insight into the ability to adequately fund system operations.

As seen with the previous metric, the return of the excess cash reserve funds to the key SSS stakeholders in FY2019 had an impact on this ratio; however, the wholesale rate increase have allowed OJRSA to have revenues in excess of operating expenses illustrating improvements in both revenue generation and operating efficiencies.

**Chart 2: OJRSA Operating Ratio (Excluding Depreciation)**



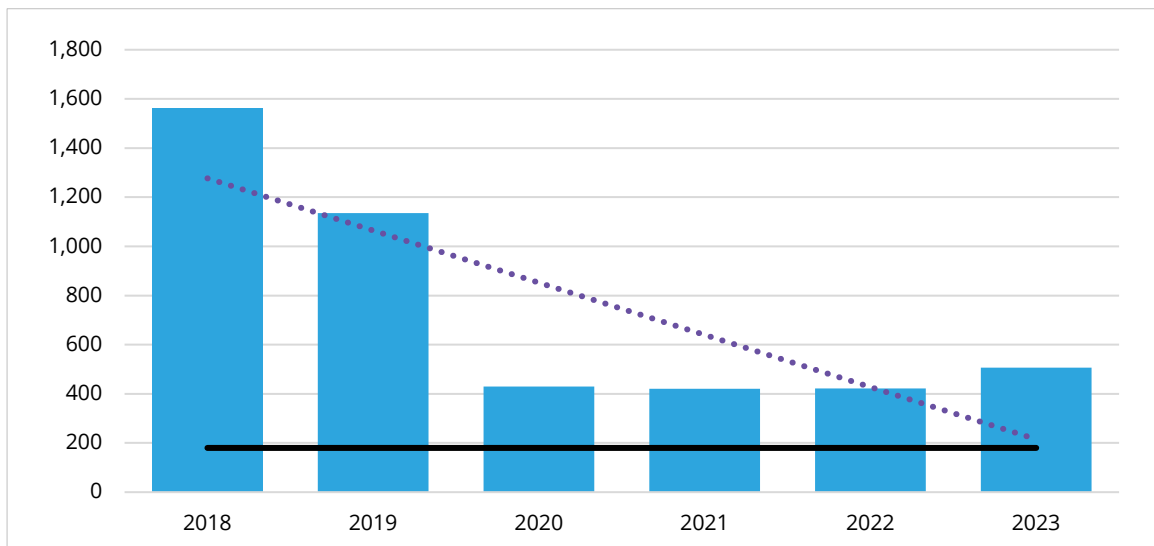
**Days Cash on Hand**

The days cash on hand for OJRSA has ranged from 420 days to 1,562 days, indicating the ability to cover some emergency or unforeseen expenses.

This metric has shown a considerable decline in recent years starting with FY2020 after the excess cash reserves were returned to the SSS stakeholders. Because this metric is related to the ability to fund operating expenses with unrestricted cash reserves, it was more negatively

impacted by this action. Even with the decline, OJRSA still maintains enough cash on hand to cover operations for over a year, which is above the industry targeted minimum of 180 days.

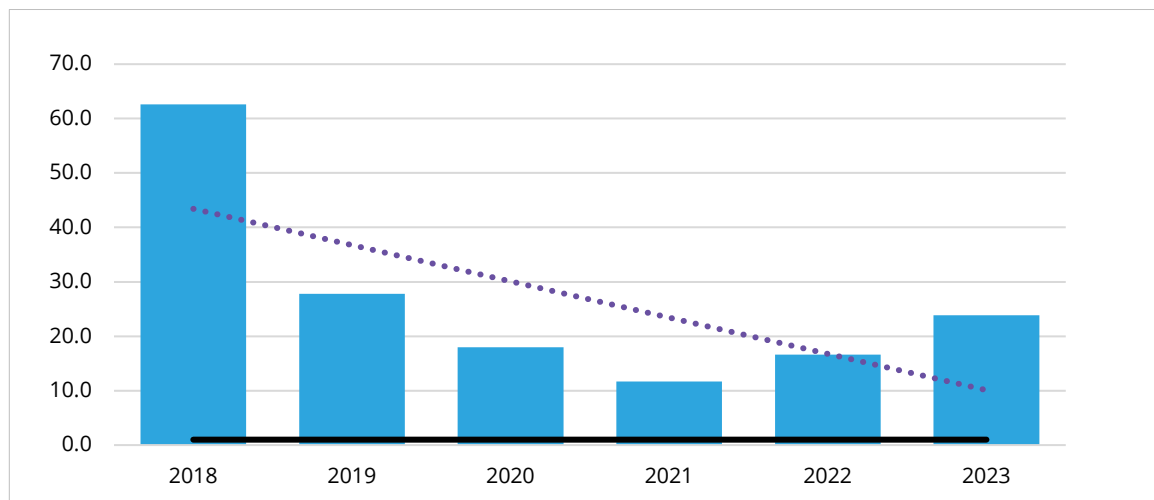
**Chart 3: OJRSA Days Cash on Hand**



**Quick Ratio**

With a targeted **minimum** of 1.00, this metric ranged from 11.69 to 62.59 indicating strong short-term liquidity. This metric has been trending down over recent years; however, it is still well above the target minimum. This indicates that OJRSA has the capacity to cover short-term liabilities without the need to liquidate assets. The increase since FY2021 is likely attributed to the wholesale rate increase.

**Chart 4: OJRSA Quick Ratio**



**Debt Service Coverage**

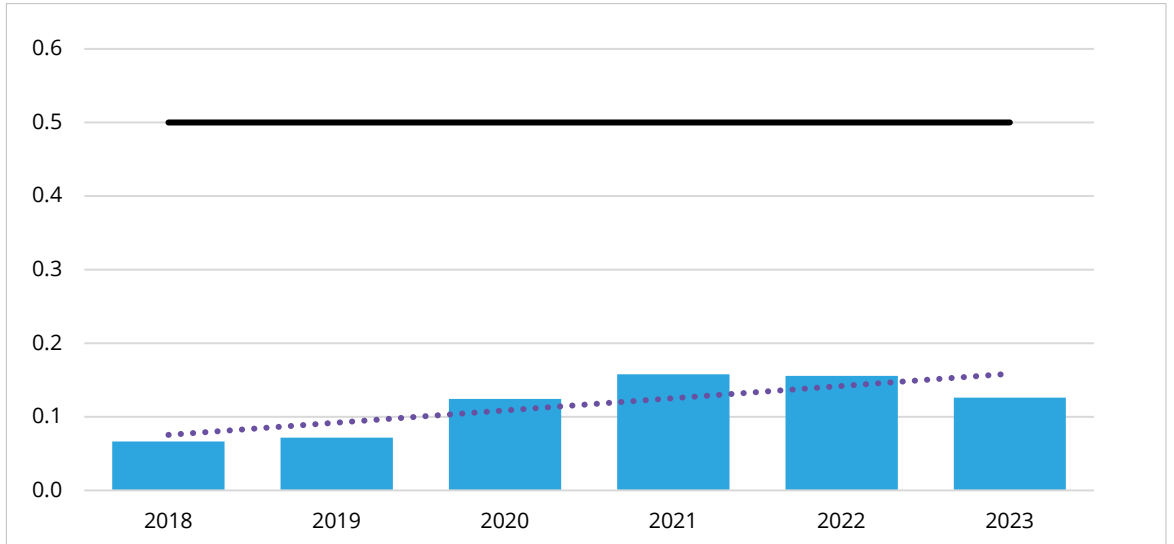
OJRSA currently has no outstanding debt, so the coverage calculation is not applicable. While on the surface having no debt may seem positive, that is not necessarily the case. Since the majority of the OJRSA sewer assets are reaching the end of their useful life, it would be expected that some debt would be incurred for renewal; therefore, this signals that OJRSA may have deferred necessary investment in its sewer assets. One explanation for this is likely due to how debt must be approved<sup>46</sup> and the historically unfavorable financial reviews by funding entities.

<sup>46</sup>The current OJRSA organizational documents require that any debt to be incurred by OJRSA be approved unanimously by each key SSS stakeholder's governing body.

### Liability to Asset Ratio

With a targeted **maximum** of 0.50, this metric has ranged from 0.07 to 0.16 indicating a healthy level of equity in the system. As with the previous metric, OJRSA's liability to asset ratio may appear positive on the surface, but it is likely a result of historically not taking on necessary debt for asset renewal.

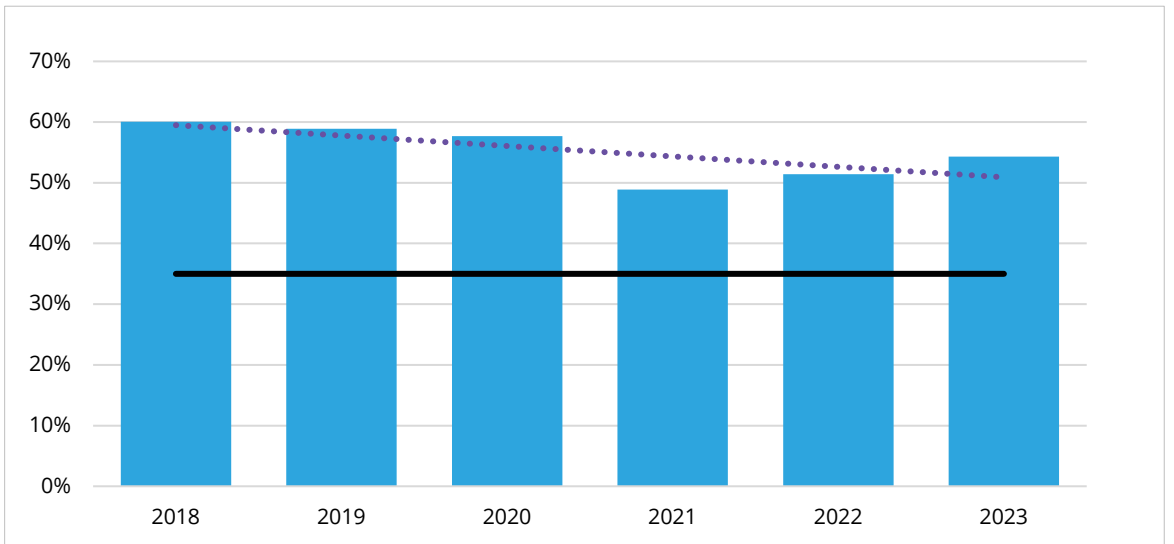
Chart 5: OJRSA Liability to Asset Ratio



### Percentage of Assets Depreciated

With a targeted **maximum** of 35%, this metric has ranged from 49% to 60%, potentially indicating an aging system and a possible need for more investment in infrastructure replacement. This metric illustrates what has been discussed with the previous metrics, in that OJRSA has historically deferred major investment in its sewer system assets. This means that it will need to take on even more debt and/or continue to increase revenues/rates in the future to ensure that the system can operate effectively and efficiently.

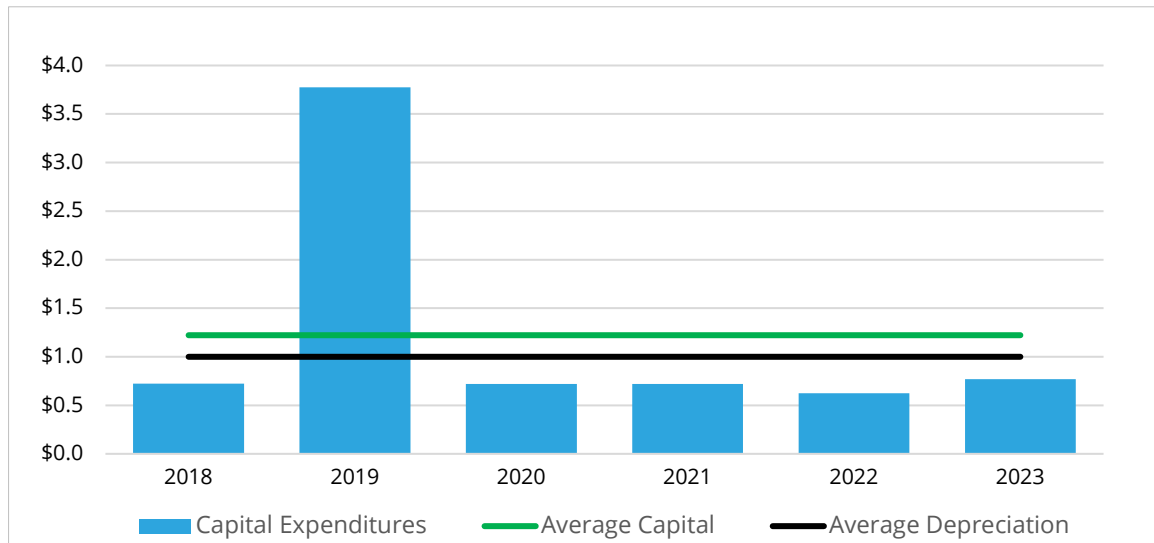
Chart 6: OJRSA Percentage of Assets Depreciated



### Capital Additions

As indicated in the chart below, in recent years the average capital expenditure (in millions of dollars) exceeded the average depreciation. However, the average capital expenditure amount is significantly impacted by an anomaly expenditure level in FY2019. If the calculation is revised to eliminate the anomaly year, the average capital expenditure for the remaining 5 years drops significantly below the average depreciation. As with several of the other metrics previously discussed, it appears that OJRSA has historically deferred major investment in its sewer system assets.

Chart 7: OJRSA Capital Additions



### City of Seneca

Financial data from 2018 – 2023 was used for this high-level assessment of the City of Seneca’s sewer collection system. Because the city reports certain expenses on a combined Light & Water Fund basis, a historical financial review only specific to the sewer system is not possible<sup>47</sup>. Therefore, this analysis represents a larger picture of their overall utility enterprise fund, which encompasses water, sewer, and electricity.

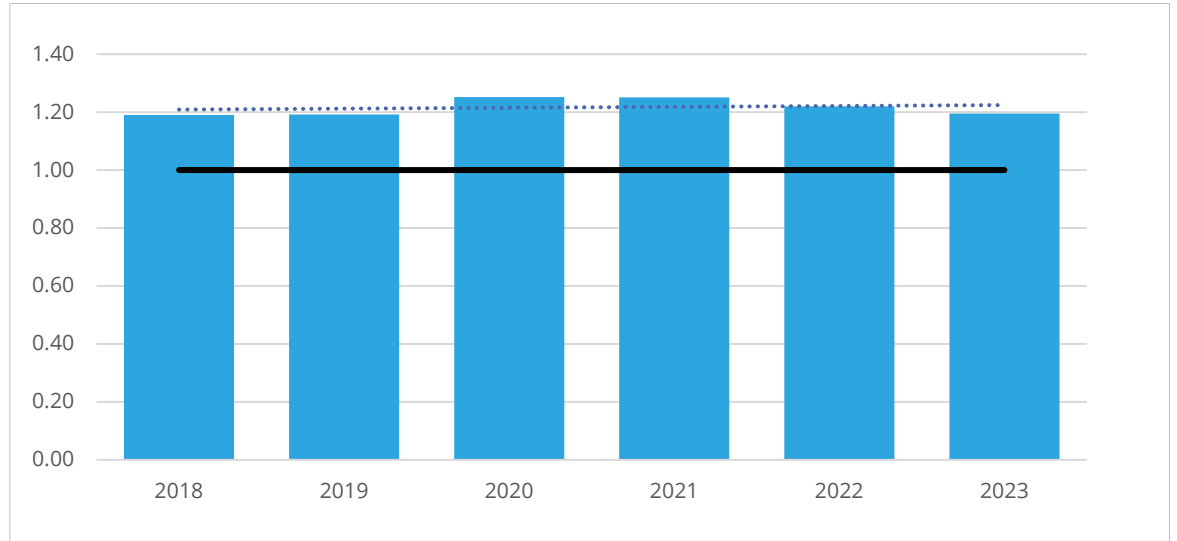
Overall, Seneca has the strongest apparent financial position of the key SSS stakeholders; however, a more granular financial review of just the performance of the sewer system would give a direct comparison going forward. It does appear from recent budgets that the capital investment in sewer system may be less than that of the water and electrical systems.

### Operating Ratio (Including Depreciation)

With a targeted **minimum** of 1.00, this metric fluctuated from 1.19 to 1.25 indicating sufficient revenues to fund depreciating assets. Based on this metric, Seneca does seem to have the capacity to invest in utility asset renewal; however, the degree to which this is being done for the sewer collection system is not readily apparent and may be masked by the other two (2) utility systems.

<sup>47</sup> Specifics related to operations, maintenance and capital improvements are discussed in the Technical, Operational and Environmental Compliance Evaluation section based on Seneca’s FY2024 and FY2025 budget.

Chart 8: Seneca Operating Ratio (Including Depreciation)

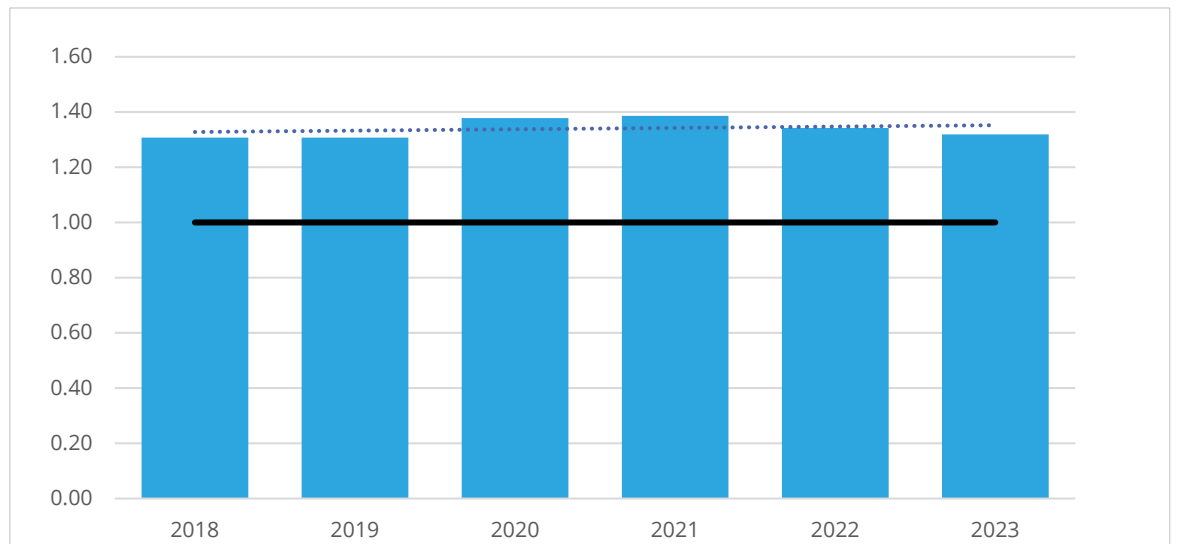


Operating Ratio (Excluding Depreciation)

With a targeted **minimum** of 1.00, this metric has fluctuated from 1.31 to 1.39 indicating potential for nominal reinvestment in depreciating assets. Again, this metric shows that Seneca is likely operating all of its utilities in an effective manner with less revenue being utilized to cover expenses. The discreet performance of the sewer system cannot be determined without additional, in-depth financial analyses.

As was stated previously, recent budget reviews indicate that it is likely that the strong performance of the water and electrical utilities mask the performance of the sewer utility when analyzed based on the combined enterprise fund.

Chart 9: Seneca Operating Ratio (Excluding Depreciation)

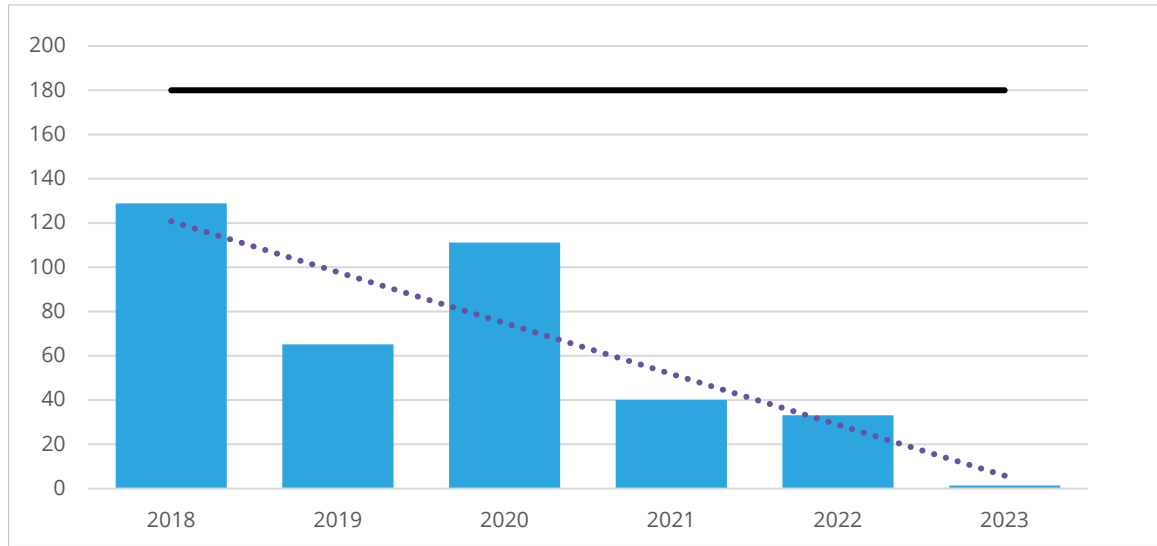


Days Cash on Hand

Days cash on hand for Seneca has ranged from a high of 128 days in FY2018 to a low of one (1) day in FY2023. This is lower than the targeted **minimum** of 180 days and dangerously low in the most recent three (3) fiscal years. This means that the city may only be able to cover its normal utility operating expenses using unrestricted cash for a short period of time. Of the metrics analyzed, this one shows a more negative financial position that may need to be more closely evaluated in the future.

Based on information provided by staff, the drop in cash is related to an unexpected storm incident that occurred in FY2020. On April 13, 2020, a confirmed EF3 Tornado touched down in Seneca, destroying many homes and businesses, to include one of the area's largest industrial facilities, BorgWarner. The damage included several blocks of the city's historic district. Seneca had to utilize approximately \$9.6 million of its reserves for the necessary disaster response & recovery. FEMA has currently obligated a \$6,036,661 reimbursement that is expected to be paid to the city by the end of 2024, which will significantly improve the cash position.

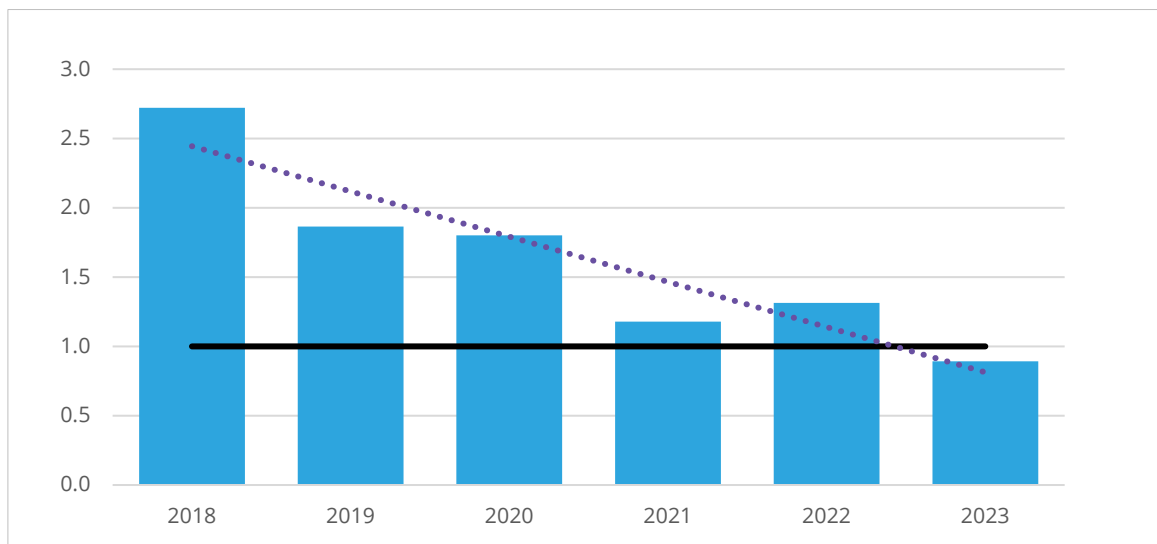
Chart 10: Seneca Days Cash on Hand



Quick Ratio

With a targeted **minimum** of 1.00, this metric ranged from 0.89 most recently to 2.72. The chart shows a historical downward trend indicating that the short-term liquidity position has gone in a negative direction and is now below the minimum target. This could mean that Seneca may not have the ability to cover its short-term obligations without liquidating assets. This indicates a weakening financial position with regard to its combined utility enterprise fund.

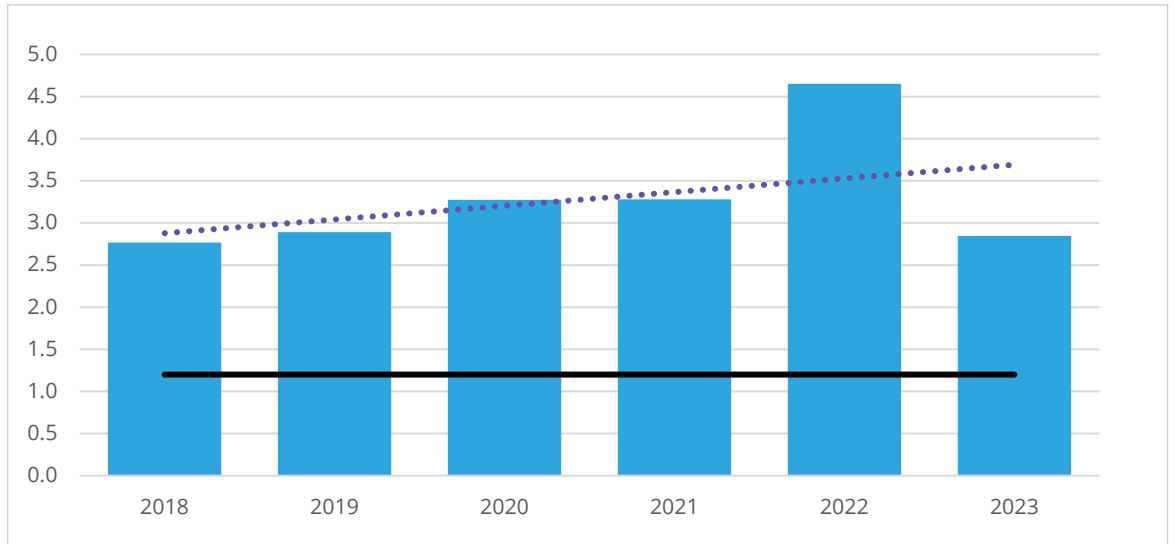
Chart 11: Seneca Quick Ratio



### Debt Service Coverage

With a targeted **minimum** of 1.20, this metric has ranged from 2.77 to 4.65. This metric provides a very favorable view of the combined enterprise fund to meet its debt service obligations. As previously discussed, the combined utility enterprise fund includes water, sewer, and electricity. Both water and electricity tend to generate more revenue than sewer. Doing an in-depth analysis of just the sewer system finances would provide a better picture of how it would perform as a single utility enterprise.

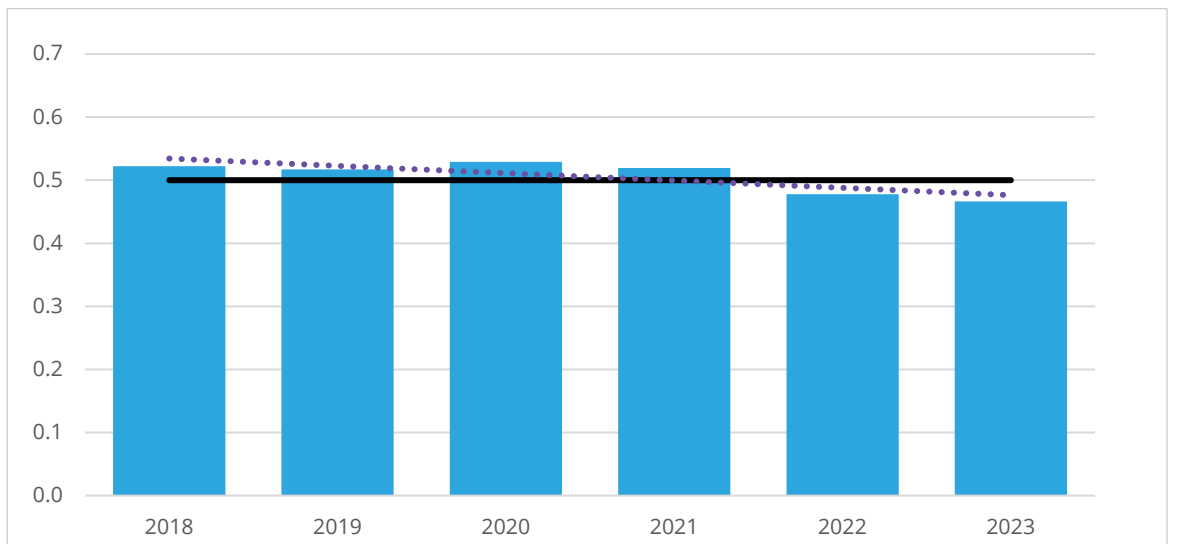
Chart 12: Seneca Debt Service Coverage



### Liability to Asset Ratio

With a targeted **maximum** of 0.50, this metric has ranged from 0.47 to 0.53 indicating a reasonable level of equity in the system. Seneca's average for this metric is consistently around the targeted level, which means that it is likely using debt instruments to invest in its utility assets. Taken alone, the slightly downward trend may appear negative; however, the city's debt coverage ratio demonstrates that it has sufficient revenues to utilize liabilities in this manner. Again, a specific analysis of the sewer system finances would be useful to determine exact performance of that utility.

Chart 13: Seneca Liability to Asset Ratio

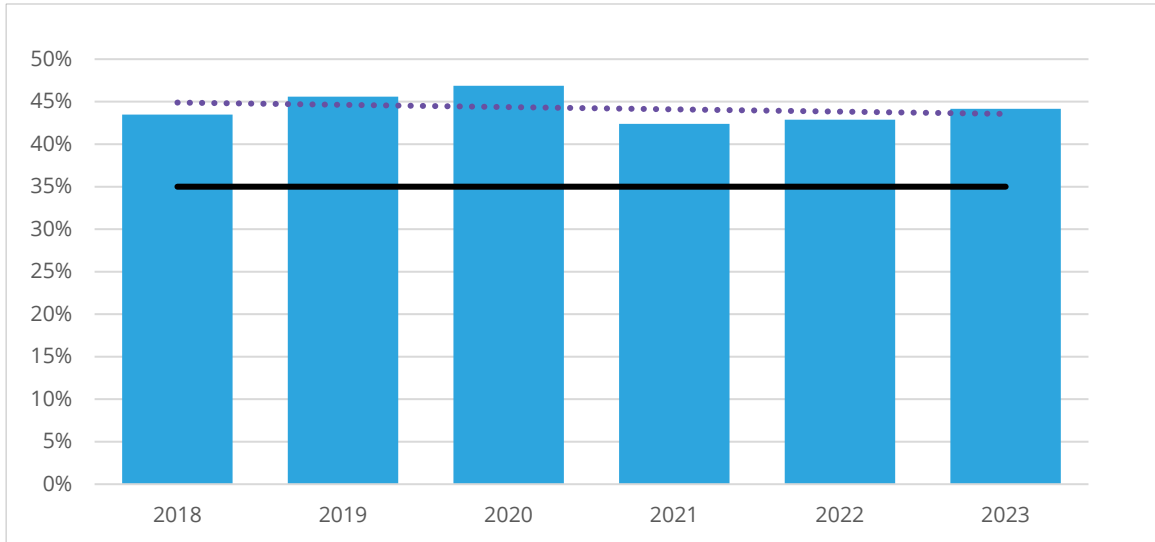




### Percentage of Assets Depreciated

With a targeted **maximum** of 35%, this metric has ranged from 42% to 47%, potentially indicating an aging system and a possible need for more investment in infrastructure replacement. The result of this metric is consistent across the sewer systems analyzed in this study. All study stakeholders have aging sewer infrastructure that is in need of systematic rehabilitation and/or replacement. This is no different for Seneca.

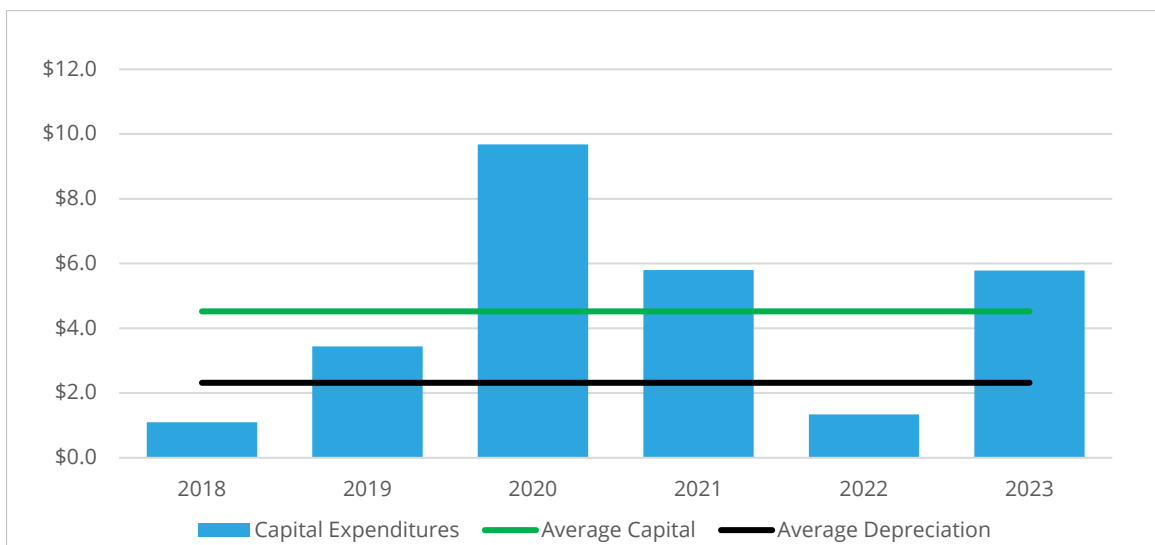
Chart 14: Seneca Percentage of Assets Depreciated



### Capital Additions

As indicated in the chart below, in recent years the average capital expenditure (in millions of dollars) exceeded the average depreciation. Financial records indicate that Seneca has been investing in utility capital improvements at a level that is greater than depreciation. Based on discussions with Seneca staff, sewer assets are generally repaired/replaced on an as needed basis unless they are developer driven. This is indicative of the growth within the Seneca area of Oconee County. Staff also indicated that they have recently completed upgrades at a number of their sewer pump stations.

Chart 15: Seneca Capital Additions



## City of Walhalla

The City of Walhalla’s financial statements from 2019 through 2023 presented some information separately for the water and sewer systems; however, some data was combined. Where possible, the financial analysis focused on the historical financial metrics specific to the sewer fund. For components where the separation was not provided, the analysis was done on a combined system basis.

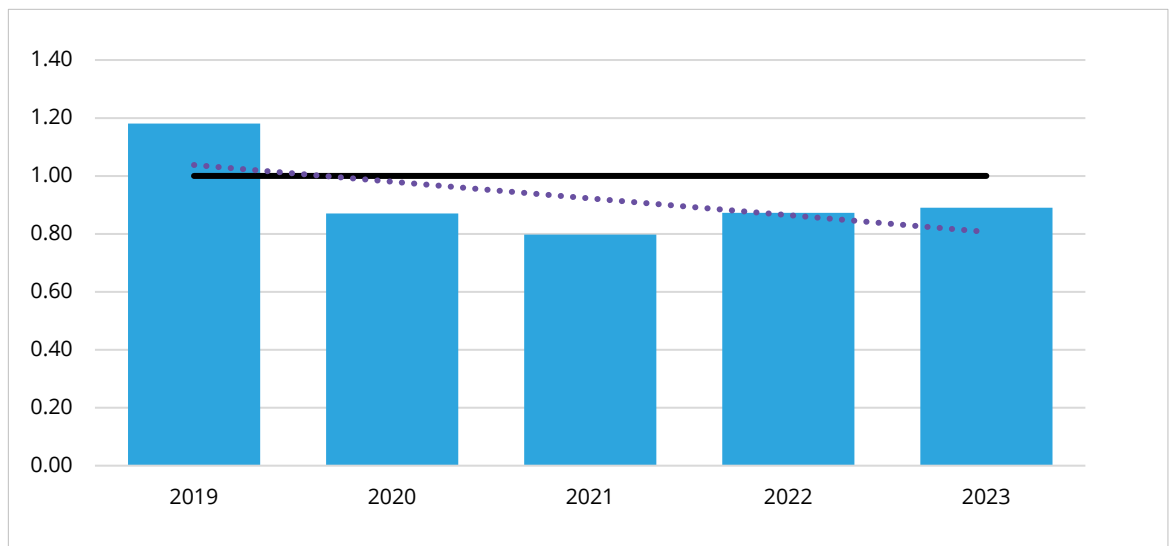
In general, this evaluation bore out what was provided during the stakeholder meetings. Walhalla’s sewer system has not been operating in a sustainable manner for some time and has been subsidized by the water system. Some of the metrics provided below show outliers in FY2019 and/or FY2022, which are likely a result of the return of the OJRSA excess cash reserves to each key SSS stakeholder.

### Operating Ratio (Including Depreciation) – Sewer System

With a targeted **minimum** of 1.00, this metric fluctuated from 0.80 to 1.18 indicating a possible need for more revenues to fund depreciating assets. After FY2019, the Walhalla sewer system has consistently been below the target for this metric. This indicates the inability to adequately operate, maintain and replace its sewer system assets, which is what discussions with Walhalla staff have indicated. This has been exacerbated by the city not having a sewer rate that covers anything above the wholesale costs related to the OJRSA sewer conveyance and treatments costs.

In a review of the FY2025 budget, it was noted that a \$5.00 (inside)/\$10.00 (outside) minimum base charge was approved. Although the newly implemented base charge may still be too low to recover a significant portion of the expenditure requirements, it will likely help improve this and other financial performance indicators.

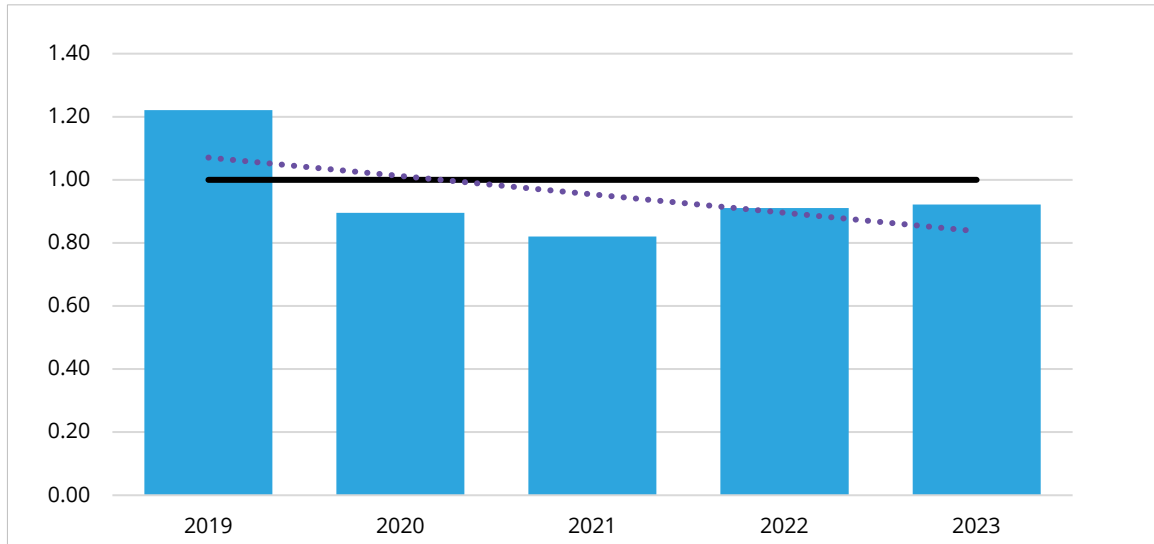
**Chart 16: Walhalla Sewer System Operating Ratio (Including Depreciation)**



### Operating Ratio (Excluding Depreciation) – Sewer System

With a targeted **minimum** of 1.00, this metric fluctuated from 0.82 to 1.22 indicating potential for nominal reinvestment in depreciating assets. As with the previous metric, the information after FY2019 demonstrates what Walhalla staff relayed - the sewer system has been unable to generate enough revenue to cover operating costs, leaving no ability to complete asset renewal projects.

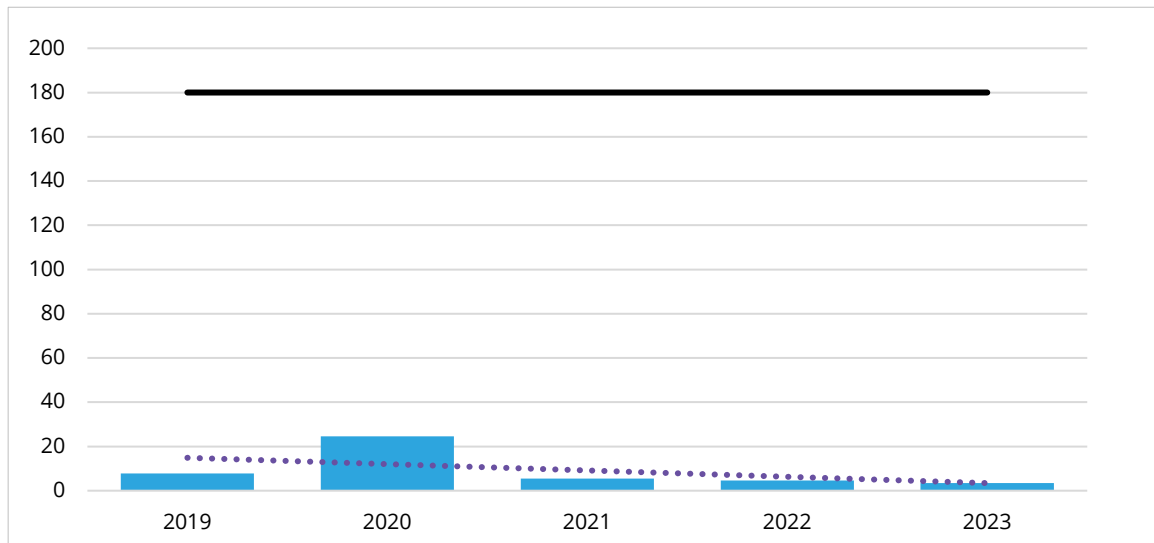
Chart 17: Walhalla Sewer System Operating Ratio (Excluding Depreciation)



Days Cash on Hand – Sewer System

For Walhalla, the days cash on hand metric is particularly concerning. This metric has ranged from 3 days to 24 days. Even with the influx of funds in FY2019 that carried over into FY2020, the city only had enough unrestricted cash reserves to cover less than a month of sewer operations.

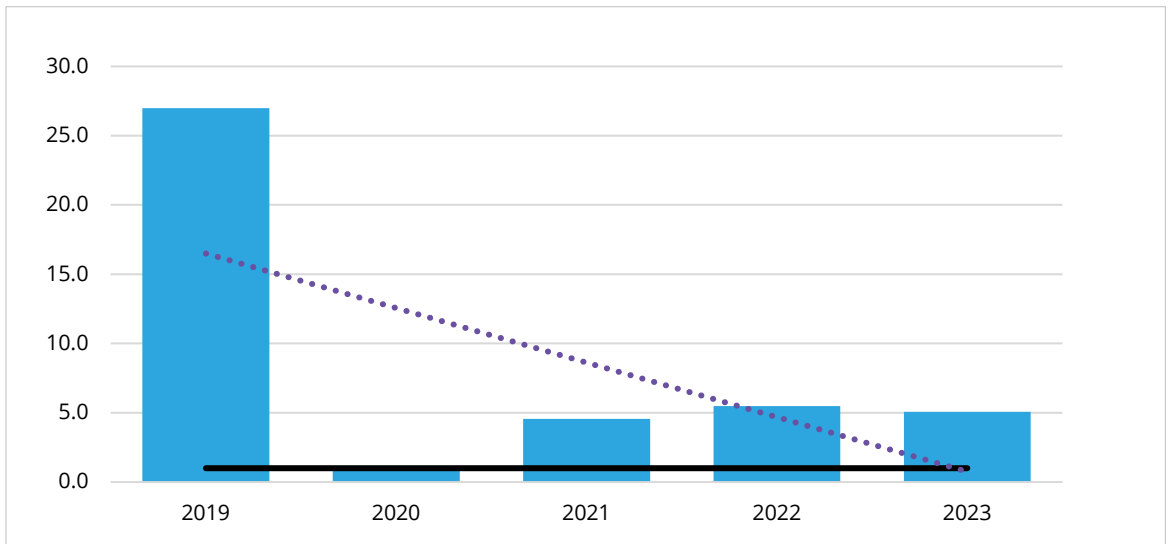
Chart 18: Walhalla Sewer System Days Cash on Hand



Quick Ratio – Sewer System

With a targeted **minimum** of 1.00, this metric ranged from 1.03 to 26.98, indicating sufficient short-term liquidity. Over the last 3 fiscal years the metric has averaged 5.03 indicating sufficient short-term liquidity during that time. While this metric is somewhat positive, the lack of any debt for the sewer systems contributes a higher quick ratio. However, it likely signals an issue with a lack of necessary investment in sewer asset renewal.

Chart 19: Walhalla Sewer System Quick Ratio



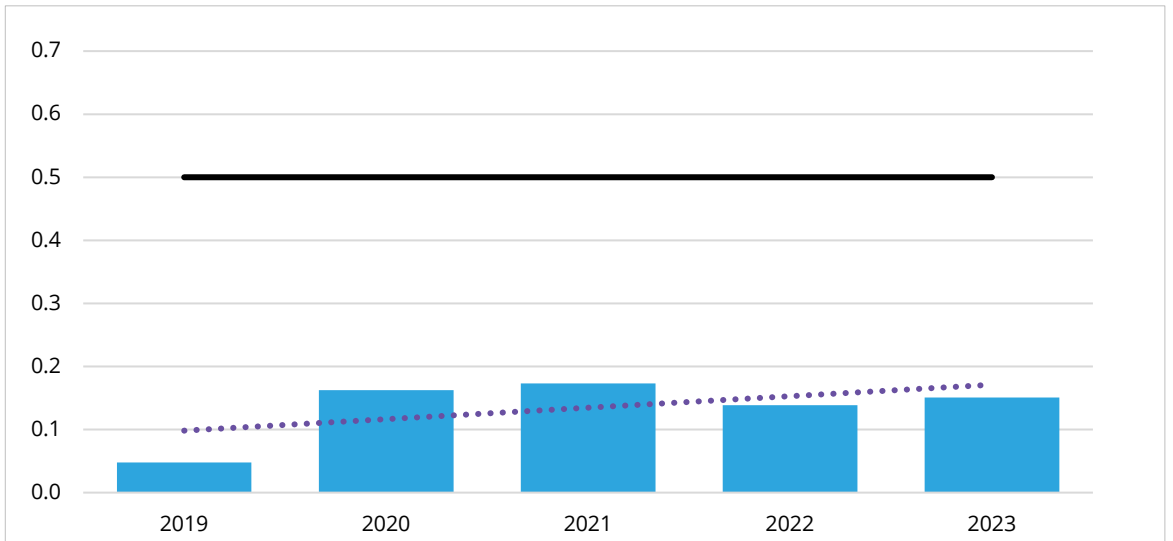
**Debt Service Coverage – Sewer System**

The City of Walhalla currently has no outstanding sewer-related debt, so the coverage calculation is not applicable. As discussed above, the lack of debt on the sewer system gives the appearance that some financial metrics appear more positive than the financial reality. Walhalla has limited capacity to actually take on significant debt for sewer improvements, which likely means that sewer asset renewal is being deferred.

**Liability to Asset Ratio – Sewer System**

With a targeted **maximum** of 0.50, this metric has ranged from 0.05 to 0.17 indicating a healthy level of equity in the system. As discussed above, Walhalla’s lack of debt makes this metric appear more positive. In reality, the sewer system has been unable to operate ‘in the black,’ which drastically impacts the city’s ability to obtain favorable financing for improvements.

Chart 20: Walhalla Sewer System Liability to Asset Ratio

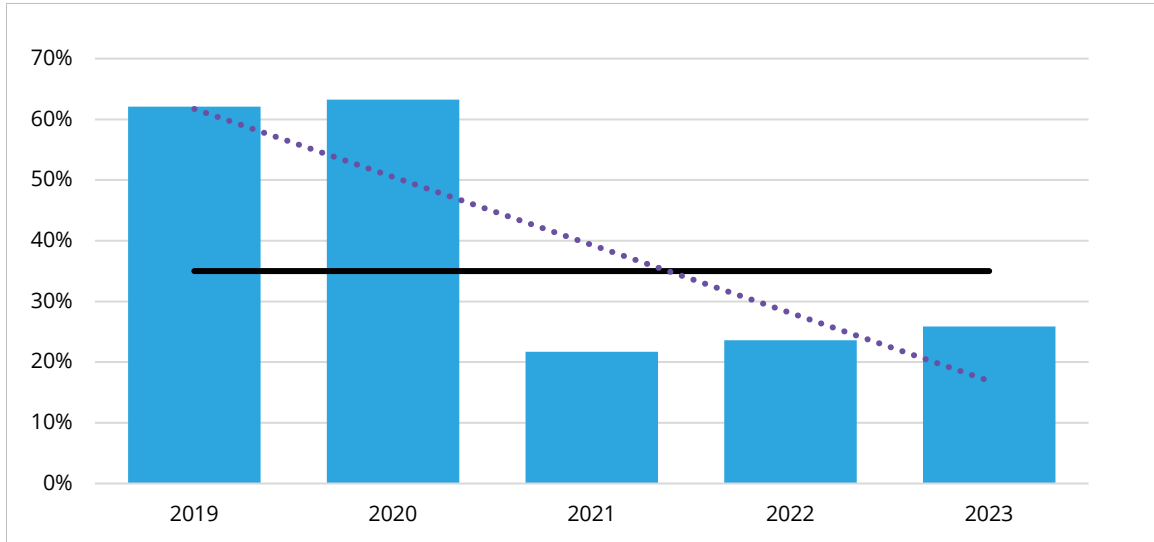


**Percentage of Assets Depreciated – Combined Water & Sewer System**

With a targeted **maximum** of 35%, this metric has ranged from 22% to 63%, potentially indicating an aging system and a possible need for more investment in infrastructure replacement. As has been discussed with all sewer systems evaluated, the age of the sewer

assets is a considerable factor in the overall financial health. The fact that much of the system rehabilitation has been deferred and Walhalla's limited ability to generate sufficient revenue or obtain financing means this metric is likely to worsen over time. For this metric, the true severity of the need for investment in the sewer system is likely masked by the water system since this information was only reported on a combined basis.

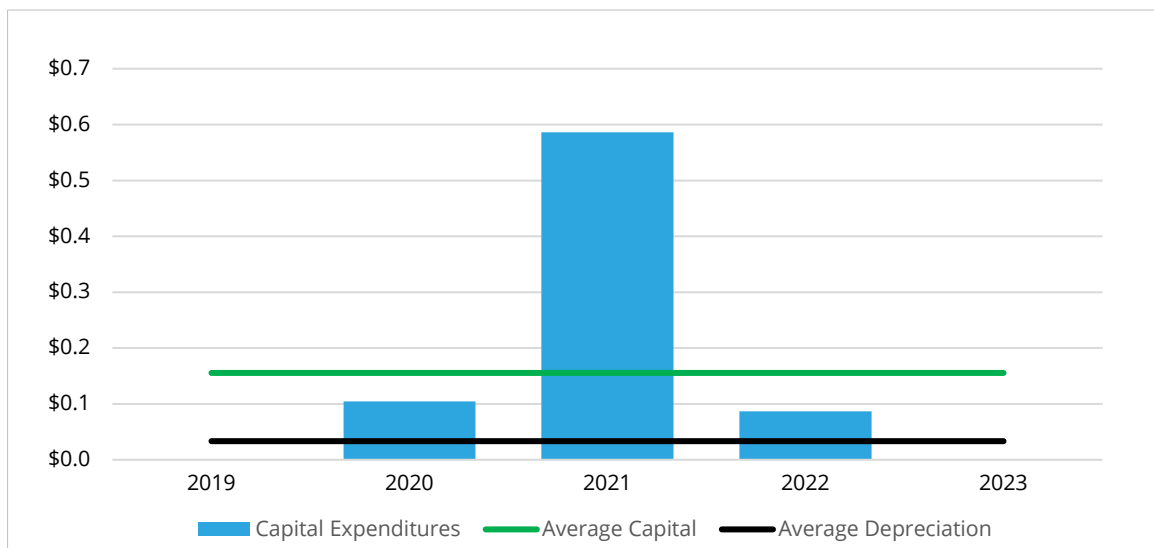
Chart 21: Walhalla Combined System Percentage of Assets Depreciated



Capital Additions – Sewer System

As indicated in the chart below, in more recent years the average capital expenditures (in millions of dollars) for the sewer system exceeded the average depreciation for the combined water and sewer system. This increase is most probably attributed to grant contributions that have allowed Walhalla to complete some sewer system improvements; however, the dependence on grant funds to make capital improvements signals a potential issue with the long-term viability of the sewer system.

Chart 22: Walhalla Sewer System Capital Additions



## City of Westminster

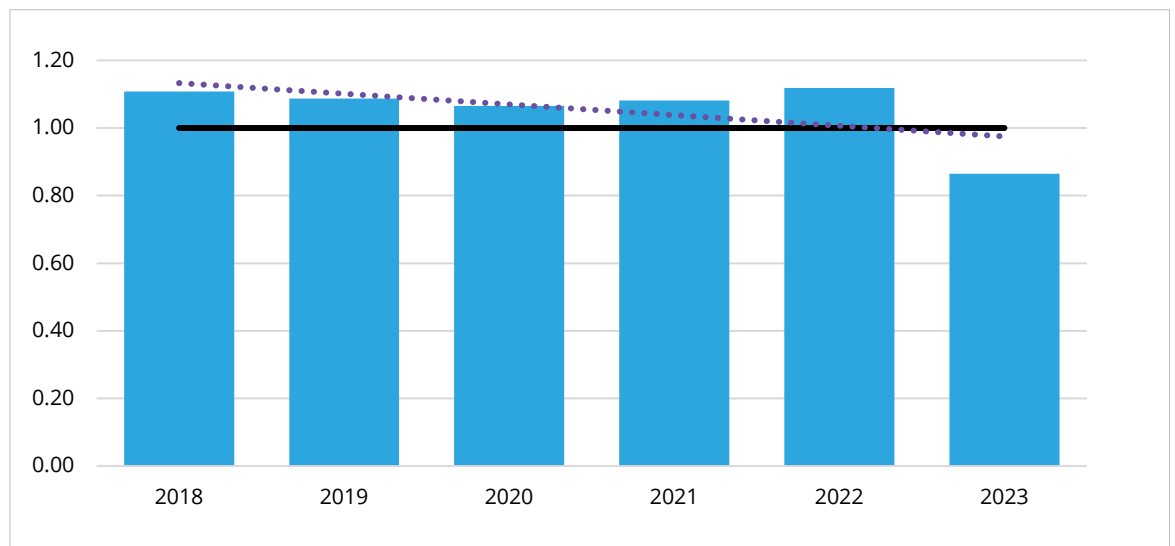
Financial records from 2018 through 2023<sup>48</sup> for the City of Westminster were used to complete this financial evaluation. Similar to the City of Seneca, since Westminster reports its revenues and certain expenses on a combined Utility Fund basis, a historical financial review specific to the sewer system was not possible.

Based on discussions during the stakeholder meetings, the sewer system has historically run in the deficit and has been supported by revenues from the water and electric systems. Westminster has raised sewer rates<sup>49</sup> over the past several years such that there are some limited funds above what is needed to cover the OJRSA wholesale costs for sewer conveyance and treatment.

### Operating Ratio (Including Depreciation)

With a targeted **minimum** of 1.00, this metric fluctuated from 0.86 to 1.12 indicating a possible need for more revenues to fund depreciating assets. Because the information for this metric is based on Westminster’s combined utility enterprise fund, this metric for the sewer system is likely somewhat lower. However, city staff did indicate that since the change in the OJRSA wholesale billing they have been able to increase the operating ratio of the sewer system. A more granular analysis of just the sewer system finances would be needed to further assess its financial performance.

**Chart 23: Westminster Operating Ratio (Including Depreciation)**



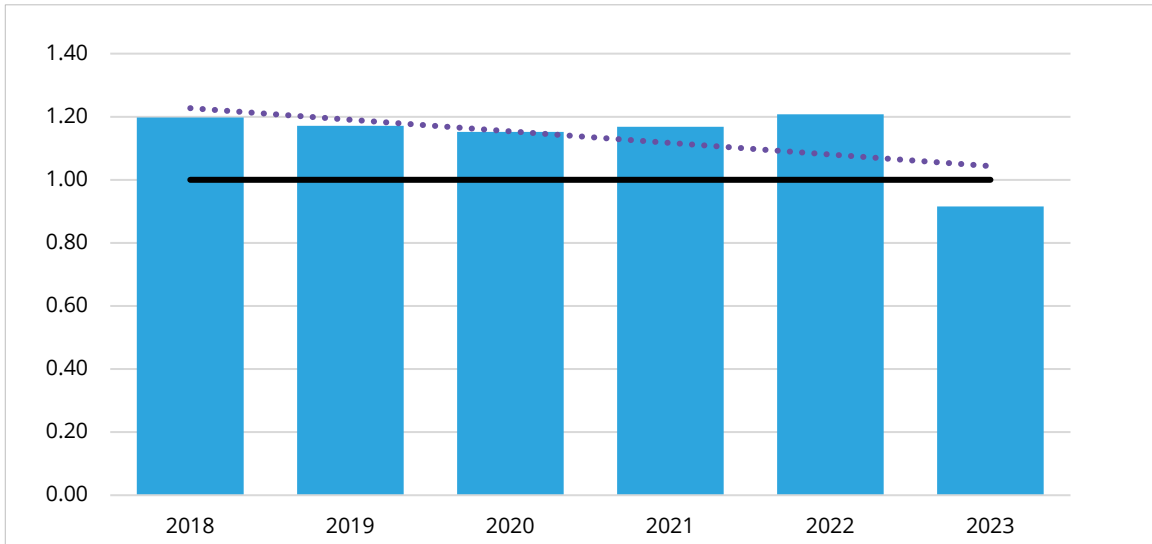
### Operating Ratio (Excluding Depreciation)

With a targeted **minimum** of 1.00, this metric has fluctuated from 0.92 to 1.21 indicating potential for nominal reinvestment in depreciating assets. As stated above, the reporting of financial data based on the combined enterprise fund makes it more difficult to assess the performance of the sewer system. This metric combined with information from Westminster staff indicate that the sewer system has historically operated at a deficit, but its performance has improved slightly with rate modifications by both the city and OJRSA.

<sup>48</sup>Westminster has noted that errors were discovered in the FY2023 audit and, as a result, they may have that audit restated. Work on the FY2024 audit is scheduled for mid-September 2024 and the decision to re-state the FY2023 audit will be made at that time. This restatement may result in some differences in some of the financial ratios presented in this report.

<sup>49</sup>Westminster has the highest average residential sewer bill (based on 5,000 gal) out of the key SSS stakeholders.

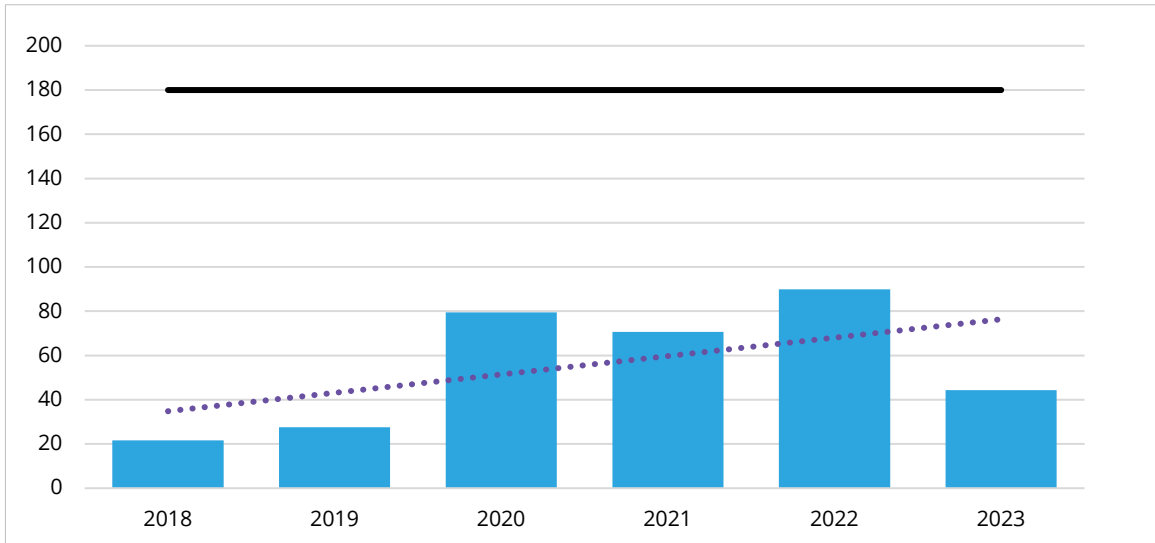
Chart 24: Westminster Operating Ratio (Excluding Depreciation)



**Days Cash on Hand**

The days cash on hand for Westminster has ranged from 21 days to 89 days. While there has been a positive trend, this metric is still far below the industry target of 180 days, with unrestricted cash reserves being able to cover an average of less 2 (two) months of operating expenses. With data coming from combined utility fund, this metric for Westminster’s sewer system is likely worse than what is shown in the chart.

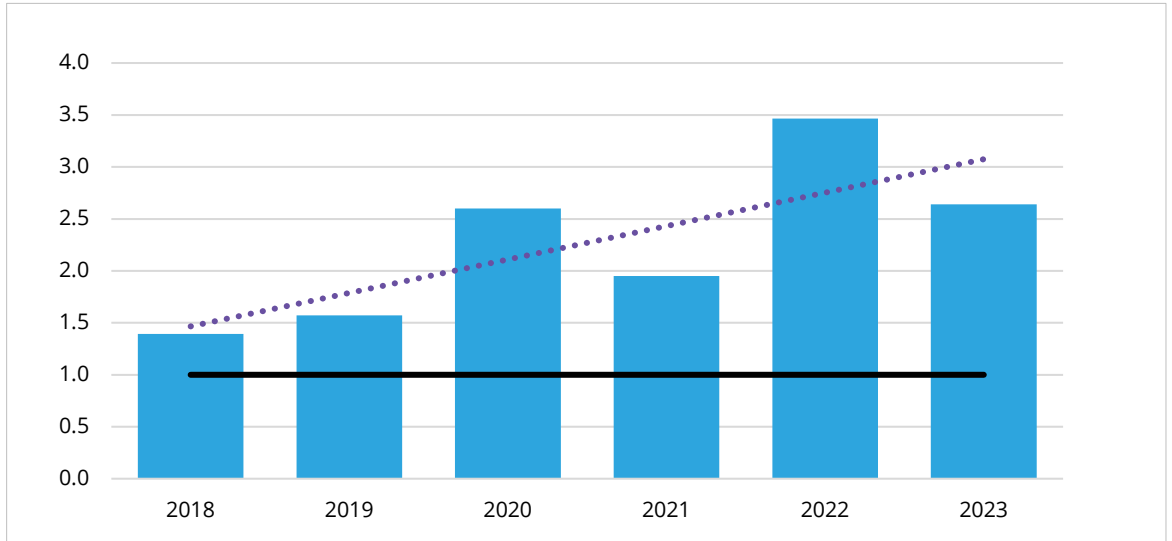
Chart 25: Westminster Days Cash on Hand



**Quick Ratio**

With a targeted **minimum** of 1.00, this metric ranged from 1.39 to 3.47 indicating strong short-term liquidity. This metric is generally positive for Westminster and demonstrates the efforts made in 2016 to improve the financial performance of its electric utility, which had been losing money. The trend around this metric is that Westminster has an increased ability to cover short-term liabilities without the liquidation of assets. As with the other metrics and based on information provided by city staff, the true performance of the sewer system is likely masked by the other utilities.

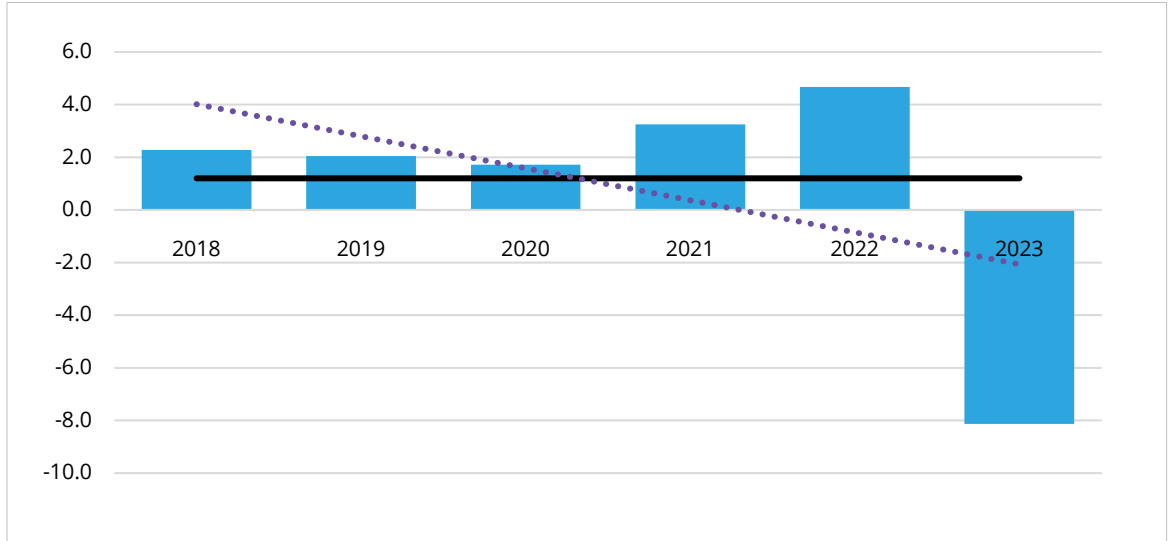
Chart 26: Westminster Quick Ratio



Debt Service Coverage

With a targeted **minimum** of 1.20, this metric has ranged from -8.13 to 4.68. In general, Westminster has had sufficient revenue from all utilities to cover its debt in recent years. There is an anomaly in FY2023 that was caused by a 153% increase in water system operating expenses as compared to the prior year. The financial report does not indicate what caused the significant increase in expenses for the water system. However, the financial reports did not show the same type of increase in sewer expenses. For the sewer system, there has been limited debt incurred and the asset renewal has been completed on a limited basis.

Chart 27: Westminster Debt Service Coverage

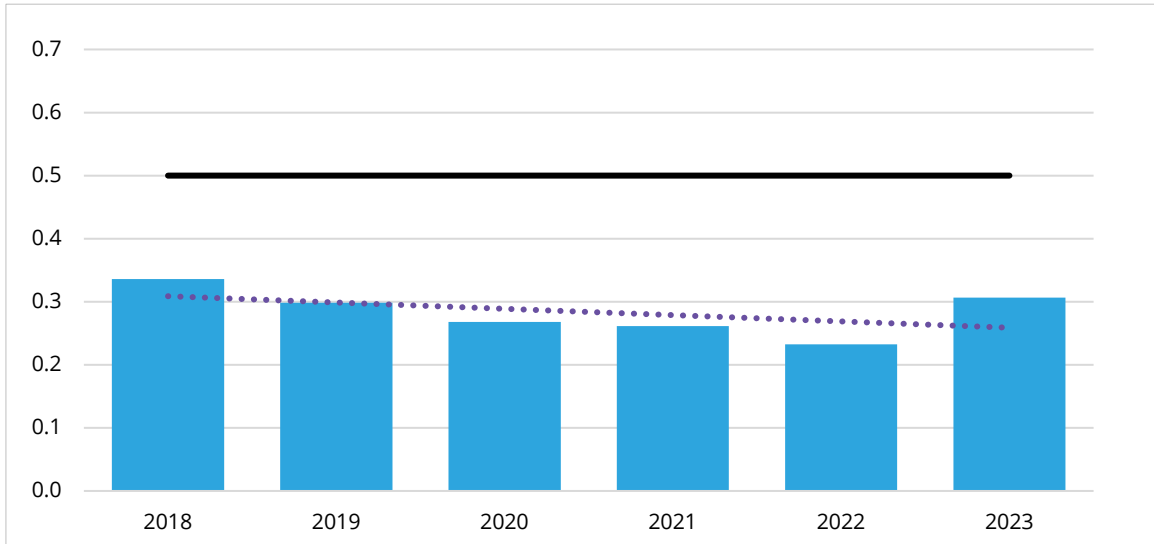


Liability to Asset Ratio

With a targeted **maximum** of 0.50, this metric has ranged from 0.23 to 0.34 indicating a healthy level of equity in the system. While generally positive based on Westminster's combined utility, the fact that there has been limited investment in sewer system asset renewal suggests that this metric would likely be higher had that investment been made.



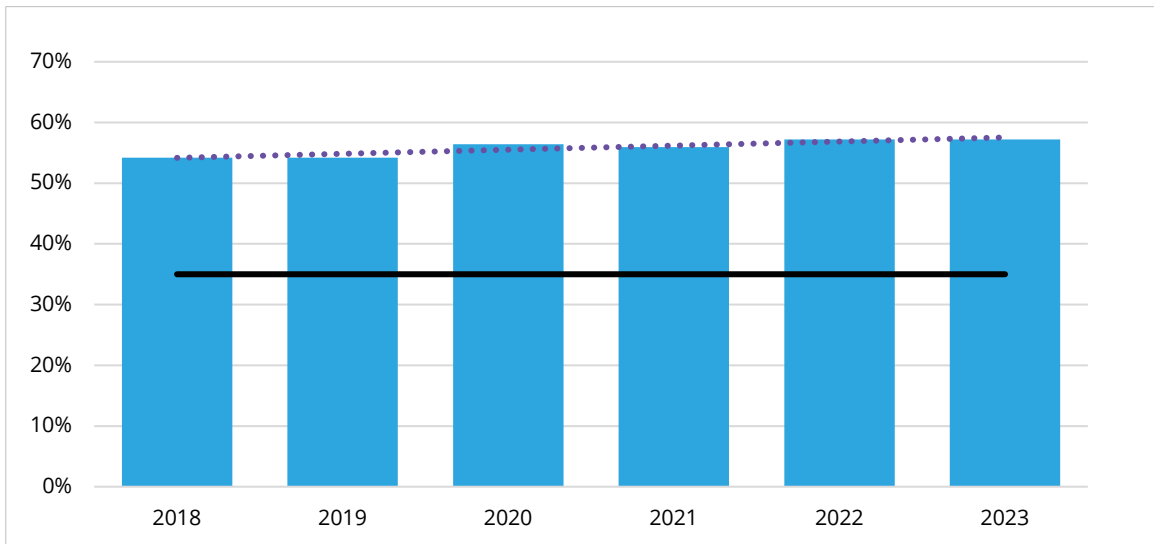
Chart 28: Westminster Liability to Asset Ratio



**Percentage of Assets Depreciated**

With a targeted **maximum** of 35%, this metric has ranged from 54% to 57%, potentially indicating an aging system and a possible need for more investment in infrastructure replacement. Similar to the other stakeholders included in this evaluation, the age of the sewer system assets and the need for investment in renewal is a factor that impacts the overall sustainability of those systems. Failure to make such investments will likely result in increased costs and may negatively impact financial performance in the future.

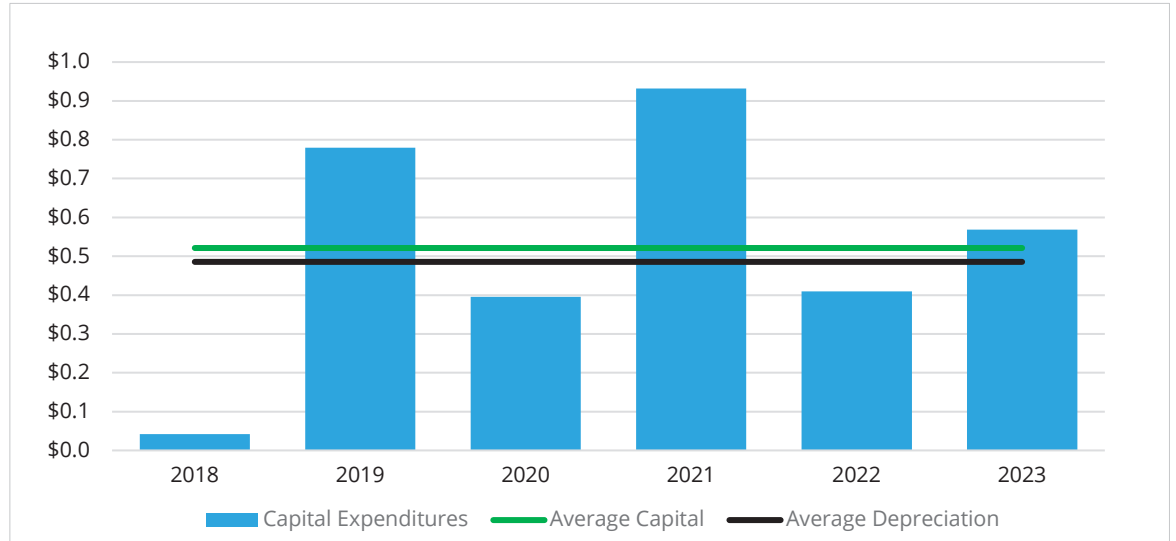
Chart 29: Westminster Percentage of Assets Depreciated



**Capital Additions**

As indicated in the chart below, in recent years the average capital expenditure (in millions of dollars) exceeded the average depreciation. Westminster has generally utilized grant funds to make significant capital investments in its sewer system. For FY2025, the city is planning to issue a \$5 million bond for sewer infrastructure improvements, which will include approximately \$2 million for sewer line rehabilitation and \$700,000 for manhole rehabilitation.

**Chart 30: Westminster Capital Additions**



### Town of West Union

A financial evaluation was unable to be completed because West Union was unable to provide its recent financial statements and audits. A review of the South Carolina Treasurer’s Office website showed that the town is listed as being delinquent in the required submission of audits for multiple years.

Based on discussions during stakeholder meetings, town staff indicated that the sewer system is subsidized by its water system and that there is extremely limited opportunity to increase its customer base.

# UTILITY GOVERNANCE EVALUATION

The utility governance evaluation was completed to review applicable governance options that may be available to OJRSA and to assess the effectiveness of the current OJRSA structure, which has been stated by all stakeholders to be ineffective. This was born out through the completion of this study. The governance evaluation is of considerable importance because the way in which a utility is governed impacts every facet of its operation, including its long-term viability.

## EVALUATION OF THE CURRENT OJRSA GOVERNANCE

Based on discussion with all stakeholders, a review of the organization foundational documents, and meetings held with the OJRSA attorney, a number of issues with the current OJRSA governance structure were consistently identified. These are discussed below.

### Foundational Documents

The current agreement that provided for the creation of the OJRSA is a compilation of all former agreements made with the Commission<sup>50</sup>. As such, this foundational agreement is complex at best and contains contradictory and/or misaligned provisions that impede the effectiveness of the OJRSA governance structure. This is problematic because there are savings clauses that make the old agreements survive, thus creating conflicting and competing documents.

A specific example of this is the requirement that any OJRSA debt must be approved by all the City Councils of Seneca, Walhalla, and Westminster. This significantly impedes the ability of OJRSA to make necessary investment in the sewer system and would make funding the future investment identified in the Master Plan improbable.

In a review of other utilities created under the JAWSSA, none have requirements quite this restrictive for debt authorization, and it is not a specific requirement of the enabling statute. The statute does require debt to be approved by the members; however, the governance documents can outline how that approval is done, including the preauthorization of certain debt.

The governance evaluation is of considerable importance because the way in which a utility is governed impacts every facet of its operation, including its long-term viability.

<sup>50</sup>Oconee County Sewer Commission prior to the creation of the OJRSA.

## Board Composition

The current agreement did not preserve Oconee County representation on the Board, although all previous agreements incorporated did include representation for the county. In recent years, OJRSA has extended an invitation to county staff to participate in their meetings. Through this study, it was noted that the county did not normally attend.

With the county holding a successful referendum in 2012 to amend the ways in which it can legally fund sewer infrastructure, their ownership of sewer assets in the Sewer South system, and the issuance of the \$25 million sewer bond, Oconee County has a stake in sewer within the unincorporated areas of the county with no direct involvement in the county's primary sewer organization. In fact, they are the one (1) stakeholder with the most ability from a financial perspective to generate significant revenues from multiple sources that could be used for sewer; however, the legal challenges to this (both current and historic) present potential issues to their ability to do so.

Further, Oconee County is the one (1) entity that has control over unincorporated county-wide land use planning and economic development initiatives, two (2) of the primary drivers of the need for expanding sewer. For these reasons, it is critical that the county have an active voice, along with the other stakeholders, in the sewer governance for Oconee County.

The current OJRSA Board composition was also described as problematic by all stakeholders, apart from the lack of county representation. Specifically, it was noted that each stakeholder having multiple representatives and the majority of those being either elected officials or employees of the municipality was recognized to present challenges when making decisions for the 'good of the whole.' It was described as trying to wear two (2) hats. This centers around where the fiduciary duty of the members lies – with their municipality or with the OJRSA Board.

One example of this was cited as the decision to return excess unrestricted cash reserves to each of the key SSS stakeholders. While this was initially discussed to be used for improvements for their own collection systems, it left OJRSA in a position to be unable to fund needed projects within the sewer system serving the whole of the stakeholders.

Another example discussed by some stakeholders was around the problem of getting full Board approval of necessary wholesale rate increases and impact fee modifications.

This also appears to have led the key SSS stakeholders to treat the OJRSA as more of an extension of their own utility departments and not truly acknowledging the separate and distinct authority of OJRSA. This perception is the likely cause of the challenges described in consistently enforcing the OJRSA SUR requirements.

The majority of the other joint water and sewer authorities in the state have a single board representative from each of their member entities. For matters related to the encumbrance of debt, some have weighted votes proportionate to the entity's participation in the system with all other votes being equal.

The size of the current OJRSA Board consisting of nine (9) members was also identified as a factor contributing to its ineffectiveness. In general, as board

size increases, the functionality and efficiency of it decreases. While some of the other joint entities have larger board sizes, they are limited to the number of member entities that are part of the organization.

## Historical Conflicts

For a wide range of reasons, there has historically been mistrust among many of the stakeholders. This has been due to differing opinions about where and how growth should occur in the county; stakeholder perceptions that the largest entities have been aligned against the others; perception by the county that the OJRSA only wants their money and not their input; and the perception by the OJRSA Board that Oconee County wants to make decisions about sewer without their involvement.

In discussions with other joint entities, these historical divisions and conflicts are common. It takes time to build trust and often it takes new membership on a board to turn the tide. The recent addition of some new Board members and the change in the way in which OJRSA bills and meters the key SSS stakeholder flows has resulted in creating a more positive relationship between all stakeholders, but the historical mistrust remains.

## General Organizational Considerations

All key stakeholders agree that the current organization needs to be 'fixed' before additional entities could/should be added (e.g., Anderson County). These stakeholders also agree that any sewer collection system consolidation should also follow modifications to the current organizational structure. All stakeholders agree that any single entity having majority control within a modified structure would be detrimental.

Based on financial considerations and discussions with funding agencies, the financial position of OJRSA is only as strong as each of the current stakeholders. This limits what terms of and/or if external financing could be secured for future capital expenditures.

The growth potential, ownership, and maintenance of the Sewer South System is unclear. Clarity, most likely through changes in the current organizational agreement, are needed. With the ruling from the Oconee County Court of Common Pleas that became known as this report was being finalized, there is now an even greater lack of clarity on the future of the sewer infrastructure serving the Sewer South area. With the court siding with the plaintiff and granting a temporary injunction preventing Oconee County from utilizing the revenues from the recently issued \$25 million bond for sewer to benefit only one portion of the county, there is uncertainty how this sewer infrastructure will be handled and how the county can fund additional sewer infrastructure in the future. The ultimate decision on this lawsuit will not likely be resolved in the near future but this must be a consideration as the next steps are taken regarding changes to the current sewer governance structure.

## Governance Considerations from the Master Plan Public Engagement Process

As noted previously, this feasibility study was conducted concurrently with the Master Plan effort, with Bolton & Menk staff participating on both consulting teams. This was intentional to ensure that there was collaboration as the

results of both efforts are important to how sewer is managed in Oconee County. In preparation of the Master Plan, there were multiple public outreach efforts, including public meetings and an online survey. Certain questions were developed that would provide insight into the current sentiment of the county citizens and stakeholders regarding governance issues. Relevant feedback from these efforts is summarized below.<sup>51</sup>

- With the county's issuance of the \$25 million sewer bond, there is public confusion about who is the primary sewer organization in Oconee County. This even extends to residents within the municipalities that currently participate in OJRSA.
- There is strong public support for prioritizing maintenance/rehabilitation of existing sewer infrastructure over new infrastructure.
- The cost of and mechanism used to fund sewer infrastructure in Oconee County and how it affects tax and rate payers is very important to citizens.
- The organization in charge of sewer collection and/or treatment is very important to citizens.
- There is general concern from citizens about where growth is allowed to occur in the county and a strong call for balanced, controlled growth that honor the rural character. Extension of sewer infrastructure is generally seen as the precursor to growth. The perceived lack of coordination and a unified voice regarding sewer and land use planning in Oconee County amplifies that concern.

## UTILITY GOVERNANCE STRUCTURES IN SOUTH CAROLINA AND THEIR RELEVANCE TO OJRSA

The following provides an overview of the relevant utility governance structures available in South Carolina<sup>52</sup> that were considered through this feasibility study. General context with regard to the applicability of each to OJRSA is also provided. It should be noted that any change in the current governance structure would require consensus among all stakeholders that are party to the current agreement in order to terminate it. This was considered with each potential restructuring scenario.

### Privatization

With privatization, assets are transferred from the public entity to a private entity. There is generally no opportunity for the public entity to provide input on decision making and policy once a transfer is completed; however, the SC Public Service Commission would regulate the rates and does allow a 10.5% regulatory rate of return. The legal transaction to privatize would be complex. Private entities do not have access to most government infrastructure funding programs and rely on rates and private sector financing (capital market, bank loans, etc.).

*While privatization is certainly an option available, it is not likely that all stakeholders would agree to terminate the current agreement, which would be required in order to transfer the treatment and trunk line sewer assets to a private entity. There is also an option for each individual SSS stakeholder to convey their individual sewer assets to a private entity. It is doubtful such an entity would only be willing to take sewer systems without the water systems or only take a single sewer system in the area. Privatization of only the individual collection systems also would not address the current issues with the current OJRSA governance.*

<sup>51</sup>A summary of the full results are contained in the Master Plan and can be reviewed at <https://www.ojrsa.org/sewer-study/>.

<sup>52</sup> These were adapted from the RIA South Carolina Water Utility Assessment & Viability Strategy (February 2022) and based on legal governance discussions conducted as a part of this study.

## Intergovernmental Operational Agreements

Intergovernmental agreements normally involve contractual operations and management agreements. This could be an initial step in determining if regionalization between two (2) entities makes sense or if there is a short-term need that can be rectified through such agreement. Each entity would still own their respective systems and funding for improvements would come from each entity on their own. These agreements have no impact on funding eligibility and may provide some assurances regarding viability to the funding agencies.

*This option would not address the current OJRSA governance issues and could not be used for that purpose unless the current agreement is terminated; however, this could be an initial step for some of the stakeholders if they want to pursue collection system consolidation and would provide for some initial operational efficiency improvements.*

## Consolidated Government

Although not specific to utility operations, a consolidated government model is considered as a form of governance that could be beneficial for utility operations. In general, a consolidated government is one in which the governmental functions of at least two (2) separate units of local government (usually a city and a county) are combined to address specific issues. The benefits of such a single government include expanded legal authority, enhanced revenue streams and efficiencies in operations and planning.

*In South Carolina, consolidated government is allowed by the state constitution. However, the first legislation passed in 1992 to officially address the creation of this type of unit of government law contains "...conflicts and provisions of questionable validity..."<sup>53</sup> such that a consolidated government has not yet been accomplished in the state. Therefore, this governance option would not be recommended.*

## Special Purpose District

An SPD is established by an act of the General Assembly. This is one of the most common organizational models used for regional entities that were created before Home Rule. The enabling legislation for each SPD may be different and some may have specific service areas while some may not. SPDs consist of a Board of Commissioners who are either appointed by the Governor based on the recommendation of the local legislative delegation or through elections from within the service area of the SPD. Counties have the authority to change the service area boundaries of the SPD but cannot abolish it. SPDs are considered units of local government and, therefore, have access to governmental funding programs. In addition, they can issue general obligation bonds with the approval of the county. Examples of utility SPDs include Laurens County Water & Sewer Commission, North Charleston Sewer District, MetroConnects, Lancaster County Water & Sewer District, Greenwood Metropolitan District and East Richland County Public Service District.

<sup>53</sup>Taken from the Municipal Association of South Carolina: Forms and Powers of Municipal Government. (December 2017)

There are some SPDs in the state that have the ability to serve across multiple counties. These are generally referred to as multi-county organizations and they carry the same powers of a single county SPD but with an expanded service boundary. They can add or consolidate other utilities within their service boundary upon approval of their governing board and with support of the legislative delegations representing the entities involved. Examples of multi-county organizations include Beaufort-Jasper Water & Sewer Authority, Grand Strand Water & Sewer Authority, and Renewable Water (ReWa).

*Based on legal review discussions, the creation of new Special Purpose Districts is no longer allowed in South Carolina as a result of the passage of Home Rule in 1973. However, there may be an opportunity for consolidation with a willing multi-county organization in the future.*

## Joint Water and Sewer Authority

A joint water and sewer authority is created through the JAWSSA, SC Code Ann. §6-25-5, et seq. It was formerly known as the “Joint Municipal Water System Act” and was developed specifically to provide a legally defined process to allow for regionalization of water and wastewater systems. Through this act, units of local government can form a Joint Authority by resolution of one or more participating unit without a referendum. Upon formation of the Authority, utility resources and revenues can be pooled, and the units of government can transfer water and/or wastewater assets to the Authority.

This form of utility governance offers the most flexibility with the enabling legislation having very few prescriptive requirements. Therefore, the governance documents created for an entity organized under the JAWSSA can be developed to meet the specific needs, situations and circumstances of the entities involved.

*While this is the current method of governance for OJRSA, it does still provide for the most flexibility of all options evaluated and could potentially address the future consolidation of the individual sewer collection systems of the stakeholders.*



# EVALUATION SUMMARY

## TECHNICAL, OPERATIONAL AND ENVIRONMENTAL COMPLIANCE EVALUATION SUMMARY

The technical, operational, and environmental compliance evaluation of the stakeholder's sewer systems revealed a number of factors<sup>54</sup> that need to be considered with regard to the future of sewer in Oconee County. These factors should be taken into account as the next steps for modifications of the sewer governance structure are taken.

- In stakeholder discussions, Walhalla, Westminster, and West Union all indicated that they would be willing to convey their sewer infrastructure to another entity in the future. None of these stakeholders, however, indicated a willingness to consider a similar arrangement with regard to their water systems<sup>55</sup>.
- Seneca indicated that it would be willing to accept sewer collection assets from other stakeholders but only if the water assets were also conveyed.
- OJRSA indicated that it would be willing to entertain accepting sewer collection system assets; however, the current organizational documents present challenges in doing this (i.e., requirement to keep wholesale and retail revenues and expenditures separate and no real provisions for OJRSA to have retail customers outside the current IOA with Oconee County).
- The sewer systems of all stakeholders are nearing the end of their useful life (i.e., >40 years old) and are in need of systematic renewal and replacement in the coming years.
- Seneca and West Union are the only stakeholders without a recent SCDHEC Consent Order; however, West Union has had a recent unsatisfactory SCDHEC system inspection.
- Seneca, Walhalla, and Westminster have each been required by OJRSA<sup>56</sup> to take actions to reduce I/I in their respective collection system. Seneca has also been required by OJRSA to address an issue related to hydrogen sulfide reduction at a pump station.

<sup>54</sup>The factors are focused on those stakeholders with current sewer utilities and, as such, Oconee County is not included where the term 'stakeholder' is used in this summary.

<sup>55</sup>Regarding water, each of the key stakeholders, including Seneca, have made significant recent investments to either upgrade or construct their own water treatment plants.

<sup>56</sup>These requirements by OJRSA are considered to be enforcement actions pursuant to their SUR.

- All stakeholders are understaffed with regard to dedicated sewer system personnel. With the exception of OJRSA that only has sewer infrastructure, the remaining stakeholders rely on other utility staff to support sewer staff when needed. Walhalla and West Union are the most understaffed.
- Each of the key SSS stakeholders have limited amounts budgeted annually for routine sewer maintenance.
- For all stakeholders, there have been limited major sewer capital improvement projects completed in recent years. For the majority of the current sewer projects, the stakeholders are utilizing grant funds for their completion. Currently, only OJRSA has a detailed sewer CIP<sup>57</sup> which was required as a result of the SCDHEC Consent Order. The need for comprehensive and consistent capital planning is essential for each stakeholder.
- Walhalla and West Union appear to be limited with regard to having the necessary equipment in place for routine sewer maintenance.
- None of the stakeholders have a fully implemented computerized maintenance or asset management system. Most utilize a paper-based work order system to manage maintenance and repairs of their sewer assets. Only OJRSA and Seneca have their sewer assets in a GIS system. Westminster has its sewer assets mapped in GIS, which is maintained by a 3rd party consultant.
- None of the key SSS stakeholders have robust programs for proactive sewer system condition assessment and cleaning.
- Overall, West Union and Walhalla would likely benefit the most from a collection system consolidation due to their small customer base and the limited ability to significantly expand that base. It also has the least progressive operation and maintenance programs of all the stakeholders.
- Overall, OIRSA and Seneca are the entities that are currently performing the best from a technical and operational perspective.
- With appropriate modifications to the governance structure, OJRSA would be the current stakeholder that has the best potential to effectively manage the trunk and treatment aspects of the sewer system because of the economies of scale that already exist, although they are limited based on their relatively small, aggregated sewer customer base.
- Both OJRSA and Seneca have the ability to accept and adequately operate and maintain the sewer collection systems of the other stakeholders in the future; however, both would need to add additional staff to do so effectively. For OJRSA, appropriate modifications in the organization agreements would be necessary to establish the process, procedures, and financial provisions to do so. In both cases, specific guidelines/agreements would need to be put in place to ensure fair and equitable rates.

This evaluation indicated that there is potential operation, maintenance, and environmental compliance benefits for sewer systems in Oconee County to consolidate operations partially or fully in the future. These potential benefits include:

- Prioritizing I/I abatement as a single system versus individual separate satellite systems.
- Providing consistency in standards, procedures, and enforcement, including the FOG program.
- Providing consistency in enforcement of future regulations.

<sup>57</sup>Due to the lack of CIP information for all stakeholders, the identification of capital projects and timeline for their completion was out of the scope for this feasibility study as those would need to be developed in detail for each entity. The OJRSA CIP projects and timeline for their completion were included in the Master Plan.

- Providing efficiencies around needed equipment and purchases of additional equipment.
- Providing the ability to close the staffing gap by consolidating operation staff and reducing redundant administrative staff.
- Reducing confusion about lines of responsibility for operations and SUR enforcement between OJRSA and the key SSS stakeholders.
- Providing the ability to more effectively comply with future, more complex regulatory requirements for sewer systems, both from operational and financial standpoints.
- Developing more consistent rates for retail users.

## FINANCIAL EVALUATION SUMMARY

The financial evaluations for key stakeholders, including OJRSA, reveal a number of considerations as it relates to the overall future of sewer in Oconee County. These are significant factors that also must be included in the implementation of any of the recommendations provided as result of this study. In fact, the financial elements directly impact the technical, operational, and environmental compliance aspects of any sewer utility, regardless of the ultimate governance structure.

- While Oconee County does not have a sewer utility, the completion of the Sewer South sewer infrastructure along with the issuance of a \$25 million bond for additional sewer improvements along the I-85 corridor need to be taken into consideration with regard to the long-term financial planning for sewer operation, maintenance, and capital improvements. This includes the need for a more detailed evaluation of the OJRSA retail rate structure once the county's retail system becomes operational.
- OJRSA has taken some positive steps in improving its financial performance including increasing wholesale rates and impact fees and modifying how wholesale rates are calculated. However, the 20-year capital needs identified in the Master Plan confirm the need for a more in-depth rate study to ensure adequate revenues are generated.
- The return of excess OJRSA cash reserves to the three (3) key SSS stakeholders in 2019 negatively impacted several key financial performance indicators and limited OJRSA's ability to invest in capital projects without incurring debt.
- The foundational organization documents for OJRSA require unanimous approval from the governing bodies of the key SSS stakeholders. This impacts the ability for OJRSA to take on debt for the completion of necessary capital projects. In addition, these agreements will expire in approximately 18 years, which means that if loans are secured this year, the terms would be limited to that period (i.e., 18-year repayment term, decreasing annually by one (1) year)<sup>58</sup>.
- For the approval of OJRSA debt, funding entities must take into account each key SSS stakeholder's financial position and their ability to assume the debt should OJRSA default.
- Seneca's sewer system appears to be performing the best of all key SSS stakeholders, which is expected given it is the largest municipality with the most customers. However, the historical financial evaluation for Seneca was performed on a combined utility basis. It is recommended that a more granular analysis of only the financial data for the sewer system be

<sup>58</sup>The current agreement provides for up to four (4) 10-year automatic renewal terms; however, in conversations with funding agencies, any loan term would be limited to the current agreement's initial expiration date.

included as additional work is performed in support of this regional utility governance effort.

- Walhalla's sewer system has been operating in a deficit and their ability to even fund normal system operation is limited. It was acknowledged that water system revenues were needed to support the sewer system. The city has proposed to implement a sewer base rate for FY2025, which should generate additional sewer revenues to at least cover normal operation and maintenance activities.
- Similar to Walhalla, Westminster's sewer system has been operating in a deficit and they, too, have relied upon other utility revenues to support it. They have raised rates in recent years, resulting in some of the highest sewer rates in the Upstate of SC, and it appears the city is now able to at least generate sewer revenue that is slightly above the amount needed for normal sewer system operations. However, like Seneca, Westminster's historical financial evaluation was performed on a combined utility basis. It is recommended that a more granular analysis of only the financial data for the sewer system be included as additional work is performed in support of this regional utility governance effort.
- From a financial perspective, West Union's sewer system has the most challenges. Although a detailed evaluation was not possible because the town is delinquent in completing their annual audits, it was acknowledged by staff that their sewer system also operates in a deficit and is supported by water revenues. West Union also has the least ability to add to their customer base as a means to generate additional revenue and the least number of staff to maintain it..
- All of the sewer utilities evaluated have aging sewer assets that are in need of investment for renewal. From financial data and discussions with the stakeholders, it appears that significant investment in sewer system rehabilitation has been deferred and what investments that have been made have primarily been completed using grant funds. This means that there will likely be the need for additional revenue to fund renewal projects at a greater level as these systems continue to age and the need to expand the system due to growth occurs.

## Project/Debt Funding Analysis - OJRSA

Based on the recently completed Master Plan, the OJRSA 20-year projected capital needs to account for growth and asset renewal will exceed \$312 million. For the first 5-year period (FY2024-2029), these needs are estimated at over \$89.5 million. This project/debt funding analysis was completed to estimate the additional revenues required by OJRSA to fund new debt requirements at various levels of issuance. Using the FY2023 revenues as a basis, the analysis compared the applicable debt funding needs to the revenues to determine the minimum percentage of additional revenues that would be required to meet the financial impacts of the new debt.

In conducting the analysis, the initial objective was to assess the financial implications of funding the potential project costs through various incremental bond issuance/loan amounts. The analysis assumes a minimum of \$10 million and progresses in \$10 million increments, up to \$100 million, to estimate the impact of varying levels of debt on the revenue requirements. In addition to funding the potential project costs, the analysis assumes an additional 2.50% for debt issuance costs.

In determining the annual debt service for principal and interest, the analysis assumed equal annual payments at 5.00% interest for 25 years. In addition to

funding the principal and interest payments, the analysis included an add-on for a minimum debt service coverage (DSC) requirement of 1.25 times.

The findings of the analysis revealed distinct patterns regarding the additional revenue needs associated with different levels of bond issuance. As expected, as the issuance amount increased, so did the corresponding revenue requirements needed to fund the debt. Based on the parameters and assumptions previously described each \$10 million increase in capital project needs results in an additional 17.5% increase in revenue needs, on average. A summary of the estimated debt and revenue impacts is provided in **Table 9**.

**Table 9: Incremental Revenues at Various Project Costs**

Wastewater Treatment Fees - Towns			\$5,205,103 <sup>(1)</sup>		
Project Amount	Issuance Costs	Annual Debt Service - P&I	DSC @ 1.25 Times	Incremental Revenue Need	% Revenue Increase
\$10,000,000	\$250,000	\$727,300	\$181,800	\$909,100	17.5%
\$20,000,000	\$500,000	\$1,454,500	\$363,600	\$1,818,100	34.9%
\$30,000,000	\$750,000	\$2,181,800	\$545,500	\$2,727,300	52.4%
\$40,000,000	\$1,000,000	\$2,909,100	\$727,300	\$3,636,400	69.9%
\$50,000,000	\$1,250,000	\$3,636,300	\$909,100	\$4,545,400	87.3%
\$60,000,000	\$1,500,000	\$4,363,600	\$1,090,900	\$5,454,500	104.8%
\$70,000,000	\$1,750,000	\$5,090,800	\$1,272,700	\$6,363,500	122.3%
\$80,000,000	\$2,000,000	\$5,818,100	\$1,454,500	\$7,272,600	139.7%
\$90,000,000	\$2,250,000	\$6,545,400	\$1,636,400	\$8,181,800	157.2%
\$100,000,000	\$2,500,000	\$7,272,600	\$1,818,200	\$9,090,800	174.7%

(1) Source: OJRSA Financial Statements and Independent Auditor's Report for the Year Ended June 30, 2023, Page 5

## Impact on Sewer Rates

The ultimate objective of the comparative analysis was to estimate the potential impact on the wastewater rates of the key SSS stakeholders. This was done by applying the calculated percentage revenue increases to the calculated typical monthly wastewater bill for each SSS stakeholder.

Currently, OJRSA charges wholesale rates that are applied to each retail customer of Seneca, Walhalla, Westminster, and West Union. The OJRSA charges are passed through to the retail customers and included in their monthly bill along with the charges that each municipality bills. Since a sewer rate study for each key SSS stakeholder was beyond the scope of this study, this analysis assumes that the current retail rates<sup>59</sup> applied by Seneca, Walhalla, and Westminster to their customers without any increase would be necessary to meet future operating and capital expenditure requirements for each individual sewer collection system. As such, when considering the potential impact on the retail customers of each SSS stakeholder, the percentage revenue increases were only applied to the OJRSA portion of the monthly bill. Based on the historical financial evaluation, it was also determined that each SSS stakeholder will need to have increased sewer system investment for asset renewal within their respective collection

<sup>59</sup>The rates utilized for the SSS stakeholders were in effect as of February 2024 and are exclusive of local taxes, outside surcharges, franchise fees or other rate adjustments and do not account for planned increases for FY2025, where applicable.

systems. It is recommended that detailed rate studies be conducted for each stakeholder to determine the full impact of the combined capital expenditures for their individual system in addition to those estimated for the OJRSA expenditures.

This analysis is provided as a comparison of the sewer bill for an inside city residential customer<sup>60</sup> calculated under the existing rates and the increased OJRSA portion at the various project cost levels. The summary comparison for a residential customer using 5,000 gallons of service per month is provided in **Table 10** and provides insight into the potential rate implications of the identified OJRSA capital projects outlined in the Master Plan.

**Table 10: Typical Residential Bill at Various Project Costs**

Residential	Existing Rates & Calculated Monthly Charges			
	OJRSA	Seneca	Walhalla	Westminster
Base Charge	\$10.00	\$7.17	\$0.00	\$11.54
Volumetric Rate	\$5.39	\$3.79	\$1.40	\$3.33
Assumed Gallons/Mo	5,000	5,000	5,000	5,000
<b>Monthly Entity Charge</b>	<b>\$36.95</b>	<b>\$26.12</b>	<b>\$7.00</b>	<b>\$28.19</b>
<b>Total With OJRSA Rates</b>	<b>n/a</b>	<b>\$63.07</b>	<b>\$43.95</b>	<b>\$65.14</b>

Project Amount	% OJRSA Increase	Revised Monthly Charges			
		OJRSA	Seneca	Walhalla	Westminster
\$0	0.0%	\$36.95	\$63.07	\$43.95	\$65.14
\$10,000,000	17.5%	\$43.42	\$69.54	\$50.42	\$71.61
\$20,000,000	34.9%	\$49.85	\$75.97	\$56.85	\$78.04
\$30,000,000	52.4%	\$56.31	\$82.43	\$63.31	\$84.50
\$40,000,000	69.9%	\$62.78	\$88.90	\$69.78	\$90.97
\$50,000,000	87.3%	\$69.21	\$95.33	\$76.21	\$97.40
\$60,000,000	104.8%	\$75.67	\$101.79	\$82.67	\$103.86
\$70,000,000	122.3%	\$82.14	\$108.26	\$89.14	\$110.33
\$80,000,000	139.7%	\$88.57	\$114.69	\$95.57	\$116.76
\$90,000,000	157.2%	\$95.04	\$121.16	\$102.04	\$123.23
\$100,000,000	174.7%	\$101.50	\$127.62	\$108.50	\$129.69

As a final point of information with regard to overall rates of the key stakeholders a comparative summary of sewer rates for other sewer utilities in Anderson, Greenville and Pickens counties is provided in **Table 11**.

<sup>60</sup>Residential customers were assumed to have a 5/8 x 3/4-inch water meter, where applicable.

**Table 11: Regional Sewer Rate Comparison**

Key Oconee County Sewer Stakeholders	Estimated Sewer Service Population Range	Monthly Residential Sewer Rate (per 5,000 gal)	Comparative Sewer Utilities	Estimated Sewer Service Population Range	Monthly Residential Sewer Rate (per 5,000 gal)
Wahalla**	<10,000	\$43.95	Pelzer	<10,000	\$19.81
West Union**	<10,000	\$52.00	Pickens	<10,000	\$32.70
Westminster**	<10,000	\$65.14	Belton	<10,000	\$40.65
OJRSA*	10,000-30,000	\$36.95	Iva	<10,000	\$43.00
Seneca**	10,000-30,000	\$63.07	Pendleton	<10,000	\$47.92
			Honea Path	<10,000	\$49.98
			Broadway Water & Sewer District	<10,000	\$51.25
			Liberty**	<10,000	\$51.86
			Starr-Iva Water District	<10,000	\$57.50
			Central**	<10,000	\$63.75
			Fountain Inn**	<10,000	\$65.95
			West Pelzer**	<10,000	\$71.68
			Pickens County PSC*	10,000-30,000	\$39.05
			Anderson	10,000-30,000	\$40.65
			Easley	10,000-30,000	\$40.69
			Clemson	10,000-30,000	\$48.70
			Mauldin**	10,000-30,000	\$57.05
			Greer	30,000-50,000	\$38.91
			MetroConnects**	30,000-50,000	\$65.52
			ReWa*	>100,000	\$45.55
			Greenville**	>100,000	\$62.11

\*Sewer utilities with primarily treatment and trunk collections lines only.

\*\*Sewer utilities that utilize another entity for sewer treatment and trunk collection and rates reflect the treatment costs.

Based on this comparative rate analysis, the following assessment of the key stakeholder sewer rates is as follows:

- OJRSA has the lowest rate of the sewer treatment and trunk line utilities included in this comparison.
- The sewer utilities that utilize another entity for sewer treatment and trunk line collection have higher rates overall. These include Pelzer<sup>61</sup>, Seneca, Walhalla, Liberty, West Union, Central, Fountain Inn, Westminster, West Pelzer, Mauldin, MetroConnects and Greenville.
- Walhalla has some of the lowest sewer rates in the region based on a comparison of sewer utilities with similar sewer service populations. Ten (10) sewer utilities in the comparison data set with service populations less than 10,000, including Westminster and West Union, have higher sewer rates.

<sup>61</sup>Pelzer has the lowest overall rates in this comparison; however, they are currently being consolidated with ReWa. West Pelzer has been consolidated with ReWa and their sewer rates now reflect the increase needed for sewer rehabilitation and treatment costs.

- Only two (2) sewer utilities in this same data set (service populations less than 10,000) have higher sewer rates than Westminster.
- Seneca has the highest sewer rate of the sewer utilities with service populations between 10,000 – 30,000.

This indicates that the sewer rates of the key stakeholders are generally comparable to other sewer utilities in the region; however, the OJRSA rates for treatment and trunk collection are the lowest of similar utilities in the region because of the lack of debt. Also, the evaluations conducted for this study have demonstrated that, while some stakeholders have raised sewer rates in the recent past, deferral of sewer asset renewal has occurred for many years, generally because significant investments were being made in other utility systems (e.g., water and/or electric). This has resulted in the need for significant sewer investment and likely increased rates for all stakeholders to ensure long-term sewer system viability and the ability to fund improvements necessary for growth.

## COMPARISON WITH RIA UTILITY VIABILITY ASSESSMENT TOOL RESULTS

As means to validate the summary findings of the technical, operational, and environmental compliance and financial evaluations, the information for each stakeholder was entered into the RIA Utility Viability Assessment Tool<sup>62</sup>.

Where specific information was not known, the same inputs were used for each stakeholder. If only combined financial information was available, the tool was completed for the combined utility. The tool could not be used for West Union due to the lack of audited financial information data.

As the summaries for the evaluations completed for this study indicate, OJRSA and Seneca are performing best overall. Both had specific areas that require more in-depth evaluation but are not at a critical level as it relates to their utility viability. The primary areas that lowered their respective scores were asset age, specific financial metrics (e.g., days cash on hand), historical SSOs/ compliance issues and socio-economic characteristics of their respective service area.

The summaries noted that Walhalla and Westminster have the most challenges with regard to the operation of their sewer collection systems. The tool demonstrated that as well with the results for both stakeholders showing the need for critical evaluation of their utilities due to issues that may signal viability concerns. The areas that resulted in these lower scores were utility service population, asset age, several negative financial metrics, compliance issues and socio-economic characteristics of their respective service area.

Although the tool could not be used for a comparative evaluation of West Union, it is estimated that their result would be worse than that of the other municipalities and OJRSA based on the evaluations conducted for this feasibility study.

While the tool is meant to provide a snapshot of how a utility is currently performing, the results for each of the stakeholders and the areas of potential concern align with the summaries provided for the evaluations completed for this study. Copies of the tool results are provided in Appendix E.

<sup>62</sup>This tool was developed as a part of the South Carolina Water Utility Assessment & Viability Strategy effort completed by RIA in February 2022. The tool can be accessed using this link: <https://ria.sc.gov/utility-viability/>



## GOVERNANCE EVALUATION SUMMARY

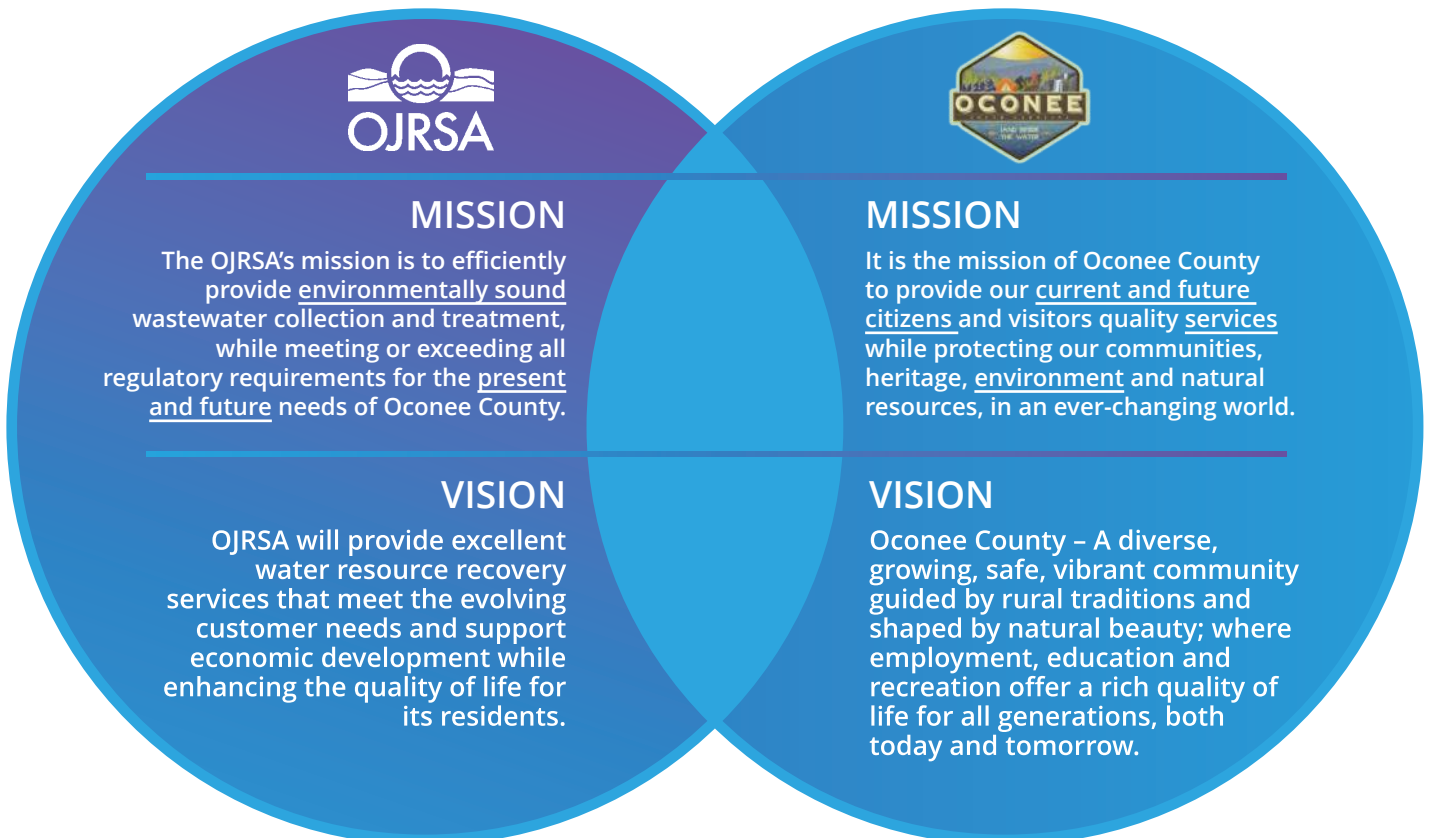
The evaluation of the current OJRSA structure revealed opportunities for improvements that would likely make the governance more effective and reduce barriers and challenges that exist presently. Such modifications are critical not only for the future of sewer in Oconee County but also for focused growth, economic development, and preservation of the county's abundant natural resources.

The previous discussions of the governance evaluation in the report focused on the challenges, problems, and concerns with the current structure; however, it is important in this summary to also highlight some of the recent OJRSA successes as an effort to use these positive steps to generate momentum necessary for the next phase of this process.

- New leadership at OJRSA<sup>63</sup> has resulted in improvements around staffing, safety, operations, and capital planning. This is evidenced by the increase in staffing, recent SCDHEC inspections and the improved morale of employees, as noted by OJRSA staff that participated in this study.
- The Consent Order issued to OJRSA has resulted in Board members coming together and collaborating around hard decisions needed to ensure compliance with its requirements.
- The change in how OJRSA bills the stakeholders with updates to the metering has, for the most part, taken the political division out of Board discussions.
- The discussions with all stakeholders for this study showed that there is more agreement than disagreement, even regarding the current problems and potential solutions.
- OJRSA formally adopted mission, vision, and value statements. These align with those of Oconee County, demonstrating that there are shared goals overall, which can be a cornerstone in improving the governance related to sewer going forward.

<sup>63</sup> The current Executive Director was hired in 2017.

## A SHARED STRATEGY



Through this evaluation, it was clear that all stakeholders see a need to make changes to improve the way sewer is handled in Oconee County, which starts with the OJRSA governance. Everyone that participated in the discussions stated their dedication to making things better. However, misaligned, and complex organizational agreements, continued legal challenges around sewer, rate increase concerns, lack of agreement about how/where growth should occur and the historical conflicts and lack of clear lines of responsibility among all stakeholders have consistently impeded any such significant progress to date.

In discussions with other joint water and sewer authorities in South Carolina, the issues around mistrust and historical conflicts among Board members and stakeholders that OJRSA has experienced are not necessarily uncommon but some of the barriers and challenges put in place by the governing agreement are compared to others. The other issues extend to the relatively small sewer customer bases of the stakeholders, with all having service populations of less than 30,000. This not only creates operational and compliance challenges but significant financial impediments as well.

The feasibility study team recognizes that all stakeholders involved have challenging jobs that require them to balance impacts to citizens with implementing necessary sewer infrastructure improvements but being able to balance these things in a collaborative manner that takes into account what is in the best interest of all citizens in Oconee County is absolutely critical. With construction costs and regulatory requirements increasing, this balancing act will not get any easier in the future, which makes implementing positive improvements around sewer governance in Oconee County so important.

The team reviewed a number of options and variations of those options for OJRSA governance improvements. The most feasible of which are outlined below. Only the option of retaining the current structure would not require termination of the current OJRSA agreement.

- Maintain status quo by keeping the current agreement and board composition in place.
- Terminate the current agreement and develop a new foundational agreement for OJRSA that would change the board composition, remove barriers put in place by the structure of the current agreement, address retail service, and a more equitable approach to the rate structure.
- Terminate the current agreement and convey the sewer treatment and trunk line assets to another entity, either a private utility or a willing multi-county utility organization or current stakeholder.

Because this effort also included the evaluation of each of the key SSS stakeholders and the opportunity for potential collection system consolidation, the study also considered options for this. The collection system consolidation options are provided below. It should be noted that the initial focus should be on the OJRSA governance modifications as these may inform as to the appropriate method or vehicle for collection system consolidation in the future. Such consolidations or actions can be taken by each SSS stakeholder independently without consensus of the group with the exception of having the assets conveyed to OJRSA.

- Maintain the status quo with no changes to the ownership, operation, and maintenance of the individual collection systems. Develop the policies, procedures, processes, and equitable rate structures in a new OJRSA

governance agreement that would more clearly allow and define the means for the authority to assume ownership of retail collection systems, outside of what is provided for in the current IOA with Oconee County..

- Assumption of other SSS stakeholder systems by another current SSS stakeholder, if requested.
- Assumption of SSS stakeholder systems by a private utility, if desired by any stakeholder.
- Assumption of stakeholder SSS stakeholder systems by another multi-county utility, if desired by any stakeholder.
- Development of operational contracts between any SSS stakeholder and another viable entity as an intermediate step to consolidation that may provide operational, managerial, and financial efficiencies.

Underscoring the need for these recommended changes are a number of national initiatives, requirements, and proposed regulations that address the increasing financial burden and operational challenges being seen by utilities across the country. With concerns about rate affordability in many areas and the ever-increasing regulations around treatment for emerging contaminants, biosolids disposal, nutrient reduction, and I/I removal, operating a sewer system is not getting easier or less expensive.

First, EPA has recently issued a proposed regulation aimed at requiring state regulatory agencies to adopt a consistent framework and policies for requiring public water system consolidation. The proposed Water System Restructuring Assessment Rule will, in part, require state agencies to implement mandatory restructuring assessments for water utilities that have consistent non-compliance issues and/or are deemed to be non-viable. While this proposed rule is initially aimed at public drinking water utilities, it is an indication of what is likely to come for sewer utilities in the future and the Oconee County sewer stakeholders now have an opportunity to be proactive in completing restructuring that will prevent a future mandatory requirement of doing so. A copy of this proposed regulation is provided in Appendix F.

Second, while this is a new regulation that may impact sewer systems in the future, there are current requirements in place for ensuring sewer utility sustainability. Any entity that utilizes the Clean Water SRF for funding must provide documentation of its long-term sustainability through the submission of a Utility Sustainability Assessment (UtSA). The assessment covers the operations, management, including environmental compliance, and finances of the utility – the components evaluated in this feasibility study. In order to receive the SRF loan, a sewer utility must be determined to be viable, and its operations must be determined to be sustainable to ensure repayment of the loan. Based on the results of this study, the issues identified could result in some of the SSS stakeholder systems being determined to be non-sustainable if SRF funding was to be sought for capital projects. A copy of the UtSA Form (D-0574) is provided in Appendix F.

Finally, as outlined in the Master Plan, the American Water Works Association (AWWA) developed the Water 2050 initiative, which aimed to address the biggest challenges facing water<sup>64</sup> utilities over the next 30 years and outlined collaborative approaches "...to assure a successful and sustainable future." One of the central components included in Water 2050 was governance. Through the Water 2050 Governance Think Tank, four (4) categories of national initiatives around utility governance were recommended for consideration by all water utilities.

<sup>64</sup>In this context, AWWA included drinking water, sewer, and stormwater utilities under the umbrella of water utilities.

- Implement a “One Water” governance approach.
- Optimize utility governance and business models.
- Develop governance that promotes innovation and sustainability.
- Advance collaboration to drive (governance) innovation.

The “One Water” approach was developed as a deliberate water management approach that considers all aspects of water in a more holistic manner. The main goals outlined in the governance report will be important for OJRSA and all stakeholders to consider moving into the next steps provided in this report. The AWWA Water 2050 Governance Think Tank Report is provided in Appendix G.

## THE “ONE WATER” APPROACH

The following key themes pertain directly to the current situation regarding sewer in Oconee County.



**“Absolutely critical to success here is having a knowledgeable, apolitical, competent utility board that understands the mission and vision of the executive team and meets minimum capabilities and expertise criteria.”**

This study has highlighted a number of issues and concerns regarding the functionality of the current OJRSA Board structure. It also noted concerns that all stakeholders have around being able to simultaneously fulfill fiduciary duties of both their own unit of government and that of the OJRSA. This has made OJRSA function in a manner that is anything but apolitical. While it is recognized that politics can never be completely removed, it must not interfere and impact the ability of a utility to operate in a sustainable manner.



**The “One Water” approach is focused on unifying water governance under one agency. This included the consideration of regionalization of utilities by watershed, which would encourage consolidation of systems in a way that balances efficiencies gained, while meeting the needs of the community. It is also intended to help develop better partnerships with stakeholders within the watershed including agricultural, land use, and manufacturing partners.**

The intent of this tenant of the Water 2050 governance initiative was to underscore the need for water utilities to carefully evaluate opportunities to collaborate and even consolidate in an effort to meet the mounting regulatory and financial pressures of system operation. It is recognized that such opportunities often bring the greatest likelihood of long-term utility viability, which is the exact intent of the recommendations of this feasibility study.



**In the governance report, it was highlighted that rates which reflect the full cost of service with affordability in mind are critical to ensuring investments are made to sustain the service provided.**

Rates have been and continue to be a concern for all sewer stakeholders in Oconee County. The deferral of sewer system asset renewal by all stakeholders, combined with the projected investment needed in the future, has resulted in the critical need for all sewer stakeholders to undertake in-depth financial/rate studies as soon as possible. The results of these studies will likely provide more clarity around the eventual governance structure and potential necessary sewer consolidations. Failure to consider this in a holistic and realistic manner, putting politics aside, may result in some current sewer utilities being unable to be sustainable in the future.

# RECOMMENDATIONS

This feasibility study has discussed many of the elements that are the apparent causes of the problems and issues involving the provision and/or governance of sewer in Oconee County. Some are not necessarily unique to the county but many of the specific circumstances are. The historical (and current) divisions between stakeholders, the roadblocks put in place by the current agreements, and the blurred lines of responsibility among all stakeholders has resulted in the lack of significant investment in sewer, both within the regional and individual systems. Rate concerns and the small sewer customer bases have only exacerbated this.

All Oconee County sewer stakeholders are now at a point that inaction is not an option. Failure to work collaboratively to resolve the issues that surround sewer will ultimately result in negative impacts to the things that all county citizens prioritize – quality of life and protection of the abundant natural resources. Sewer systems that are effectively operated and maintained when combined with effectively managed growth not only protect natural resources but also provide for economic prosperity for citizens. This is ultimately what is at stake if stakeholders fail to act now.

It is important to note that while significant work was done through this initial feasibility study, it is just the beginning and additional work will be necessary to fully vet how these recommendations can be successfully implemented.

Through this process, there may be other options identified and/or necessary, especially when the court issues its ruling on the current lawsuit over the county's \$25 million bond issuance<sup>65</sup>. However, the recommendations presented are those that were determined to be the most feasible and have the best chance of securing the required consensus of the stakeholders. The sewer treatment/trunk line recommendations, while presented as primary and secondary, need to be discussed and vetted in parallel in order to truly determine the best and most expeditious path forward. The stakeholders cannot afford to delay necessary changes as investment in sewer must occur now, and in the future, without significant reliance on grant funding.

This initial feasibility study, it is just the beginning and additional work will be necessary to fully vet how these recommendations can be successfully implemented.

<sup>65</sup>The initial ruling from the Oconee County Court of Common Pleas points to the need for the county to create a special tax district in order to use tax revenues to fund infrastructure only serving a portion of the county.

Based on all evaluations completed for this study and the specific considerations discussed throughout this report, the following recommendations are provided to improve the governance of the OJRSA and establish the most effective manner in which additional future sewer system consolidation can be implemented in Oconee County.

## SEWER TREATMENT/TRUNK LINE GOVERNANCE RECOMMENDATIONS

### Primary Sewer Treatment/Trunk Line Governance Recommendation: Complete Revision to the Current OJRSA Agreement

The primary recommendation for the governance related to sewer treatment/trunk lines is to vacate the current OJRSA organizational agreement and develop an entirely new agreement to correct misalignment and address the issues and challenges identified. This would be a reconstitution of the OJRSA under the JAWSSA, the same statute under which it is currently formed. It is recognized that this will take time to complete and will require additional study, evaluation, and legal consultation; however, the recommended basic provisions of the agreement include:

#### Modify the OJRSA Board composition.

- Five (5) members to include:
  - At least one (1) representative each from Oconee County, Seneca, Walhalla, and Westminster<sup>66</sup>.
  - A fifth member is required under the JAWSSA and consideration should be as to the best approach for such appointment. Each member is legally required to be appointed by the governing body of an appointed member, and due consideration to this requirement is necessary when considering the appointment methodology for this fifth member.
- The fifth member should not be an elected official of or employed by any member units of government. It should be noted that there will also need to be vetting of the legal ability of any appointed member to hold a dual office based on state statutes and recent case law on this matter<sup>67</sup>.
- All members should be on public sewer.
- Board member term limits should be addressed. It is recommended that terms longer than four (4) years should be considered to provide more stability for the Board. This was cited by other joint water and sewer authorities as a mechanism that built cohesiveness and trust between their members.

#### Establish Board member vote allocation/weighting policy.

- It is recommended that for matters not related to debt, each Board member would receive one vote, with all votes being equal.

<sup>66</sup>The study team did consider whether West Union should have a formal representative in a new Board structure; however, the town's financial position would likely present more challenges to ability of OJRSA to secure favorable financing in the future, and, therefore, it is not recommended that West Union have a designated representative in a new structure. However, they could have representation through an appointment by the county or legislative delegation.

<sup>67</sup>The South Carolina Constitution, Article VI, Section 3 and Article XVII, Section 1A state that no person is allowed to...“hold two (2) offices of honor or profit at the same time.” SC Code Ann. §5-7-180, et seq, states that...“no mayor or councilman shall hold any other municipal office or municipal employment while serving the term for which he was elected.” The JAWSSA was expressly amended in 2007 remove authorization for governmental officers or employees to serve ex officio as members.

- For matters related to debt, the new agreement must determine the most equitable manner in which to apportion the votes. It is recommended that this be based on something such as the proportionate flow of each stakeholder to the Coneross Creek WRF, a fixed capacity allocation, or an annual process of determining an equitable allocation for specific votes.

#### **Establish debt approval policies, as allowed by the governing state statute.**

- It is recommended that certain types of debt be preauthorized in the new governing agreement, such as for system maintenance to include rehabilitation needs.
- For other types of debt, the new agreement should clearly establish how member approval would be obtained, and it should be in a manner that does not unnecessarily impede the ability of the OJRSA to encumber debt for necessary sewer projects. It is recommended that this process be such that one member is unable to defeat the encumbrance of debt that is necessary to fund sewer improvements for the Authority system.
- A 'step up' clause should be included to cover the default of any member stakeholder. This essentially ensures that the debt of OJRSA would be paid even if in situation where one (1) member defaulted on payment of their portion. Such a clause would be needed for securing debt in the future.

#### **Establish triggering action(s) and process for adding new members.**

- It is recommended that this provide as much flexibility as possible to accommodate potential new stakeholders to allow potential consolidation, but it should not dictate that they necessarily have Board representation.

#### **Establish processes and procedures that would allow OJRSA to own, operate, and maintain retail sewer collection assets or assets from other sewer entities in the county, if desired by stakeholders.**

#### **Establish equitable rate structure(s).**

- It is recommended that a cost of service rate that is equitable for all members be developed, which takes into account the identified 20-year capital needs outlined in the Master Plan.
- If it is decided that OJRSA would assume retail collection system assets in the future, it is recommended that the process for how rates would be established be included with the potential to eliminate the complexities around the current wholesale/retail structures. Consolidation of the collection systems under OJRSA should allow these assets to be considered assets of the Authority and treated as such. In this situation, there can be both a treatment and collection system component to a rate, rather than the current complex wholesale/retail structure.

#### **Establish how growth will be funded.**

- It is recommended that a clear structure for how all stakeholders will share in the capital costs related to system expansion, both treatment and trunk collection, including the assessment of impact fees, be more clearly established. This includes the approval of necessary debt for such expansion.

#### **Establish the term of the new agreement.**

- It is recommended that the term of the new agreement be at least 40 years, which would be longer than the maximum term for most infrastructure loans. Options to extend/revise the agreement after a certain period (e.g., 10 years) or triggering event should also be included.

An automatic renewal provision should also be included, similar to what is included in the current agreement.

As a part of the process for developing the parameters of new agreement, it is advised that the recommendations and capital improvement costs outlined in the Master Plan be taken into consideration. This information should be used to ensure that any provisions or structure associated the new agreement/governance structure will accommodate those concerns and that any change to OJRSA will positively impact the ability to fund required capital projects, whether for asset renewal or expansion.

### **Secondary Sewer Treatment/Trunk Line Governance Recommendation: Consolidation with an Interested Multi-County Utility Organization**

Should the process of developing a new agreement/governance structure for OJRSA result in either the inability for all stakeholders to agree on its terms and conditions or if it is determined that the revised structure still will not facilitate OJRSA being able to efficiently and financially meet the identified long-term needs associated with the sewer treatment and trunk line assets, it is recommended that opportunities to consolidate with interested viable existing public entities, including multi-county utility organizations, be vetted.

As previously stated, the consultant team is recommending that the vetting of this option be done in parallel as the initial discussions around the terms of a new agreement begin. This will allow all stakeholders to be informed about all potential options and the pros and cons of each before a final course of action is determined. Of course, a willing multi-county utility organization or other viable entity must be willing to entertain this and leaders for all stakeholders involved on both sides would need to support this.

The implementation of this recommendation would require, at a minimum, a valuation study to fully assess the value of the current OJRSA sewer assets, how they would be conveyed, and what such conveyance would mean to each stakeholder in terms of a sale of the Authority assets.

The benefit of this option is primarily to gain greater economies of scale thereby lessening the financial impact on the sewer customers and citizens of Oconee County in meeting the future capital needs and increased regulatory requirements. It is similar to what OJRSA is currently evaluating with regard to the disposal of biosolids.

The challenges relate to stakeholders in Oconee County not being in control of the regional sewer assets any longer. While the study team recognized that this secondary recommendation may require significant political support to implement, it needed to be provided as a recommendation for consideration.

## **SEWER COLLECTION SYSTEM GOVERNANCE RECOMMENDATIONS**

As outlined in this report, several of the SSS stakeholders expressed a willingness to convey their sewer collection system assets to another entity. While there are significant benefits that would result with such consolidation, it is recommended that the modifications to the current authority organization need occur first since the new governance structure may impact how collection system consolidation may be implemented.



Unlike the OJRSA governance modifications, any decision to consolidate or convey an individual stakeholder sewer system rest with specific stakeholder(s) and their leaders alone and would not require consensus of all stakeholders, with the exception of conveying such assets to OJRSA. The potential collection system consolidation options for consideration include:

- Conveyance to OJRSA under the new governance structure.
- Conveyance to another current stakeholder.
- Conveyance to another multi-county utility organization.
- Conveyance to a private utility.

As an intermediate step to a potential consolidation, an operation and maintenance contract between the entities could be developed for a specified duration. This would give each entity time to complete any necessary due diligence studies, financial/rate evaluations, and legal consultations prior to initiating a full consolidation and develop confidence in how the system would be operated after consolidation. This would also give the citizens time to adjust to such a change. Funding for some of these studies and evaluations as well as the ultimate consolidation(s) could come from grants and/or SRF principal forgiveness sources, especially if there is a demonstrated effort on behalf of the stakeholders to collaboratively work on the recommendations of this study.

This page is intentionally left blank.

# NEXT STEPS

As previously stated, the completion of this feasibility study, while significant, is just the first step towards implementing changes to sewer governance in Oconee County. There are a series of steps and activities that must follow this study to keep this forward momentum and ensure that the most effective governance structure is in place to meet the future sewer needs of the county and its citizens. The recommended immediate next steps with associated timeline are as follows:

- **Within 45 business days of Board acceptance of this study, establish an 11-member ad hoc committee** to consider the recommendations of this report as well as the identified next steps. This ad hoc committee should finish the initial evaluations regarding the recommendations within six (6) months of the formation of the committee and report back to both the OJRSA Board and Oconee County.
  - This committee would report back to the full Board and assist in fully identifying more specific evaluations or studies that may be required to move forward with the recommendations.
  - The committee should **not** be an existing committee of the current OJRSA Board.
  - The committee should contain a cross section of members that not only understand utility financial/administrative processes but also those related to the technical/operational aspects of the utility. It is recommended that no existing stakeholder have more than one (1) member on this ad hoc committee. For example, each current stakeholder on the Board (*OJRSA staff, Seneca, Walhalla, and Westminster*) could have one (1) representative, with selection of these members ensuring an adequate cross section of operations and administration knowledge and expertise.
  - The committee should also contain one (1) member representing Oconee County.
  - The committee should also contain one (1) member that has documented experience with utility management (e.g., a retired SC utility executive/general manager with regional utility experience).

The completion of this feasibility study marks an important first step. To maintain momentum and establish an effective governance structure for future needs, a series of subsequent actions are necessary.



- The committee should also contain one (1) member that has documented experience with legal aspects of utility governance in South Carolina.
- The committee should also contain one (1) member with documented experience with utility finance.
- The committee should also contain one (1) member with documented experience in environmental/utility compliance.
- The committee should also contain one (1) member with documented experience in environmental/utility compliance.
- The committee should also contain one (1) member with documented experience with utility aspects of economic development.
- The committee should also contain one (1) *ex officio* member that can serve as a facilitator with knowledge of state regulatory requirements regarding sewer (e.g., a representative from the ACOG).
- **Within 6 (six) months of Board acceptance of this study**, OJRSA should complete a detailed **financial/rate cost of service study** that will consider the identified 20-year capital improvement needs outlined in the Master Plan. This should be completed a utility financial consultant.
- Immediately **upon of Board acceptance of this study** seek specific legal advice to fully develop the process and timeline for drafting a **new governance agreement** as well as to provide the general steps needed for consolidation with another multi-county organization or other viable entity. This should result in documents being provided to the ad hoc committee **within 60 business days of Board acceptance of this study..**
- **Within 60 business days of Board acceptance of this study**, each key SSS stakeholder should develop a **five (5) year CIP** (minimum) for their individual sewer collection system. This can be done by stakeholder staff but must be comprehensive enough to adequately outline realistic near-term capital needs to be used for financial/rate studies.
- It is also recommended that each key SSS stakeholder complete a **detailed financial/rate cost of services study** that not only considers the potential impacts of the OJRSA 20-year projected capital needs on their rates but also the needs of their collection system identified in their CIP. This should be done **within six (6) months** of the development of the CIP and should be completed a utility financial consultant.
- If the ad hoc committee and/or the OJRSA Board decides that the development of a new agreement/governance structure cannot be accomplished, identification of and discussions with potential viable existing public entities, including multi-county utility organizations, should be initiated immediately upon that determination.
  - If this recommendation is implemented, more specific studies, including an asset valuation study, would need to be conducted. Such studies would also be needed for any future collection system consolidation.



# APPENDIX A

## OJRSA FOUNDATIONAL DOCUMENTS

**OMNIBUS SEWER DOCUMENTS**  
**OCONEE COUNTY, SOUTH CAROLINA**

**Act 950, SC Acts and Joint Resolutions**  
**October 28, 1971**

**Referendum**  
**April 13, 1976**

**Resolution No. 76-21**  
**July 8, 1976**

**Amended Agreement**  
**April 18, 2006**  
**Filed in Deed Book 1496 at page 306**

**Ordinance 78-2**  
**March 21, 1978**

**Memorandum of Understanding**  
**February 24, 2005**

**Intergovernmental Sewer Agreement (SWAG)**  
**February 28, 2005**

**Oconee County Sewer Commission**  
**623 Return Church Road**  
**Seneca, SC 29678**  
**864.972.3900**

**OMNIBUS SEWER DOCUMENTS**

**OCONEE COUNTY, SOUTH CAROLINA**

**Act 950, SC Acts and Joint Resolutions  
October 28, 1971**

**Referendum  
April 13, 1976**

**Resolution No. 76-21  
July 8, 1976**

**Amended Agreement  
April 18, 2006  
Filed in Deed Book 1496 at page 306**

**Ordinance 78-2  
March 21, 1978**

**Memorandum of Understanding  
February 24, 2005**

**Intergovernmental Sewer Agreement (SWAG)  
February 28, 2005**

**Oconee County Sewer Commission  
623 Return Church Road  
Seneca, SC 29678  
864.972.3900**



(R881, S537)

No. 950

**An Act To Create The Oconee County Sewer Commission.**

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

**SECTION 1. Oconee County Sewer Commission created.**—There is hereby created the Oconee County Sewer Commission which shall consist of five members to be appointed by the Governor from the county at large, upon the recommendation of the Oconee County Legislative Delegation, including the resident Senator. The members shall serve for terms of four years and until their successors are appointed and qualify. Vacancies shall be filled in the manner of the original appointment for the unexpired portion of the term only.

**SECTION 2. Officers and meetings.**—The commission shall meet as soon as practicable after appointment to organize by electing one of the members as chairman and such other officers as may be deemed necessary. Thereafter, the commission shall meet upon the call of the chairman or a majority of the members.

**SECTION 3. Duties.**—The commission shall study the desirability and feasibility of establishing such sewer districts as necessary to operate and maintain sewage collection, treatment and disposal facilities within the county. If the committee finds that one or more districts should be created, it shall be empowered to :

- (a) Formulate plans for the implementation of the district and the construction of all necessary facilities for the authority ;
- (b) Consult with architects, engineers, county officials, citizens of the county and others ;
- (c) Advise and make recommendations to the governing body of the county and the County Legislative Delegation in all matters pertaining to the location, design, employment of architects and engineers, advertising and letting of bids, contracting, equipping, furnishing and any other matters as may be necessary for the construction and implementation of the district or districts ; and
- (d) Make plans and recommendations to the County Legislative Delegation as to the creation of such district or districts.

**SECTION 4. Funds.**—The funds for carrying out the provisions of this act shall be included in the county appropriations act or may be appropriated from the contingent fund of the county, upon approval of the County Legislative Delegation, including the resident Senator.

**SECTION 5. Time effective.**—This act shall take effect upon approval by the Governor.

Approved the 28th day of October, 1971.



OCONEE COUNTY COUNCIL

## RESOLUTION NO. 76-21

AT THE REGULAR MEETING of Oconee County Council, held at Council Offices at the Oconee County Courthouse in Walhalla, South Carolina, a quorum being present and voting, the following Resolution was proposed by Councilman Robert Ramey, was properly thereafter seconded by Councilman Buddy Herring, to wit:

"BE IT RESOLVED, that the results of the election and Referendum held in Oconee County on 13 April 1976, wherein the voters of Oconee County approved the acquisition, construction, maintenance and operation of a sewage waste disposal system by Oconee County by a majority of those voting, the vote being:

YES: 1,884NO: 1,249

be and the same is hereby adopted, approved and ratified by this Council.

By voice vote, the foregoing Resolution was unanimously adopted by the Council.

DONE AND RATIFIED in Council duly assembled this 8th day of July, 1976.

**STATE OF SOUTH CAROLINA**

**COUNTY OF OCONEE**

**SEWER AGREEMENT**

**BETWEEN**

**OCONEE COUNTY,**

**OCONEE COUNTY SEWER COMMISSION,**

**AND**

**THE MUNICIPALITIES OF**

**SENECA, WALHALLA, WESTMINSTER, AND WEST UNION**

**COUNTY COUNCIL CHAMBERS  
WALHALLA, SOUTH CAROLINA**

**APRIL 18, 2006**

*ROSS  
(no fee)*

**016649**

FILED FOR RECORD  
OCONEE COUNTY, S.C.  
REGISTER OF DEEDS  
2006 APR 20 A 10:39

**MEMBERS OF  
GOVERNMENTAL BODIES  
WHO ARE SIGNATORIES TO THIS AGREEMENT**

Recorded this 20 day of  
April 2006  
Vol. 496 Pg. 306 and Certified  
Register of Deeds, Oconee County

**OCONEE COUNTY COUNCIL**

**H. Frank Ables, Jr., District V  
Chairman**

**Steven R. Moore, District I**

**Thomas S. Crumpton, District II**

**William S. Rinehart, District III**

**Marion E. Lyles, District IV**

**Ron H. Rabun, County Administrator**

**Opal O. Green, Clerk**

**Bradley A. Norton  
County Attorney**

**OCONEE COUNTY SEWER COMMISSION**

**Howard S. Adams**  
**Chairman**

**Jerry Opperman**

**Dewitt Martin**

**Scott Parris**

**William Addis**

**Greg Dietterick**

**Rhett Smith**

**Mendel Stone**

**Ron Knoerr**

**Robert Winchester**  
**General Superintendent**

**Denise Gibbs**  
**Administrative Assistant**

**Lowell W. Ross**  
**Attorney**

**CITY OF SENECA COUNCIL**

**Daniel W. Alexander**  
Mayor

**Ronnie O'Kelly**  
Mayor Pro Tem

**Warren Bright**

**Andrew P. Inabinet**

**Ernest M. "E" Riley**

**Andrea Alewine**

**Al Gaines, Sr.**

**Bobby Laye**

**Joel Ward**

**Greg Dietterick**  
City Administrator

**Michael J. Smith**  
City Attorney



**CITY OF WALHALLA COUNCIL**

**Lamar Bailes  
Mayor**

**Randy Chastain  
Mayor Pro Tem**

**William B. Addis**

**Hal Duke**

**Charles (Buddy) Land**

**Ronald Mattox**

**Thelma Miller**

**Nancy Goehle  
City Administrator**

**Julian L. Stoudemire  
City Attorney**

**CITY OF WESTMINSTER COUNCIL**

**Derek Hodgin  
Mayor**

**Danny Duncan**

**Bobby Williams**

**Rusty Carter**

**Bob Ayers**

**Sylvia White**

**Reid Adams**

**David Smith  
City Administrator**

**Scott Sprouse  
City Attorney**

**TOWN OF WEST UNION COUNCIL**

**Tommy Duncan, Jr**  
**Mayor**

**David Foulke**

**David Bryant**

**Ralph Smith**

**Dorothy Gibson**

**Robert Owens**  
**City Attorney**

STATE OF SOUTH CAROLINA  
 COUNTY OF OCONEE  
 SEWER AGREEMENT  
 BETWEEN  
 OCONEE COUNTY,  
 OCONEE COUNTY SEWER COMMISSION  
 AND  
 THE MUNICIPALITIES OF  
 SENECA, WALHALLA, WESTMINSTER AND WEST UNION

**CONTENTS**

	Page
PREAMBLE	1
ARTICLE I - DEFINITIONS	3
ARTICLE II - FACTUAL BACKGROUND	4
ARTICLE III - AGREEMENTS BY MUNICIPALITIES	6
ARTICLE IV - AGREEMENTS BY THE COUNTY	9
ARTICLE V - MUTUAL AGREEMENTS	10
ARTICLE VI - SPECIAL COVENANTS	11
ARTICLE VII - EVENTS OF DEFAULT	13
ARTICLE VIII - REMEDIES - COUNTY	14
ARTICLE IX - MISCELLANEOUS	14
ARTICLE X - TERM OF AGREEMENT	15
ARTICLE XI - EXECUTION	16
SIGNATURES	17-22

## STATE OF SOUTH CAROLINA

## COUNTY OF OCONEE

**AMENDED**

## AGREEMENT

THIS AMENDED AGREEMENT made and entered into by and between OCONEE COUNTY, South Carolina, hereinafter called "the County" and the MUNICIPALITIES OF SENECA, WALHALLA, WESTMINSTER, and WEST UNION hereinafter called "the Municipalities."

**PREAMBLE:**

Section 1. Seneca, Walhalla, and Westminster entered into separate but identical, agreements with Oconee County, dated 3 March, 1978 (Seneca and Walhalla), March 30, 1978 (Westminster), 2 October, 1979 (West Union)<sup>1</sup> whereby Oconee County agreed to operate a wastewater treatment system and the Municipalities agreed to discharge effluent into the system for a period of forty years, as herein described:

Section 2. Oconee County owns a wastewater treatment plant (Coneross Wastewater Treatment Plant), trunk lines, connector lines, pump stations, and other necessary and appropriate apparatus ("the System"), the Municipalities (Seneca, Walhalla, and Westminster) own sewer collector lines which flow into the county system. Oconee County operates the System through the Oconee County Sewer Commission, ("OCSC" or "Sewer Commission") composed of three (3) members representing Seneca, two (2) members representing Walhalla two (2) members representing Westminster, and two members appointed by Oconee County Council at large from Oconee County, all selected in accordance with the existing Agreements between the Municipalities and Oconee County, dated 3 March, 1978, incorporated herein by reference, and according to Oconee County Ordinance 78-2.

Section 3. Except for one residential customer, (on a well) the Municipalities are the exclusive users of the System and by OCSC in accordance with the amount of effluent discharged by each Municipality, respectively, and treated by OCSC. There are Four (4) customers on Pioneer Water connected directly to the County Sewer who are upstream of the Westminster Sewer Meter. Pioneer collects sewer fees from these customers and remits the same to Westminster directly.

Section 4. Except for grants from state and federal agencies, the cost of operation, maintenance, and improvement of the System has been paid by the Municipalities, billed to and collected from customers of the Municipalities, respectively.

---

<sup>1</sup> The West Union Agreement was slightly, but not significantly, different.

Section 5. In the original Municipal-County Agreements, each municipality and the County agreed to be bound by the Agreements for a period of forty (40) years from the date of the first accepted wastewater, expiring 31 March, 2018.

Section 6. In June 1993, because of industrial growth the industrial capacity of the wastewater treatment plant was nearing full capacity. In order to provide additional industrial/commercial capacity it became desirable to upgrade the sewer treatment plant to add treatment capacity. Oconee County, through the Sewer Commission, obtained from the South Carolina Budget and Control Board a low-interest loan in the sum of \$8,200,000. In 1996, the Commission began making annual payments on the loan in the sum of \$609,947. These payments are billed to and collected from the Municipalities, respectively, pro-rata.

Section 7. Because of the population growth of Oconee County, new technology, and new State and Federal regulations it is necessary to again up-grade and improve parts of the System to adequately serve the Municipalities.

Section 8. The Municipalities have agreed to maintain rates that will fund the necessary up-upgrades and improvements, which are described in Attachment 1.

Section 9. The County and Municipalities entered a separate Agreement ("SWAG"), dated 28 February, 2005, and a Memorandum of Understanding, dated 24 February, 2005. Oconee County entered into an Agreement with the South Carolina Department of Transportation, dated May 17, 2005, whereby the County agreed to treat the wastewater discharged from the Welcome Center located on Interstate 85.

Section 10. The Municipalities and County have agreed to extend and amend the existing agreement:

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

## **AGREEMENT**

### **THE MUNICIPALITIES (SENECA, WALHALLA, WESTMINSTER, AND WEST UNION) AND OCONEE COUNTY AGREE:**

The Agreements, dated 3 March, 1978, (Seneca, and Walhalla) March 30, 1978 (Westminster) and 2 October, 1979 (West Union) are amended by striking the Agreements in their entirety and substituting the following Agreements:

### **ARTICLE I DEFINITIONS**

Section 1. In this Agreement, unless a different meaning appears from the context:

Section 2. "Agreement" shall mean this document, duly executed by the parties, and all amendments hereafter made.

Section 3. Articles, sections and paragraphs mentioned by number are the respective Articles, Sections, and Paragraphs so numbered.

Section 4. "Municipality" or "Municipalities" shall mean the City or Cities of Seneca, Walhalla, Westminster, and the Town of West Union as identified in Section II, Article 1, or otherwise mentioned in this Agreement.

Section 5. "County" shall mean Oconee County.

Section 6. "EPA" shall mean the Environmental Protection Agency, an agency of the United States Government.

Section 7. "MGD" shall mean million gallons per day as applied to a measurement of the effluent to be discharged.

Section 8. "PARTY" or "PARTIES" shall mean the signatories to this Agreement and their successors and assigns.

Section 9. "Sewer Commission" shall mean the commission created by Legislative Act in 1971 and currently organized pursuant to Oconee County Ordinance 78-2. OSCS is charged with the responsibility of operating and maintaining the Facilities of the Oconee County Wastewater Treatment Program; defining the purpose of the program to treat and dispose of residential, commercial, and industrial wastewater; and to insure the effective operation of the Sewer Program, in accordance with the conditions of the Sewer Referendum of 1976.

Section 10. "System" shall mean the wastewater treatment facilities, to include the trunk and connector lines originating

within the jurisdiction of the County and all additions and improvements thereto to be constructed by the County, which provides any wastewater treatment for Municipalities of Seneca, Walhalla, Westminster, and West Union and such other facilities as may be agreed upon.

Section 11. The term "System's cost" shall include operation and maintenance costs (including but not limited to personnel, power, equipment replacement, chemicals, materials, et cetera), debt service, reserve, depreciation and all related expenses necessary to provide operational self-sufficiency and payment of principal and interest on sewer revenue bonds to be issued by the County.

Section 12. The term "System's net cost" will involve the System's cost, less net revenue derived from users outside any Municipality, Process Wastewater Surcharges levied by the County against certain industrial and/or commercial users, and any other net revenue which may be derived from users who are not served or billed by the Municipalities.

Section 13. "Debt Services" shall be the financial obligation of the County to pay for any outstanding bonds or other debts related to the System.

Section 14. "Welcome Center System" shall mean the wastewater treatment facilities, to include the trunk lines and connector lines originating within the jurisdiction of the County and all additions and improvements thereto to be constructed by the County and which will serve areas not now served by the System as defined in Section 2.01 (8) above and which is defined by the Agreement between Oconee County and the South Carolina Department of Transportation.

## **ARTICLE II FACTUAL BACKGROUND**

Section 1. Seneca, Walhalla, Westminster, and West Union are municipal corporations duly chartered by the State of South Carolina and pursuant to applicable constitutional and statutory provisions relative thereto. Seneca, Walhalla, Westminster, have established and now operates a municipal water and sewer system, which generally serves the entire area of each Municipality and populated areas immediately adjacent to the corporate limits of each Municipality. West Union currently has approximately 47 sewer customers.

Section 2. The County is a body corporate and politic which is governed by a County Council and which, by virtue of § 16, Article VIII, Constitution of the State of South Carolina, as well as other enabling legislation, is fully empowered to enter into this Agreement.



Section 3. As a means of setting forth the matters of essential inducement which have resulted in the making of this Amended Agreement, the parties hereto agree that the pertinent facts with respect thereto are set forth in the remaining sections of this Article.

Section 4. The qualified electors of Oconee County by referendum<sup>2</sup> authorized the Oconee County Council to provide wastewater transportation and treatment facilities.

Section 5. The Sewer transportation and treatment facilities (hereinafter called "the System") consist of the assets described on Attachment 2.

Section 6. The County represents and warrants that the System, is in compliance with all applicable standards of EPA as well as applicable standards of the South Carolina Department of Health and Environmental Control ("DHEC").

Section 7. The County, through the Oconee County Sewer Commission, has obtained an SRF Loan which is payable from and secured by a pledge of the gross revenues derived from its operation of the System and has agreed to maintain rates and charges for the services furnished by the System sufficient to produce such revenues. Such covenant requires that all who use the System (be it one or more) pay such charges and, while at the present time there are four (4) users (Seneca, Walhalla, Westminster and West Union) who will be subject to rates and charges imposed by the County, the Municipalities are mindful of the fact that if, for one reason or another, there are less than four (4) major users, the remaining users would be required to pay the sums required by the County for the maintenance and operation of the System and the payment of debt service on revenue bonds which have been issued or may be issued by the County, which they have authority to do, from the revenues generated by the sewer systems. The System shall be self-sufficient, both as to operation and maintenance and retirement of debt, the full faith and credit of the County not being pledged.

Section 8. Notwithstanding any other provision of this Agreement, nothing herein shall prohibit the County from making contributions to the Municipality or to pay for operation, maintenance, and upgrade of the System from funds which can legally be used for such purpose.

Section 9. Seneca, Walhalla, Westminster, and West Union have determined that their rights in the System constitute extensions of their respective sewer systems and that their obligations to pay the County the rates and charges for the use of the System constitute a portion of the cost of operation and maintenance of their respective sewer systems. The obligations of Seneca, Walhalla, Westminster, and West Union to pay the cost of the

---

<sup>2</sup> 13 April, 1976.

operation and maintenance of their sewer systems are subordinate in all respects to their outstanding Revenue Bonds and to all other Revenue Bonds which may hereafter be issued on a parity therewith.

Section 10. Appropriate federal rules and regulations require, and it is agreed, that all users of the System pay their proportionate share of operation and maintenance costs, based upon waste load contribution in terms of volume, flow rate and/or strength. Each of the parties to this Agreement recognize that at the time of the execution of this Agreement, the System is for the primary benefit of the four (4) municipalities and their sewer customers located both within and outside each of the Municipalities's corporate limits.

Section 11. It is necessary that each Municipality agree to employ and use such System and to guarantee payment of the "System's net costs" in order to assure financial stability and flexibility of the System, which each, upon the execution of these presents, agrees to do. The "System's net costs" includes debt service and depreciation.

### **ARTICLE III AGREEMENTS BY THE MUNICIPALITIES**

Section 1. The Municipalities, respectively, agree to exclusively use the System for the transportation for treatment of wastewater generated by its utility customers, including its water and its sewer customers located both within and without the Municipality's corporate limits, during the term of this agreement.

Section 2. The Municipalities, respectively, agree:

(i) To pay to the County for the treatment of their domestic and industrial wastewater a sum equal to the cost per thousand gallons of such treatment as determined by the County, employing good and accepted accounting practices. In arriving at such cost per thousand gallons for treatment, the following cost factors will be considered, to wit: the operation and maintenance of the System, the debt service on the County's sewer revenue bonds secured by a pledge of the revenues of the System, reasonable depreciation based upon the expected life of the System together with a reasonable reserve, taking into consideration other income which the System might earn from non-municipal customers, industrial waste surcharge and other sources of revenues available to the System. In determining the quantity of effluent being discharged into the System, meter readings shall be made at strategic points in order to measure the municipal flow to the System and the maintenance of such meters will be made by the County in accordance with good and accepted engineering principles. Such payments shall be made at least quarterly or more often as the parties may hereafter agree.

(ii) Notwithstanding the provisions of Section 2(i) above, the Municipalities agree to pay their pro rata share of the "System's net cost", hereinafter called "the Annual Charge", as a minimum. In this regard, the Municipalities, respectively, will pay to the County, at least monthly one twelfth (1/12th) share of the minimum Annual Charge of the "System's net cost", which shall be allocated among the municipal customers of the System in direct proportion to such customer's share of the total effluent discharged by all such municipal customers into the System during the preceding calendar year. Such payments shall be due and payable fifteen (15) days after receipt of the County's computation of such quarterly or monthly costs, or more often as the parties agree, allocable to each respective customer; provided however, such proportionate shares shall be redetermined and recomputed annually. Such pro rata share shall be determined by dividing each of the municipal customers' annual volume of wastewater by the entire System's annual volume, multiplied by the "System's net cost" as defined herein, in order to determine the minimum which the Municipality herein agrees to pay.

(iii) Notwithstanding any other provision(s) of this Agreement, the County or Municipalities may charge commercial and/or industrial customers different rates and fees based on the make-up of effluent discharged, cost of installing sewer lines to the customer, the impact of the discharge on the System, or other factors which dictate a different rate.

(iv) Charges incurred by the Municipalities determined by the meter readings as provided in Section 3.02 (i) hereof, shall be applied toward the minimum, and any excess over the minimum incurred by the Municipalities, respectively, in any quarter of the operation of the System will be credited against the minimum which the Municipality will pay in the succeeding three quarters of such operation year. Provided however, any charges incurred by the Municipality, respectively, as a result of such meter readings which are in excess of the Municipality's minimum share of the System's Annual Cost at the end of any operational year, will be considered surplus funds and earnings on the books of the System, and such funds shall be taken into consideration in determining the "System's net cost" requirement for the preceding year as it relates to all its customers, and the same may not be carried over.

(v) In order to facilitate the Municipality's determination of their budgetary requirements for its fiscal year, the County will furnish each Municipality the information provided for in Article III, Section (ii) and (iii), hereof on or before the 1st day of June of each year after the first year.

Section 3. The Municipalities, respectively, agree to apportion the Annual Charge in accordance with appropriate state and federal rules and regulations, to all users or customers, in proportion to flow. Each user will be on the basis of uniform rates, to fairly reflect the Municipalities' proportionate share of the "System's net cost" as required under Section 1.01 8) hereof, as well as any other charges which the Municipalities, respectively may desire.

Section 4. Each Municipality, respectively, agrees to maintain a Sewer System Rehabilitation program as described in the Municipality' Sewer System Evaluation Survey performed under the federal grant provisions of EPA a Project Number C 450 366 011. Provided however, the County will assist the Municipality in such rehabilitation efforts and requirements.

Section 5. Each Municipality agrees to implement and enforce a Sewer Use Ordinance which will prohibit sources of inflow (illegal connections from sump pumps, foundation drains, roof leaders, et cetera) from being connected to its sewer system, and require proper design and wastewater techniques for new connections.

Section 6. Each Municipality agrees to open its books for inspection by County officials and/or officials of DHEC, and EPA, so as to enable such officials to determine whether or not water - sewer users of the Municipality are paying their pro rata share of the Annual Charge, as provided herein.

Section 7. The Municipalities agree to assist the County in the establishment and implementation of an Industrial Cost Recovery Rate and a user charge for industries, and in this regard, the Municipalities agree to furnish information to the County concerning the amount of water sold to an industry or commercial establishment during the Municipality's normal billing period.

Section 8. Each Municipality agrees to measure by sewer meter, bill and collect, a Process Wastewater Surcharge directly from the commercial and industrial users involved; the said sewer meter shall be built or procured according to County Sewer Commission standards, and its installation shall be likewise subject to approval of the Commission. The cost of such meter and its installation shall be borne solely by the industrial or commercial users.

Section 9. In the event a Municipality shall fail to make payments of any charge required herein, the payment so in default shall continue to be an obligation of the respective Municipality until the amount in default shall have been fully paid, and the Municipality agrees to pay the same, with interest thereon from the date of such default at the rate of six (6%) per cent per annum until fully paid.

Section 10. Each Municipality waives any right of sovereign immunity it may have as to any actions brought by the County and/or its successors, to collect payment due the County by reason of the Municipalities' portion of the System's Costs which are in default.

Section 11. Each Municipality covenants that it will at all times maintain in effect rates for the use of its water and sewer system in an amount sufficient, together with other funds available therefor, to discharge its obligation under its outstanding revenue bonds and general obligation bonds additionally secured by a pledge of sewer revenues and all bonds hereafter issued on a parity therewith, and to discharge its obligations under this Agreement and any amendments thereto.

#### **ARTICLE IV AGREEMENTS BY THE COUNTY**

Section 1. The County agrees to maintain the System in such a manner as to provide satisfactory wastewater treatment to the Municipality, and to maintain the System so as to keep the inflow/infiltration (I/I) into the County's System within reasonable limits, and to allow the Municipality to Discharge wastewater into the System pursuant to the terms of this Agreement.

Section 2. The County agrees to operate the System in accordance with the requirements of the DHEC and the EPA.

Section 3. The County agrees to furnish each Municipality in the eleventh month of each operating year, estimates of the "System's cost", "System's net cost", and the Municipality's Annual Charge for the succeeding year.

Section 4. The County agrees to provide technical assistance to each Municipality in establishing a User Charge System for distribution of its Annual Charge, in developing a Sewer Use Ordinance, and in undertaking the Sewer System Rehabilitation Program.

Section 5. The County agrees to provide and read one or more sewer master meters which will measure the wastewater discharged by each Municipality into the System, at least monthly, and to furnish the Municipality the information disclosed by such reading.

Section 6. The County agrees to open its books for inspection by appropriate officials of the DHEC, EPA and by each Municipality.

Section 7. Municipalities will not be charged by the County for any costs or expenditures incurred for the construction, operation, and/or maintenance of any sewer system which does not serve the municipalities or their customers (users).

**ARTICLE V**  
**MUTUAL AGREEMENTS BY THE COUNTY**  
**AND MUNICIPALITIES**

Section 1. The computation of the "System's cost", the "Process Wastewater Surcharge" and each Municipality's Annual Charge shall be the responsibility of the County.

Section 2. The sewer master meter readings of the wastewater flow from each Municipality will be used as a primary basis for determining the payment to the County by the Municipality for services furnished the Municipality by the System.

Section 3. Unmetered domestic users will be and billed by the County on the basis of an assumed usage of seventy-five (75) gallons of wastewater discharged to the System per day for each person living in such user's dwelling. In this regard, unmetered commercial customers, that is, a commercial enterprise employing more than three (3) persons, shall be required to furnish and install at its own expense a master sewer meter or establish some other acceptable proof of usage of the System to the satisfaction of the County. The County agrees to further adopt policies relating to the acceptance of wastewater effluent from subdividers and/or subdistricts in keeping with the general requirements of this Agreement, including but not limited to a method of determining reasonable usage of the System, a method of collection from such subdivider and/or subdistrict, to insure the financial stability of the System, and an assessment of a charge which reflects the fair user concept required by the Environmental Protection Agency. The revenues produced by such customers, industries, unmetered domestic users, both residential and commercial, and subdistricts will reduce the "System's net cost" and Annual Charge which is the basis of the minimum guaranteed by the Municipality.

Section 4. Each Municipality, respectively, agrees to maintain its lateral lines and to promulgate such regulations as may be desirable to minimize infiltration/inflow (hereinafter called "I/I") into the Municipality's system. (In accordance with Oconee County Ordinance 79-4 and 95-7) Each of the parties hereto recognize the impossibility of complete elimination of I/I. Therefore, the County agrees that it will treat such I/I determined according to the standards and practices hereinafter set forth, for a cost equal to that cost per thousand gallons which would be to pay the "System's net cost", as provided in Section 3.02(i) hereof, less that percentage reflecting the debt service on the revenue bonds to be issued by the County included in such formula, conditioned, however, upon the following factors:

- (i) That such reduced cost shall be applied to effluent in excess of the minimum amount necessary to pay the respective Municipality's pro-rata share of the "System's net cost."

(ii) The amount of such I/I does not amount to more than the percentage determined by the Oconee Sewer Commission to be put into the System by the Municipality and as to such excess, the same shall be treated and for in the same manner and amount as all other effluent;

(iii) If required from time to time by the County, to determine what amount or portion of the effluent transmitted by the Municipality to the System is I/I, the parties agree to conduct I/I determination tests by measuring by the flow meters in three separate twenty-four hour periods during which there is no precipitation, the amount of effluent which the Municipality discharges into the System's lines, divided by a like measurement of effluent on three separate twenty-four periods when there is significant precipitation. The resulting percentage, hereinafter called "the normal effluent input rate" shall be the benchmark used to determine the I/I into the Municipality's lines in periods of wet or rainy weather;

(iv) In any event, at all times during the term of this Agreement, each Municipality agrees to adopt such appropriate Ordinances and take whatever steps necessary to minimize any inflow of surface water, and infiltration of groundwater to its lateral transmission lines.

#### **ARTICLE VI SPECIAL COVENANTS**

Section 1. The County will, at all times, operate and maintain the System in good repair and working condition, unless prevented therefrom by force majeure which term, as used herein, shall mean without limitation, the following:

Acts of God, strikes, lockouts and other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States or of South Carolina or any of their departments, agencies, or officials, or any civil or military authority; insurrections, riots, epidemics; landslides; lightning; earthquakes; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery or transmission pipes or lines; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the County. Provided, however, that nothing herein contained shall be construed to empower any party to this Agreement to issue an order which could be construed to be a force majeure.

Section 2. The County will give each Municipality such notice as the County may have of unscheduled interruptions of service. The County will exert its best efforts and all diligence to anticipate and to correct interruptions of service.

Section 3. The County agrees to give each Municipality seven days notice of any known or scheduled interruptions of normal access to the System, whether partial or complete, and to make suitable alternative provisions for the disposal of each Municipality's effluent. The County also agrees to consult with each Municipality concerning the extent of scheduled service interruptions so as not to interfere unreasonably with the Municipality's normal operating schedule.

Section 4. The County shall make available to each Municipality, upon request, any and all operating and flow records.

Section 5. Should the County fail to observe the covenant to operate and maintain the System, any Municipality, or all of the Municipalities, or any combination, may, after ten (10) days written notice:

(i) Take such steps as may be necessary to place the System in good condition and working order at the expense of the County, whereupon the County, upon demand, shall repay the respective Municipality or combination thereof for all expenses incurred; OR

(ii) Bring action against the County for specific performance to enforce the covenants of the County relating to the operation and maintenance of the System.

Section 6. Should the County fail to observe any other covenant or agreement herein made, any Municipality may, after ten (10) days written notice, bring action against the County for the specific performance by the County of such other covenant or agreement.

Section 7. The remedies herein granted to the Municipality shall be exclusive and shall be in lieu of all other remedies that the Municipalities may have at law or in equity, and notwithstanding; if the County shall become indebted to any Municipality, the respective Municipality shall have no right to offset to its obligations to make payment under the provisions of this Agreement hereof.

Section 8. Notwithstanding any other provisions of this Agreement, nothing herein contained shall be construed to obligate or encumber the general fund of Oconee County and any and all liability assumed by the County relates to the revenues derived and contracted for by said County relative to the operation of the System.

Section 9. The Municipalities will not be charged for: T h e transportation or treatment, of any wastewater which is not discharged by the respective municipality; for the cost of the operation of the sewer system which is not attributable to the



transportation or treatment of wastewater by the respective municipality; nor shall any municipality be charged for the installation or operation of any system which is not described in this Agreement.

**ARTICLE VII  
EVENTS OF DEFAULT**

Section 1.

The following shall be "events of default" under the Agreement as applied to each Municipality and the terms "events of" or "default" shall mean, whenever they are used in this Agreement any one or more of the following events:

(i) Failure by any Municipality to pay the sums required to be paid under Article III of the Agreement at the times specified therein, and continuing for a period of thirty (30) days after written notice by mail or personal delivery.

(ii) Failure by any Municipality to observe and perform any covenant or agreement in this Agreement on the part of such Municipality to be observed and performed, other than as referred to in subsection (a) of this Section, for a period of thirty (30) days after receipt of written notice, specifying such failure and requesting that it be remedied, given to the defaulting Municipality by the County, unless the County shall agree in writing to an extension of such time prior to its expiration (or in case of any such default which cannot with due diligence be cured within such 30-day period, if the Municipality shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with a default not susceptible of being cured with due diligence within 30 days, that the time of the Municipality within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence.)

Section 2. Notwithstanding the provisions of any other paragraph of this Agreement, if or in the event of any of the major users of the System (i.e., Seneca, Walhalla, Westminster, West Union) fail to pay their pro rata share of the "System's Net Cost", as provided herein, then and in such an event within forty-five (45) days of such default, the County agrees to institute legal action to enforce such collection, including but not limited to the prayer and petition to a Court of competent jurisdiction for the appointment of a Receiver of the sewer system of the defaulting Municipality so as to compel payment of such defaulting Municipality share and to prevent undue burden being placed upon the other major users of the System.

Section 3. In the event of default by any of the Municipalities (i.e., Seneca, Walhalla, Westminster West Union) any monies which may from time to time be declared available by the County Government for the use of such Municipality under the "County Revenue Sharing Program," shall be and the same is herewith irrevocably assigned by each of the Municipalities for application toward the payment of the obligation which such Municipality may have to the County by reason of its pro rata share of the "System's Net Cost" as provided herein, and such defaulting's Municipality's share of such Revenue Sharing funds may be paid by the County to defray the cost of the defaulting Municipality's charges. This remedy shall be nonexclusive and in addition to all other remedies provided for in this Agreement.

#### **ARTICLE VIII REMEDIES OF THE COUNTY ON DEFAULT**

Section 1. Whenever any event of default referred to in this Agreement hereof shall have happened and be subsisting, the County may take whatever further action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due hereunder, or to enforce performance and observance of any obligation, agreement or covenant of the defaulting Municipality under this Agreement, to the extent of the sewer system of the defaulting Municipality and the revenues derived therefrom.

Section 2. No remedy herein conferred upon or reserved to the County is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, except as provided by appropriate statutes of limitations, but any such right and power may be exercised from time to time as often as may be expedient. In order to entitle the County to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 3. In the event any agreement contained in this Agreement should be breached by any party hereto, and thereafter waived by any other party hereto, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

#### **ARTICLE IX MISCELLANEOUS**

Section 1. The System shall at all times be the sole and absolute property of the County.

Section 2. The County agrees so long as each Municipality, respectively, shall fully and punctually pay all of the sums

provided to be paid hereunder by each Municipality, and shall fully and punctually perform all of its other covenants and agreements hereunder, the County agrees to treat sewer discharged by each Municipality, respectively.

Section 3. Notices given by one Party hereto to another shall be effective only when received by the Party being noticed as evidenced by signed receipt therefor.

Section 4. Any party hereto may, but shall not be required to, record this Agreement in the Office of the Register of Deeds of Oconee County, South Carolina.

Section 5. This Agreement shall inure to the benefit of and shall be binding upon the County, and Seneca, Walhalla, Westminster, and West Union, and their respective successors or assigns.

Section 6. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8. This Agreement is prepared and entered into with the intention that the law of the State of South Carolina shall govern its construction.

Section 9. This Agreement may not be amended, changed, modified, or terminated without in each instance the prior written consent of the Parties hereto.

#### **ARTICLE X TERM OF AGREEMENT**

This Agreement shall remain in force and effect from the date of this Agreement until March 31, 2042. This agreement is automatically renewed for four (4) terms of ten (10) years, unless notice of non-renewal is given by any signatory at least twelve (12) months before the expiration of either the term of the Agreement or any renewal.

**ARTICLE XI  
EXECUTION**

This Agreement may be executed as counterparts and shall constitute a unified Agreement.

The governing bodies of Oconee County, the Oconee County Sewer Commission, the City of Seneca, the City of Walhalla, the City of Westminster, and the Town of West Union have each approved this Agreement and each have authorized the below named officers to execute the Agreement as set forth:

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



**EXECUTION**

**THE OCONEE COUNTY SEWER COMMISSION HAS EXECUTED THIS AGREEMENT**  
on the 18<sup>th</sup> day of April, 2006.

Oconee County Sewer Commission

*Sandra B Powell*  
*Martin D Watkins*

By: *Howard S Adams*  
Howard S. Adams, Chairman

Attest: *Robert C Winchester*  
Robert C. Winchester  
General Superintendent

STATE OF SOUTH CAROLINA )  
COUNTY OF OCONEE )

PROBATE

Personally appeared before me the undersigned and made oath that (s)he saw the within named OCONEE COUNTY SEWER COMMISSION by its duly authorized officer(s) sign, seal and as its act and deed, deliver the within written Agreement for the uses and purposes therein mentioned and that (s)he with the other witness subscribed above witnessed the execution thereof.

Sworn to before me this 18<sup>th</sup>  
day of April, 2006

*Martin D Watkins*  
*Robert C Winchester*

*Barbara H. Waters* (L.S.)  
Notary Public of SC  
My commission expires 6-12-2012

FILED FOR RECORD  
OCONEE COUNTY, S.C.  
REGISTER OF DEEDS  
2006 APR 20 A 10:39

**EXECUTION**

**THE CITY OF SENECA** EXECUTED THIS AGREEMENT on the 13<sup>th</sup> day of April, 2006.

[Signature]  
[Signature]

City of Seneca  
By: [Signature]  
Daniel W. Alexander, Mayor

Attest: [Signature]  
Belinda Harper, Clerk

STATE OF SOUTH CAROLINA )  
COUNTY OF OCONEE )

PROBATE

Personally appeared before me the undersigned and made oath that (s)he saw the within named CITY OF SENECA by its duly authorized officer(s) sign, seal and as its act and deed, deliver the within written Agreement for the uses and purposes therein mentioned and that (s)he with the other witness subscribed above witnessed the execution thereof.

Sworn to before me this 13<sup>th</sup> day of April, 2006

[Signature]

[Signature] (L.S.)  
Notary Public of SC  
My commission expires 10/13/15

FILED FOR RECORD  
OCONEE COUNTY, S.C.  
REGISTER OF DEEDS  
2006 APR 20 A 10: 39


STATE OF SOUTH CAROLINA

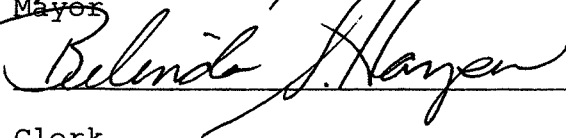
COUNTY OF OCONEE

CITY OF SENECA

At a regular (or called) meeting of the City Council of the City of Seneca, the Amended Oconee County/Municipal Sewer Agreement, incorporated herein by reference, and filed with the records of the City was approved and

Daniel W Alexander Mayor was authorized to execute the Agreement substantially in the form approved on behalf of the City of Seneca.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Clerk

FILED FOR RECORD  
OCONEE COUNTY, S.C.  
REGISTER OF DEEDS  
2006 APR 20 A 10:39



**EXECUTION**

**THE CITY OF WALHALLA** EXECUTED THIS AGREEMENT on the 4<sup>th</sup> day of April, 2006.

*Lisa Strickland*  
*Rachel Malister*

City of Walhalla

By: *Lamar Bailes*  
Lamar Bailes, Mayor

Attest: *Nancy Goehle*  
Nancy Goehle, City Administrator

STATE OF SOUTH CAROLINA )  
COUNTY OF OCONEE )

PROBATE

Personally appeared before me the undersigned and made oath that (s)he saw the within named CITY OF WALHALLA by its duly authorized officer(s) sign, seal and as its act and deed, deliver the within written Agreement for the uses and purposes therein mentioned and that (s)he with the other witness subscribed above witnessed the execution thereof.

Sworn to before me this 4<sup>th</sup> day of April, 2006

*Rachel Malister*

*Stefanie Grobbs* (L.S.)  
Notary Public of SC  
My commission expires 8/18/15

FILED FOR RECORD  
OCONEE COUNTY, S.C.  
REGISTER OF DEEDS  
2006 APR 20 A 10:39

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

CITY OF WALHALLA

At a meeting of the City Council of the City of Walhalla, the Oconee County/Municipal Sewer Agreement, filed with the records of the City and incorporated herein by reference, was approved and the Mayor of the City of Walhalla, E. Lamar Bailes, Jr. was authorized to execute the Agreement substantially in the form approved on behalf of the City of Walhalla.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Clerk

FILED FOR RECORD  
OCONEE COUNTY, S.C.  
REGISTER OF DEEDS  
2008 APR 20 A 10:39

**EXECUTION**

THE CITY OF WESTMINSTER HAS EXECUTED THIS AGREEMENT on the 4<sup>th</sup> day of April, 2006.

Gail Wilkins  
Joseph D. Adams

City of Westminster  
By: Derek Hodge  
Its: MAYOR

Attest: Sissy Richardson  
Sissy Richardson, Clerk

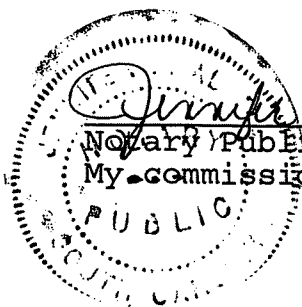
STATE OF SOUTH CAROLINA )  
COUNTY OF OCONEE )

PROBATE

Personally appeared before me the undersigned and made oath that (s)he saw the within named CITY OF WESTMINSTER by its duly authorized officer(s) sign, seal and as its act and deed, deliver the within written Agreement for the uses and purposes therein mentioned and that (s)he with the other witness subscribed above witnessed the execution thereof.

Sworn to before me this 4<sup>th</sup> day of April, 2006

Gail Wilkins  
Joseph D. Adams



Joseph D. Adams (L.S.)  
Notary Public of SC  
My commission expires Sept 26, 2013

FILED FOR RECORD  
OCONEE COUNTY, S.C.  
REGISTER OF DEEDS  
2006 APR 20 A 10:39

**EXECUTION**

THE TOWN OF WEST UNION EXECUTED THIS AGREEMENT on the 4<sup>th</sup> day of April, 2006.

Town of West Union

By: \_\_\_\_\_  
Josh Roberts, Mayor

Attest: \_\_\_\_\_  
Cecilia Atkins, Clerk

STATE OF SOUTH CAROLINA )  
COUNTY OF OCONEE )

PROBATE

Personally appeared before me the undersigned and made oath that (s)he saw the within named TOWN OF WEST UNION by its duly authorized officer(s) sign, seal and as its act and deed, deliver the within written Agreement for the uses and purposes therein mentioned and that (s)he with the other witness subscribed above witnessed the execution thereof.

Sworn to before me this 4<sup>th</sup> day of April, 2006

\_\_\_\_\_

\_\_\_\_\_(L.S.)  
Notary Public of SC  
My commission expires \_\_\_\_\_

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

CITY OF WESTMINSTER

At a regular meeting of the City Council of the City of Westminster, on March 21, 2006 the Amended Oconee County/Municipal Sewer Agreement, incorporated herein by reference, and filed with the records of the City was approved and the Mayor was authorized to execute the Agreement substantially in the form approved on behalf of the City of Westminster.



*Derek Hoyle*  
\_\_\_\_\_  
Mayor

*James Richardson*  
\_\_\_\_\_  
City Clerk

FILED FOR RECORD  
OCONEE COUNTY, S.C.  
REGISTER OF DEEDS  
2006 APR 20 A 10:39

**EXECUTION**

**THE TOWN OF WEST UNION** EXECUTED THIS AGREEMENT on the 14<sup>th</sup> day of April, 2006.

*Ray E. Wright*  
*L. Bert Quinn*

Town of West Union

By: *Thomas Duncan, Jr.*  
Thomas Duncan, Jr., Mayor

Attest: *Cecilia Atkins*  
Cecilia Atkins, Clerk

STATE OF SOUTH CAROLINA )  
COUNTY OF OCONEE )

PROBATE

Personally appeared before me the undersigned and made oath that (s)he saw the within named TOWN OF WEST UNION by its duly authorized officer(s) sign, seal and as its act and deed, deliver the within written Agreement for the uses and purposes therein mentioned and that (s)he with the other witness subscribed above witnessed the execution thereof.

Sworn to before me this 14<sup>th</sup> day of April, 2006

*Ray E. Wright* (L.S.)  
Notary Public of SC  
My commission expires 10/19/2015

*L. Bert Quinn*

FILED FOR RECORD  
OCONEE COUNTY, S.C.  
REGISTER OF DEEDS  
2006 APR 20 A 10:39

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

CITY OF SENECA, WALHALLA, WESTMINSTER, WEST UNION (AS APPLICABLE)

At a regular (or called) meeting of the City Council of the City of West Union, on February 9, 2006 the Amended Oconee County/Municipal Sewer Agreement, incorporated herein by reference, and filed with the records of the City was approved and The Mayor And the Clerk was authorized to execute the Agreement substantially in the form approved on behalf of the City of West Union.

John Pollock  
\_\_\_\_\_  
Mayor

Cecilia Atkins  
\_\_\_\_\_  
Clerk

FILED FOR RECORD  
OCONEE COUNTY, S.C.  
REGISTER OF DEEDS  
2006 APR 20 A 10:39

ATTACHMENT 1  
to the  
AMENDED AGREEMENT  
April 18, 2006  
OCONEE COUNTY AND THE MUNICIPALITIES OF  
SENECA, WALHALLA, WESTMINSTER AND WEST UNION

**SEWER INFRASTRUCTURE PROJECTS**

Oconee County has recently completed a Master Plan, which identified areas of the County, which were strategic for industrial or commercial development. Some of these areas either lacked adequate sewer facilities or the existing facilities needed upgrading to meet the demands for growth and future development. The Master Plan included some information on the below referenced projects to determine the feasibility of pursuing them.

**Martin Creek Sewer Project**  
**Richland Creek/Bountyland Sewer Project**  
**Septic and Grease Receiving Facility Project**

A) The **Martin Creek Sewer Project** is the result of a combination of significant growth and rainfall events which have placed increased demands on the various pump stations, gravity lines, and force mains in the Martin Creek drainage basin. The Martins Creek Pump Station is part of the original OCSC trunkline and transportation sewer system, which began operation in January 1980. A Martin Creek Drainage Basin Flow Relief Evaluation study was conducted in 2001, and identified significant overflow potential at the Martin Creek pump station caused by wet weather flows in the existing collection systems. The elements of the study included a review the pump station, force main, and sewer design capacities that are impacted downstream of the Martin Creek system. Alternatives and recommendations were presented and costs were developed for several various alternatives. The most cost effective alternative at the time was a combination of flow diversion, parallel sewer trunklines, and a new Relief Pump Station.

B) The **Richland Creek/Bountyland Sewer Project** was originally projected to serve the geographical center of Oconee County with a sewer trunkline between Halfway Branch on SC Highway 28 and Richland Creek on US Highway 123. The project was included in the 201 Facilities Plan update in 1993. A Preliminary Engineering Report was developed in 1998 and was expanded in 2004 to include the Bountyland area of Seneca SC. The PER included estimated costs for the project. A primary benefit of the project is the potential to eliminate 5 Pumping Stations by providing gravity sewer to those existing locations while expanding the capability to handle the extensive growth in the basin.

C) The **Septic and Grease Receiving Facility Project** was studied in 2003 for the Coneross Creek Wastewater Treatment Facility. The study addressed historical quantities of waste generated and disposed of at the CCWWTP and the growth of septic tanks used in the County. The problems associated with handling this high strength waste and proposed solutions were also presented. The CCWWTF is currently the only SCDHEC approved facility in Oconee County for disposal of septic tank wastes. The septic tank permits issued for new residential construction in the County continues to increase the demand on the treatment facility for this service. Grease removal was also part of the Septic Facility Study due to the increasing number of food service establishments on the OCSC sewer system and the associated problems.



ATTACHMENT 2  
to the  
AMENDED AGREEMENT  
April 18, 2006  
OCONEE COUNTY AND THE MUNICIPALITIES OF  
SENECA, WALHALLA, WESTMINSTER AND WEST UNION

**SEWER TRANSPORTATION AND TREATMENT SYSTEM ASSETS**

Wastewater Treatment Facility located at 623 Return Church Road, Seneca, SC on a parcel of land described in Deed Book 12-R at page 157, records of Oconee County, with a total design capacity of 7.8 million gallons per day.

The Trunkline system includes approximately sixty (60) miles of Gravity Sewer and Force Mains, Eighteen (18) Pumping Stations and Four (4) Flow Monitoring Stations, serving the Tri City area of Seneca, Walhalla, Westminster, and West Union.

OCONEE COUNTY COUNCIL

ORDINANCE NO. 78- 2

Section 1: PREAMBLE

Oconee County has undertaken the construction of a wastewater treatment facility in the Coneross Creek drainage basin of Oconee County, together with transmission lines necessary to transport from the major users of the System wastewater to such plant for treatment and disposition.

Construction of such facilities are to be financed by grants from state and federal agencies, together with revenue bonds which shall be issued by the County in favor of the Farmers Home Administration of the United States Department of Agriculture, hereinafter known as "FmHA".

Oconee County Council recognizes that initially, the three major users or customers of such facility shall be the cities of SENECA, WALHALLA and WESTMINSTER, who have contracted to use, exclusively, such facilities in the treatment of the municipal wastewater of their residents which shall be collected by the cities in and by means of lateral sewer lines owned and maintained by the cities and municipalities.

Inasmuch as by reason of the provisions of the Contract, Council recognizes that the burden of insuring the financial success and feasibility of the operation of this system rests upon the three municipalities and their water - sewer customers, and further recognizes that it is desirable for such municipalities, through their governing bodies, to take an active role in conducting the affairs and establishing the policies by which the Oconee County wastewater treatment facilities shall be operated;

NOW THEREFORE:

OCONEE COUNTY COUNCIL in Council duly assembled, on third reading, adopts this Ordinance for the purposes as stated herein and for the further purpose of insuring the effective operation of the Oconee County Sewer Program.

Section 2: TITLE

The title of this Ordinance shall be "An Ordinance for the Regulation and Operation of the Oconee County Sewer System", and the same shall be known as "Oconee County Sewer Ordinance of 1978".

Section 3: PURPOSE

The purpose of this Ordinance is to provide for the composition and make-up of the Oconee County Sewer Commission; the method of selection of its members; the charge and responsibilities of such Commission in operating and maintaining the facilities of the Oconee County Wastewater Treatment Program; to define the purposes of the program undertaken by Oconee County to treat and dispose of residential, commercial and industrial wastewater.

Section 4: DEFINITIONS

(a) "COMMISSION" as used in this Ordinance shall refer to the Oconee County Sewer Commission.

(b) "GOVERNMENTAL AGENCY(IES)" as used in this Ordinance shall include, without limitation, the South Carolina Department of Health and Environmental Control (DHEC); the Environmental Protection Agency (EPA) or any other state or federal agency charged with the responsibility of enforcing wastewater regulations, provisions of state and federal "Clean Water Acts", and all other ordinances, statutes, decrees and judgments affecting the treatment of residential, commercial and industrial wastewater.

(c) "COUNCIL" as used herein shall mean the Oconee County Council.

(d) "FEES" or "CHARGES", shall include all fees charged to users and customers of the facilities of the Oconee County wastewater treatment plant and transmission lines, including but not limited to those user charges for all customers, and Industrial Cost Recovery Charges required to be imposed by EPA.

Section 5: OCONEE COUNTY SEWER COMMISSION

(a) MEMBERSHIP: Upon the effective date of this Ordinance, the Oconee County Sewer Commission shall be reorganized and reconstituted, so that the Commission shall be comprised of nine (9) members, whose terms of office shall be for four (4) years, and who may be reappointed to succeed themselves in office, PROVIDED, HOWEVER, that the initial term of one (1) member designated by each of the three municipalities, i. e., Seneca, Walhalla and Westminster, and one (1) member appointed at large, shall be for a period of two (2) years, and all succeeding terms shall be for the full four-year term provided herein, so that the ultimate terms of the members of the Commission shall be staggered so as to insure continuity in the operation of the System.

The County Council shall appoint, upon designation by the City of Seneca, three (3) members of the Commission, two (2) of whom shall be ex officio voting members. Such ex officio voting members shall be members of the city government of the City of Seneca.

The County Council shall appoint two (2) members designated by the City of Walhalla, one of whom shall be a voting ex officio member and shall be a member of the City Government of the City of Walhalla.

The County Council shall appoint two (2) members designated by the City of Westminster, one of whom shall be an ex officio voting member and a member of the City Government of the City of Westminster.

The County Council shall select and appoint two (2) members of the Commission at large who shall be residents of Oconee County and qualified electors thereof.

It is the designated and express purpose of this Ordinance that membership to the Commission be selected in such a manner as to give representation to the major users of the facilities of the Oconee County Sewer System.

(b) POWERS AND DUTIES OF THE COMMISSION: The Commission shall be charged with the responsibility of operating the facilities of the Oconee County wastewater treatment program.

They shall determine and cause to be published operating policies and procedures to insure the financial integrity and success of this program. They shall fix rates for users of the System in sufficient amounts to pay the operation and maintenance costs of the facility; the repayment of the revenue bonds issued for the construction and/or maintenance of the system according to the requirements thereof, including such reserves and funds as are required by the bonds and the Ordinance authorizing the issuance of such revenue bonds. The Commission shall prepare or cause to be prepared, annually, a budget for the operation of the facilities and of the program, and shall provide Oconee County Council and each of the major users with a copy of such proposed budget in compliance with the Contract entered into between the County and the three municipal major users. The Commission will hire the necessary personnel to operate the System, PROVIDED, HOWEVER, all acts of the Commission contractually binding on Oconee County and involving the expenditure of funds and the hiring of personnel shall be subject to review and approval by Oconee County Council. No personnel shall be hired without the approval of the Supervisor, and only for positions authorized in this Ordinance or by action of County Council.

(c) COMPENSATION: Members of the Commission shall serve without compensation, but shall be entitled to be reimbursed according to County policy, per diem and travel outside Oconee County when the same is necessary in the furtherance of the Commission's business and that of the System.

(d) ORGANIZATION: The Commission shall meet at least once each month, and at such other times as its membership shall deem necessary, and shall enact its own By-Laws governing the conduct of its meetings. From its own number, to serve a term of two (2) years, the Commission shall select a Chairman, Vice Chairman, and Secretary. All officers, including the Chairman, shall have the right to vote on any question coming before the Commission.

(e) PERSONNEL: The Commission, with the advice and consent of the Supervisor and one-third of the membership of Oconee County Council, shall be empowered to employ and

engage a superintendent, who shall be the chief administrative officer in the day-to-day operation of the project and its facilities. The superintendent shall make recommendations to the Commission as to the hiring of additional personnel necessary to operate the System and such recommendation, if approved by the Commission, shall be presented to Council for its approval. The selection of persons to fill the positions authorized by the Commission with the approval of Council shall, wherever possible, comply with the provisions of the Personnel Policy for Oconee County. The Commission shall recommend to Council the salaries of all employees of the Commission, including that of the superintendent. During the construction and prior to the operation of the facilities, the Commission may recommend to the Council the retaining of a project manager whose salary shall be, at least in part, funded by federal funds and grants made to Oconee County to enable it to complete the project.

In addition, the Commission shall be empowered to retain the services of an auditing firm, which firm shall perform those duties as determined by the Commission and including but not limited to the formulation of a budget, maintenance of all necessary records to satisfy the requirements of all federal agencies, including FmHA, and the Commission shall cause such audits to be prepared from the records maintained by its employees under the general supervision of the auditor, together with unaudited statements at least quarterly, which would include a statement of "profit and loss" of the facility.

(f) CONTRACTS: All contracts shall be recommended by the Oconee County Sewer Commission to the Oconee County Council prior to the execution thereof by the Supervisor of Oconee County as its chief administrative officer, or by such other County official as may be designated to execute such contracts binding the County and the Commission.

Section 6: EFFECTIVE DATE

This Ordinance shall be effective on January 1, 1980.

APPROVED AND ADOPTED on first reading this 28<sup>th</sup> day of

February, 1978, by a vote of:

8 : YES

0 : NO

Ann S. Orr, Clerk

APPROVED AND ADOPTED on second reading, this 7<sup>th</sup> day of March, 1978, by a vote of:

7 : YES

0 : NO

Ann S. Orr, Clerk

APPROVED, RATIFIED AND ADOPTED on third and final reading this 21st day of March, 1978, by a vote of:

6 : YES

0 : NO

James M. Phelan  
Supervisor - Chairman

Attest:

Ann S. Orr, Clerk

(Revised February 24, 2005)

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF OCONEE )

**MEMORANDUM OF UNDERSTANDING**

Oconee County (hereinafter "County"), the Oconee County Sewer Commission (hereinafter "Commission"), the Cities of Seneca, Walhalla, and Westminster, and the Town of West Union (hereinafter collectively referred to as "Cities") have been in the process of negotiating an Intergovernmental Agreement concerning water and sewer issues in Oconee County. At this time, the County, Commission, and Cities wish to clarify several issues that are not dealt with in the above referenced Intergovernmental Agreement. The agreement of the signatories below is as follows:

1. As of April 2004, Oconee County, through the Oconee County Sewer Commission, operates one wastewater treatment plant (the Coneross Creek Wastewater Treatment Plant). The Commission in setting sewer rates, has included depreciation for the County/Commission system. In a prior Memorandum of Understanding, the County and the Commission have agreed that the County shall not take any action that would cause funds held in Sewer Commission accounts to be co-mingled or appropriated by the County. The parties understand and acknowledge that in the future, additional sewer systems in Oconee County may be constructed and operated by the Commission. The parties agree that funds set aside by the Commission for depreciation can only be used by the Commission for upgrades and replacement of sewer lines and equipment within the sewer system from which the depreciation funds are collected.



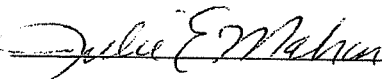
2. The current makeup of the Sewer Commission is set forth in Oconee County Ordinance 78-2. The current makeup of the Sewer Commission is intended to reflect representation based on the users of the system. The parties agree and understand that as the sewer system expands in the unincorporated areas of the County, it may be necessary to increase representation on the Commission to include parties involved in new sewer systems. The parties agree that in the event that the makeup and/or number of representatives on the Sewer Commission is to be changed, the Sewer Commission shall be constituted in accordance with the percentage of users connected to the City systems as they bear to the whole as closely as possible. At no time shall representation of the cities collectively be less percentage wise as they bear to the whole.


3. Under Oconee County Ordinance 78-2, the Cities of Seneca, Walhalla and Westminster send nominees for the Commission to the Oconee County Council for approval. The parties agree that all designees submitted to Oconee County for approval must be submitted and voted on by Council within thirty (30) days of receipt of such designation; and all votes shall be in accordance with Oconee County Ordinance 78-2.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 24<sup>th</sup> day of February, 2005.


WITNESS:

OCONEE COUNTY SEWER COMMISSION

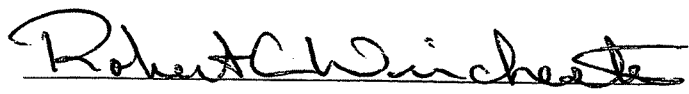
  
\_\_\_\_\_

BY:   
\_\_\_\_\_

HOWARD ADAMS, Chairman

  
\_\_\_\_\_

ATTEST:

  
\_\_\_\_\_

Clerk

OCONEE COUNTY, a body politic

Julie E Mahan

BY: H. Frank Ables, Jr.  
H. FRANK ABLES, JR., Chairman

[Signature]

ATTEST:

Opal O. Brown  
Clerk

[Revised February 24, 2005]

STATE OF SOUTH CAROLINA	)	<b>INTERGOVERNMENTAL</b>
	)	<b>AGREEMENT</b>
COUNTY OF OCONEE	)	

THIS INTERGOVERNMENTAL AGREEMENT made and entered into this 28<sup>th</sup> day of February, 2005, by and between OCONEE COUNTY, South Carolina, hereinafter called "the County", and the CITIES of SENECA, WESTMINSTER, WALHALLA AND TOWN OF WEST UNION, hereinafter called "the City", and the OCONEE COUNTY SEWER COMMISSION, hereinafter called "the Commission", and it is hereby contracted and agreed by and between the parties hereto as follows:

**ARTICLE I**

The governing body of each of these entities has found this Agreement to be in the best interest of the public and each has approved this Agreement and authorized its execution by the undersigned officers.

NOW THEREFORE, for and in consideration of the terms and conditions herein, the parties do hereby agree as follows:

**FACTUAL BACKGROUND**

**Section 1.01**

- 1) The CITY is a municipal corporation duly chartered by the State of South Carolina and pursuant to applicable constitutional and statutory provisions relative thereto. The CITY has heretofore established and now operates a municipal water and sewer system, which generally serves the entire area of the CITY and populated areas immediately adjacent to its corporate limits.
- 2) The COUNTY is a body corporate and politic which is governed by a County Council and which, by virtue of Section 16 of Article VIII of the Constitution of the State of South Carolina, as well as other enabling legislation, is fully empowered to enter into this Intergovernmental Agreement.
- 3) The COMMISSION is a Commission created by S.C. Legislative Act in 1971 and

currently organized pursuant to Oconee County Ordinance 78-2 whose primary function is to transport and treat wastewater and to collect wastewater in accordance with this Agreement.

4) As a means of setting forth the matters of essential inducement which have resulted in the making of this Intergovernmental Agreement, the parties hereto agree that the pertinent facts with respect thereto are set forth in the remaining sections of this Article.

5) The County and the City agree that it is in the best interest of both the County and the City for there to be controlled industrial and residential growth in the unincorporated areas of Oconee County. The County and the City agree that in order for there to be controlled industrial and residential growth in the unincorporated areas of Oconee County that water and sewer infrastructure will be necessary.

6) The County and City agree that nothing in this Intergovernmental Agreement shall be construed as an impediment to annexation by the City. The County agrees not to oppose any Petition for annexation received by the City. The parties agree that the City may make connection to the city water system contingent upon annexation notwithstanding the provisions of Section 4.03 herein.

7) The County and City agree that the intent of the Agreement is:

(a) To facilitate the working together of the County and the Cities for their mutual benefit and progress through the expansion of sewer systems and water systems.

(b) To protect the Cities from the costs related from system expansions outside of municipal limits, unless the cities decide to expand their systems outside of their municipal limits.

(c) To assure fair treatment for entities wishing to connect to the water and sewer system and receive water and sewer service.

(d) To state that the County, Commission and City understand that a different rate structure should apply for water and/or sewer service outside of a City's municipal limits and that Cities and Commission should receive a return for providing water and/or

sewer service, and that this return is essential for maintaining the current system and for expansion of the system.

(e) NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS ALTERING OR CHANGING ANY AGREEMENTS BETWEEN THE SIGNATORIES OF THIS AGREEMENT CONCERNING WATER AND/OR SEWER TERRITORIES.

## ARTICLE II DEFINITIONS

### Section 2.01

In this Intergovernmental Agreement, unless a different meaning appears from the context:

- 1) AGREEMENT shall mean this document, duly executed by the parties, and all amendments hereinafter made.
- 2) ARTICLES, SECTIONS and PARAGRAPHS mentioned by number are the respective Articles, Sections and Paragraphs so numbered.
- 3) CITY shall mean the Cities of Seneca, Walhalla, Westminster and Town of West Union, as identified in Section 1.01 (1).
- 4) COLLECTION SYSTEM are those whose primary function is the collection of sewage from multiple and individual users in pipes eight (8") inches in diameter or larger with a manhole. Collection systems would normally include areas such as subdivisions, industries or streets where numbers of users exist, and from where sewage must be collected.
- 5) COMMISSION shall mean the Oconee County Sewer Commission.
- 6) COUNTY shall mean Oconee County.
- 7) DHEC shall mean South Carolina Department of Health and Environmental Control.
- 8) EPA shall mean the Environmental Protection Agency, an agency of the United States Government.
- 9) FORCE MAINS shall mean the discharge pipes from sewer pump stations that transport sewer under pressure, as contrasted to gravity lines which transport sewer by

the natural fall of water in a downhill direction.

- 10) MEMORANDUM OF UNDERSTANDING shall mean the Memoranda of Understanding signed by the County and Commission and attached hereto as Exhibit "A" and "B" as if fully and incorporated herein.
- 11) OCSC shall mean the Oconee County Sewer Commission.
- 12) PARTY OR PARTIES shall mean the signatories to this Intergovernmental Agreement and their successors and assigns.
- 13) PIONEER shall mean Pioneer Rural Water District.
- 14) PUBLICLY OWNED TREATMENT WORKS or POTW shall mean any devices or systems used in the collection, storage, treatment, recycling and reclamation of sewage or industrial wastes of a liquid nature and any conveyances which convey wastewater to a treatment plant.
- 15) SERVICE CONNECTION shall mean a connection from an individual sewer user to a sewer main. Service connections are primarily mechanical connections of a smaller diameter sewer lateral to the larger diameter sewer main, as compared to connecting the lateral to a manhole.
- 16) SEWAGE TREATMENT PLANT shall mean any arrangement of devices and structures used for treating sewage.
- 17) SEWER MAIN shall mean an eight (8") inch or larger diameter pipe to which service lines may be connected, or through which collected sewage may be transported.
- 18) SINGLE SERVICE LINE shall mean a single line that serves only one customer that is owned by the individual customer and whose line is less than eight (8") inches in diameter.
- 19) TRANSPORTATION FACILITIES shall mean those facilities whose primary function is the pumping or moving of sewage from the collection system to the treatment plan. This does not mean that there are not individual users added anywhere on the transportation system, only that the primary function is the transport or movement of sewage, not collection.
- 20) TRUNK LINES shall mean the (usually) larger diameter gravity sewer pipes used for transportation of sewage. Collection systems would normally discharge into trunklines

or into pump stations that would discharge into trunklines.

21) DEFINITION OF FEES:

**One Time Fees**

(a) "Connection Fee" or "Tap Fee" is a fee charged to the user for the cost of physically connecting to the sewer system. This fee shall be set by the OCSC or the City (depending on the entity that owns the sewer main to which the connection is being made) based on the actual cost to the utility for connecting to the sewer system. The City's Connection Fee or Tap Fee shall be uniform throughout the City's sewer system outside of the City's city limits.

(b) "Treatment Impact Fee" is a fee charged for the user's allocation of treatment capacity in the treatment plant. This fee shall be based on a uniform formula throughout the Commission and City system. This fee shall be set by the OCSC in accordance with Oconee County Ordinance 89-6 which references DHEC contributory guidelines.

(c) "Municipal Collection System User/Impact Fee" is a fee charged for the user's allocation of transportation capacity in the existing Municipal collection system. This fee shall be set by the City in accordance with DHEC contributory guidelines.

(d) "Oconee County Sewer Commission Collection System Impact Fee" is a fee charged for the user's allocation of capacity in the OCSC collection system. This fee shall be set by the OCSC in accordance with DHEC contributory guidelines.

**Monthly Fees**

The user will be charged a monthly fee by the City or the OCSC, depending upon the line to which the user connects. The City and/or the OCSC shall set monthly fees based upon zones in which the user exists. The following list are factors the City and/or OCSC will consider in setting monthly fees.

(a) "Billing Fee" is an administrative cost associated with billing by the City.

(b) "Depreciation" is the cost of the declining value and need for future replacement or refurbishment of the facilities, based on the expected life of the facilities. Depreciation shall be based on the actual cost of the new system and shall be funded at in accordance

with standard accounting practices. Collection systems shall be depreciated over fifty years and Trunklines, Force Mains, and Pump Stations shall be depreciated over twenty (20) years, or as shall be determined based on standard depreciation schedules for wastewater treatment facilities.

(c) "Collector lines operation and maintenance (O&M)" is the cost of personnel, repairs, chemicals, utilities and other costs associated with the running and upkeep of equipment or facilities associated with the collection system to which the user is connected. (This is the O&M for the system expansion itself.)

(d) "Pumping charge" is the cost of the O&M on the pumps used by the Cities to transport the sewage to the OCSC system.

(e) "Reimbursement fee" is a portion of the project cost that would be collected and returned to the County (could be part one-time fee and part monthly flow-based fee and interest).

(f) "Transportation fee" is the cost of transporting the sewage through the City system and includes I/I charges. This represents the cost of transporting sewage from a system or project through a City system. This does not include pumping charge.

(g) "Treatment fee" is a fee charged for the cost of the treatment of the sewage by the OCSC. This fee shall be set by the OCSC.

### AGREEMENT

The COUNTY, COMMISSION and CITY mutually agree, each with the other, as follows:

### ARTICLE III

### AGREEMENT CONCERNING SEWER

This Article shall only apply to sewer issues.

#### Section 3.01

The COUNTY, through the COMMISSION and/or the Commission, may construct, own and operate a sewer collection and transportation system in the unincorporated areas of Oconee County. The COUNTY and the COMMISSION agree that the cities of Seneca, Westminster, Walhalla and the Town of West Union shall have the first option to construct



and/or own and operate sewer lines in the unincorporated areas of the COUNTY, subject to section 3.02 herein. Nothing in this section or in this Agreement shall be construed as creating an obligation on the CITY, COUNTY and/or, COMMISSION to construct a sewer line. CITY SHALL BE DEFINED AS THE INDIVIDUAL CITIES OF SENECA, WESTMINSTER, WALHALLA AND/OR THE TOWN OF WEST UNION.

### **Section 3.02**

The CITY, COUNTY AND COMMISSION agree that the public entity providing water in an unincorporated area of the County shall have the first right to construct and own and operate sewer lines in that area. In the event that said entity declines to construct, own and operate said sewer line, any other party to this Agreement may exercise the right to construct, own and operate the sewer line. If two or more parties to this Agreement decide to construct, own and operate said sewer line, the Commission shall decide which entity shall be entitled to said line and the Commission's decision shall be final.

### **Section 3.03**

In the event that the cities of Seneca, Westminster, Walhalla and the Town of West Union wish to accept sewer lines owned and operated by the COMMISSION, the respective city or town shall have the right to accept said lines based on the following if the COMMISSION agrees to allow the respective city or town to accept said lines.

a. In the event that the County or the OCSC is receiving a Reimbursement Fee as defined herein, the respective city or town shall collect said fees from the users of the system and remit the fee to the County or OCSC until such time as Reimbursement has been paid in full.

b. The respective city or town may pay to the County or OCSC the County's or OCSC's actual cost for the system minus any amount the County or OCSC's has been reimbursed for the cost of the system.

c. If the County or OCSC has not expended funds for the system (ie, the system was paid for by grant money or the owner/developer), the respective city or town may accept the system at no cost to the respective city or town.

d. The County and OCSC may agree to allow the respective city or town to accept the system at no cost even if the County and/or OCSC has paid for the construction of the system.

#### **Section 3.04**

In the event that the COMMISSION has a customer on water of respective city or town that connects to the County/Commission sewer system, the respective city or town agrees to bill said customer for sewer services at a rate to be determined by the COMMISSION. The respective city or town shall be entitled to receive an administrative fee for providing the billing service. This fee shall be negotiated between the respective city or town and the OCSC.

#### **Section 3.05**

The respective city or town agrees to allow the COUNTY, through the COMMISSION, and the COMMISSION to connect its sewer lines to city sewer lines for transportation to a wastewater treatment plant operated by the COMMISSION.

#### **Section 3.06**

The COUNTY, the cities of Seneca, Westminster, Walhalla and the Town of West Union and the COMMISSION agree that any entity (person, business, corporation, partnership, etc.) who requests to connect to an existing municipal or COMMISSION sewer line outside of the municipal city limits shall have the right to connect to the COMMISSION or CITY system IF said entity satisfies the requirements set forth below:

a) Entities requesting to connect to a COUNTY or municipal line must have a feasibility study done by an engineer licensed in the State of South Carolina to determine the probable cost of the system, the impact on down stream facilities, and a basic design of the system sufficient to handle the entity's needs, including any desired future flow increases based on growth. The study shall be presented to the COUNTY, COMMISSION, and the municipality (where applicable). A feasibility study shall not be required if the new line is a single residential service line and the maximum sewage output will be less than 400 gallons per day. The necessity of having a feasibility study may be waived by

mutual consent of the COMMISSION and municipality (where applicable). The municipality's consent to waive a feasibility study will be necessary when any sewage from the prospective entity will flow through a line owned by the municipality. In the event that a dispute arises between the entity requesting connection to a sewer system and the COUNTY, COMMISSION, and/or municipality (where applicable), the dispute shall be resolved in accordance with the provisions set forth in Section 3.07, below.

b) Entities requesting to connect to a COMMISSION or municipal line must have the new system designed by an engineer licensed in the State of South Carolina. The design shall be presented to the COUNTY, COMMISSION, and the municipality (where applicable) for approval. The design shall meet Federal, State and local requirements and specifications. The design may be disapproved by the COUNTY, COMMISSION, and municipality (where applicable) if the design does not meet Federal, State and local requirements and specifications. In the event that a dispute arises between the entity requesting connection to a sewer system and the COUNTY, COMMISSION, and/or municipality (where applicable), the dispute shall be resolved in accordance with the provisions set forth in Section 3.07, below.

c) Entities requesting to connect to existing sewer facilities shall be responsible for All costs associated with the construction of the new system, including, but not limited to, all costs and fees set forth on page 5, paragraph 21, of this agreement. In addition, the sewer customer shall pay a monthly fee to be determined by the municipality or COMMISSION. The monthly fee shall include fees for capital costs, operation, maintenance, depreciation, treatment, debt service and transportation.

d) Any entity requesting to connect to an existing sewer system pursuant to this agreement shall be required to obtain all necessary rights of way for the new system.

e) Any entity requesting to connect to the COMMISSION or municipal sewer system shall construct the new system in accordance with the sewer specifications of the COMMISSION or municipality that will own and operate the sewer system to which the entity intends to connect. These specifications may be changed, from time to time, by

mutual agreement of the COUNTY, COMMISSION, and municipality. The COMMISSION and municipality (where applicable) shall have the right to inspect and test the new system throughout the construction phase of the project. The COMMISSION and municipality may deny connection to the system if the new construction is not built to the specifications set forth in this section. The COMMISSION or municipality shall maintain uniform specifications throughout the COMMISSION or municipal system.

f) Notwithstanding any other section in this Intergovernmental Agreement and any rights this Agreement may give to entities as defined herein, connection to the COUNTY or municipal system may be denied for any reason with the mutual consent of the COUNTY, COMMISSION and cities of Seneca, Westminster, Walhalla and Town of West Union.

### **Section 3.07**

In the event that a dispute arises under Section 3.06 of this Agreement, any party to the dispute may adjudicate the dispute in accordance with the following provisions. This dispute resolution process only applies to Section 3.06 of this Agreement. THE HEARING BOARD AS SET FORTH IN SUB-SECTION (C) BELOW SHALL NOT HAVE THE JURISDICTION TO REQUIRE A MUNICIPALITY OR COMMISSION TO CHANGE ITS STANDARD SPECIFICATIONS AND/OR REQUIREMENTS.

(a) Either party to dispute may request a hearing on the disputed issue before the the Superintendent of the Commission. The Superintendent shall meet with the parties in an attempt to resolve the conflict within ten (10) business days. If the parties are unable to resolve the conflict, the Superintendent shall conduct a hearing within five (5) business days and shall issue a written decision on the issue in dispute.

(b) Either party may appeal the Superintendent's decision to the Commission within ten (10) business days of said decision. The Commission shall hear the appeal within ten (10) business days. Any member of the Commission who is employed by a party to the dispute shall not participate with the Commission on the appeal. The Commission shall render a written decision within ten (10) business days of the hearing

date.

(c) Either party may appeal the Commission's decision to the Hearing Board within ten (10) business days. The Hearing Board shall consist of three people. Each party to the dispute shall select one member of the Hearing Board and the two members of the Hearing Board selected by the parties shall select the third member of the Hearing Board. If the two members of the Hearing Board cannot agree on the third member, the third member shall be selected by the American Arbitration Association. The third arbitrator shall specialize in utilities law. The decision of the Hearing Board shall be final and binding on the parties to the dispute. The Hearing Board may assess costs, including attorney's fees, against the non-prevailing party to the dispute.

#### **ARTICLE IV**

#### **AGREEMENT CONCERNING WATER**

**This Article shall only apply to water issues.**

##### **Section 4.01**

THE COUNTY AGREES THAT IT WILL NOT COMPETE WITH THE CITIES OF SALEM, SENECA, WALHALLA, WESTMINSTER, AND THE TOWN OF WEST UNION IN THE SALE OF WATER. The parties agree that there will be times that the COUNTY may wish to construct water lines in the unincorporated area of Oconee County or financially assist in the construction of a water line or a water project by the CITY. In the event that the COUNTY decides to construct a water line in the unincorporated areas of the COUNTY and the supply of that water will come from a city water line, the CITY agrees to own, operate and maintain said water line after the construction of the line. The COUNTY agrees to construct said lines in accordance with all city specifications and the CITY agrees to inspect the construction to insure compliance with its specifications.

##### **Section 4.02**

In the event the COUNTY seeks to be reimbursed for its financial contribution to a waterline or water project, the CITY agrees to add a reimbursement fee (the amount to be determined by the CITY and the COUNTY on a case by case basis) to the monthly

water bills of the CITY's customers who benefit from the water line or water project.

#### **Section 4.03**

The COUNTY and the CITY agree that any entity (person, business, corporation, partnership, etc.) who requests to connect to an existing City water line outside of the municipal city limits shall have the right to connect to said water system IF said entity satisfies the requirements set forth below:

a) Entities requesting to connect to a City line must have a feasibility study done by an engineer licensed in the State of South Carolina to determine the probable cost of the system, the impact on existing facilities, and a basic design of the system sufficient to handle the entities needs, including any desired future flow increases based on growth. The study shall be presented to the City.

b) Entities requesting to connect to a City line must have a new system designed by an engineer licensed in the State of South Carolina. This design shall be presented to the City for approval. The design shall meet Federal, State and City requirements and specifications. The design may be disapproved by the City if the design does not meet Federal, State, and City requirements and specifications.

c) Entities requesting to connect to existing water facilities shall be responsible for (1) All costs associated with the construction of the new system; and (2) All costs of connecting to the existing system.

These costs shall include any upgrades necessary to accommodate increased flow in the existing system, including, but not limited to, those costs and fees defined on page 5, paragraph 21 of this agreement.

(d) Any entity requesting to connect to an existing water system pursuant to this agreement shall be required to obtain all necessary rights-of-way for the new system.

(e) Any entity requesting to connect to the City water system shall construct the new system in accordance with the water specifications of the City that will own and operate the water system to which the entity intends to connect. The City shall have the right to inspect and test the new system throughout the construction phase of the project.

The City may deny connection through the system if the new construction is not built to the specifications required by the City. The City shall maintain uniform specifications throughout its water system.

(f) Notwithstanding any other section in this Intergovernmental Agreement and any rights that this Agreement may give to entities as defined herein, connection to the City system may be denied for any reason with the mutual consent of the County and City.

**ARTICLE V**  
**AGREEMENT CONCERNING TAXES PAID BY**  
**TAXPAYERS OF INCORPORATED MUNICIPALITIES**

**Section 5.01**

It is contemplated that Oconee County will construct sewer facilities which will serve residents and industrial users outside the limits of the incorporated municipalities of Seneca, Westminster and Walhalla. It is agreed that Oconee County will not issue any bonds to be paid by ad valorem taxes collected from the taxpayers of incorporated municipalities within Oconee County.

**Section 5.02**

The rates paid by the users of sewer in the cities of Seneca, Westminster, and Walhalla include the payment for bonded indebtedness of improvements made to the Coneross Wastewater Treatment Plant in 1996 originally in the sum of approximately \$8,200,000. The payments on the indebtedness is \$609,947 annually. These improvements were made primarily to increase industrial capacity of the wastewater treatment facility. The County agrees that it will assume the annual payments and the Cities agree that the amounts now paid toward the bonded indebtedness will only be used by the Commission for capital upgrades and expansion of wastewater treatment facilities and sewer conveyance systems.

**ARTICLE VI**

**Section 6.01**

In the event that any part of this Agreement shall be held invalid or unenforceable by any Court or Tribunal, the remaining portions of this Agreement shall continue to be binding between the parties.

### **Section 6.02**

FORCE MAEJURE notwithstanding any provisions to the contrary, neither party shall be in default under this Agreement and such party's performance of such obligation or obligations (except as to payment of all required monetary sums) shall be excused and extended if and to the extent that any failure or delay in such party's performance of one or more of its obligations under this Agreement is caused by any of the following conditions if delay is beyond the reasonable control of such party: act of God; fire; explosion; flood; vandalism; war, military authority, or civil disorder; strikes or other labor disputes; any code, law, regulations, order, rule, regulation, direction, action, or request of any local, state, or federal government entity or court, national emergencies, insurrections, or riots; or any other condition or circumstance beyond reasonable control of the subject party which materially impedes such party's performance. The party claiming relief under this Article shall notify the other in writing of the existence of the event relied on and the cessation or termination of said event, and the party claiming relief shall exercise reasonable efforts to minimize the time of any such delay.

### **Section 6.03**

This Agreement represents the entire and integrated Agreement between the parties, with the attached Exhibits "A" and "B" and incorporates and supersedes all prior negotiations and representations made during negotiations of the Sewer and Water Action Group, either written or oral that have been conducted or made during the negotiation process of this Agreement. This Agreement may be amended only by written instrument signed by the parties and may not be assigned without prior written consent of the parties. The Agreement shall inure to the benefit of the parties and their successors-in-interest.

### **Section 6.04**

The parties understand and agree that the Cities of Salem and Pioneer Water



District shall all be signing separate Agreements with the COUNTY and COMMISSION, but the parties understand and agree that the above named Cities and Pioneer Water District are binding themselves to themselves to the COUNTY and COMMISSION by executing their Agreement. This Agreement shall not supersede any existing contracts between the COUNTY, COMMISSION and/or CITIES or Pioneer Water District. If there is a conflict between a specific provision in a pre-existing contract and a specific provision in this Agreement, this Agreement shall apply. The parties agree that Federal and State laws and regulations shall apply to the parties. The parties agree that County and City laws, regulations, rules and ordinances not in conflict with this Agreement shall apply to the parties.

**Section 6.05**

This Agreement shall be in force and effect until March 31, 2018.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 28 day of February, 2005.

WITNESS:

OCONEE COUNTY, a body politic

Julie E. Mahan

BY: H. Frank Ables, Jr.  
H. FRANK ABLES, JR., Chairman

[Signature]

ATTEST:

Opal A. Breen  
Clerk

Julie E Mahan  
Lawson

CITY OF SENECA

BY: Daniel W. Alexander  
DANIEL W. ALEXANDER, Mayor

ATTEST:

Brenda S. Hays  
Clerk

Julie E Mahan  
Lawson

CITY OF WESTMINSTER

BY: C. F. Green  
C. F. GREEN, Mayor

ATTEST:

Diane Richardson  
Clerk

Julie E Mahan  
Lawson

CITY OF WALHALLA

BY: E. Lamar Bailes, Jr.  
E. LAMAR BAILES, JR., Mayor

ATTEST:

Nancy Goehle  
Clerk

TOWN OF WEST UNION

Julie E. Mahan

BY: Joshua Roberts  
JOSHUA ROBERTS, Mayor

Lawson

ATTEST:

Cecilia Atkins  
Clerk

OCONEE COUNTY SEWER COMMISSION

Julie E. Mahan

BY: Howard S. Adams  
HOWARD S. ADAMS, Chairman

Lawson

ATTEST:

Robert Winchester  
Clerk

**Exhibit B**

The following pages contain the

INTER-MUNICIPAL AGREEMENT AND JOINT RESOLUTION CREATING A JOINT AUTHORITY WATER AND SEWER SYSTEM ("OCONEE JOINT REGIONAL SEWER AUTHORITY") PURSUANT TO CHAPTER 25, TITLE 6, SOUTH CAROLINA CODE OF LAWS AS AMENDED BY ACT NO. 59, SOUTH CAROLINA ACTS AND JOINT RESOLUTIONS EFFECTIVE JUNE 6, 2007, AND ASSIGNMENTS OF RIGHTS, PRIVILEGES, DUTIES, AND OBLIGATIONS PREVIOUSLY AGREED TO BY THE PARTIES AND AGREEMENT OF THE AUTHORITY TO PROVIDE SEWER SERVICES

BY

SENECA, WALHALLA, WESTMINSTER, AND OCONEE COUNTY

as filed with the Oconee County, South Carolina Clerk of Court on October 31, 2007.

COPY

2007 OCT 31 A 9:03

FILED O'CONNOR, SG  
SALLIE C. SMITH  
CLERK OF COURT

STATE OF SOUTH CAROLINA

COUNTY OF O'CONNOR

INTER-MUNICIPAL AGREEMENT AND JOINT RESOLUTION  
CREATING A JOINT AUTHORITY WATER AND SEWER SYSTEM  
("O'CONNOR JOINT REGIONAL SEWER AUTHORITY")  
PURSUANT TO CHAPTER 25, TITLE 6, SOUTH CAROLINA CODE OF LAWS  
AS AMENDED BY ACT NO. 59, SOUTH CAROLINA ACTS AND JOINT  
RESOLUTIONS EFFECTIVE JUNE 6, 2007, AND ASSIGNMENTS OF RIGHTS,  
PRIVILEGES, DUTIES, AND OBLIGATIONS PREVIOUSLY AGREED TO BY  
THE PARTIES AND AGREEMENT OF THE AUTHORITY TO PROVIDE SEWER  
SERVICES

BY

SENECA, WALHALLA, WESTMINSTER, AND O'CONNOR COUNTY

OCTOBER 8, 2007 - SENECA  
OCTOBER 18, 2007 - WALHALLA  
OCTOBER 18, 2007 - WESTMINSTER

TRUE COPY  
OCT 31 2007  
*Sallie C. Smith*  
CLERK OF COURT - O'CONNOR COUNTY

INTER-MUNICIPAL AGREEMENT AND JOINT RESOLUTION  
 CREATING A JOINT AUTHORITY WATER AND SEWER SYSTEM  
 (“OCONEE JOINT REGIONAL SEWER AUTHORITY”)  
 PURSUANT TO CHAPTER 25, TITLE 6, SOUTH CAROLINA CODE OF LAWS  
 AS AMENDED BY ACT NO. 59, SOUTH CAROLINA ACTS AND JOINT  
 RESOLUTIONS, EFFECTIVE JUNE 6, 2007, AND ASSIGNMENT OF RIGHTS,  
 PRIVILEGES, DUTIES AND OBLIGATIONS PREVIOUSLY AGREED TO BY  
 THE PARTIES, AND AGREEMENT OF THE AUTHORITY TO PROVIDE SEWER  
 SERVICES

INDEX	Page
PREAMBLE	1
AGREEMENT	3
ARTICLE 1.       DEFINITIONS	4
ARTICLE 2.       NAME	6
ARTICLE 3.       POWERS	6
ARTICLE 4.       ORGANIZATION OF AUTHORITY APPOINTMENT OF COMMISSIONERS	6
ARTICLE 5.       OFFICERS AND COMMITTEES	7
ARTICLE 6.       MEETINGS	8
ARTICLE 7.       AGREEMENTS BY THE MEMBERS	8
ARTICLE 8.       AGREEMENTS BY THE AUTHORITY	11
ARTICLE 9.       EVENTS OF DEFAULT	12
ARTICLE 10.      REMEDIES OF THE AUTHORITY ON DEFAULT	13
ARTICLE 11.      MUTUAL AGREEMENTS BY THE MEMBER-MUNICIPALITIES AND AUTHORITY	13
ARTICLE 12.      SPECIAL COVENANTS	15
ARTICLE 13.      AGREEMENTS INCORPORATED IN THIS AGREEMENT	17

ARTICLE 14.	MISCELLANEOUS	17
ARTICLE 15.	MUTUAL AGREEMENTS BY THE MEMBER- MUNICIPALITIES, THE AUTHORITY, AND OCONEE COUNTY	18
ARTICLE 16.	TERMS OF AGREEMENT - AMENDMENT	19
ARTICLE 17.	EXECUTION-WHEN EFFECTIVE	19
ARTICLE 18.	ARBITRATION	19
EXECUTION	CITY OF SENECA	20
	CITY OF WALHALLA	21
	CITY OF WESTMINSTER	22
	OCONEE COUNTY	23
	OCONEE COUNTY SEWER COMMISSION	24

**THIS AGREEMENT CONTAINS A PROVISION FOR ARBITRATION**

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

INTER-MUNICIPAL AGREEMENT AND JOINT RESOLUTION  
CREATING A JOINT AUTHORITY WATER AND SEWER SYSTEM  
("OCONEE JOINT REGIONAL SEWER AUTHORITY")  
PURSUANT TO CHAPTER 25, TITLE 6, SOUTH CAROLINA CODE OF LAWS  
AS AMENDED BY ACT NO. 59, SOUTH CAROLINA ACTS AND JOINT  
RESOLUTIONS EFFECTIVE JUNE 6, 2007, AND ASSIGNMENTS OF RIGHTS,  
PRIVILEGES, DUTIES, AND OBLIGATIONS PREVIOUSLY AGREED TO BY  
THE PARTIES AND AGREEMENT OF THE AUTHORITY TO PROVIDE SEWER  
SERVICES

This Agreement entered into between the City of Seneca, October 8, 2007, the City of Walhalla, October 18, 2007, the City of Westminster, October 18, 2007 (referred to collectively as "Member-Municipalities") and Oconee County, \_\_\_\_\_.

**PREAMBLE:**

1. The City of Seneca, the City of Walhalla, and the City of Westminster are each a body politic existing by virtue of the constitution and laws of the State of South Carolina.
2. Oconee County owns a wastewater treatment plant, including real property, along with sewer lines, pump stations, apparatus, and equipment, which collects and treats wastewater discharged by the Municipalities and other customers ("Sewer System").
3. The Municipalities and the Town of West Union are the primary users of the Sewer System.
4. The construction of the Sewer System was authorized by a Referendum held on April 13, 1976:

That the Oconee County Council acting through the Oconee County Sewer Commission, be authorized to acquire, purchase, construct and operate a wastewater treatment facility to serve portions of Oconee County, consisting of a treatment plant, trunk lines, connector lines and other necessary and appropriate apparatus. Provided that and upon condition that the sole funds utilized for the acquisition, purchase, construction, maintenance and operation of such facilities shall be obtained and derived from: (1) Grants from Federal and State agencies; (2) Revenue earned and derived from the operation of the facilities to be constructed and paid only by users thereof.



5. Seneca, Westminster, and Walhalla entered into separate but identical Agreements with Oconee County, dated March, 1978, and the Town of West Union entered into a similar Agreement with Oconee County, dated October 2, 1979, ("the Agreements") whereby the Municipalities and West Union ("Cities") agreed to use the Sewer System for the transportation and treatment of wastewater generated by its utility customers, located inside and outside the cities' corporate limits for a term of 40 years. The Cities agreed to pay for the cost of transportation and treatment of the wastewater equal to the cost per thousand gallons of such treatment as determined by the County, employing accepted accounting practices. The Agreements provide that the cost per thousand gallons include the operation and maintenance of the Sewer System, the debt services on the County's sewer revenue bonds, reasonable depreciation, a reasonable reserve, taking into consideration other income which the Sewer System might earn from non-municipal customers, industrial waste surcharge and other sources of revenues available to the Sewer System. The Agreements provide that the Sewer System shall be owned by Oconee County.

6. Oconee County and the Cities entered into an Amended Agreement, dated 4 April, 2006, incorporated herein by reference, which preserved the basic provisions of the 1978 Agreement, but eliminated obsolete language and provisions and extended the Agreement until March 31, 2042.

7. Oconee County enacted Ordinance 78-2, dated 28 February, 1978, to be effective January 1, 1980 ("Ordinance 78-2"), which is incorporated herein by reference, by which the County recognized that the cities of Seneca, Walhalla, and Westminster would be the major customers of the Sewer System and that the burden of insuring the financial success and feasibility of the operation of the Sewer System would rest upon those three municipalities and their sewer customers. The Ordinance further provides that Oconee County recognized that it was desirable for the Municipalities to take an active role in conducting the affairs and establishing the policies by which the Sewer System would be operated. By Ordinance 78-2, the County established that the Oconee County Sewer Commission would be composed of nine (9) members, three (3) appointed by the City of Seneca, two (2) from the City of Walhalla, two (2) from the City of Westminster, and two (2) appointed by Oconee County.

8. In accordance with the Agreements and Ordinance 78-2, the Oconee County Sewer Commission has operated the Sewer System since the effective date of the Ordinance.

9. In accordance with the Agreements and Ordinance 78-2, the Oconee County Sewer Commission bills each Municipality monthly and each Municipality pays to the Oconee County Sewer Commission a pro-rata share of the budget based on the volume sum based on the cost of the transportation and treatment of wastewater produced by each City, respectively.

10. Except for one residential customer, (on a well) the Municipalities are the exclusive users of the Sewer System. There are four (4) customers on Pioneer Water connected directly to the County Sewer who are upstream of the Westminster sewer meter. Pioneer collects sewer fees from these customers and remits the same to Westminster directly.

11. Except for grants from state and federal agencies, the cost of operation, maintenance, and improvement of the Sewer System has been paid by the Municipalities, billed to and collected from customers of the Cities, respectively.

12. In June 1993, because of industrial growth, the industrial capacity of the wastewater treatment plant was nearing full capacity. In order to provide additional industrial capacity, it became desirable to upgrade the sewer treatment plant to add treatment capacity. Oconee County, through the Sewer Commission, obtained from the South Carolina Budget and Control Board a low-interest loan in the sum of \$8,200,000 for the cost of upgrading the system. In 1996, the Commission began making annual payments on the loan in the sum of \$609,947. These payments are billed to and collected from the Cities, respectively, pro-rata in their annual charge.

13. Because of the population growth of Oconee County, new technology, and new State and Federal regulations, the Municipalities, individually and collectively, find it necessary to again upgrade and improve parts of the Sewer System to adequately serve the Cities, their customers, and provide for future growth.

14. The Municipalities, individually and collectively, find that it is desirable and in the best interest of the residents and citizens of each Municipality, respectively, to provide sewer services to areas of Oconee County not now served by sewer but which has potential for industrial, commercial, or residential development, and further find that in order to adequately serve existing and future customers of each Municipality, respectively, and provide for economic growth, and the welfare of the residents and citizens of each Municipality, respectively, it is in the best interest of the Municipalities, individually and collectively, that they form a "Joint Authority Water and Sewer System" under the Joint Authority Water and Sewer Systems Act, Act No. 59, South Carolina Acts and Joint Resolutions effective June 6, 2007.

15. The Municipalities, individually and collectively, further find that Oconee County desires to convey and transfer title to the entire Sewer System (described by Exhibit A) to the Authority, provided the Authority agrees to operate the Sewer System for the benefit of the residents of the Municipalities and the citizens and residents of Oconee County in accordance with the agreements and understandings set forth in this Agreement and in accordance with the principles set forth in the Intergovernmental Agreement dated 18 April, 2006, the Intergovernmental Agreement (SWAG) dated 28 February, 2005, and the Memorandum of Understanding dated 24 February, 2005. It is understood and agreed that by conveying title to the Sewer System to the Authority, the County relinquishes any title, rights, or control of the Sewer System to the Authority.

#### **WHEREFORE:**

#### **AGREEMENT**

**IT IS AGREED** by the City of Seneca, the City of Walhalla, and the City of Westminster, each having passed a Resolution finding that entering into this Agreement is in the best interest of the residents, citizens, and customers of each Municipality, respectively, and authorizing that each Municipality enter into this agreement, which Resolutions are attached to and made a part of this Agreement, and each Municipality with

the other Municipalities, do hereby agree to and hereby create a **JOINT AUTHORITY WATER AND SEWER SYSTEM** under the provisions of the Joint Authority Water and Sewer Systems Act, Act No. 59, South Carolina Acts and Joint Resolutions, effective June 6, 2007, ("the Act") and agree as set forth:

#### **ARTICLE 1. DEFINITIONS**

In this Agreement, unless a different meaning appears from the context:

Section a. "Act" or "Joint Authority Water and Sewer Systems Act" shall mean Act No. 59, South Carolina Acts and Joint Resolutions, effective June 6, 2007, the "Joint Authority Water and Sewer Systems Act", amending Chapter 25, Title 6, South Carolina Code of Laws as amended.

Section b. "Agreement" shall mean this document, duly executed by the parties, with all attachments, and all amendments hereafter made.

Section c. "Articles," "Sections" and "Paragraphs" mentioned by number are the respective Articles, Sections, and Paragraphs so numbered.

Section d. "Authority" means the Oconee Joint Regional Sewer Authority unless the context requires a different definition or interpretation. (The Act sometimes defines "Authority" as a governmental body - see Section 6-25-20-(6)).

Section e. "Bylaws" shall mean the rules and regulations authorized by Section 6-25-100(5) of the Act which govern the Joint Authority Water and Sewer System or Joint System entitled the "Oconee Joint Regional Sewer Authority" "OJRSA".

Section f. "Cities" shall mean the City of Seneca, the City of Walhalla, the City of Westminster and the "Town of West Union" unless some other meaning is dictated by the context in which the term is used.

Section g. "Cost" shall mean all expenditures required for the service, operation, purchase of material, transportation of effluent, including depreciation as determined by accounting methods defined in the Bylaws and/or as is defined by Section 6-25-20, Act 59, South Carolina Acts and Joint Resolutions, effective June 6, 2007.

Section h. "County" shall mean Oconee County.

Section i. "Debt Services" shall be the financial obligation of the Authority to pay for any outstanding bonds or other debts related to the Sewer System.

Section j. "DHEC" shall mean the South Carolina Department of Health and Environmental Control.

Section k. "EPA" shall mean the Environmental Protection Agency, an agency of the United States Government.

Section l. "Incorporated Agreements" means the Agreements and Memoranda of Understanding set forth in Article 13.

Section m. "Joint Authority Water and Sewer System" or "Joint System" shall mean the organization created pursuant to the Act as defined herein, chartered by the South Carolina Secretary of State for the purpose of operating water and sewer projects or systems named "Oconee Joint Regional Sewer Authority" or "OJRSA".

Section n. "Member" shall mean either the City of Seneca, the City of Walhalla, or the City of Westminster.

Section o. "Members" or "Member-Municipalities" or "Municipalities" shall mean the Cities of Seneca, Walhalla, and Westminster.

Section p. "MGD" shall mean million gallons per day as applied to a measurement of the effluent to be discharged.

Section q. "Oconee Joint Regional Sewer Authority" or "OJRSA" shall mean this organization.

Section r. "Party" or "Parties" shall mean the signatories to this Agreement and their successors and assigns.

Section s. "Process Wastewater Surcharge" shall mean a charge, in addition to all other charges, for processing non-residential wastewater which contains chemicals, metals, or other substances which adds to the cost of treatment.

Section t. "Sewer Commission" shall mean the commission created by Legislative Act in 1971 and organized pursuant to Oconee County Ordinance 78-2 and is the predecessor entity which operated the Sewer System.

Section u. "Sewer System" shall mean the wastewater treatment facilities, the land on which the wastewater treatment plant is located, all other real property owned by Oconee County but dedicated to the Sewer System, all rights-of-way, including the trunk and connector lines conveyed to and all additions and improvements thereto to be constructed or acquired by the Authority, which provide transportation and treatment of wastewater.

Section v. The term "System's Cost" shall include expenditures for operation and maintenance costs (including, but not limited to, personnel, power, equipment replacement, chemicals, materials, et cetera), debt service, reserve, depreciation and all related expenses necessary to provide operational self-sufficiency and payment of principal and interest on sewer revenue bonds to be issued by the Authority, and any other debt incurred or assumed by the Authority.

Section w. The term "System's Net Cost" means the System's Cost, less net revenue derived from users outside any Municipality, Process Wastewater Surcharges levied by the Authority against certain industrial and/or commercial users, and any other net revenue which may be derived from users who are not served or billed by the Municipalities.

**ARTICLE 2.  
NAME**

The name of the JOINT AUTHORITY WATER AND SEWER SYSTEM shall be the "OCONEE JOINT REGIONAL SEWER AUTHORITY" ("OJRSA") or ("Authority").

**ARTICLE 3.  
POWERS**

THE JOINT AUTHORITY WATER AND SEWER SYSTEM, to be known as OCONEE JOINT REGIONAL SEWER AUTHORITY, is hereby organized as a public body corporate and politic as authorized by Act No. 59 , South Carolina Acts and Joint Resolutions, effective June 6, 2007 (Chapter 25, Title 6, South Carolina Code of Laws, as amended) and shall have all the power authorized and granted by the Act and by the Constitution and Laws of South Carolina, which is incorporated herein by reference, including the power and authority to purchase, construct, acquire by purchase or by eminent domain, own, operate, maintain, repair, and improve any and all works, improvements, facilities, plants, equipment, transportation lines, pump stations, sewage treatment plants, apparatus, appliances, vehicles, land, and technical equipment necessary, incidental, helpful, or to the operation of a water and/or sewer system for its members, and for such other entities as authorized by law and as agreed upon by the Authority in accordance with this Agreement or the Bylaws of the Authority, provided however, that the Authority will not purchase, own, or operate any water system in any area served by a Member without the consent of such Member. In addition, the Authority is authorized to issue revenue bonds to finance the upgrade of the Sewer System, purchase equipment, land or property, and all technical, engineering, legal, and other services necessary or incidental thereto and the Authority is authorized to pledge or assign revenue to collateralize revenue bonds or other debt. The Authority may not pledge any property or assets of the Members of the Authority, provided however, the Authority may pledge the anticipated revenue to be derived from payment from the Members for the treatment of effluent discharged by the Members. **All pledges of assets of the Authority, issuance of revenue bonds, and the creation of any debt of the Authority shall be approved by the Members.** In addition, the Authority may set rates and charges for collection, transportation, storage, treatment and distribution of water or sewer and to collect fees and charges therefor and to charge for any other services provided. The Authority shall establish bylaws, rules and regulations as are necessary or desirable to carry out its mission set forth herein and authorized by the Act.

**ARTICLE 4.  
ORGANIZATION OF AUTHORITY  
APPOINTMENT OF COMMISSIONERS**

Section a. Initially for the first five years, Oconee Joint Regional Sewer Authority shall be managed by nine (9) Commissioners who shall be appointed by the Members as follows:

Seneca shall appoint four (4) Commissioners, one (1) of whom shall reside outside any of the Member-Municipalities and who is not an employee of any Member.

Walhalla shall appoint two (2) Commissioners.

Westminster shall appoint two (2) Commissioners.

Walhalla and Westminster shall jointly appoint one (1) Commissioner who shall reside outside any of the Member-Municipalities and who is not an employee of any Member.

Section b. Commissioners shall serve terms of four (4) years, provided however, that any Commissioner may be removed by the appointing Member. (§ 6-25-60 (B)).

Section c. It is recognized that as the population of Oconee County increases and the demographics change, it will be necessary to change the makeup of the Authority. It is agreed that after the initial five (5) year period the make-up of the Authority may be changed so that the number of Commissioners appointed by each Member may be representative of the number of customers each Member has and the payments made by each Member to the Authority for the treatment of effluent.

Section d. No Commissioner shall be entitled to compensation, but may be paid per diem, mileage, and subsistence expenses, as provided by law for state boards, committees, and commissions, while engaged in the performance of official duties of the Authority.

Section e. Actions taken by the Authority shall be memorialized by resolution.

Section f. Any required approval by the Members of any act, rule, regulation, or bylaw of the Authority shall be made by resolution passed by a majority of the city council of each Member and filed with the Authority.

#### **ARTICLE 5. OFFICERS AND COMMITTEES**

Section a. The appointed Commissioners shall meet within thirty (30) days, after all Commissioners have been appointed, at the Coneross Wastewater Treatment Plant for the purpose of organizing the Authority. At such initial meeting, the Commissioners shall elect from the appointed Commissioners a chairman and vice chairman and shall also appoint a secretary-treasurer and an assistant secretary who may or may not be an appointed Commissioner. The Commissioners may also appoint the following:

Executive Director or Director  
Consulting Engineer  
General Counsel, Attorney  
Accountant-Auditor, CPA

The Commissioners may appoint other officers or consultants as needed.

Section b. The Commissioners may appoint the following standing committees, which shall give fair representation to the Members:

- Executive Committee, consisting of three (3) Commissioners
- Finance
- Facilities & Administrative
- Planning and Policy

and such other committees as determined by the Commissioners.

#### **ARTICLE 6. MEETINGS**

Section a. Commissioners shall meet monthly on a day as established by the Commissioners and shall meet at the call of the Chairman or upon the request of three (3) Commissioners. Notice of all meetings (except the regular monthly meeting) shall be given in writing, (or by such other method as established and agreed to by each Commissioner, respectively) to each Commissioner at least five (5) days prior to such meeting. Notice of any meeting may be waived, provided such waiver is recorded. Public notice of all meetings of the Commissioners shall be given as provided by law for state boards, committees, and commissions.

Section b. Minutes of all meetings of the Commissioners shall be recorded by the Secretary or Assistant Secretary, which shall be sent to each Member as set forth in the Bylaws.

Section c. A majority of the Commissioners shall constitute a quorum and a majority of the votes taken at any meeting, with a quorum present, shall be sufficient to take any action or to pass any resolution.

#### **ARTICLE 7. AGREEMENTS BY THE MEMBERS**

Section a. Appropriate federal rules and regulations require, and it is agreed, that all users of the Sewer System pay their proportionate share of operation and maintenance costs, based upon waste load contribution in terms of volume, flow rate and/or strength, provided that on a case by case basis, industrial users may be subsidized by Oconee County and/or by the State of South Carolina and/or by grants and/or by some other funding source, but in no event shall the cost of any such user be charged to the customers of the Members.

Section b. The Municipalities, respectively, agree to exclusively use the Sewer System for the transportation and treatment of wastewater generated by its utility customers, including its water and its sewer customers located both within and without the Municipality's corporate limits, during the term of this agreement.

Section c. The Members agree:

(1) To pay to the Authority for the treatment of their domestic and industrial wastewater a sum equal to the cost per thousand gallons of such treatment as determined by the Authority, employing good and accepted accounting practices. In arriving at such cost per thousand gallons for treatment, the following cost factors will be considered, to wit: the operation and maintenance of the Sewer System, the debt service on the Authority's sewer revenue bonds secured by a pledge of the revenues of the Sewer System, reasonable depreciation based upon the expected life of the Sewer System together with a reasonable reserve, taking into consideration other income which the Sewer System might earn from non-municipal customers, industrial waste surcharge, and other sources of revenues available to the Sewer System. In determining the quantity of effluent being discharged into the Sewer System, meter readings shall be made at strategic points in order to measure the municipal flow to the Sewer System and the maintenance of such meters will be made by the Authority in accordance with good and accepted engineering principles. Such payments shall be made at least quarterly or more often as the parties may hereafter agree.

(2) Notwithstanding the provisions of Section c.(1) above, the Municipalities agree to pay their pro-rata share of the "System's Net Cost", hereinafter called "the Annual Charge", as a minimum. In this regard, the Municipalities, respectively, will pay to the Authority, at least monthly one twelfth (1/12th) share of the minimum Annual Charge of the "System's net cost", which shall be allocated among the Member's customers of the Sewer System in direct proportion to such customer's share of the total effluent discharged by all such Member's customers into the Sewer System during the preceding calendar year. Such payments shall be due and payable fifteen (15) days after receipt of the Authority's computation of such quarterly or monthly costs, or more often as the parties agree, allocable to each respective customer; provided however, such proportionate shares shall be redetermined and recomputed annually. Such pro-rata share shall be determined by dividing each of the Member's customers' annual volume of wastewater by the entire System's annual volume, multiplied by the "System's net cost" as defined herein, in order to determine the minimum which the Member herein agrees to pay.

(3) Notwithstanding any other provision(s) of this Agreement, the Authority or Municipalities may charge commercial and/or industrial customers different rates and fees based on the make-up of effluent discharged, cost of installing sewer lines to the customer, the impact of the discharge on the Sewer System, or other factors which dictate a different rate.<sup>1</sup>

---

<sup>1</sup> See Section 1.01(d), Intergovernmental Agreement, dated 28 February, 2005.



(4) Charges incurred by the Municipalities determined by the meter readings as provided in Article 7, Section c.(1) hereof, shall be applied toward the minimum, and any excess over the minimum incurred by the Municipalities, respectively, in any quarter of the operation of the Sewer System will be credited against the minimum which the Municipality will pay in the succeeding three quarters of such operation year. Provided however, any charges incurred by the Municipality, respectively, as a result of such meter readings which are in excess of the Municipality's minimum share of the System's Annual Cost at the end of any operational year, will be considered surplus funds and earnings on the books of the System, and such funds shall be taken into consideration in determining the "System's net cost" requirement for the preceding year as it relates to all its customers, and the same may not be carried over.

(5) In order to facilitate the Members' determination of their budgetary requirements for their fiscal year, the Authority will furnish each Municipality the information provided for in Article 7, Section c.(1), (2) hereof on or before the 1st day of May of each year after the first year.

Section d. The Municipalities, respectively, agree to apportion the Annual Charge in accordance with appropriate state and federal rules and regulations, to all users or customers, in proportion to flow. Each user will be on the basis of uniform rates, to fairly reflect the Municipalities' proportionate share of the "System's net cost" as required under Article 7, Section a. hereof, as well as any other charges which the Municipalities, respectively, may desire.

Section e. Each Municipality, respectively, agrees to maintain a Sewer System Rehabilitation program as described in the Municipality Sewer System Evaluation Survey performed under the federal grant provisions of EPA Project Number C 450 366 011. See Article 8, Section d.

Section f. Each Municipality agrees to enforce a Sewer Use Rule, established by the Authority, which prohibits sources of inflow (illegal connections from sump pumps, foundation drains, roof leaders, et cetera) from being connected to any sewer system which discharges effluent into the Sewer System, and which requires proper design and wastewater techniques for new connections.

Section g. Any Member, city, or entity who has an Agreement with the Authority agrees to open its books for inspection by Authority officials and/or officials of DHEC, and EPA, so as to enable such officials to determine whether or not sewer users (customers) of the entity are paying their pro-rata share of the Annual Charge or Cost, as provided herein.

Section h. If requested, each Municipality agrees to assist the Authority in the establishment and implementation of an Industrial Cost Recovery Rate and a user charge for industries, and in this regard, the Municipalities agree to furnish information to the Authority concerning the amount of water sold to an industry or commercial establishment during the Municipality's normal billing period.

Section i. Each Municipality agrees to measure by sewer meter, bill and collect, a Process Wastewater Surcharge directly from the commercial and industrial users involved; the said sewer meter shall be built or procured according to Authority standards, and its installation shall be likewise subject to approval of the Authority. The cost of such meter and its installation shall be borne solely by the industrial or commercial users.

Section j. In the event a Municipality or other entity who has an agreement with the Authority shall fail to make payments of any charge required herein, the payment so in default shall continue to be an obligation of the respective Municipality or entity until the amount in default shall have been fully paid, and the Municipality or entity agrees to pay the same, with interest thereon from the date of such default at the rate of six (6%) per cent per annum until fully paid.

Section k. Each Municipality waives any right of sovereign immunity it may have as to any actions brought by the Authority and/or its successors, to collect payments due the Authority by reason of the Municipalities' portion of the System's Costs which are in default.

Section l. Each Municipality covenants that it will at all times maintain in effect rates for the use of its water and sewer system in an amount sufficient, together with other funds available therefor, to discharge its obligation under its outstanding revenue bonds and general obligation bonds additionally secured by a pledge of sewer revenues and all bonds hereafter issued on a parity therewith, and to discharge its obligations under this Agreement and any amendments thereto. In addition, each Municipality agrees that it will at all times maintain in effect rates, in addition to all other rates and charges, sufficient to pay to the Authority its pro-rata share of obligations of the Authority for debt of bonds which were issued with the consent of each Municipality, respectively.<sup>2</sup>

#### **ARTICLE 8. AGREEMENTS BY THE AUTHORITY**

Section a. The Authority agrees to maintain the Sewer System in such a manner as to provide satisfactory wastewater treatment to the Member-Municipalities, and to maintain the Sewer System so as to keep the inflow/infiltration (I/I) into the Sewer System within reasonable limits, and to allow the Municipalities to discharge wastewater into the Sewer System pursuant to the terms of this Agreement.

Section b. The Authority agrees to operate the Sewer System in accordance with the requirements of DHEC and the EPA.

Section c. The Authority agrees to furnish each Municipality in May of each operating year, estimates of the "System's Cost", "System's Net Cost", and the Municipality's Annual Charge for the succeeding year.

Section d. The Authority agrees to provide technical assistance to each Municipality in establishing a User Charge System for distribution of its Annual Charge, in developing a Sewer Use Ordinance, and in undertaking the Sewer System Rehabilitation Program.

<sup>2</sup> See Prior agreements relating to pre-treatment.

Section e. The Authority agrees to read one or more sewer master meters which will measure the wastewater discharged by each Municipality into the Sewer System, at least monthly, and to furnish the Municipality the information disclosed by such reading.

Section f. The Authority agrees to open its books for inspection by appropriate officials of DHEC, EPA and by each Municipality.

Section g. The Authority agrees not to charge the Member-Municipalities for any costs or expenditures incurred for the construction, operation, and/or maintenance of any sewer system which does not serve the Municipalities or their customers.

#### **ARTICLE 9. EVENTS OF DEFAULT**

Section a. The following shall be “events of default” under the Agreement as applied to each Municipality and the terms “events of” or “default” shall mean, whenever they are used in this Agreement any one or more of the following events:

- (1) Failure by any Municipality to pay the sums required to be paid under Article 7 of the Agreement at the times specified therein, and continuing for a period of thirty (30) days after written notice by mail or personal delivery.
- (2) Failure by any Municipality to observe and perform any covenant or agreement in this Agreement on the part of such Municipality to be observed and performed for a period of thirty (30) days after receipt of written notice, specifying such failure and requesting that it be remedied, given to the defaulting Municipality by the Authority, unless the Authority shall agree in writing to an extension of such time prior to its expiration (or in case of any such default which cannot with due diligence be cured within such 30-day period, if the Municipality shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with a default not susceptible of being cured with due diligence within thirty (30) days, that the time of the Municipality within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence).

Section b. Notwithstanding the provisions of any other paragraph of this Agreement, if or in the event any of the major users of the Sewer System (i.e., Seneca, Walhalla, Westminster) fail to pay their pro-rata share of the “System's Net Cost”, as provided herein, then and in such an event within forty-five (45) days of such default, the Authority agrees to institute legal action to enforce such collection including, but not limited to, the prayer and petition to a Court of competent jurisdiction for the appointment of a Receiver of the sewer system of the defaulting Municipality so as to compel payment of such defaulting Municipality's share and to prevent undue burden being placed upon the other major users of the Sewer System.

Section c. In the event of default by any of the Municipalities (i.e., Seneca, Walhalla, Westminster) any monies which may from time to time be declared available by Oconee County for the use of such Municipality under the “Aid to Subdivisions or other Revenue

Sharing Program” shall be and the same is herewith irrevocably assigned by each of the Municipalities for application toward the payment of the obligation which such Municipality may have to the Authority by reason of its pro-rata share of the “System's Net Cost” as provided herein, and such defaulting Municipality's share of such funds shall be claimed by the Authority and each Municipality agrees that such funds may be paid by the County to the Authority to defray the cost of the defaulting Municipality's charges. This remedy shall be nonexclusive and in addition to all other remedies provided for in this Agreement.

#### **ARTICLE 10. REMEDIES OF THE AUTHORITY ON DEFAULT**

Section a. Whenever any event of default referred to in this Agreement hereof shall have happened and be subsisting, the Authority may take whatever further action at law or in equity as may appear necessary or desirable to collect amounts then due and thereafter to become due hereunder, or to enforce performance and observance of any obligation, agreement or covenant of the defaulting Municipality under this Agreement, to the extent of the sewer system of the defaulting Municipality and the revenues derived therefrom.

Section b. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, except as provided by appropriate statutes of limitations, but any such right and power may be exercised from time to time as often as may be expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section c. In the event any agreement contained in this Agreement should be breached by any party hereto, and thereafter waived by any other party hereto, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

#### **ARTICLE 11. MUTUAL AGREEMENTS BY THE MEMBER-MUNICIPALITIES AND AUTHORITY**

Section a. The computation of the “System's Cost”, the “Process Wastewater Surcharge” and each Municipality's Annual Charge shall be the responsibility of the Authority.

Section b. The sewer master meter readings of the wastewater flow from each Municipality will be used as a primary basis for determining the payment to the Authority by the Municipality for services furnished the Municipality by the Sewer System.

Section c. Unmetered domestic users will be billed by the Authority on the basis of an assumed usage of One Hundred gallons of wastewater discharged to the Sewer System per day for each person living in such user's dwelling or as otherwise determined by guidelines by DHEC. In this regard, unmetered commercial customers, that is, a commercial enterprise employing more than three (3) persons, shall be required to furnish and install at its own expense a master sewer meter or establish some other acceptable proof of usage of the Sewer System to the satisfaction of the Authority. The Authority agrees to further adopt policies relating to the acceptance of wastewater effluent from subdividers and/or subdistricts in keeping with the general requirements of this Agreement, including, but not limited to, a method of determining reasonable usage of the Sewer System, a method of collection from such subdivider and/or subdistrict to insure the financial stability of the Sewer System, and an assessment of a charge which reflects the fair user concept required by the EPA. The revenues produced by such customers, industries, unmetered domestic users, both residential and commercial, and subdistricts will reduce the "System's net cost" and Annual Charge which is the basis of the minimum guarantee by the Municipality.

Section d. Each Municipality, respectively, agrees to maintain its lateral lines and to promulgate such regulations as may be desirable to minimize I/I into the Municipality's system (in accordance with Oconee County Ordinances 79-4 and 95-7 and with the Rules and Regulations of the Authority). Each of the parties hereto recognize the impossibility of complete elimination of I/I. Therefore, the Authority agrees that it will treat such I/I determined according to the standards and practices hereinafter set forth, for a cost equal to that cost per thousand gallons which would be to pay the "System's Net Cost", as defined in Article 1, Section w. hereof, less that percentage reflecting the debt service on the revenue bonds to be issued by the Authority included in such formula, conditioned, however, upon the following factors:

- (1) That such reduced cost shall be applied to effluent in excess of the minimum amount necessary to pay the respective Municipality's pro-rata share of the "System's Net Cost";
- (2) The amount of such I/I does not amount to more than the percentage determined by the Authority to be put into the Sewer System by the Municipality and as to such excess, the same shall be treated in the same manner and amount as all other effluent;
- (3) If required from time to time by the Authority, to determine what amount or portion of the effluent transmitted by the Municipality to the Sewer System is I/I, the parties agree to conduct I/I determination tests by measuring by the flow meters in three separate twenty-four hour periods during which there is no precipitation, the amount of effluent which the Municipality discharges into the System's lines, divided by a like measurement of effluent on three separate twenty-four periods when there is significant precipitation. The resulting percentage, hereinafter called "the normal effluent input rate" shall be the benchmark used to determine the I/I into the Municipality's lines in periods of wet or rainy weather;

(4) In any event, at all times during the term of this Agreement, each Municipality agrees to adopt such appropriate Ordinances and take whatever steps necessary to minimize any inflow of surface water and infiltration of groundwater to its lateral transmission lines.

Section e. Each Municipality, individually and collectively, and the Authority agree that the Sewer System will be operated in accordance with the principles set forth in the Agreement between Oconee County and the Municipalities, dated April 18, 2006, filed with the Oconee County Register of Deeds in Deed Book 1496 at page 306 and the Intergovernmental Agreement between Oconee County and the Municipalities, (SWAG) dated 28 February, 2005, the Memorandum of Understanding, dated 10 March, 2004, and the Memorandum of Understanding, dated 24 February, 2005, all to the effect that the Sewer System will be operated to serve the citizens of Oconee County in a fair and impartial manner and in the best interest of the citizens of Oconee County.

Section f. The Authority agrees to provide sewer services as requested by customers outside the municipal limits as provided under existing agreements, provided the cost of connecting, transporting and treating the wastewater is paid by the customer being served or by some other entity, excluding the Members, on behalf of such customer or the cost is funded by federal and/or state grants or some other source other than the Member-Municipalities. In no event shall the cost of extending sewer service outside municipal limits or the cost of transporting and treating sewer be billed to or paid by customers of the Member-Municipalities.

## ARTICLE 12. SPECIAL COVENANTS

Section a. The Authority will, at all times, operate and maintain the System in good repair and working condition, unless prevented therefrom by force majeure which term, as used herein, shall mean without limitation, the following:

Acts of God; strikes, lockouts, and other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of South Carolina or any of their departments, agencies, or officials; or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery or transmission pipes or lines; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Authority. Provided, however, that nothing herein contained shall be construed to empower any party to this Agreement to issue an order which could be construed to be a force majeure.

Section b. The Authority will give each Municipality such notice as the Authority may have of unscheduled interruptions of service. The Authority will exert its best efforts and all diligence to anticipate and to correct interruptions of service.

Section c. The Authority agrees to give each Municipality seven (7) days notice of any known or scheduled interruptions of normal access to the Sewer System, whether partial or complete, and to make suitable alternative provisions for the disposal of each Municipality's effluent. The Authority also agrees to consult with each Municipality concerning the extent of scheduled service interruptions so as not to interfere unreasonably with the Municipality's normal operating schedule.

Section d. The Authority shall make available to each Municipality, upon request, any and all operating and flow records.

Section e. Should the Authority fail to observe the covenant to operate and maintain the Sewer System, any Municipality, or all of the Municipalities, or any combination, may, after ten (10) days written notice:

- (1) Take such steps as may be necessary to place the Sewer System in good condition and working order at the expense of the Authority, whereupon the Authority, upon demand, shall repay the respective Municipality or combination thereof for all expenses incurred; OR
- (2) Bring an action against the Authority for specific performance to enforce the covenants of the Authority relating to the operation and maintenance of the Sewer System.

Section f. Should the Authority fail to observe any other covenant or agreement herein made, any Municipality may, after ten (10) days written notice, bring an action against the Authority for the specific performance by the Authority of such other covenant or agreement.

Section g. The remedies herein granted to the Municipality shall be exclusive and shall be in lieu of all other remedies that the Municipalities may have at law or in equity; and notwithstanding, if the Authority shall become indebted to any Municipality, the respective Municipality shall have no right to offset its obligations to make payment under the provisions of this Agreement hereof.

Section h. Notwithstanding any other provisions of this Agreement, nothing herein contained shall be construed to obligate or encumber the general fund of Authority and any and all liability assumed by the Authority relates to the revenues derived and contracted for by said Authority relative to the operation of the System.

Section i. The Municipalities will not be charged for: the transportation or treatment of any wastewater which is not discharged by the respective Municipality; for the cost of the operation of the Sewer System which is not attributable to the transportation or treatment of wastewater by the respective Municipality; nor shall any Municipality be charged for the installation or operation of any system which is not described in this Agreement.

Section j. The Authority agrees so long as each Municipality, respectively, shall fully and punctually pay all of the sums provided to be paid hereunder by each Municipality, and shall fully and punctually perform all of its other covenants and agreements hereunder, the Authority agrees to treat sewer discharged by each Municipality, respectively.

**ARTICLE 13.  
AGREEMENTS INCORPORATED IN THIS AGREEMENT**

Section a. The following Agreements are incorporated herein and the principles set forth are adopted by the parties to this Agreement: Intergovernmental Agreement dated 18 April, 2006, the Intergovernmental Agreement (SWAG) dated 28 February, 2005, the Memorandum of Understanding, dated 10 March, 2004, and the Memorandum of Understanding, dated 24 February, 2005; Agreement with the Town of West Union as set forth in the Intergovernmental Agreement dated 18 April, 2006.

Section b. The Authority is bound by the obligations or responsibilities undertaken by Oconee County as set forth in the Agreements listed in Section a., unless the context indicates otherwise.

**ARTICLE 14.  
MISCELLANEOUS**

Section a. The Sewer System shall at all times be the sole and absolute property of the Authority.

Section b. This Agreement shall inure to the benefit of and shall be binding upon the Authority, and Seneca, Walhalla, and Westminster, and their respective successors or assigns.

Section c. Notices given by one party hereto to another shall be effective only when received by the party being noticed as evidenced by signed receipt therefor.

Section d. Any party hereto may, but shall not be required to, record this Agreement in the Office of the Register of Deeds of Oconee County, South Carolina.

Section e. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section f. This Agreement is prepared and entered into with the intention that the law of the State of South Carolina shall govern its construction.

Section g. The Members agree that when the Town of West Union discharges ten (10%) percent of the total effluent into the Sewer System or pays ten (10%) percent of the total payments for the treatment of sewer to the Authority created, it shall be entitled to become a member of the Oconee Joint Regional Sewer System.



**ARTICLE 15.**  
**MUTUAL AGREEMENTS BY THE MEMBER-MUNICIPALITIES,**  
**THE AUTHORITY, AND OCONEE COUNTY**

Section a. The Member-Municipalities and Oconee County agree, in consideration of the formation of the Joint Authority and the transfer of the sewer assets to the Authority by Oconee County, the Member-Municipalities agree that they will cause the Authority to agree to extend sewer transportation lines, build pump stations, acquire rights of way, build treatment facilities, and perform all other and all acts to provide sewer and/or water service to such area or areas as designated by Oconee County as is authorized by a vote of Oconee County Council, provided that such extension/construction and or operation of such facilities is in conformity with this Joint Agreement and the Agreements and Memoranda of Understanding incorporated herein by Article 13 ("Incorporated Agreements") and further provided that the cost of such extension/construction and operation of sewer facilities is not charged to the Member-Municipalities or their customers. Oconee County agrees that when it designates facilities to be constructed and or operated, it will provide adequate funding for such construction and/or operation, to be determined on a case by case basis.

Section b. The parties agree that all rights, privileges, duties and obligations of the parties set forth in the Incorporated Agreements set forth in Article 13 will enure to the parties respectively, and that the privileges, duties, obligations, and rights conferred upon the Oconee County Sewer Commission or upon the cities of Seneca, Walhalla, or Westminster by the Incorporated Agreements which enure to the Oconee County Sewer Commission, are hereby assigned to the Oconee Joint Regional Sewer Authority, its successors and assigns, and such rights and privileges vested in the Oconee County Sewer Commission by the Incorporated Agreements are assigned to and will enure to the Oconee Joint Regional Sewer Authority, its successors and assigns, provided however, that all rights and privileges vested in the Municipalities by such Incorporated Agreements are not abrogated by the assignment of rights, and privileges to the Oconee Joint Regional Sewer Authority.

Section c. It is recognized that there are some powers relating to enforcement of rules, regulations, and policies inherent with Oconee County which will not be inherent in the Oconee Joint Regional Sewer Authority. Oconee County agrees to cooperate with the Member-Municipalities and the Authority to pass and adopt Ordinances as necessary or desirable to comply with the rules and regulations of DHEC, EPA, and the Oconee Joint Regional Sewer Authority to provide for enforcement of appropriate rules, regulations, and policies of the Authority which is beyond the jurisdiction or power of the Authority but within the jurisdiction and power of Oconee County. Oconee County may adopt policies for the adoption of such ordinances as shall be sought by the Oconee Joint Regional Sewer Authority.

**ARTICLE 16.  
TERM OF AGREEMENT  
AMENDMENT**

This Agreement shall remain in force and effect from the date of this Agreement until March 31, 2042. This agreement is automatically renewed for four (4) terms of ten (10) years each, unless notice of non-renewal is given by any signatory at least twelve (12) months before the expiration of either the term of the Agreement or any renewal. This Agreement may be amended, changed, modified, or terminated by Agreement of all of the Members.

**ARTICLE 17.  
EXECUTION - WHEN EFFECTIVE**

This Agreement may be executed in counterparts and when combined shall constitute an integrated document. This Agreement shall become effective when all signatories have executed this Agreement and have filed an executed copy with the other signatories and with the Clerk of Court for Oconee County. If executed copies of all parties have not been filed with the Clerk of Court for Oconee County by November 1, 2007, this Agreement shall be null and void as to any party who has executed the Agreement.

**ARTICLE 18.  
ARBITRATION**

Any dispute arising out of this Agreement shall be settled by Arbitration in accordance with the Uniform Arbitration Law of South Carolina, provided however, that only one arbiter shall be appointed by a resident judge of South Carolina. An arbiter may be (but is not required to be) selected from lists provided by each of the parties to the dispute. A decision of an arbiter is final and may be entered as a judgment.

Signed sealed and delivered  
in the presence of:

[Signature]  
Justin M Kelly

CITY OF SENECA (SEAL)

By: [Signature]  
Its Mayor

Attest: [Signature]  
Its Clerk

STATE OF SOUTH CAROLINA  
COUNTY OF OCONEE  
ACKNOWLEDGMENT

I, Carol Hall, a Notary Public for the State of SC, do hereby  
certify that James W. Alexander as Mayor and Belinda S. Harper as  
Clerk for City of Seneca, personally appeared before me this date and acknowledged the  
due execution of the foregoing instrument.

Witness my hand and official seal this 8<sup>th</sup> day of October, 2007.

Carol Hall (SEAL)  
Notary Public of SC  
My commission expires 3/10/15

Signed sealed and delivered  
in the presence of:

CITY OF WALHALLA (SEAL)

Rachel Malister  
Ashley Jones

By: [Signature]  
Its Mayor  
Attest: Nancy Goekle  
Its Clerk

STATE OF SOUTH CAROLINA  
COUNTY OF OCONEE  
ACKNOWLEDGMENT

I, Bernie Cords, a Notary Public for the State of SC, do hereby  
certify that James Bales as Mayor and Nancy Boehle as  
Clerk for City of Walhalla, personally appeared before me this date and acknowledged the  
due execution of the foregoing instrument.

Witness my hand and official seal this 18 day of October, 2007.

Bernie Cords (SEAL)  
Notary Public of SC  
My commission expires Aug 18 2015

Signed sealed and delivered  
in the presence of:

CITY OF WESTMINSTER wdd

Jimmy Banks  
Patrick R. Cox

By: Derek Hodgins  
Its Mayor

Attest: Jennifer Adams  
Its Clerk

STATE OF SOUTH CAROLINA  
COUNTY OF OCONEE  
ACKNOWLEDGMENT

I, Rebecca Anderson, a Notary Public for the State of SC, do hereby  
certify that Derek Hodgins as Mayor and Jennifer Adams as  
Clerk for City of Westminster, personally appeared before me this date and acknowledged  
the due execution of the foregoing instrument.

Witness my hand and official seal this 18<sup>th</sup> day of October, 2007.

Rebecca Anderson (SEAL)  
Notary Public of SC  
My commission expires 8/27/2011

FILED OCONEE, SC  
SALLIE G. SMITH  
CLERK OF COURT  
2007 OCT 31 A 9:03



the System, which shall at all times be operated as a public sewer system.

- 2.2. Grant of Access, Ingress, and Egress. County will, by separate instrument(s), convey unto OJRSA such non-exclusive rights of access, ingress, and egress over and upon such portions of County-owned property as are necessary for OJRSA to operate, maintain, repair, and improve the System for the purposes herein described.
- 2.3. As part of OJRSA's duty to operate the System, it shall be responsible for all future extensions and expansions to the System. OJRSA shall accept such extensions and expansions to the System as are designated by County, and it shall serve such customers as are designated by County. Extensions and expansions, including "Phase 2" (see below), shall be designed and constructed in a manner acceptable to, and under the supervision of, OJRSA and County and shall be coordinated with a consulting firm retained by the OJRSA. The cost of the construction, maintenance, and operation of the extensions and expansions designated by the County shall not be charged to the OJRSA's member municipalities or their customers. Rather, the County shall provide adequate funding for the construction, maintenance, and operation of such extensions and expansions, to be determined on a case by case basis, consistent with prior agreements between the Parties, and as agreed to in advance of any charges being incurred therefor.
- 2.4. OJRSA shall be responsible for all future customer connections to the System.
- 2.5. OJRSA's operation, maintenance, repair, and improvement obligations herein shall be fulfilled promptly and diligently and in a good and workmanlike manner, free of material defects, and consistent with industry standards, as well as all applicable local, state, and federal law.
- 2.6. OJRSA shall be responsible for levying, collecting, and applying normal user fees and impact fees associated with the System.
- 2.7. OJRSA shall collect and retain all customer service and usage fees on the System in accordance with published rates equally charged to all other customers by classification. Any increases in fees and rates shall be uniformly applied.
- 2.8. Any new impact fees owed for the System shall be charged and paid by the customers as they are added to the System, in accordance with standard impact fee schedules.
- 2.9. OJRSA will ensure that the System is afforded and allocated appropriate reasonably available capacity in the OJRSA system and treatment plant existing at the time request is made by County for any and all construction and/or extension of services and lines outside the systems of the municipalities.
- 2.10. County shall reimburse the OJRSA for all reasonable costs incurred and directly associated with operating and maintaining the System, including any extension thereof that is constructed at the direction of County. It is also specifically agreed that County

shall pay for a cost of service and rate study for System customers as OJRSA deems necessary. All revenues collected by the OJRSA shall be credited against any such operation and maintenance costs. Any revenues exceeding such operation and maintenance costs shall be held in trust by OJRSA for future operation and maintenance costs. County's reimbursements may be made on a monthly, quarterly, or annual basis depending on the amount due. Actual invoices and/or records will be provided by OJRSA to County to show incurred expenses. As stated, County's reimbursement requirements are strictly limited to actual expenses incurred by OJRSA that are directly associated with operating and maintaining the System. County shall not be charged any fees, or required to pay any costs, of any nature that are not expressly described herein, unless County agrees to the same in writing. County shall not be billed or otherwise requested or required to fund or pay for any type of depreciation allowance, reserve, or account; capital replacement account; or any similar fund, or type of funding, which might be related to the cost of the declining value of the System and/or the need for anticipated future repairs, refurbishment, or replacement of the System or portions thereof, or the OJRSA's sewer system, or otherwise.

- 2.11. OJRSA may contract with one of its member municipalities to provide services contemplated by this Agreement.
- 2.12. OJRSA shall, subject to the provisions of Section 2.11 above: (a) operate and maintain the System as requested by County for, among other things, providing sewer service to County-owned property; (b) operate and maintain the System in good working order, condition, and repair; (c) keep and maintain the System area in a good, clean, neat, and sanitary condition; and (d) ensure the wastewater processed by the System is conveyed to and processed by a suitable waste treatment facility.
- 2.13. OJRSA shall maintain, in the normal course of its business, all records of its operation, maintenance, repair, and improvement of the System and shall make the same available to County for inspection within seventy-two (72) hours of a request therefor.
- 2.14. OJRSA shall cooperate with County in relation to any record keeping, reporting, or other requirements imposed by the United States Environmental Protection Agency ("EPA") as a result of the System being constructed, in part, from grant funds awarded by the EPA, or as otherwise required by local, state, or federal law.
- 2.15. The Parties will cooperate with and assist one another in relation to any claims brought by or against any third-party in relation to the construction, operation, and/or maintenance of the System.
- 2.16. OJRSA shall not provide services utilizing the System, or any extension thereof, to persons, entities, or areas outside of Oconee County.
- 2.17. OJRSA shall construct "Phase 2" of the System, extending the System from the Park to Interstate 85, South Carolina Exits 1 and 2 (unless other exits are agreed upon by the Parties) within one (1) year of the OJRSA receiving grant funding from the South



Carolina Rural Infrastructure Authority and United States Economic Development Administration (the "Grants"), the Grants having been applied for and preliminarily approved. Phase 2 of the System shall be constructed at no cost to the County apart from what the County has pledged by way of funding to facilitate the Grants, and as may otherwise be agreed to by the Parties. In no event will the costs of construction of Phase 2, or any portion thereof, be charged to OJRSA's member municipalities or their customers. Rather, the County shall provide adequate funding, over and above the Grant funds, as necessary, for the construction, maintenance, and operation of Phase 2 of the System, to be determined on a case by case basis, consistent with prior agreements between the Parties, and as agreed to in advance of any charges being incurred therefor

3. County Covenants and Representations.

- 3.1. It is a body politic and corporate and a political subdivision of the State of South Carolina.
- 3.2. It is the owner of the System.
- 3.3. It has full power and authority to enter into and perform this Agreement in accordance with its terms. All requisite action has been taken by County in connection with this Agreement. County's execution, delivery, and performance of this Agreement have been duly authorized and all required consents or approvals have been obtained. The individual(s) executing this Agreement on behalf of County have the power and authority to bind County to the terms and conditions of this Agreement. This Agreement has been duly and properly executed and delivered and constitutes valid and binding obligations of County, enforceable in accordance with its terms.
- 3.4. It has not violated any contract, agreement, judicial order, judgment, decree, or other instrument by: (i) entering into this Agreement or (ii) performing any of its duties or obligations under this Agreement or otherwise necessary to consummate the transactions contemplated by this Agreement.
- 3.5. There are no actions, lawsuits, litigation, or proceedings pending or threatened in any court or before any governmental or regulatory agency that affect County's power or authority to enter into or perform this Agreement.
- 3.6. It will not be in default in any of its obligations (contractual or otherwise), including any violation of any applicable debt limit(s), as a result of entering into and performing under this Agreement.
- 3.7. It will comply with all laws applicable to System.

4. OJRSA Representations:

- 4.1. It is a governmental entity organized under Chapter 25 of Title 6 of the South Carolina Code of Laws as a "Joint Authority Water and Sewer System."

- 4.2. It has full power and authority to enter into and perform this Agreement in accordance with its terms. All requisite action has been taken by OJRSA in connection with this Agreement. OJRSA's execution, delivery, and performance of this Agreement have been duly authorized and all required consents or approvals have been obtained. The individual(s) executing this Agreement on behalf of OJRSA have the power and authority to bind OJRSA to the terms and conditions of this Agreement. This Agreement has been duly and properly executed and delivered and constitutes valid and binding obligations of OJRSA, enforceable in accordance with its terms.
- 4.3. It has not violated any contract, agreement, judicial order, judgment, decree, or other instrument by: (i) entering into this Agreement; or (ii) performing any of its duties or obligations under this Agreement or otherwise necessary to consummate the transactions contemplated by this Agreement.
- 4.4. There are no actions, lawsuits, litigation, or proceedings pending or threatened in any court or before any governmental or regulatory agency that affect OJRSA's power or authority to enter into or perform under this Agreement.
- 4.5. It will not be in default in any of its obligations (contractual or otherwise), including any violation of any applicable debt limit(s), as a result of entering into and performing under this Agreement.
- 4.6. It will comply with all laws applicable to the System.
- 4.7. OJRSA hereby acknowledges that, except as expressly set forth in this Agreement, neither County nor any one acting on its behalf, including its employees, agents, representatives, council members, and attorneys (collectively, the "Exculpated Parties") has made or shall be deemed to have made any oral or written representations or warranties, whether expressed or implied, by operation of law or otherwise, with respect to the System, the permitted use of the System, or the zoning and other laws, regulations, and rules applicable thereto or the compliance by System therewith; the revenues and expenses generated by or associated with the System; or otherwise relating to the System or the transactions contemplated herein. OJRSA further acknowledges that except as expressly set forth in this Agreement, all materials which have been provided by County and/or the Exculpated Parties have been provided without any warranty or representation, expressed or implied, as to their content, suitability for any purpose, accuracy, truthfulness, or completeness, and except as expressly set forth in this Agreement OJRSA shall have no recourse against County or the Exculpated Parties in the event of any errors therein or omissions therefrom.
5. Further Assurances. From the Effective Date, County and OJRSA each agrees to do such things, perform such acts, make, execute, acknowledge, and deliver such documents as may be reasonably necessary and customary to complete the transactions contemplated by this Agreement.

6. Insurance and Indemnity.

6.1. OJRSA shall indemnify, defend, and hold County harmless from all claims, liabilities, costs, attorney's fees, and expenses of any kind, type, or nature arising out of or in any way relating to: (a) OJRSA's operation, maintenance, and repair of the System; (b) any activity, work, or thing done, permitted, or suffered to be done by OJRSA in, on, or about the System; or (c) any act or omission of OJRSA or its elected or appointed officials, employees, representatives, servants, agents, contractors, licensees, or invitees.

6.2. County covenants and agrees to indemnify, defend, and hold OJRSA harmless from any loss or damages arising directly and solely from County's negligent acts or omissions in relation to the System.

6.3. It is understood by both County and OJRSA that their duties to indemnify, defend, and hold the other harmless may be limited by the statutory and decisional law of the State of South Carolina.

7. County's Right of Entry. County reserves and shall, at any and all reasonable times, have the right to enter the land and improvements comprising and housing the System and surrounding areas to inspect the System; provided, however, OJRSA's use thereof shall not be unreasonably interfered with.

8. Prohibited Uses. OJRSA shall not use the System in violation of any local, state, or federal law. Nor shall OJRSA do or permit to be done on or about the System, or bring into, keep, or permit to be brought into or kept in or about those improvements or areas anything that may constitute waste, nuisance, or unreasonable annoyance to County and/or the general public. Nor shall OJRSA do anything that will cause damage to the System or interfere with, obstruct, or endanger County operations.

9. Hazardous Substances. OJRSA shall not generate, handle, store, or dispose of any Hazardous Substance(s) in, on, under, or about the System. As used herein, the term "Hazardous Substance" means any hazardous, toxic, or dangerous waste or material, which is or becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law now or hereafter in effect pertaining to environmental protection, contamination, or cleanup. Notwithstanding the foregoing, OJRSA shall not be prohibited from generating, handling, storing, or disposing of Hazardous Substances that are required to be used by OJRSA in the normal course of its business, so long as such materials are generated, handled, stored, and disposed of in accordance with applicable laws and regulations. OJRSA agrees to hold harmless, protect, indemnify, and defend County from and against any damage, loss, claim, or liability of any kind, type or nature arising out of or relating in any way to the breach of this covenant, including any attorneys' fees and costs incurred.

10. No Waiver of Breach. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set out in writing and signed by the Party so waiving. No waiver

by any Party shall operate or be construed as a waiver in respect of any failure, breach, or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

## 11. Default, Notice of Right to Cure, Remedies.

11.1. Default. Each of the following events shall be a default and a breach of this Agreement and constitute an “Event of Default”:

11.1.1. Insolvency or Dissolution or OJRSA. An assignment by OJRSA for the benefit of creditors, or the filing of a voluntary or involuntary petition by or against OJRSA under any law for the purpose of adjudicating OJRSA as bankrupt or insolvent; or for extending time for payment, adjustment or satisfaction of the OJRSA; or reorganization, dissolution, or rearrangement on account of, or to prevent bankruptcy or insolvency.

11.1.2. Failure by OJRSA to operate, maintain, repair, and/or improve the System consistent with the terms of this Agreement.

11.1.3. Performance Under this Agreement. Failure to observe or perform any of a Party’s covenants, conditions, or other terms under this Agreement; or the breach of any warranties, representations, or obligations made in the Agreement.

11.2. Notice and Right to Cure. Upon the occurrence of any Event of Default or breach of any other provision of this Agreement by a Party hereto, unless a shorter time is stated in this Agreement, the defaulting Party shall have ninety (90) days to cure the default after written notice is given by a non-defaulting Party, specifying the nature of the default; provided, however, that if after exercise of due diligence and its best efforts to cure such default, the defaulting Party is unable to do so within the ninety (90) day period, then the cure period may be extended, upon written agreement by the non-defaulting Party for a such reasonable time as may be deemed necessary to cure the default.

11.3. Remedies. If any default shall continue uncured by a Party hereto, the non-defaulting Party may exercise any one or all of the following remedies in addition to all other rights and remedies provided by law or equity, from time to time, to which the non-defaulting Party may resort cumulatively or in the alternative:

11.3.1. Enforce the terms of this Agreement or to seek injunctive relief, including a temporary restraining order, preliminary injunction, and specific performance without showing or proving any actual damage sustained and shall not thereby be deemed to have elected its remedies.

- 11.3.2. Receive reimbursement from the defaulting Party for all expenses incurred by the non-defaulting Party in connection with the performance of the non-defaulting Party's obligations under this Agreement, including attorney fees and costs incurred in enforcing the terms of this Agreement.
- 11.3.3. Pursue any other remedies available under the laws of the State of South Carolina.
- 11.3.4. Remedies Cumulative. All the remedies hereinbefore given to the parties and all rights and remedies given to them at law and in equity shall be cumulative and concurrent. It is agreed between the Parties to this Agreement that no adequate remedy at law is available in the event of a breach or threatened breach of this Agreement and the parties are therefore entitled to injunctive relief, including specific performance, for any such actual or threatened breach.
12. Force Majeure. No Party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments to the other Party hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the affected Party's reasonable control, including, without limitation: (a) acts of God; (b) flood, fire, earthquake, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order or law; (e) actions, embargoes, or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns, or other industrial disturbances; and (i) shortage of adequate power or transportation facilities. The Party suffering a Force Majeure Event shall give notice fifteen (15) days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue and shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized.
13. Relationship of the Parties. Nothing herein shall be construed to create a joint venture or partnership between the Parties or an employer/employee or agency relationship. Neither Party shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement, or undertaking with any third party.
14. Entire Agreement. This Agreement constitutes the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.
15. Amendment and Modification. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each Party hereto.
16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

17. Dispute Resolution; Waiver of Trial by Jury.

17.1. Any conflict, dispute, or grievance (collectively, "Conflict") by and between the Parties shall be submitted to mediation before initiating court proceedings. The mediator selected to conduct the mediation must be mutually agreed upon by the Parties. The site for the mediation shall be Walhalla, South Carolina, and the mediation hearing shall be held within thirty (30) days of the selection of the mediator, unless otherwise agreed. Each Party shall bear its own expenses associated with the mediation, and the Parties shall split the fees and expenses of the mediator evenly. Failure to agree to the selection of a mediator, refusal to participate in the mediation process, or failure to resolve the Conflict through mediation will entitle the Parties to pursue other methods of dispute resolution, including without limitation, litigation. Notwithstanding any other provision contained herein, nothing in this Agreement shall be construed as requiring either Party to participate in mediation prior to initiating court proceedings in which a temporary restraining order or preliminary injunction is sought. In such situations, the Parties shall conduct mediation within thirty (30) days after the hearing on such motions or within such other time as is prescribed by the Court.

17.2. THE PARTIES MUTUALLY, EXPRESSLY, IRREVOCABLY, AND UNCONDITIONALLY WAIVE TRIAL BY JURY FOR ANY PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, OR ARISING OUT OF ANY CONDUCT OR COURSE OF DEALING OF THE PARTIES, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PERSONS. THIS WAIVER IS A MATERIAL INDUCEMENT TO THE PARTIES TO ACCEPT DELIVERY OF THIS AGREEMENT.

18. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable or is otherwise challenged and determined to be invalid, illegal, or incapable of being enforced as a result of any rule of law or public policy issued by an administrative or judicial forum that is not subject to further appeal or is not actually appealed, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated. In such event the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible and to comply with applicable law, regulations, or published governmental interpretations thereof, in an acceptable manner to the end that the transaction contemplated hereby are fulfilled to the extent possible.

19. Successors and Assigns. Except as otherwise provided in this Agreement, all of the covenants, conditions, and provisions hereof are binding upon and shall inure to the benefit of the Parties and their respective successors and assigns. Neither Party shall assign or transfer any of its interests in, or stemming from, this Agreement without the written consent of the other Party, which consent shall not be unreasonably withheld.

20. Time of Essence. Both Parties hereto specifically agree that time is of the essence with respect to the performance of the obligations of the Parties under this Agreement.

21. Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be deemed appropriate by the Parties, all of which shall comprise one (1) agreement.
22. Notices. All notices, request, consents, and other communications hereunder shall be in writing and shall be personally delivered or mailed by First Class, Registered, or Certified Mail, return receipt requested, postage prepaid, or by e-mail accompanied by commercial overnight delivery service for next business day deliver as follows:

- (a) If to Oconee County:

Oconee County, South Carolina  
 Attn.: Oconee County Administrator  
 415 South Pine Street  
 Walhalla, South Carolina 29691  
 Email: [abrock@oconeesc.com](mailto:abrock@oconeesc.com)

With copy to:

Oconee County, South Carolina  
 Attn.: Oconee County Attorney  
 415 South Pine Street  
 Walhalla, South Carolina 29691  
 Email: [droot@oconeesc.com](mailto:droot@oconeesc.com)

- (b) If to Oconee Joint Regional Sewer Authority:

Oconee Joint Regional Sewer Authority  
 Attn.: Executive Director  
 623 Return Church Road  
 Seneca, South Carolina 29678  
 Email: [chris.eleazer@ojrsa.org](mailto:chris.eleazer@ojrsa.org)

Any such notice, request, consent, or other communication shall be deemed received at such time as it is personally delivered or on the fifth business day after it is so mailed, as the case may be.

23. Interpretation and Construction.

- 23.1. The Parties acknowledge that, in connection with negotiating and executing this Agreement, each has had its own counsel and advisors and that each has reviewed and participated in the drafting of this Agreement. Any rule of construction that requires any ambiguities to be interpreted against the drafter shall not be employed in the interpretation of: (i) this Agreement; (ii) any exhibits to this Agreement; or (iii) any document drafted or delivered in connection with the transactions contemplated by this

Agreement.

23.2. Any captions or headings used in this Agreement are for convenience only and do not define or limit the scope of this Agreement.

23.3. The singular of any term, including any defined term, shall include the plural and the plural of any term shall include the singular. The use of any pronoun with respect to gender shall include the neutral, masculine, feminine, and plural. The term "Person" or "Persons" includes a natural person or any corporation, limited liability company, partnership, trust, or other type of entity validly formed.

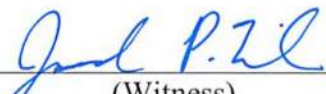
24. Approval and Authority. This Agreement is subject to the approval of the governing body of each Party and will take effect upon its execution by the Parties after such approval.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the day and year first written above.

**Witnesses:**

  
(Witness)

**Witness:**


  
(Witness)

**Oconee County:**

By: 

Its: County Administrator

**Oconee Joint Regional Sewer Authority**

By: 

Its: Executive Director



## **EXHIBIT A**

**SOUTH SEWER SYSTEM LOCATED WITHIN GOLDEN CORNER COMMERCE PARK**

The South Sewer System comprises the Wastewater System Improvements designed to serve the Golden Corner Commerce Park (GCCP) in Oconee County, SC. The South Sewer System is designed to accept wastewater from the GCCP and transfer the wastewater to the Coneross WWTP for treatment.

Exhibit A serves to document the portion of the South Sewer System that is located within the Golden Corners Commerce Park (GCCP). Record drawings that document this portion of the South Sewer System are contained in Attachment A-1 to this Exhibit A. The drawings will be referred to by the Sheet Nos. (G00.01, C01.10, etc.). The Sheet No. is located in the bottom right corner of each sheet.

This portion of the South Sewer System discharges to the dual force main system described in Exhibit B. The force mains transfer the wastewater to the Coneross WWTP for treatment.

The entrance to GCCP is located on SC Route 59 at the intersection with Feltman Road. (See C01.01)

The portion of the South Sewer System located within GCCP consists of the following elements:

1. Influent gravity sewer
2. Pump station and ancillary equipment
3. On-site force mains

Following is a description of each of these elements:

### **1.0 Influent Gravity Sewer**

The influent gravity sewer is designed to accept waste water from the GCCP and convey it to the Pump Station. The influent gravity sewer consists of three manholes and approximately 110 ft of 10 inch gravity sewer pipe. The gravity sewer pipes increases to 20 inch as it exits the last manhole before terminating inside the pump station wetwell. The gravity sewer pipe has slopes varying between 0.50% and 1.50%. The gravity sewer pipe terminates in the pump station at an invert elevation of 695.60 ft. Plan and profile of the gravity sewer line are shown on C01.40. Design details associated with the influent gravity sewer are shown on C99.20.

### **2.0 Pump Station and Ancillary Equipment**

The pump station is designed for a maximum flowrate of 1800 gpm. The pumping system comprises six vertical, non-clog sewage pumps on pump skid, electric motors, variable frequency drives, and controls and all appurtenances. A generator is provided to supply emergency power to the pump station in case of a power failure. The generator is located outside the pump station building adjacent to the main power transformer.

The pump station is housed in a CMU block wall building that is approximately 50 ft long and 26 ft wide. The building dimensions are shown on drawing S10.10. The structural details of the building are provided in drawings S10.10 through S99.10. The pump station is located on 100 ft x 100 ft square lot and is protected with a fence that surrounds the lot, see drawing C01.20 for details. Vehicular access to the pump station building is provided by a double swing gate in the fence, personnel access is provided by a 3 ft wide personnel gate.

The pump station has a wetwell that is approximately 19 ft long, and 13 ft wide. The wetwell has a bottom invert of 687.16 ft, and a top elevation of 706.33 ft. A guide rail is provided in the wetwell to facilitate the installation of a mixer in future. The wetwell is of precast concrete construction as shown on drawings GA01.10A, GA01.20A, S10.12A, and S21.10A.

## **2.1. Pumps**

Each individual pump has a guaranteed design point of 900 gpm flow at 176 ft of total dynamic head (TDH) and 1760 rpm. The pumps are installed in sets of two pumps installed in series where the discharge side of the first pump (Stage-1 pump) is connected to the suction side of the second pump (Stage-2 pump). The configuration is shown on drawing D01.10. This arrangement doubles the TDH of the pump system at the design flowrate. The three stage-1 pumps have individual 12 inch PVC suction lines that terminate 10 inches above the bottom of the wetwell as shown on drawing D01.21. The pumps are 8 inch vertical, centrifugal non-clog type of heavy cast iron construction, especially designed for the use of mechanical seals and vacuum priming. All the stage-2 pumps discharge into a common 12 inch ductile iron header pipe. The 12 inch header then splits into a 10 inch and a 12 inch force main outside the pump station building.

## **2.2. Motor**

Each pump is driven by a motor that is continuous duty, inverter duty, open drip proof design with forced air circulation by integral fan, NEMA P-base squirrel-cage induction type suitable for operation on 480V, 3 phase, 60 Hz power supply. Each motor is rated for 125 HP, 1760 rpm and has a service factor of 1.15.

## **2.3. Vacuum Priming System**

A separate and independent vacuum priming system has been provided to prime the main pumps. The system includes one vacuum pump for each main pump, providing 100 percent standby. Vacuum pumps are capable of priming the first stage and second stage pumps and the suction piping in approximately 60 seconds under rated static suction lift conditions of 20 feet at mean sea level. The priming system automatically provides positive lubrication of the mechanical seal each time a main pump is primed.

## **2.4. Valves and Piping**

Each pump is provided with a full port check valve capable of passing a 3 inch spherical solid. The valves are of cast iron construction with replaceable stainless steel seat.

Plug valves provided at each pump discharge line to permit isolation of pumps from the discharge header.

The common 12 inch header pipe has a 4 inch surge relief valve that discharges back into the wetwell if the pressure in the discharge header exceeds the design opening pressure for the surge relief valve. The surge relief valve is shown on drawing D01.20.

## **2.5. Instrumentation and Other Equipment**

An ultrasonic level transmitter is provided in the wetwell chamber as shown on drawing D01.20.

Two integrally weighted float switches are provided in the wetwell chamber.

Floats are set as follows:

- Low-level alarm/emergency pump off: Elevation 689.20 ft.
- Emergency high-level alarm: Elevation 694.20 ft.

A 120VAC vapor tight, alarm strobe light with red globe and guard has been provided in the pump station. A 120VAC, vapor tight single projector, vibrating type horn with weatherproof housing is also provided. Both, the alarm light and the horn are powered from the pump control panel.

A 2 ton bridge crane with a hoist is provided inside the pump station to facilitate removal of pumps for maintenance. The bridge crane and hoist are shown on drawing S10.20.

### **3.0 Onsite Force Main**

The pumps station includes approximately 1600 linear feet of parallel 10 inch and 12 inch ductile iron force main. The discharge piping originates from the common discharge header of the pumps and connects with the transmission main at the project boundary, the pipeline route follows the new asphalt access road as shown on drawing C01.10. The discharge pipeline has been designed with air release valves located at high points to prevent accumulation of air in the pipeline that can impede the pumping operation. The discharge pipes originate at the pump station at an elevation of 706.00 ft, have an intermediate high point of elevation 711.95 ft, and terminate into the transmission lines at an elevation of 705.47 ft.

**ADDENDUM TO:**

**INTERGOVERNMENTAL OPERATION AGREEMENT**, dated **April 15, 2019**, between **OCONEE COUNTY**, a body politic and a political subdivision of the State of South Carolina (“**COUNTY**”), and the **OCONEE JOINT REGIONAL SEWER AUTHORITY**, a governmental entity organized under *Chapter 25, Title 6, of the South Carolina Code of Laws* (“**OJRSA**”), to-wit:

**WHEREAS**, an Intergovernmental Operation Agreement was entered into by and between the parties on April 15, 2019, whereby “County” contracted with “OJRSA” for the future operation and maintenance of a certain sewer system, collectively referred to as “**The Sewer South System-Phase I**,” consisting solely of the pump station associated sewer transmission line, structures, pipes, valves, fittings, wires, fixtures, apparatuses, appliances and any other appurtenances located within the Golden Corner Commerce Park as shown and described on Exhibit A attached thereto, and also the entire dual sewer transmission trunk lines extending from the Park along S.C. State Hwy. 59, including structures, pipes, valves, fittings, wires, fixtures, apparatuses, appliances and any other appurtenances to a point of termination at the head works of the Coneross Creek Sewer Treatment Plant as shown and described on Exhibit B attached hereto; and

**WHEREAS**, Paragraph 2.17 specifically requires OJRSA to construct Phase II of the Sewer South System extending from the Park to Interstate 85, S.C Exits 1 and 2 (unless other Exits are agreed upon by the parties) within one (1) year of the OJRSA receiving grant funding from the South Carolina Rural Infrastructure Authority and United States Economic Development Administration (“Grants”), the grants having been applied for and preliminarily approved; and

**WHEREAS**, Paragraph 2.17 of the Agreement specifically sets forth that Phase II of the system shall be constructed at no cost to the County apart from what the County has pledged by way of funding to facilitate the grants and as may otherwise be agreed to by the parties; and

**WHEREAS**, Paragraph 2.17 further states that in no event will costs of construction of Phase II or any portion thereof be charged to OJRSA’s member Municipalities or their customers but rather requires the County to provide adequate funding over and above the grant funds as necessary for the construction, maintenance and operation of Phase II of the system to be determined on a case by case basis consistent with prior agreements between the parties and as agreed to in advance of any charges being incurred therefor; and

**WHEREAS**, Paragraph 3.2 contains a provision that the County is the owner of the “system” thereby erroneously implying that the County is or is to be the owner of not only Phase I of the Sewer South System, but also Phase II of the system; and

**WHEREAS**, the intent of the parties was and is that the County shall own Phase I, but Phase II, which is to be constructed, maintained and operated by OJRSA with the funds received from the grant referenced in Paragraph 2.17 from the South Carolina Rural Infrastructure Authority and United States Economic Development Administration (“Grants”), is to be owned by OJRSA; and

**WHEREAS**, the parties now desire to clarify the ownership of Phase I and Phase II and specifically state that County shall only retain ownership of Phase I of the Sewer South System but OJRSA shall own and be vested with title in and to Phase II of the system to be constructed with “grant” funds.

**NOW, THEREFORE**, the Intergovernmental Operation Agreement between the parties, dated April 15, 2019, is hereby amended and modified to specifically declare as follows:

1. County is the owner only of that part of the Sewer South System collectively referred to as the Sewer South System-Phase I as described in the preamble to the heretofore mentioned Agreement.

2. OJRSA shall, in accordance with the provisions of the heretofore mentioned Agreement, construct Phase II of the system in accordance with Paragraph 2.17, extending the system from the Park to Interstate 85, Exits 1 and 2, and shall thereafter own, operate, manage and maintain Phase II of the system as set forth therein.

3. Any language contained in the original Intergovernmental Operation Agreement for Sewer South System-Phases I and II, dated April 15, 2019, indicating that the County is or may be vested with ownership of Phases I and II shall be amended, modified, interpreted and construed in such a way to clearly declare that Phase I is to be owned by the County and Phase II is to be owned by OJRSA.

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Intergovernmental Operation Agreement of April 15, 2019, on this 30<sup>th</sup> day of **May, 2019**.

**WITNESSES:**

Amanda L. Kelley  
Aaron A. McCullough

Kate D. Smith  
Brittney Martin

**Oconee Joint Regional Sewer Authority**

By: [Signature]  
Christopher R. Eleazer, Executive Director

**Oconee County, South Carolina**

By: [Signature]  
Amanda F. Brock, County Administrator

# APPENDIX B

## STAKEHOLDER ENGAGEMENT INFORMATION



**OJRSA - Regional Sewer Feasibility Study:  
Initial Meeting  
November 8, 2023**





# OJRSA – Initial Meeting



November 8, 2023

## **AGENDA:**

- Welcome & Introductions
- Why are we here?
  - Goals for Today
- Discussion Questions
- Data Needs & Next Steps

# Welcome & Introductions



# Why Are We Here?



# Why are we here?

---

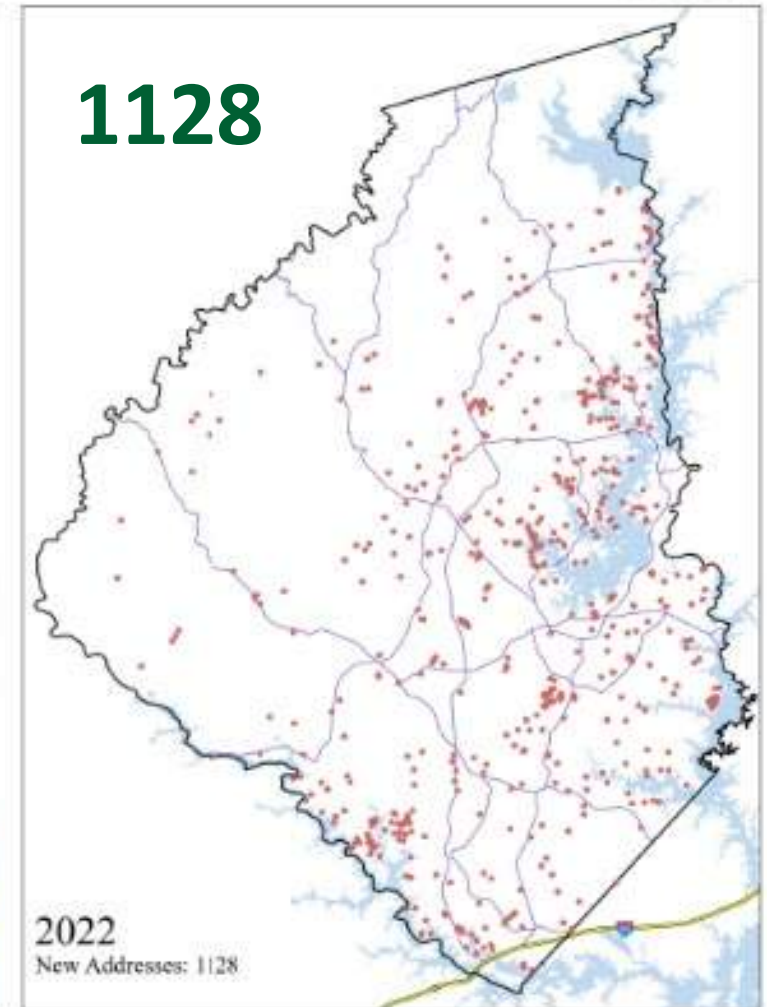
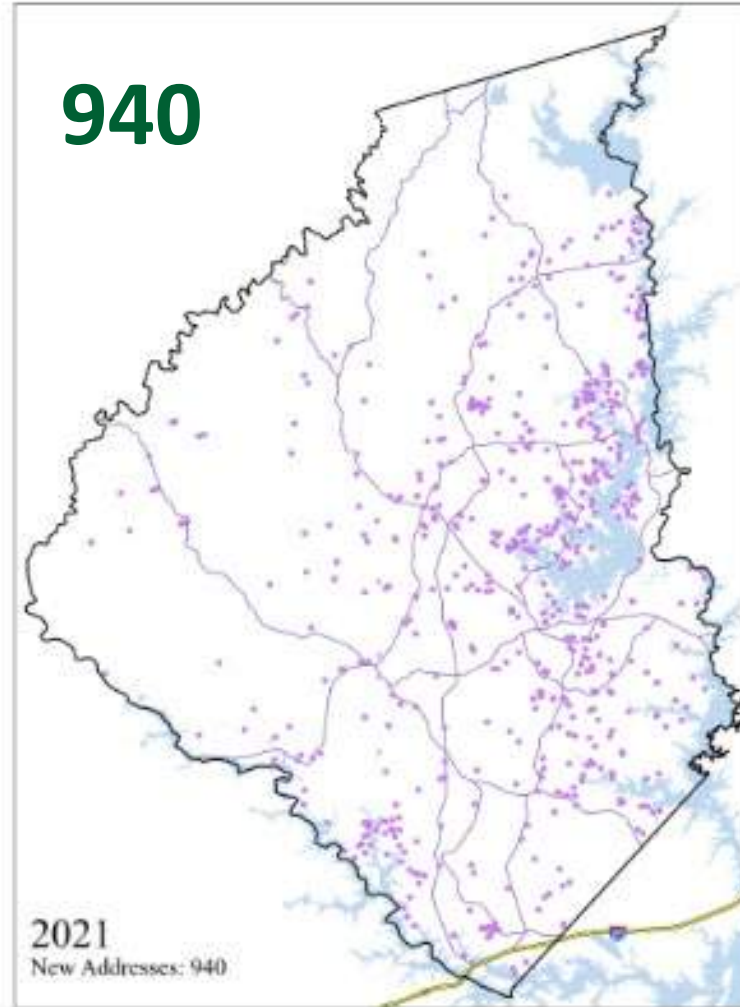
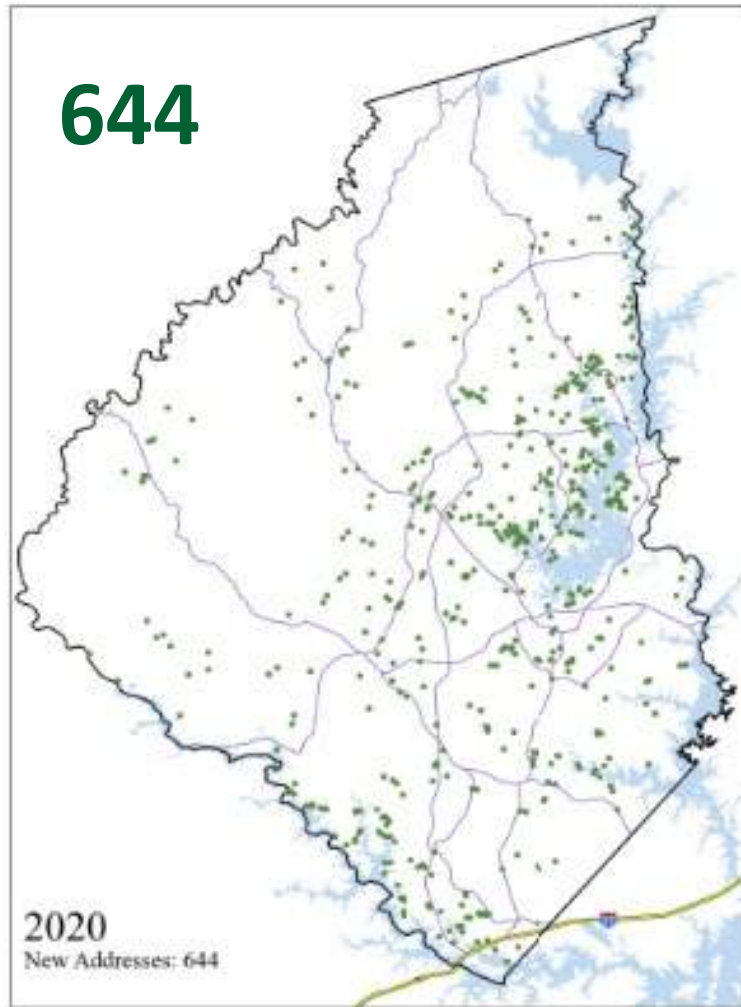
- RIA, SCDHEC, Elected Officials
- The question of how to effectively provide sewer service is not a unique problem to Oconee County, however it's especially timely.
- This area needs a decision-making body that can thoughtfully advise on where sewer should and shouldn't be extended with the residents and region in mind.
  - We are tasked with evaluating if there is a more effective way to address the future of sewer in Oconee County. What are the challenges with the current organizational model and can they be fixed?
  - The current organizational model does not take into account unincorporated areas of the County – where a lot of growth pressures are taking place.

# Why this matters?

---

- Future funding for important sewer-related projects.
- Value of the investment for this study – we have limited time and budget.
- We can all agree that we treasure Oconee County - Everyone in this room has the opportunity to look towards the future and take ownership of the responsibility we each have to think about how this conversation directly impacts the future identity of Oconee County.
  - This is that opportunity to reflect - we are going to hold the space for this discussion, but we need your participation.

# Why this matters - new residential addresses



**675 so far in 2023**

# Growth

- Census growth does not reflect observed growth
- Comprehensive Plan projected 3,355 homes between 2018-2030, but exceeded this between 2020-2023 alone
- Increases in students, retirees, and second homes/rental properties

Percent Net Increase of Developed Area

9.43%



Percent Net Increase of Impervious Surface Area

20.06%



Percent Net Decrease of Total Agriculture

-8.42%



Data Source: <https://www.mrlc.gov/eva/>

# Goals for Today

---

- Honest Conversation – Tell us what we need to hear
- What are we missing? – Tell us what we don't know





# Discussion Questions

# Organization

---

- What is working with the current organizational model?
- Describe a situation you would call a success of the current organizational model.
- What do you think needs to improve with this current model? (communication, equipment sharing, staff sharing, etc.)
- What do you think the end result of this study should be regarding the organizational model?

# Current Collaboration

---

- How much cooperation between the entities is currently happening? Including coordination/assistance not necessarily memorialized in legal agreements.
- What have been sources of disagreement between the entities regarding sewer? Why?

# Future of Sewer in Oconee County

- What are your concerns about the results of the study?  
Do you think there needs to be change?
- What role do you envision your entity playing in potential changes?



# Data Needs & Next Steps

# THANK YOU.





## REGIONAL SEWER FEASIBILITY STUDY

### Initial Stakeholder Meetings:

Oconee County/City of Seneca/Town of Westminster/Town of Walhalla/Oconee Joint Regional Sewer Authority

### Main Discussion Notes

November 8, 2023

- 1. How is the current organizational model working? What are strengths/challenges?**
  - The County is now more involved in the “conversation” than in the past.
  - There is more communication and a better relationship between the County and the Authority than in previous years.
  - Board members work well together. Most feel that they can express opinions and be heard, even if not everyone agrees.
  - Board conversation are now more about capital investments and organizational improvements rather than rates/allocations
  - OJRSA consent order is a positive. It forced a reset to begin strategic planning. There is a common goal now.
  - Tough decisions were made to increase rates but now are seeing a strengthening in financial strength of the Authority.
  - Change in the way the Authority bills the municipalities has been very beneficial for all. Reduced burden on staff. It is now based on customer water usage as opposed to fluctuating flow contributions. Although it stemmed from the lawsuit, there has been a positive outcome.
  - Although board members have agreement on many issues, it may be a ‘fragile peace.’ Still issues around control based on where growth is occurring.
  - There are inconsistencies/misalignment with Authority organizational documents/agreements.



## REGIONAL SEWER FEASIBILITY STUDY

- Current organizational model makes county involvement more difficult.
  - The sewer is the growth and power. The member cities have benefited from this, but not the County.
  - Authority Board members are being asked to do county-wide planning through where sewer is being installed. That is not their job.
  - Because Authority Board members are either elected officials or employees of the member municipalities, it is like they serve two masters and that is difficult.
  - Authority Board members from the smaller member municipalities feel pressure from their residents/customers.
2. **What are some of the real and/ or perceived issues with the current organizational model or any modifications to it?**
- The current structure of the Board was very intentional. It was all to control growth.
  - The other municipalities feel that Oconee County and Seneca will always vote together and would dominate if they have a seat on the Board.
  - It would be better accepted if each of the municipalities had an equal vote.
  - The County's view is that the Authority Board does not want their opinion, but they want their money.
  - The Board understands that the County needs to help them decide where sewer will be extended into the unincorporated areas. The current structure "doesn't work."
  - County is making decision on sewer without involving the Authority (e.g., \$25MM GO Bond for sewer). This also gives the perception that the County is pushing for Greenville-like growth and not considering the agriculture industry (top industry in county).
  - The Authority cannot issue debt for capital projects without unanimous approval from the elected officials of all member cities.
  - The member municipalities do not want the Authority to spend money that does not directly benefit their residents.





## REGIONAL SEWER FEASIBILITY STUDY

- Enforcement of sewer regulations is not consistent. All municipalities adopt the Authority's sewer use regulations but the way it is enforced is different.
  - The level of investment in individual collection systems is different but reduction of I/I is an issue for the Authority.
  - Rates (affordability) is always a concern, especially for smaller member municipalities.
3. **What are some of changes that could be made to the current organizational model that may be an improvement?**
- The County needs a seat on the Board. This would improve communication around sewer and growth because much of the growth is occurring outside the incorporated municipalities.
  - Either reduce the number of Board members, change the weighting of them (not based on size/flow contribution) or start over. Suggested composition:
    - 1 from each member municipality
    - 1 from Oconee County
    - 1 appointed by state legislative delegation
    - 2 at large members
  - Only 1 seat for the County would be a challenge for the County commissioners. They may want at least 2 seats.
  - It would be better if elected officials were not Board members. But if that were the case, it might be difficult to find the right person to represent if not an elected official or staff of a member municipality. Council wants either a staff member or an elected official.
  - Some member municipalities may not want to get out of the "sewer business" and there should be a consideration for how the Authority may deal with that.
  - There can be operating agreements rather than a system consolidation. This could still provide operating efficiencies.



## REGIONAL SEWER FEASIBILITY STUDY

4. **What things should NOT be considered with regard to any changes to the current organizational model?**
  - There is no need to include Anderson County. They have no interest in the Oconee community. They can be a wholesale customer.
  - This should remain sewer only. Do not need a combined water & sewer authority.
  - A true system consolidation of all entities would require a combined water and sewer authority. It would be almost impossible for all entities to agree to this, but it may have to be vetted.
  - Feel like anything that involved water would derail any movement toward making needed organizational modifications.
  
5. **How much cooperation between the entities is currently happening? Including coordination/ assistance not necessarily memorialized in legal agreements.**
  - Outside of the Authority Board Room, all of the entities work well together (e.g., solid waste collection, fire protection, etc.).
  - They help each other out in other areas, but not on the sewer side.
  - The member municipalities help out the Authority with things like sewer taps.



## REGIONAL SEWER FEASIBILITY STUDY

### Data Needs/Follow-up Questions: Oconee County

#### Financial Data

1. Audited Financial Reports: Fiscal years ended June 30, 2018 – 2022
2. Audited Financial Reports: Fiscal year ended June 30, 2023 – When will these be available?
3. Financial Policies
4. Information/Proposal for Sewer Bond

#### Follow-up Questions

1. What is your current capital planning process?
2. How often does your administrative staff communicate with other sewer entities on collection system operational or technical issues?
3. Regarding sewer collection OUTSIDE municipal boundaries:
  - a. Who do you foresee contracting for/overseeing the design?
  - b. Who do foresee owning, operating & maintaining those assets?
  - c. Do you have any ideas of additional sources of funding if impact fees aren't enough to cover future costs for improvements?



## REGIONAL SEWER FEASIBILITY STUDY

### Data Needs/Follow-up Questions: OJRSA

#### Operational/Technical Data

1. Any updates to staff and organizational structure for sewer collection system
2. Any updates to list of current equipment available for the collection system
3. Any updated standard operating procedures for the operation & maintenance of the collection system (not completed by WKD or included in CMOM)
4. Updated list of known projects and estimate costs in the foreseeable future
5. A summary or study on projected future growth and/or strategy for increased growth/flow within collection system service area
6. Description of current sewer cooperative arrangements (operation, maintenance, billing, etc.) with any other sewer system in Oconee County (including private systems)

#### Follow-up Questions

1. What is your current capital planning process?
2. What is your rate setting process?
3. Are you planning any major collection system expansions or system upgrades? If so, provide expected timing.
4. How often do administrative staff (administrators, directors, deputy directors, program/project managers, etc.) communicate and discuss operations and/or project planning? How does OJRSA and the cities identify and/or prioritize current and future operations and/or projects which could impact the overall community sewer system (both internal to the cities and OJRSA system)? How are these discussions and/or priorities documented?

Page: 2

5. What is the communication frequency and cooperation between the municipal/OJRSA field staff (operators, field super intendent, foreman, equip operator)? Do field personnel communicate significant system issues which impact their neighbor system and vice versa? Is so, how are these communications done and are they documented consistently?
6. How often does your administrative staff communicate with other sewer entities on collection system operational or technical issues?
7. What is the most challenging operational issue in each system? (I/I, meeting demand, future growth, system failure/collapse, compliance, etc.)
8. Have the OJRSA and the cities standardized as-built documentation of sewer assets and/or standardization of GIS to improve consistency?
9. Regarding sewer collection OUTSIDE municipal boundaries:
  - a. Who do you foresee contracting for/overseeing the design?
  - b. Who do foresee owning, operating & maintaining those assets?
  - c. Do you have any ideas of additional sources of funding if impact fees aren't enough to cover future costs for improvements?



## REGIONAL SEWER FEASIBILITY STUDY

### Data Needs/Follow-up Questions: Seneca

#### Financial Data

1. Audited Financial Reports: Fiscal year ended June 30, 2023 – When will these be available?
2. Financial Policies
3. Sewer Rates

#### Operational/Technical Data

1. Current staff and organizational structure for sewer collection system
2. All available GIS data of collection system
3. List of current equipment available for the collection system
4. Completed reports / Summaries / Studies on the collection system (e.g., sanitary sewer evaluation study (SSES), infiltration study, modeling results, growth, and system stress predictions)
5. Standard operating procedures for the operation & maintenance of the collection system
6. Summary of current asset management, CMMS, and/or work order creation and tracking system for collection system, if any
7. Capital Improvement Plans and/or list of known projects and estimate costs in the foreseeable future
8. Any active Consent Order or Violation Notices for the collection system
9. A summary or study on projected future growth and/or strategy for increased growth/flow within collection system service area
10. Description of current sewer cooperative arrangements (operation, maintenance, billing, etc.) with any other sewer system in Oconee County (including private systems)
11. All GIS and/or information regarding shared connections with other systems outside of OJRSA
12. Any active Consent Order and engineering reports addressing the consent order.

Page: 2

### **Follow-up Questions**

1. What is your current capital planning process?
2. What is your rate setting process?
3. Are you planning any major collection system expansions or system upgrades? If so, provide expected timing.
4. Are you actively engaged in the completion of a sewer collection system Capacity, Management, Operation, and Maintenance (CMOM) evaluation? If so, how much of the evaluation has been completed?
5. How often do administrative staff (administrators, directors, deputy directors, program/project managers, etc.) communicate and discuss operations and/or project planning? How does OJRSA and the cities identify and/or prioritize current and future operations and/or projects which could impact the overall community sewer system (both internal to the cities and OJRSA system)? How are these discussions and/or priorities documented?
6. What is the communication frequency and cooperation between the municipal/OJRSA field staff (operators, field super intendent, foreman, equip operator)? Do field personnel communicate significant system issues which impact their neighbor system and vice versa? Is so, how are these communications done and are they documented consistently?
7. How often does your administrative staff communicate with other sewer entities on collection system operational or technical issues?
8. What is the most challenging operational issue in each system? (I/I, meeting demand, future growth, system failure/collapse, compliance, etc.)
9. Have the OJRSA and the cities standardized as-built documentation of sewer assets and/or standardization of GIS to improve consistency?
10. Regarding sewer collection OUTSIDE municipal boundaries:
  - a. Who do you foresee contracting for/overseeing the design?
  - b. Who do foresee owning, operating & maintaining those assets?
  - c. Do you have any ideas of additional sources of funding if impact fees aren't enough to cover future costs for improvements?



## REGIONAL SEWER FEASIBILITY STUDY

### Data Needs/Follow-up Questions: Walhalla

#### Financial Data

1. Audited Financial Reports: Fiscal years ended June 30, 2018 – 2022
2. Audited Financial Reports: Fiscal year ended June 30, 2023 – When will these be available?
3. Financial Policies
4. Sewer Rates

#### Operational/Technical Data

1. Current staff and organizational structure for sewer collection system
2. All available GIS data of collection system
3. List of current equipment available for the collection system
4. Completed reports / Summaries / Studies on the collection system (e.g., sanitary sewer evaluation study (SSES), infiltration study, modeling results, growth, and system stress predictions)
5. Standard operating procedures for the operation & maintenance of the collection system
6. Summary of current asset management, CMMS, and/or work order creation and tracking system for collection system, if any
7. Capital Improvement Plans and/or list of known projects and estimate costs in the foreseeable future
8. Any active Consent Order or Violation Notices for the collection system
9. A summary or study on projected future growth and/or strategy for increased growth/flow within collection system service area
10. Description of current sewer cooperative arrangements (operation, maintenance, billing, etc.) with any other sewer system in Oconee County (including private systems)
11. All GIS and/or information regarding shared connections with other systems outside of OJRSA
12. Any active Consent Order and engineering reports addressing the consent order.



Page: 2

### **Follow-up Questions**

1. What is your current capital planning process?
2. What is your rate setting process?
3. Are you planning any major collection system expansions or system upgrades? If so, provide expected timing.
4. Are you actively engaged in the completion of a sewer collection system Capacity, Management, Operation, and Maintenance (CMOM) evaluation? If so, how much of the evaluation has been completed?
5. How often do administrative staff (administrators, directors, deputy directors, program/project managers, etc.) communicate and discuss operations and/or project planning? How does OJRSA and the cities identify and/or prioritize current and future operations and/or projects which could impact the overall community sewer system (both internal to the cities and OJRSA system)? How are these discussions and/or priorities documented?
6. What is the communication frequency and cooperation between the municipal/OJRSA field staff (operators, field super intendent, foreman, equip operator)? Do field personnel communicate significant system issues which impact their neighbor system and vice versa? Is so, how are these communications done and are they documented consistently?
7. How often does your administrative staff communicate with other sewer entities on collection system operational or technical issues?
8. What is the most challenging operational issue in each system? (I/I, meeting demand, future growth, system failure/collapse, compliance, etc.)
9. Have the OJRSA and the cities standardized as-built documentation of sewer assets and/or standardization of GIS to improve consistency?
10. Regarding sewer collection OUTSIDE municipal boundaries:
  - a. Who do you foresee contracting for/overseeing the design?
  - b. Who do foresee owning, operating & maintaining those assets?
  - c. Do you have any ideas of additional sources of funding if impact fees aren't enough to cover future costs for improvements?



## REGIONAL SEWER FEASIBILITY STUDY

### Data Needs/Follow-up Questions: Westminster

#### Financial Data

1. Audited Financial Reports: Fiscal year ended June 30, 2023 – When will these be available?
2. Financial Policies
3. Sewer Rates

#### Operational/Technical Data

1. Current staff and organizational structure for sewer collection system
2. All available GIS data of collection system
3. List of current equipment available for the collection system
4. Completed reports / Summaries / Studies on the collection system (e.g., sanitary sewer evaluation study (SSES), infiltration study, modeling results, growth, and system stress predictions)
5. Standard operating procedures for the operation & maintenance of the collection system
6. Summary of current asset management, CMMS, and/or work order creation and tracking system for collection system, if any
7. Capital Improvement Plans and/or list of known projects and estimate costs in the foreseeable future
8. Any active Consent Order or Violation Notices for the collection system
9. A summary or study on projected future growth and/or strategy for increased growth/flow within collection system service area
10. Description of current sewer cooperative arrangements (operation, maintenance, billing, etc.) with any other sewer system in Oconee County (including private systems)
11. All GIS and/or information regarding shared connections with other systems outside of OJRSA
12. Any active Consent Order and engineering reports addressing the consent order.

Page: 2

### **Follow-up Questions**

1. What is your current capital planning process?
2. What is your rate setting process?
3. Are you planning any major collection system expansions or system upgrades? If so, provide expected timing.
4. Are you actively engaged in the completion of a sewer collection system Capacity, Management, Operation, and Maintenance (CMOM) evaluation? If so, how much of the evaluation has been completed?
5. How often do administrative staff (administrators, directors, deputy directors, program/project managers, etc.) communicate and discuss operations and/or project planning? How does OJRSA and the cities identify and/or prioritize current and future operations and/or projects which could impact the overall community sewer system (both internal to the cities and OJRSA system)? How are these discussions and/or priorities documented?
6. What is the communication frequency and cooperation between the municipal/OJRSA field staff (operators, field super intendent, foreman, equip operator)? Do field personnel communicate significant system issues which impact their neighbor system and vice versa? Is so, how are these communications done and are they documented consistently?
7. How often does your administrative staff communicate with other sewer entities on collection system operational or technical issues?
8. What is the most challenging operational issue in each system? (I/I, meeting demand, future growth, system failure/collapse, compliance, etc.)
9. Have the OJRSA and the cities standardized as-built documentation of sewer assets and/or standardization of GIS to improve consistency?
10. Regarding sewer collection OUTSIDE municipal boundaries:
  - a. Who do you foresee contracting for/overseeing the design?
  - b. Who do foresee owning, operating & maintaining those assets?
  - c. Do you have any ideas of additional sources of funding if impact fees aren't enough to cover future costs for improvements?



## REGIONAL SEWER FEASIBILITY STUDY

### Data Needs/Follow-up Questions: West Union

#### Financial Data

1. Audited Financial Reports: Fiscal years ended June 30, 2018 – 2022
2. Audited Financial Reports: Fiscal year ended June 30, 2023 – When will these be available?
3. Financial Policies
4. Sewer Rates

#### Operational/Technical Data

1. Current staff and organizational structure for sewer collection system
2. All available GIS data of collection system
3. List of current equipment available for the collection system
4. Completed reports / Summaries / Studies on the collection system (e.g., sanitary sewer evaluation study (SSES), infiltration study, modeling results, growth, and system stress predictions)
5. Standard operating procedures for the operation & maintenance of the collection system
6. Summary of current asset management, CMMS, and/or work order creation and tracking system for collection system, if any
7. Capital Improvement Plans and/or list of known projects and estimate costs in the foreseeable future
8. Any active Consent Order or Violation Notices for the collection system
9. A summary or study on projected future growth and/or strategy for increased growth/flow within collection system service area
10. Description of current sewer cooperative arrangements (operation, maintenance, billing, etc.) with any other sewer system in Oconee County (including private systems)
11. All GIS and/or information regarding shared connections with other systems outside of OJRSA
12. Any active Consent Order and engineering reports addressing the consent order.

Page: 2

### **Follow-up Questions**

1. What is your current capital planning process?
2. What is your rate setting process?
3. Are you planning any major collection system expansions or system upgrades? If so, provide expected timing.
4. Are you actively engaged in the completion of a sewer collection system Capacity, Management, Operation, and Maintenance (CMOM) evaluation? If so, how much of the evaluation has been completed?
5. How often do administrative staff (administrators, directors, deputy directors, program/project managers, etc.) communicate and discuss operations and/or project planning? How does OJRSA and the cities identify and/or prioritize current and future operations and/or projects which could impact the overall community sewer system (both internal to the cities and OJRSA system)? How are these discussions and/or priorities documented?
6. What is the communication frequency and cooperation between the municipal/OJRSA field staff (operators, field super intendent, foreman, equip operator)? Do field personnel communicate significant system issues which impact their neighbor system and vice versa? Is so, how are these communications done and are they documented consistently?
7. How often does your administrative staff communicate with other sewer entities on collection system operational or technical issues?
8. What is the most challenging operational issue in each system? (I/I, meeting demand, future growth, system failure/collapse, compliance, etc.)
9. Have the OJRSA and the cities standardized as-built documentation of sewer assets and/or standardization of GIS to improve consistency?
10. Regarding sewer collection OUTSIDE municipal boundaries:
  - a. Who do you foresee contracting for/overseeing the design?
  - b. Who do foresee owning, operating & maintaining those assets?
  - c. Do you have any ideas of additional sources of funding if impact fees aren't enough to cover future costs for improvements?

# APPENDIX C

## OCONEE COUNTY & WESTERN ANDERSON COUNTY SEWER MASTER PLAN INFORMATION

# OCONEE COUNTY & WESTERN ANDERSON COUNTY SEWER MASTER PLAN



## EXECUTIVE SUMMARY

The goal of this study was to develop a planning document that will guide future capital spending decisions for sewer within Oconee County. This Master Plan should be a guide for prioritization of sewer infrastructure maintenance, upgrades, and expansion for a 20-year project horizon (2024-2044).

The following are key components to this study:

A county-wide, high-level planning analysis was performed. Individual municipal systems were not assessed. Instead, a system-wide approach considered engineering feasibility, planning analysis, proximity to existing infrastructure and trunk line capacity, and stakeholder/public input.

Growth was projected using available census data, multiple projection tools, recent development interest, and recent new address points within the county.

Inclusion and revisions to the Fair Play and Townville Area Sewer Study (which included Western Anderson County), were incorporated into this master planning effort.

Data collected from land use, recent sewer requests, permitted developments, sewer drainage basins, current plant capacity, and the existing OJRSA sewer system, were analyzed together to develop a 20-year Master Plan (see page 2).

Three in-person public meetings, three stakeholder meetings, a customized project website, an interactive commenting map tool, a web-based and paper version project survey (382 complete responses), and a social media campaign were used to engage the public and collect feedback throughout the project.

Overall, public feedback was in favor of development with a call for balanced and controlled growth that respects the character and natural resources within Oconee County. General consensus is in support for septic systems to continue to be a viable wastewater solution in rural areas. Infill and smart growth principles are recommended to address growth, which will help keep maintenance of the existing sewer infrastructure manageable and encourage responsible extension of new sewer lines.

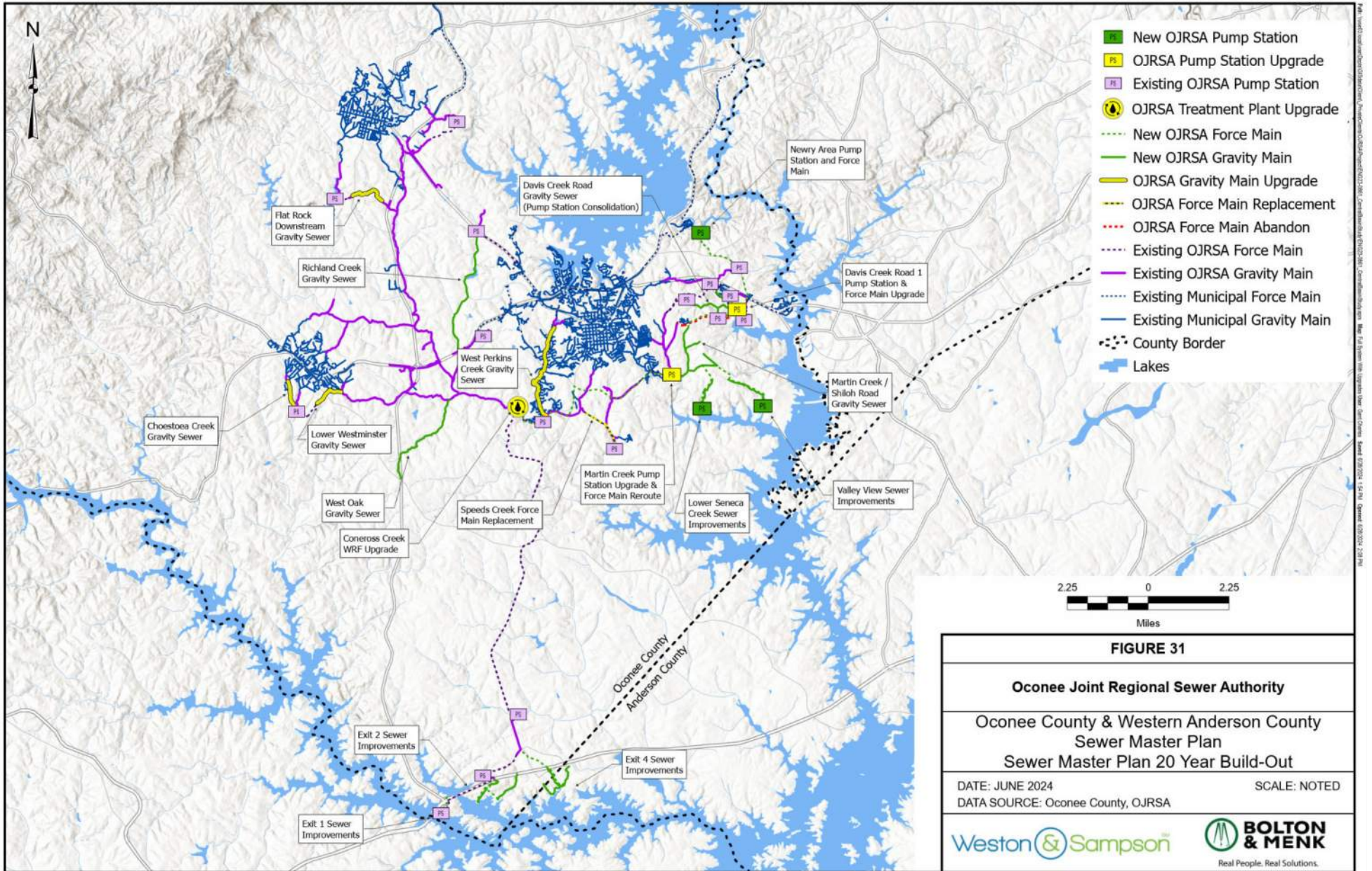
Based on the assumptions and criteria mentioned above, growth over the next 20 years was projected for the study area. Analysis and input from the public/stakeholders indicated that new sewer infrastructure expansion should be focused within the footprint of where existing sewer already exists between the three municipalities, and areas in close proximity to existing sewer infrastructure that are experiencing high development demand (i.e., east Seneca). Areas that are not feasible or cost-effective to serve with sewer are planned to be accommodated with septic systems. Additionally, developments should maximize gravity sewer over pump stations and force mains.

Total wastewater flow to the OJRSA system is projected to increase from 4.7 million gallons per day to 11.7 million gallons per day within the 20-year period.

Discharge limitations for potential new treatment plant locations on Martin Creek and Beaverdam Creek were analyzed, as well as discharge limitations for a potential capacity upgrade at the existing Coneross Creek Water Reclamation Facility location. The analysis found that an upgrade to the existing plant would be more feasible than the two new plant locations. Additionally, with capital costs and operational considerations, it was recommended that new growth be accommodated by a plant expansion at Coneross Creek rather than accommodating a new plant within capital improvement plans.

Over the 20-year period, it is recommended that pump station consolidation is incorporated by eliminating five pump stations within the Seneca system footprint, as well as rerouting the force main from Martin Creek directly to the plant to free up capacity with Speeds Creek and Perkins Creek pump stations.

# PROJECTED CAPITAL IMPROVEMENTS NEEDED FOR 20-YEAR (2024-2044) BUILD-OUT







**OJRSA - Oconee County & Western  
Anderson County Sewer Master Plan:  
OJRSA Board Meeting – Final Presentation**

**July 1, 2024**

Weston & Sampson



**BOLTON  
& MENK**

Real People. Real Solutions.

# OJRSA – Board Meeting

July 1, 2024

## AGENDA:

- Welcome
- Project Foundation
- Final Planning Analysis
- Public Engagement Results
- Engineering Analysis & Scenario Analysis
- Questions / Comments





# Welcome

---



Weston & Sampson<sup>SM</sup>

 **BOLTON  
& MENK**

Real People. Real Solutions.

An aerial photograph of a wastewater treatment plant. The facility consists of several large circular clarifiers and rectangular aeration tanks, interconnected by a network of pipes and walkways. A central rectangular building, likely the control room, is visible. The plant is situated in a grassy area with trees in the background. The text "Project Foundation" is overlaid in the center of the image.

# Project Foundation

# Project Foundation

- Reminder this is not the feasibility study > presentation August 5
  - Seneca Gignilliat Community Center  
621 North Townville Street, Seneca at 4:00 pm
- Planning document to guide future capital spending decisions for sewer within Oconee County over a 20-year project horizon
- We were not tasked with reviewing the individual city systems
- We analyzed planning at the county level and focused sewer growth based on the following:
  - Public and stakeholder input
  - Engineering feasibility
  - Proximity to existing sewer and trunk line capacity
  - Growth Projections and Planning Analysis



# Public Engagement & Planning Analysis Results

An aerial photograph of a wastewater treatment plant. The image shows several large, circular aeration tanks arranged in a cluster. There are also various industrial buildings, pipes, and infrastructure. The surrounding area includes some trees and a parking lot with several cars. The overall scene is a complex industrial facility.

# Engagement Process (2023-2024)

- Oct. 16: Municipal Planning Input meeting
- Nov. 8: First Stakeholder Meeting
- Feb. 1 - April 1: Survey Open
- Feb. 8, 15, 22: Public Workshops
- May 22: Second Stakeholder Meeting

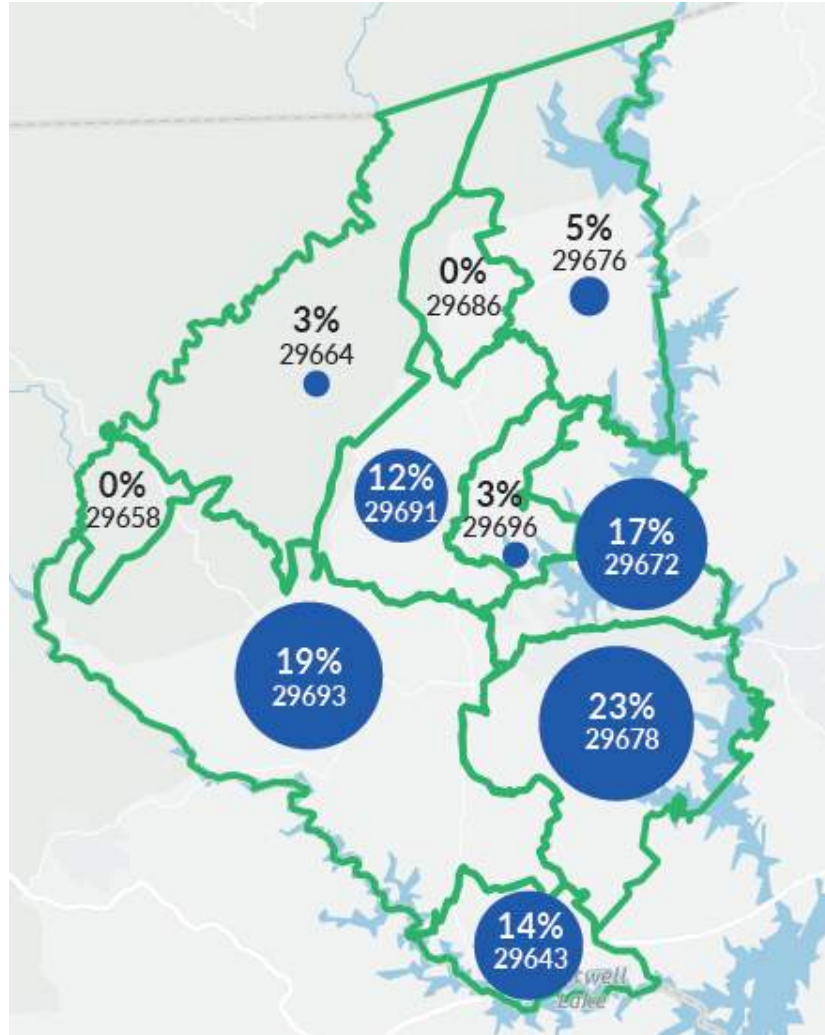


# High Level Survey Results

**382**  
**completed**  
**responses**

**98.5%**  
of people reside and/  
or own a property in  
Oconee County

Non-resident  
respondents (6) identified  
themselves primarily as  
concerned citizens living  
outside the study area.



How would you classify your relationship to Oconee County?  
(select all that apply)

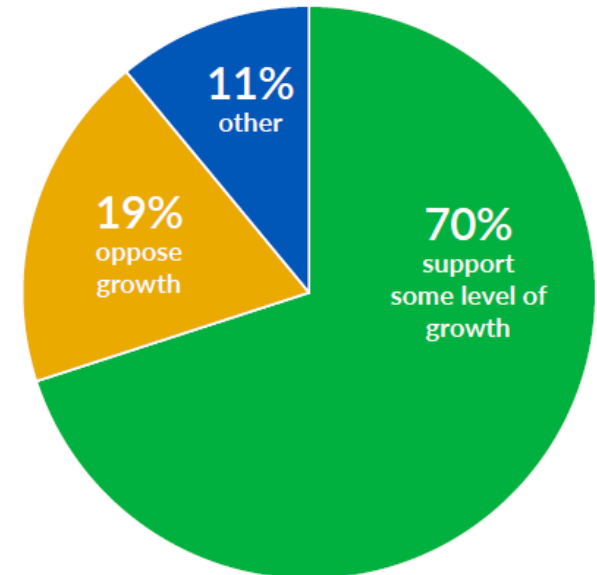
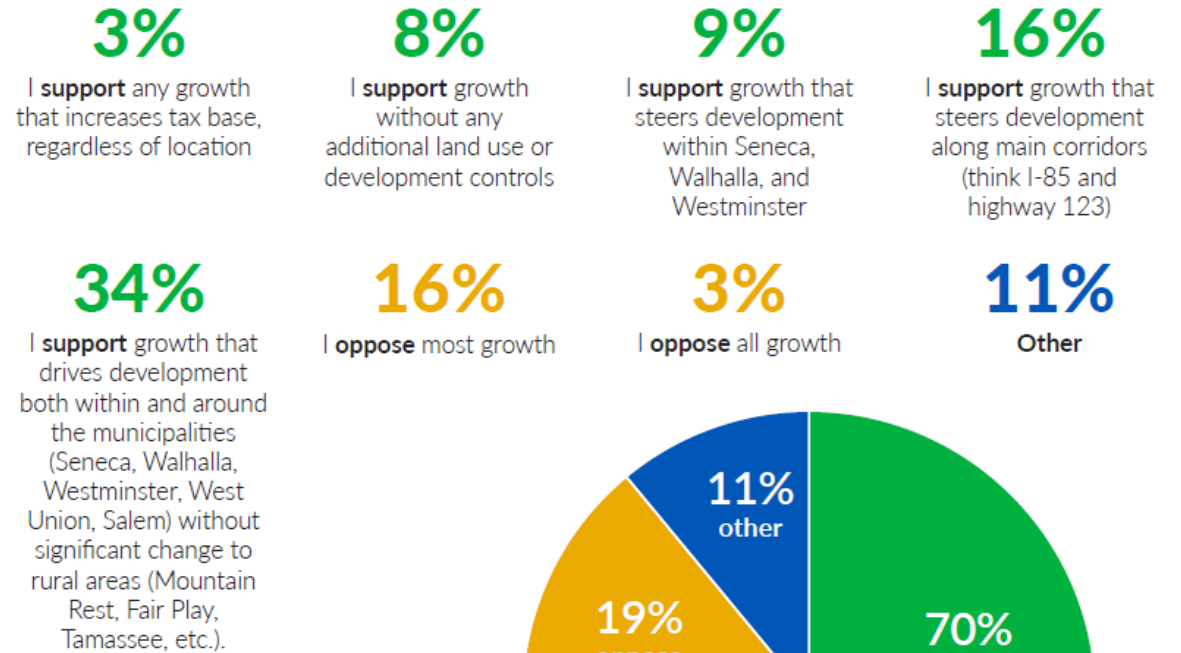




# High Level Survey Results

Oconee County is currently experiencing rapid development in certain areas. With that in mind please choose the statement that best describes your outlook on growth.

	Somewhat Important	Very Important
Protect property value	23%	57%
Maintain rural nature of Oconee County	14%	71%
Protect open space and recreational areas	15%	75%
Protect farmland	11%	76%
Protect quality of the environment	15%	75%
Enhance tax base within Oconee County	29%	24%
Control the pace of development	23%	63%
Control the type of development	17%	70%
Development Moratorium to temporarily halt specific development to allow for municipalities to plan for growth	20%	51%



There is a strong call for balanced, controlled growth that respects the community's character, preserves natural resources, and involves input from residents

*\*These are not the opinion of OJRSA or the Project Team (Weston & Sampson and Bolton & Menk).*

## Comment Observations\*

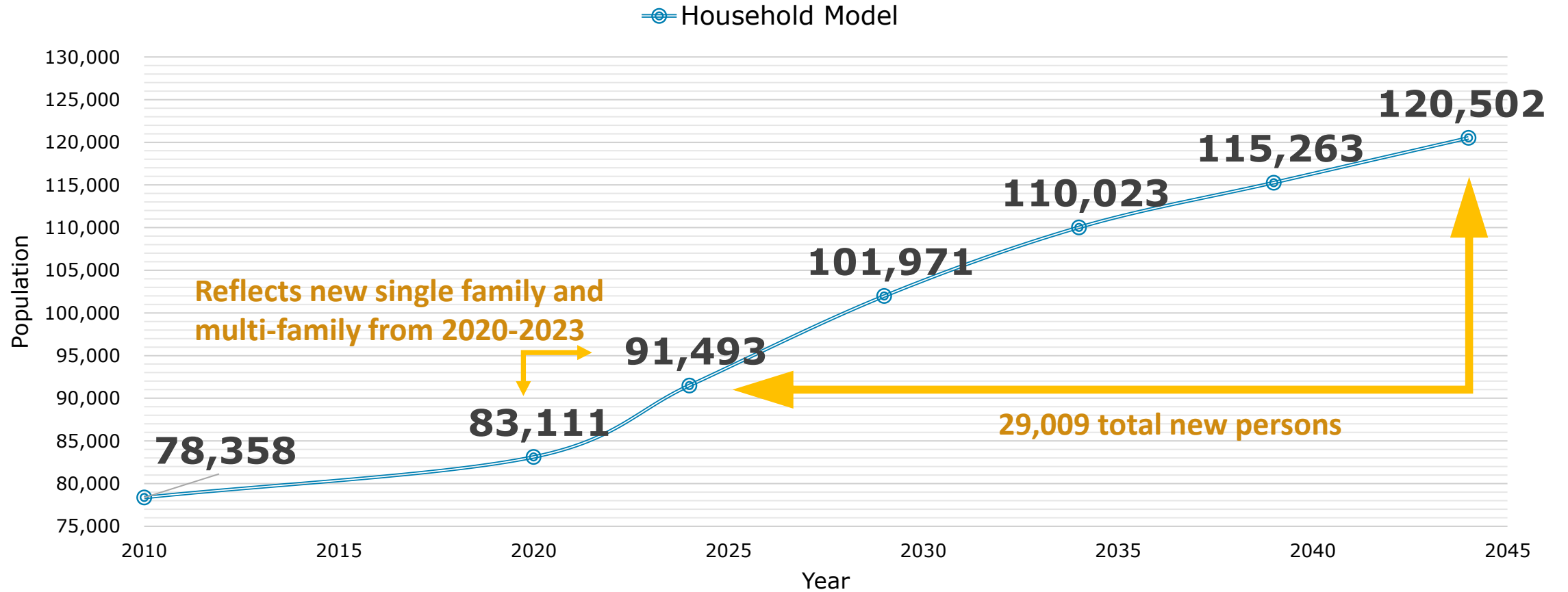
- Concern about preserving the natural beauty and the environment
  - Passion is high and opinions are strong
  - A call to look at what has happened elsewhere and learn from it
- Confusion about cost to residents and how sewer infrastructure is paid for and by which entity
  - Additional confusion regarding the County \$25 million bond
- Growth is generally supported; respondents prefer to see some type of limitation to growth:
  - Development standards, land use planning, agricultural land protection, managed growth, focused growth along major corridors and within cities were a few of the strategies mentioned

*\*These are not the opinion of OJRSA or the Project Team (Weston & Sampson and Bolton & Menk).*

## Comment Observations\*

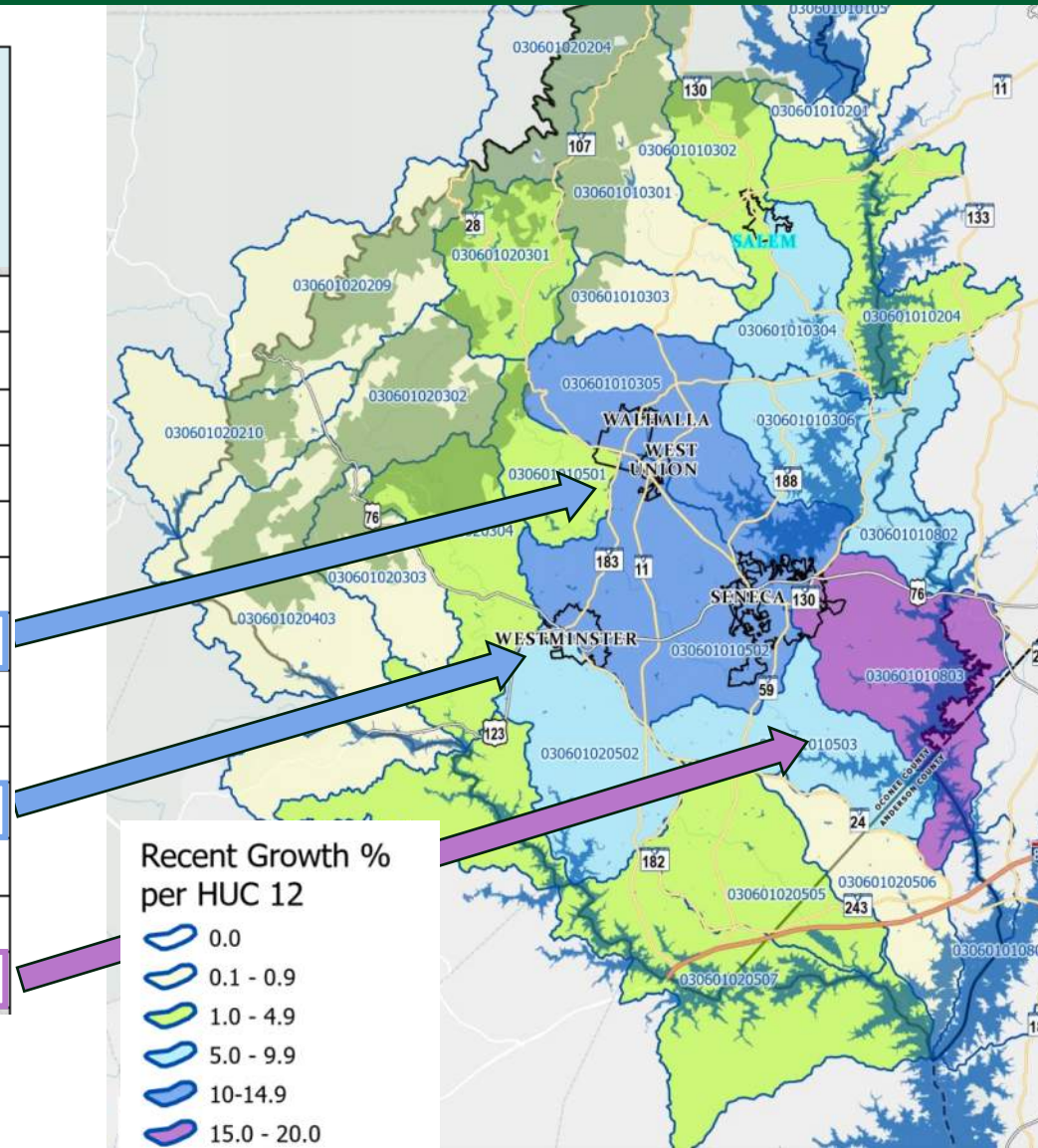
- Confusion regarding which entity has control regarding sewer infrastructure (both maintenance of existing and building of new)
  - There were misconceptions about existing sewer capacity and requirements to connect to new sewer once available
  - There was a call for transparency and continued public involvement especially for major investments
- Desire to see the existing system maintained and upgraded as a priority over new infrastructure
  - Infill development - both within the current cities and the existing industrial parks is preferred where sewer is already available
- There were several respondents who want to see expansion happen and commented about how long it is taking

# Growth Projections – Recent New Addresses



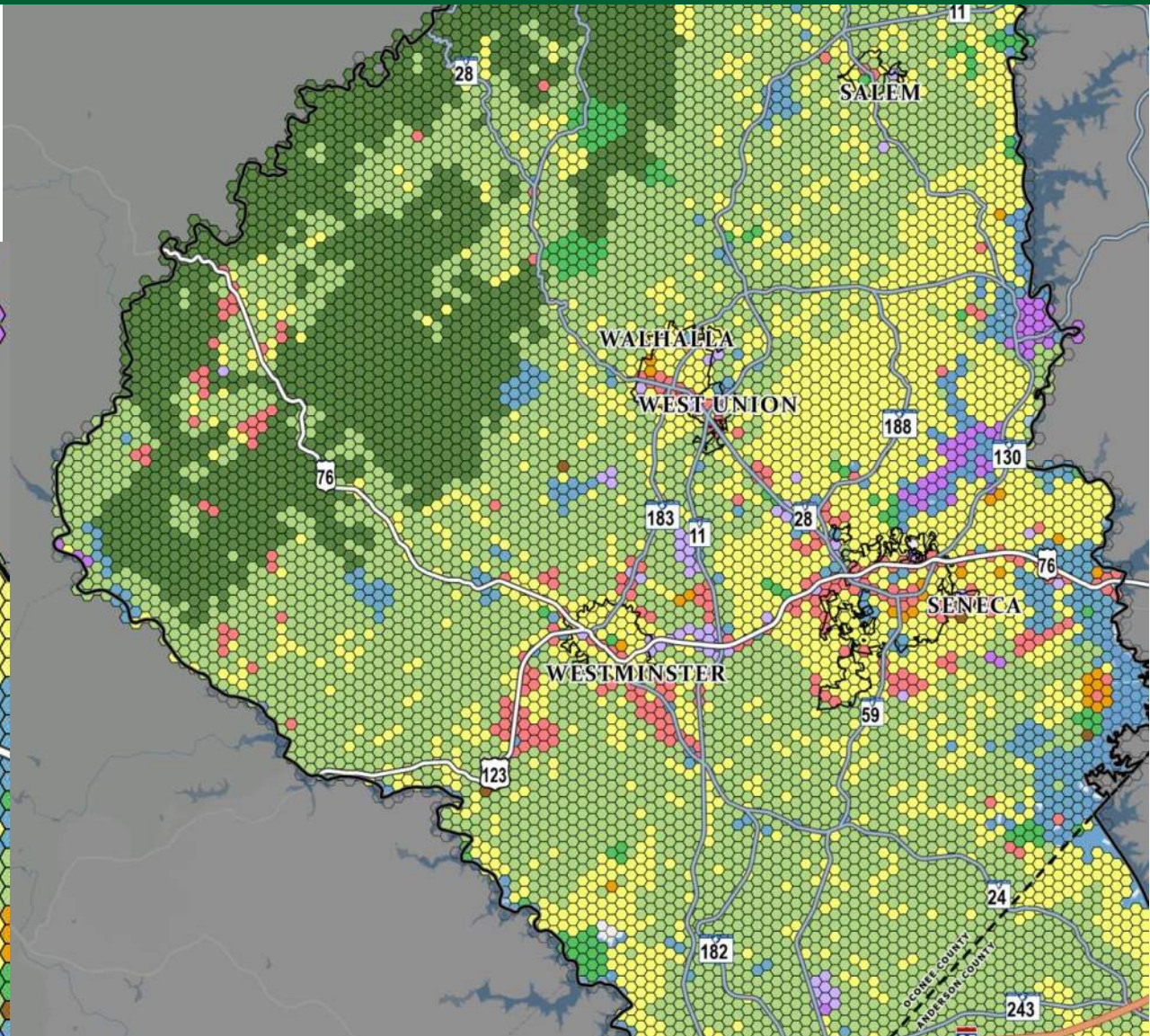
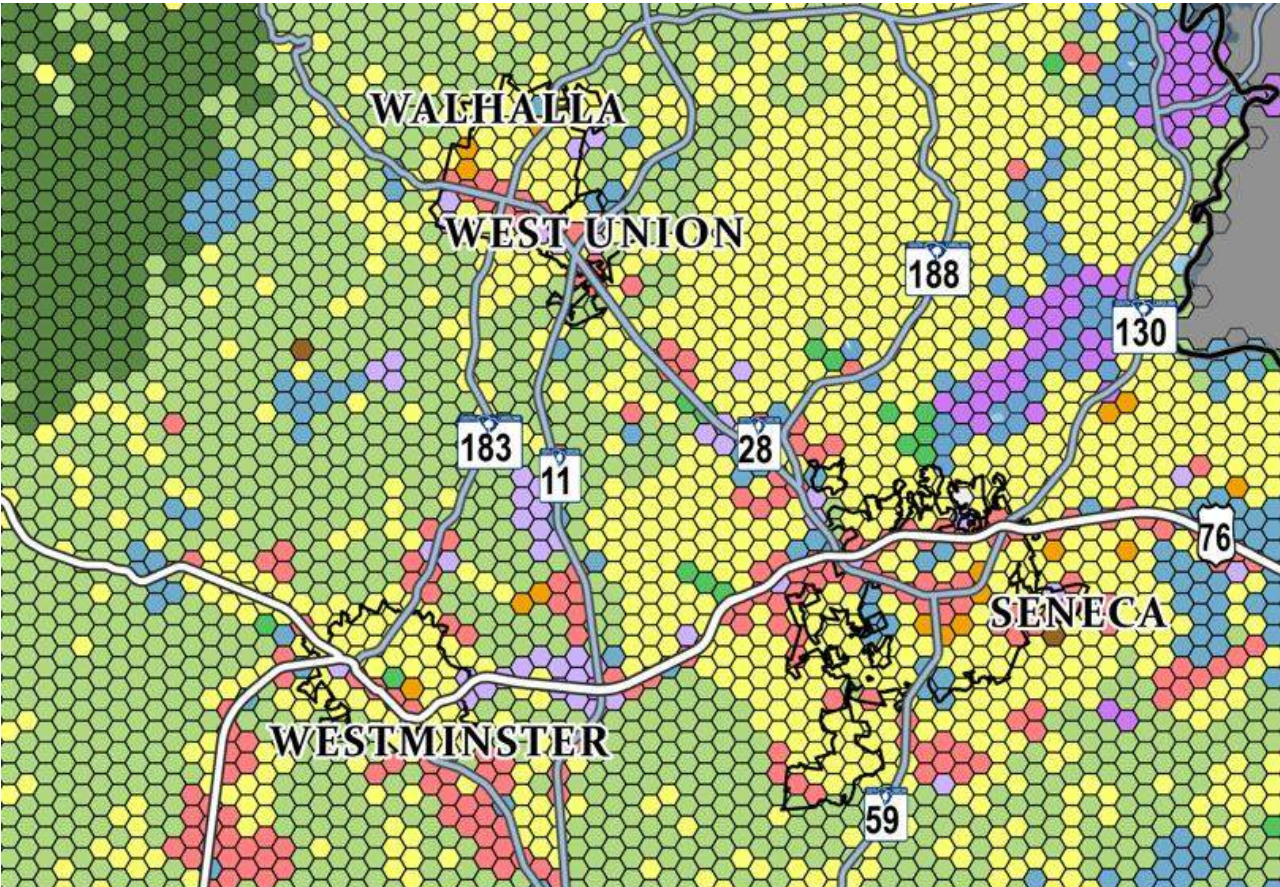
# Recent Growth By Basin

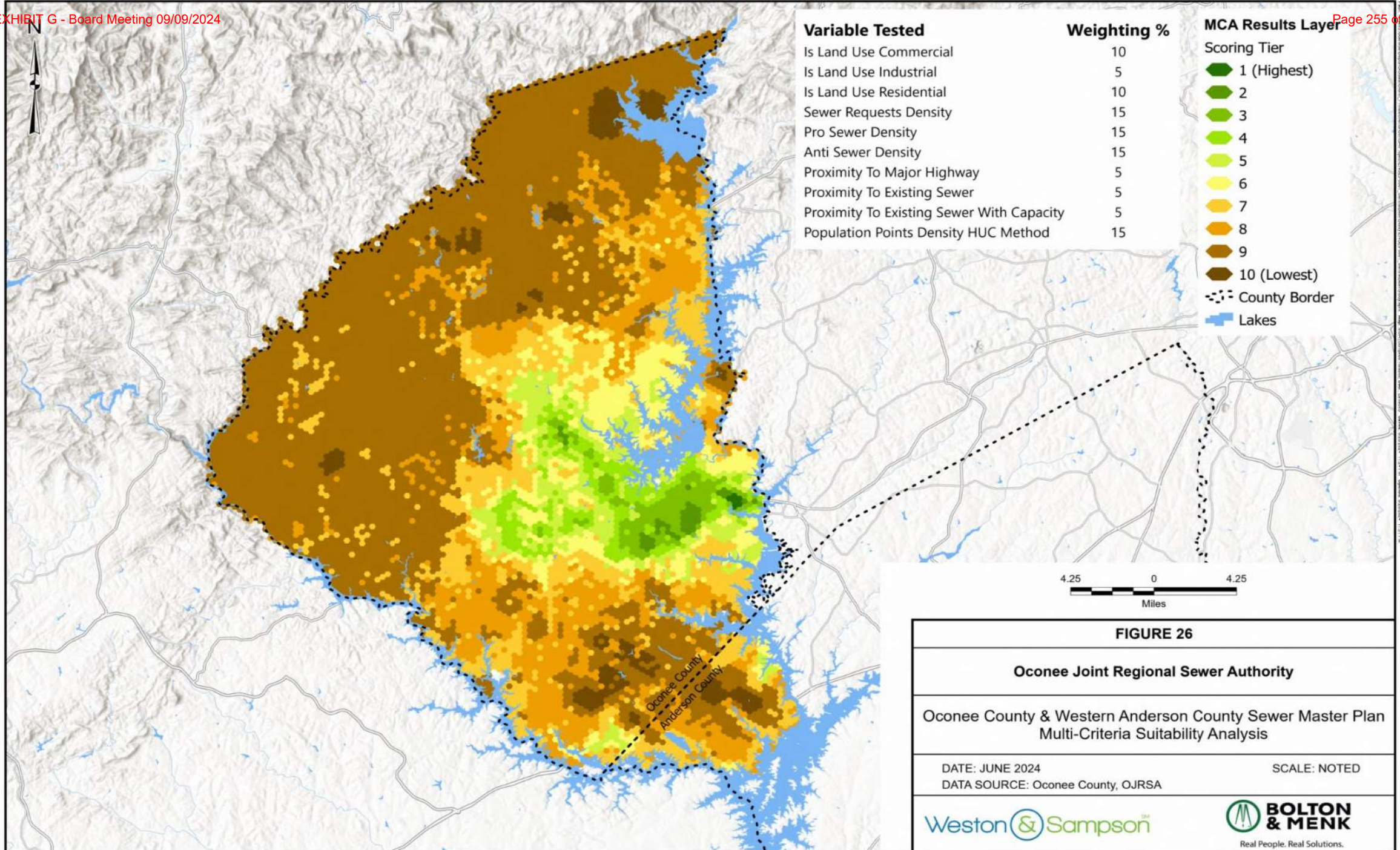
Development Category	Single Family Residential	Multi-Family Residential	Total Development Percentage
<b>HUC</b>			
30601010201	0.9%		0.8%
30601010204	3.8%	0.2%	3.2%
30601010301	1.1%		0.9%
30601010302	1.7%		1.5%
30601010303	0.9%		0.7%
30601010304	7.8%	0.3%	6.3%
30601010305	15.2%	9.1%	14.4%
30601010306	11.6%	0.0%	9.3%
30601010501	1.4%	0.0%	1.3%
30601010502	14.3%	7.3%	13.9%
30601010503	5.9%	0.3%	5.0%
30601010802	2.7%	41.8%	8.0%
30601010803	13.1%	40.3%	17.4%



# Future Land Use Projections – Spatial Analysis

Stakeholder driven process





**FIGURE 26**

**Oconee Joint Regional Sewer Authority**

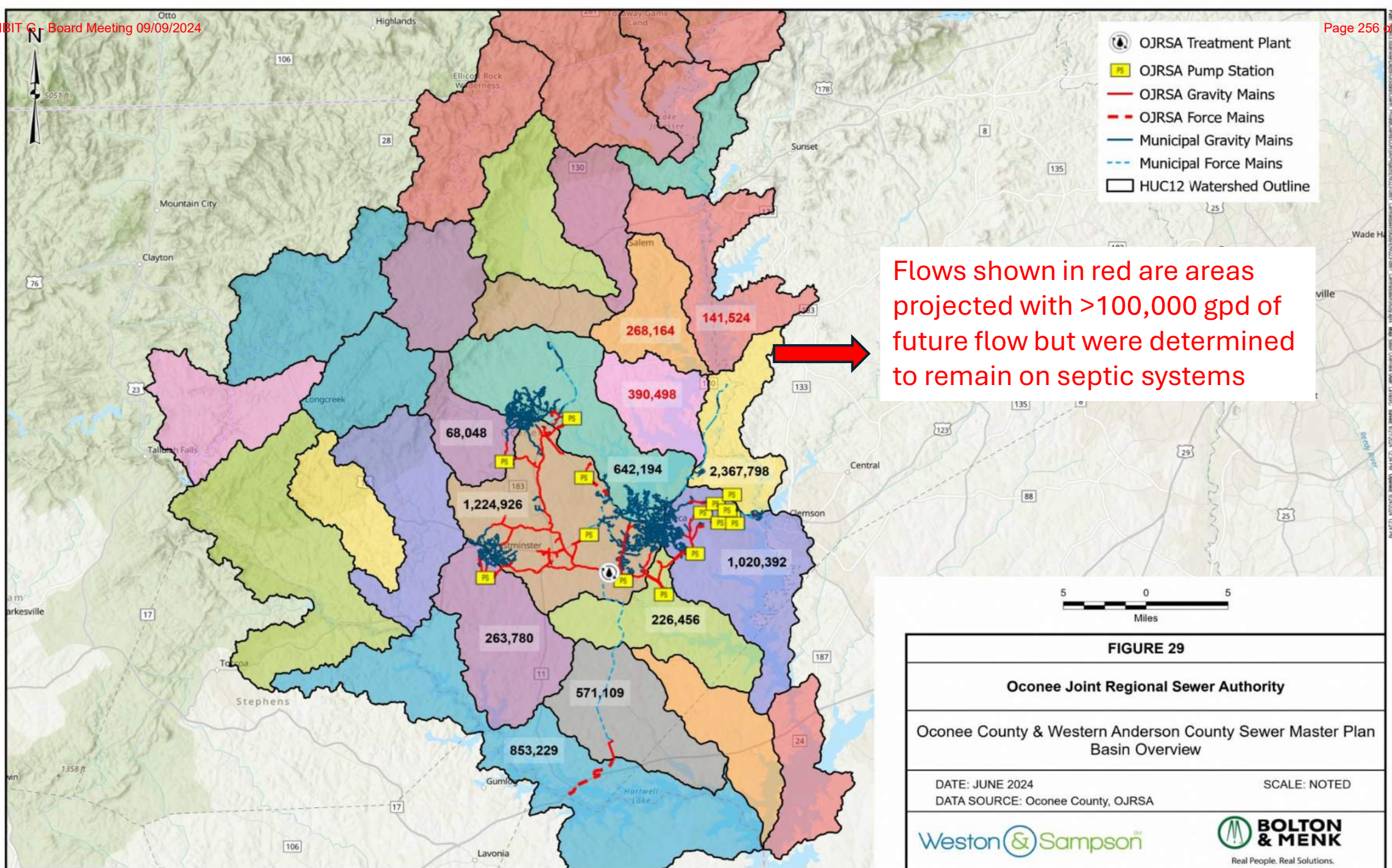
**Oconee County & Western Anderson County Sewer Master Plan  
Multi-Criteria Suitability Analysis**

DATE: JUNE 2024

SCALE: NOTED

DATA SOURCE: Oconee County, OJRSA



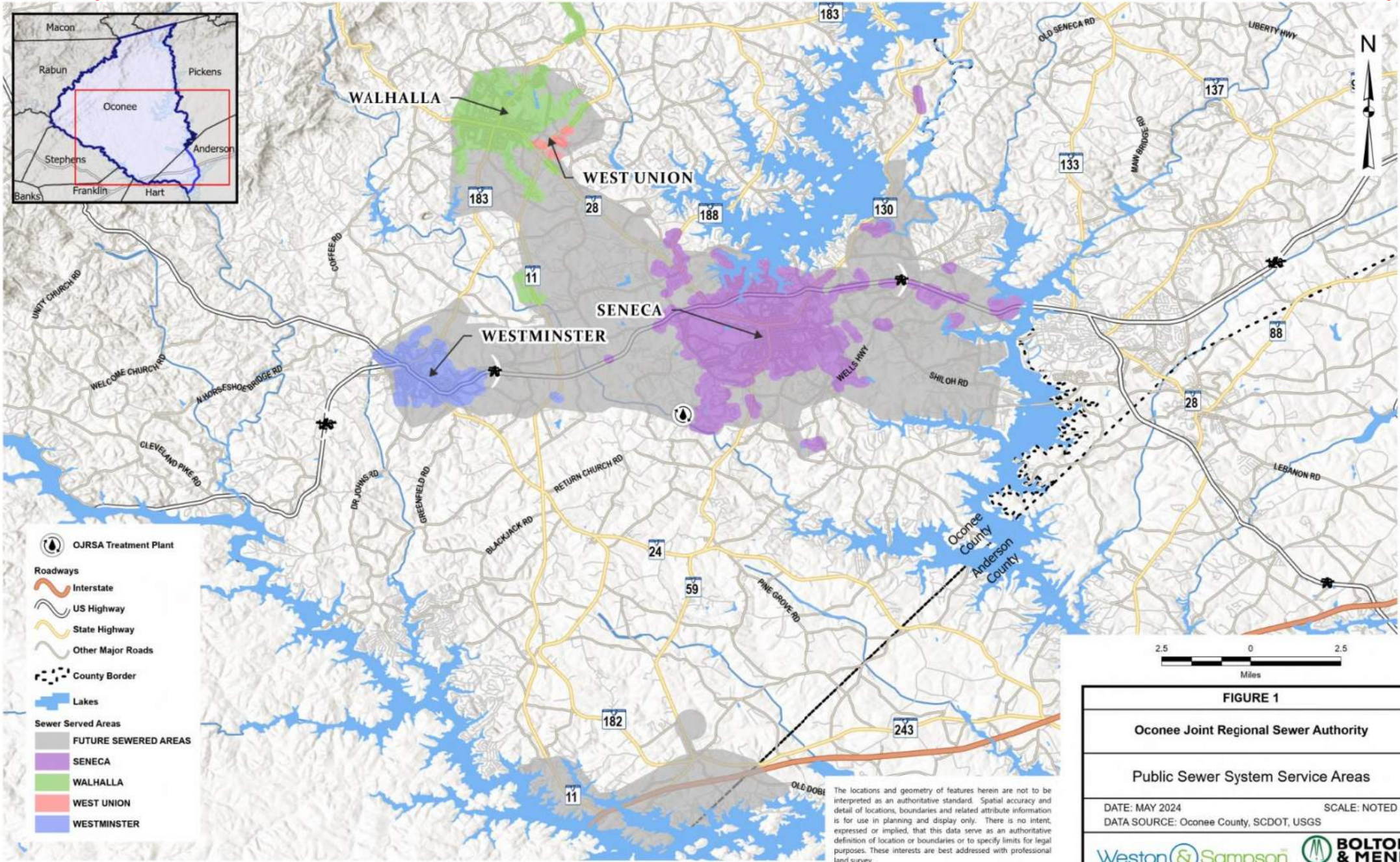


Flows shown in red are areas projected with >100,000 gpd of future flow but were determined to remain on septic systems



<b>FIGURE 29</b>	
<b>Oconee Joint Regional Sewer Authority</b>	
Oconee County & Western Anderson County Sewer Master Plan Basin Overview	
DATE: JUNE 2024	SCALE: NOTED
DATA SOURCE: Oconee County, OJRSA	
Real People. Real Solutions.	

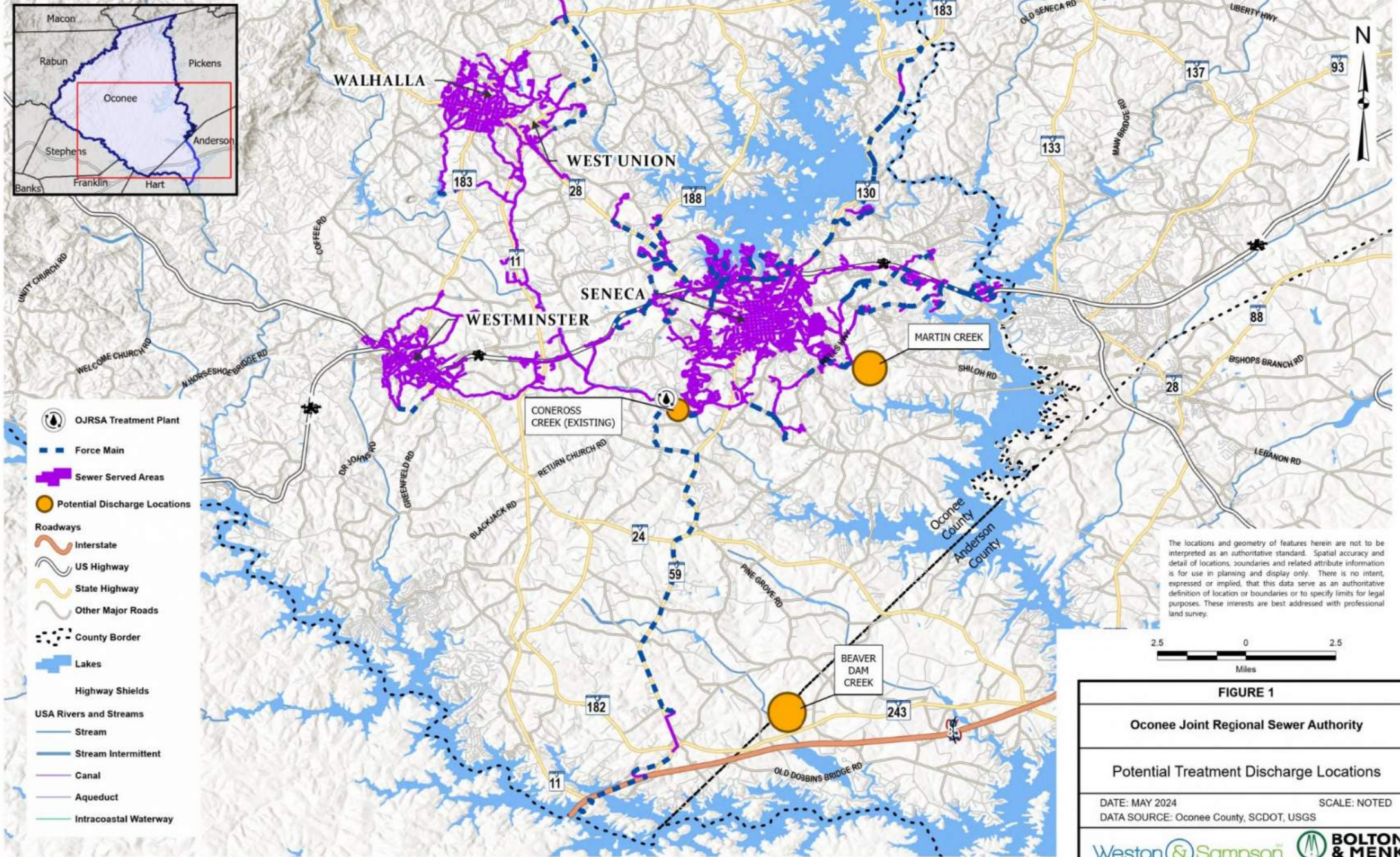




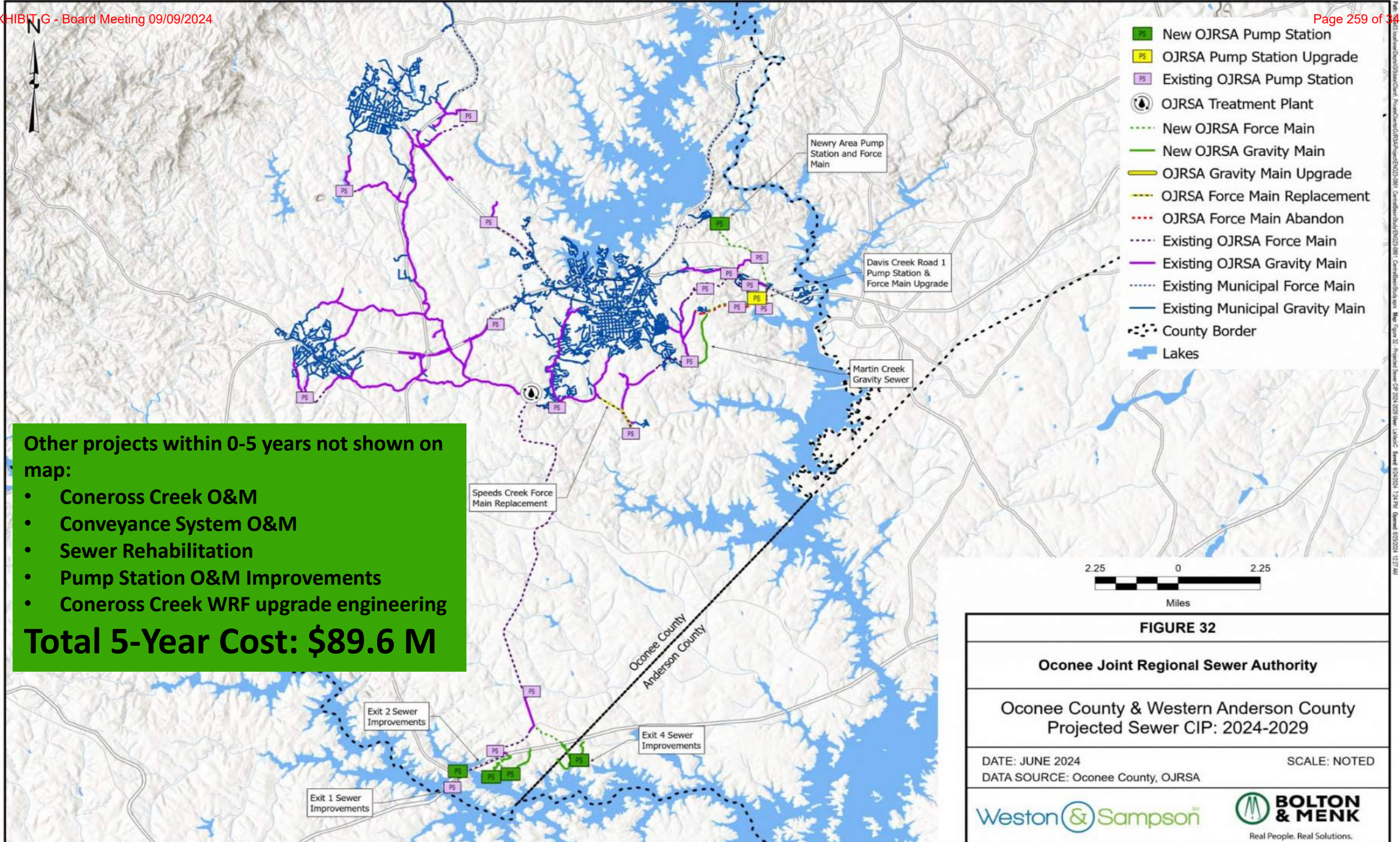
G:\Projects\2024\090924\090924\GIS\Map\_Sewer\_Area\_11x17\_20240511\Map\_Sewer\_Area\_11x17\_20240511\_Scaled\_S192024\_1230 AM\_General\_S192024\_1230 AM

<b>FIGURE 1</b>	
<b>Ocoee Joint Regional Sewer Authority</b>	
<b>Public Sewer System Service Areas</b>	
DATE: MAY 2024	SCALE: NOTED
DATA SOURCE: Ocoee County, SCDOT, USGS	
Real People. Real Solutions.	

The locations and geometry of features herein are not to be interpreted as an authoritative standard. Spatial accuracy and detail of locations, boundaries and related attribute information is for use in planning and display only. There is no intent, expressed or implied, that this data serve as an authoritative definition of location or boundaries or to specify limits for legal purposes. These interests are best addressed with professional land survey.



\\p010110\shared\p010110\GIS\Users\Charmi\_Purohit\GIS\OJRSA\Project\ENR24-061\_Central\GIS\Layout\ENR24-061\_Central\enr24061.mxd Map Display Location: 11x17 Hart Layout: Saved: 5/15/2024 2:43 AM Created: 5/20/2024 5:59 AM



**Other projects within 0-5 years not shown on map:**

- Coneross Creek O&M
- Conveyance System O&M
- Sewer Rehabilitation
- Pump Station O&M Improvements
- Coneross Creek WRF upgrade engineering

**Total 5-Year Cost: \$89.6 M**

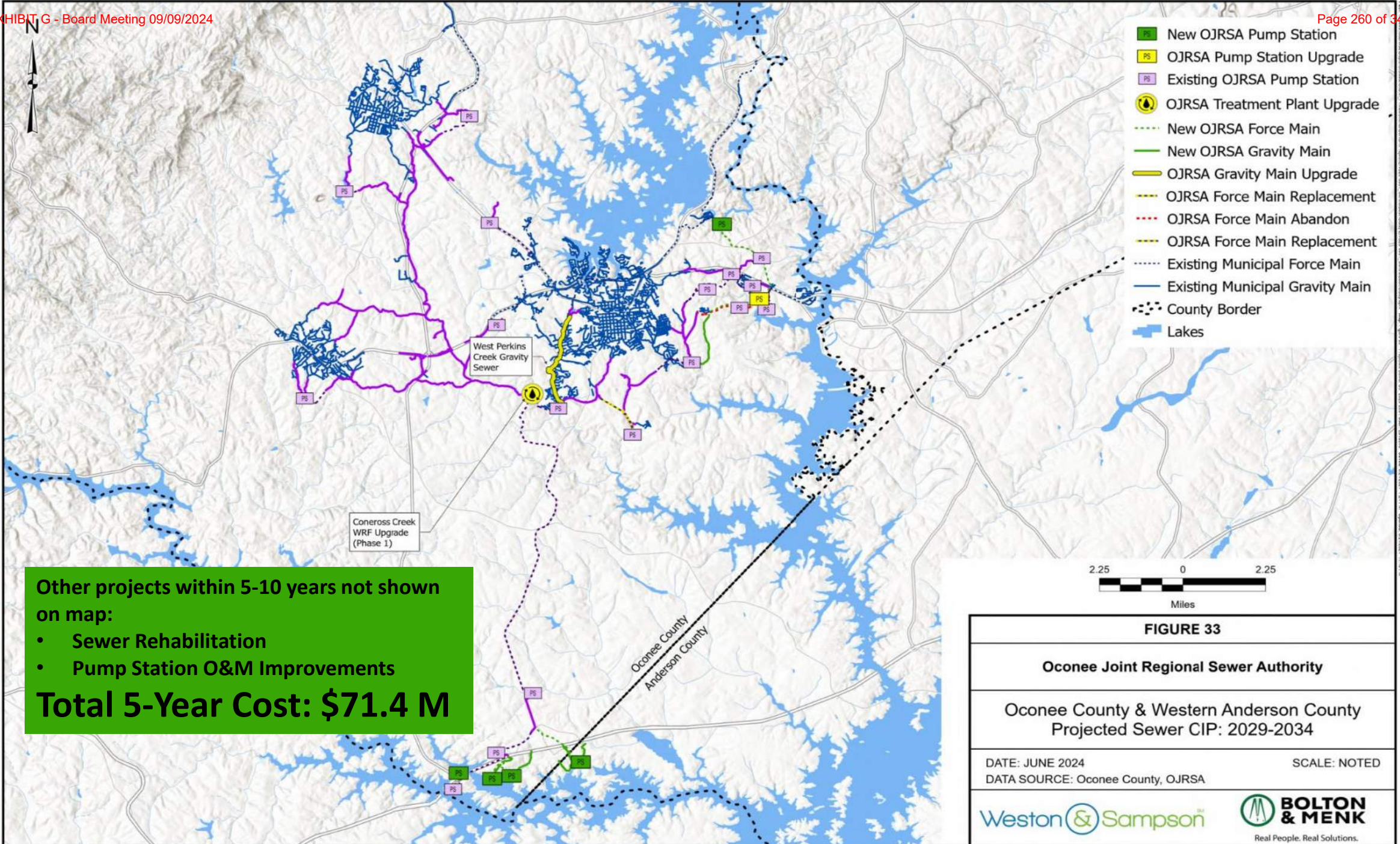
**FIGURE 32**

**Oconee Joint Regional Sewer Authority**

**Oconee County & Western Anderson County  
Projected Sewer CIP: 2024-2029**

DATE: JUNE 2024 SCALE: NOTED  
 DATA SOURCE: Oconee County, OJRSA

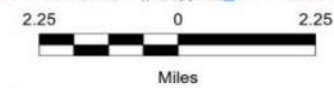
Real People. Real Solutions.



**Other projects within 5-10 years not shown on map:**

- Sewer Rehabilitation
- Pump Station O&M Improvements

**Total 5-Year Cost: \$71.4 M**



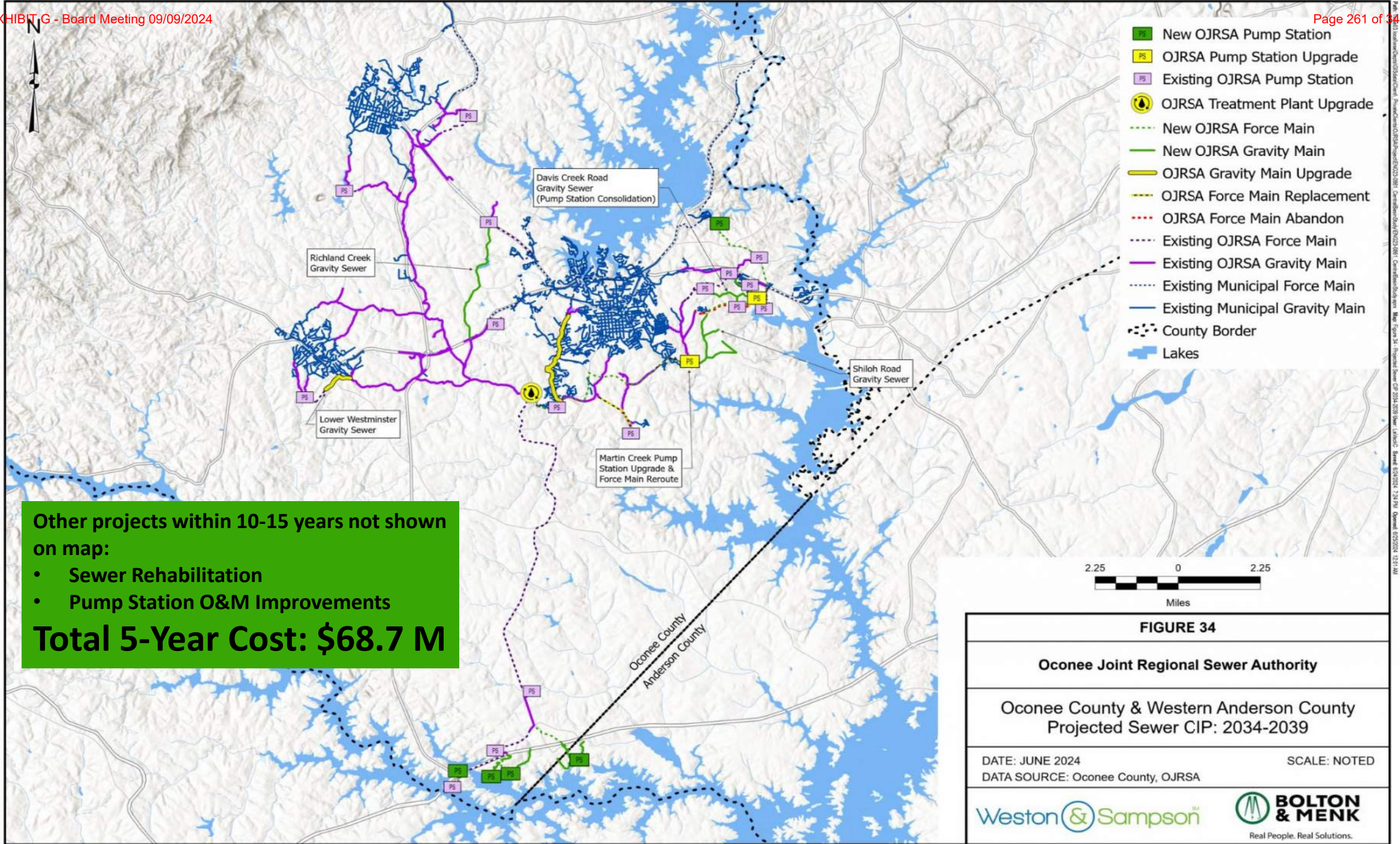
**FIGURE 33**

**Oconee Joint Regional Sewer Authority**

Oconee County & Western Anderson County  
Projected Sewer CIP: 2029-2034

DATE: JUNE 2024 SCALE: NOTED  
DATA SOURCE: Oconee County, OJRSA

Real People. Real Solutions.

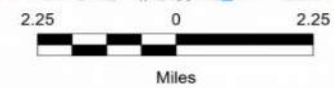


Other projects within 10-15 years not shown on map:

- Sewer Rehabilitation
- Pump Station O&M Improvements

**Total 5-Year Cost: \$68.7 M**

- PS New OJRSA Pump Station
- PS OJRSA Pump Station Upgrade
- PS Existing OJRSA Pump Station
-  OJRSA Treatment Plant Upgrade
- New OJRSA Force Main
- New OJRSA Gravity Main
- OJRSA Gravity Main Upgrade
- OJRSA Force Main Replacement
- OJRSA Force Main Abandon
- Existing OJRSA Force Main
- Existing OJRSA Gravity Main
- Existing Municipal Force Main
- Existing Municipal Gravity Main
- - - - County Border
- Lakes





**FIGURE 34**

**Oconee Joint Regional Sewer Authority**

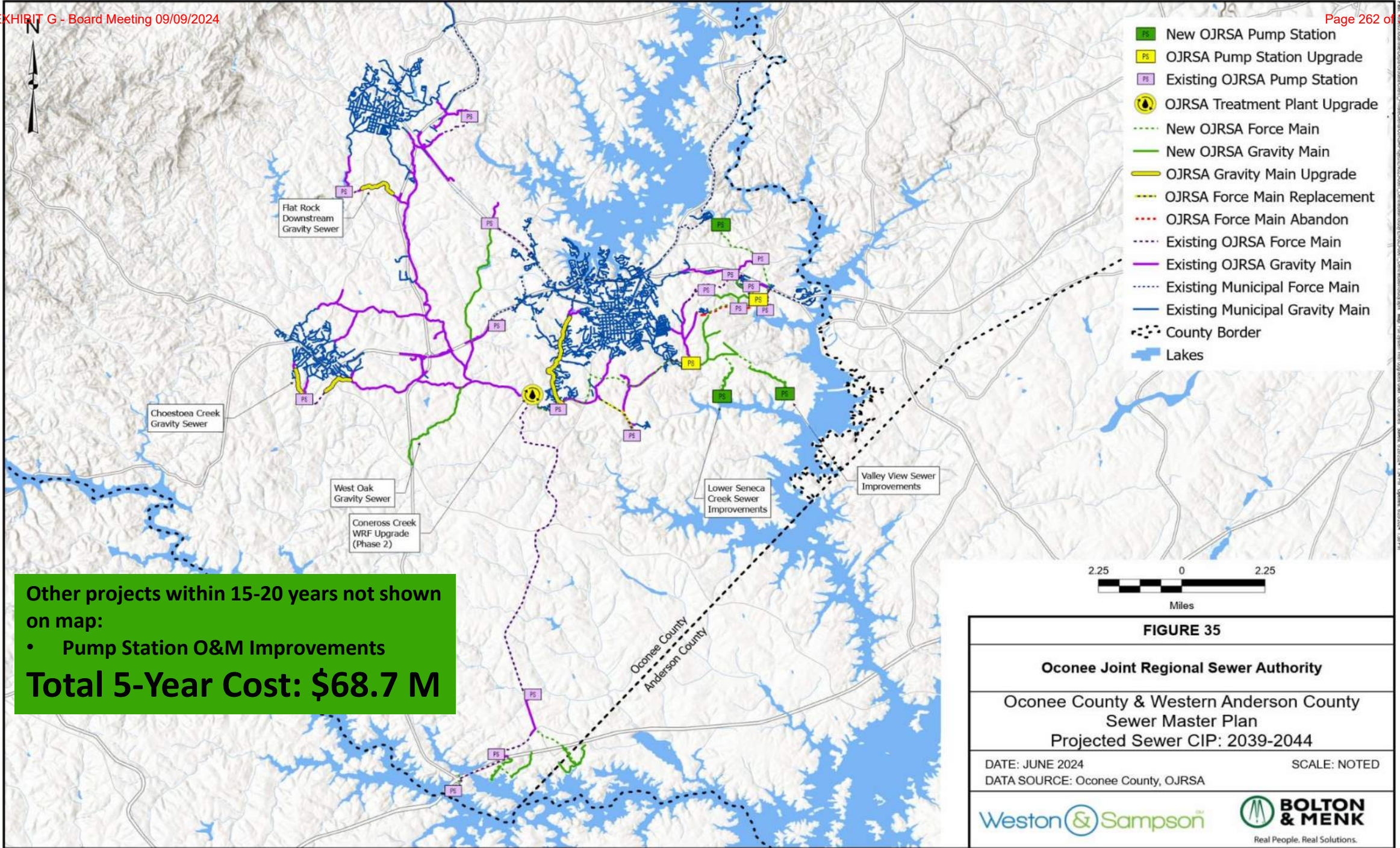
**Oconee County & Western Anderson County  
Projected Sewer CIP: 2034-2039**

DATE: JUNE 2024 SCALE: NOTED

DATA SOURCE: Oconee County, OJRSA

Real People. Real Solutions.

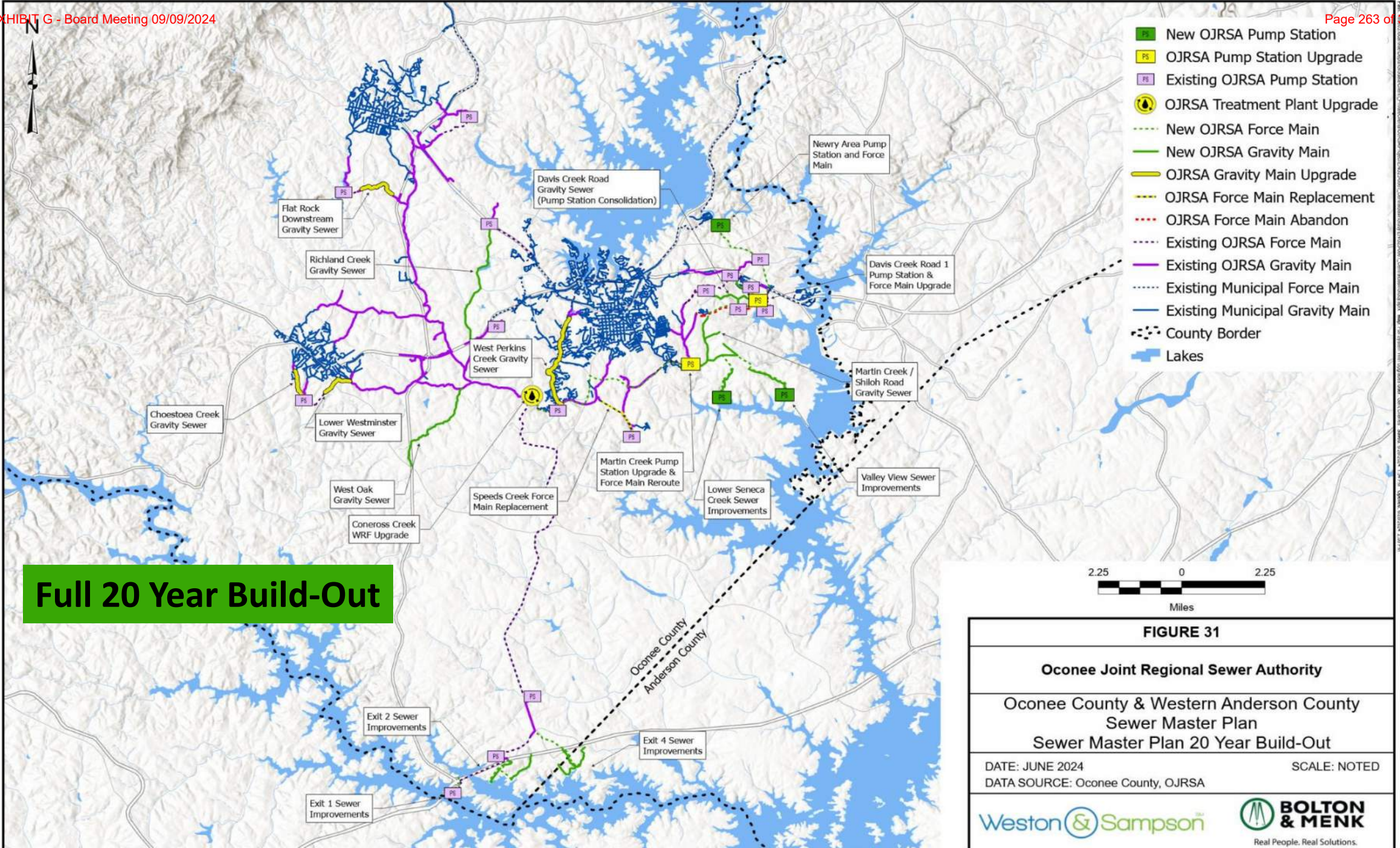


Other projects within 15-20 years not shown on map:

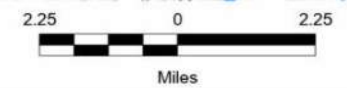
- Pump Station O&M Improvements

**Total 5-Year Cost: \$68.7 M**

<b>FIGURE 35</b>	
<b>Oconee Joint Regional Sewer Authority</b>	
Oconee County & Western Anderson County Sewer Master Plan Projected Sewer CIP: 2039-2044	
DATE: JUNE 2024	SCALE: NOTED
DATA SOURCE: Oconee County, OJRSA	
Real People. Real Solutions.	



**Full 20 Year Build-Out**





**FIGURE 31**

**Oconee Joint Regional Sewer Authority**

Oconee County & Western Anderson County  
Sewer Master Plan  
Sewer Master Plan 20 Year Build-Out

DATE: JUNE 2024 SCALE: NOTED

DATA SOURCE: Oconee County, OJRSA

Real People. Real Solutions.

## High-level Recommendations

- Assign a stakeholder group moving forward and continue stakeholder coordination – this will continue to be a process – OJRSA Board should lead the convening of this
- Allow this Master Plan to be a guide that coincides with the Feasibility Study
- Consider federal, state, and local grants and funding sources for assisting with these recommendations – stakeholder partners could be helpful to work with
- Revisit and update Master Plan regularly



# High-level Recommendations

- Land Use Regulations & Build-out
  - Develop a public campaign that explains different types of land use regulation and gets public buy-in for a path forward - suggest that Oconee County leads this in coordination with municipalities.
  - At a minimum plan for areas that should remain rural and be served by individual septic or existing package plants – county/municipalities
  - Consider an incentive program for infill development that makes the best use of the existing sewer service area – retail provider driven, applied equally both inside and outside municipal boundaries
  - Revisit current zoning and future land use plans based upon public input after the educational campaign and additional outreach is complete – county/municipalities

# High-level Recommendations

- Infrastructure
  - Begin preliminary work towards Coneross Creek WRF expansion within next 12 months
  - Assess Coneross Creek WRF for alternative ways to gain capacity
  - Reduce length of time that wastewater travels within the system by minimizing pump stations across the whole system and working with the municipalities that have collection systems
  - Update SCDES\* Checkbook to possibly gain permitted capacity and delay Coneross Creek WRF upgrade

*\*(new state agency – split from SCDHEC – as of today, July 1, 2024)*

## Parting thoughts

- The land use regulatory bodies and the public sewer providers have a unique opportunity to preserve what makes Oconee County great according to its residents, while thoughtfully allowing growth.
- Working together to build consensus, while considering public input will be critical as Oconee County continues to grow.
  - The lack of public trust and existing misconceptions will prevail if the pace of development continues and current development regulations remain in place.
- This challenge is not unique, but the response can be customized and thoughtful in a way that honors the articulated goals and is grounded in technical feasibility and fiscal responsibility.

## Where Can I Learn More?

The Report, Presentation, and Supporting Materials can be found at [www.ojrsa.org/sewer-study/](http://www.ojrsa.org/sewer-study/)

An aerial photograph of a wastewater treatment plant. The facility consists of several large circular aeration tanks, rectangular clarifiers, and various industrial buildings. A central building has a tall blue chimney. The plant is surrounded by a mix of green grass and bare trees, suggesting a late autumn or winter setting. A parking lot with several cars is visible in the lower right corner. The text "Questions & Comments" is overlaid in large white font across the center of the image.

# Questions & Comments

# Thank You!



# APPENDIX D

## TECHNICAL, OPERATIONAL AND ENVIRONMENTAL COMPLIANCE EVALUATION DATA

Oconee County CMOM Questions

<b>System Inventory</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Gravity Sewer (mi)				
Pipe Diameter of System (%)				
6-In				
8-In				
10-in				
12-in				
16-in				
18-in				
24-in				
30-in				
36-in				
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)				
Force Main (MI)				
2-in				
4-in				
6-in				
8-in				
10-in				
12-in				
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)	N/A			
Pump Stations (EA)				
Approx. Prodominate Age Range (YR)	Low			
<b>Service Area Characteristics</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Total Service Area (AC)				
Apprx. Service Population (Persons)	N/A			
Average Precip (in)				
Significant Service Type (Residential, Commercial, Industrial)				



Oconee County CMOM Questions

<b>Engineering Design</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Are there design standards and/or details specific to the municipality? (YES, NO, N/A)	N/A			
Is there a document describing the design review process? (YES, NO, N/A)	N/A			
Does municipality have procedure to test and inspect rehabilitated system elements? (YES, NO, N/A)	N/A			
Does municipality attempt to standardize sewer system equipment and materials? (YES, NO, N/A)	N/A			
<b>Organizational Structure</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Is an organizational chart available showing overall staff structure including O&M staff? (YES, NO, N/A)	N/A		Oconee County currently contracts maintenance of owned assets to OJRSA	
How many staff positions are currently vacant?	N/A			
On average how long do O&M positions remain vacant?	N/A			
<b>Internal Communications</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
How do utility staff typically communicate? (Staff meetings, e-mail, phone/text, other)	None			
Does the sewer municipal department communicate/coordinate with other connecting municipal systems? (YES, NO, N/A)	No	OJRSA Feasibility Study Data Needs Request 1_Oconee County.docx - Response to Question 2		

Oconee County CMOM Questions

<b>Budgeting</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Who is responsible for setting the priorities for the utility Capital Improvement?	N/A			
Are cost for collection system O&M separated from other utility services? If not, what percent of utility overall budget is allocated to O&M?	N/A			
Does the utility have a Capital Improvement Plan (CIP) identifying prioritized repairs/replacements/rehabilitation? (YES, NO, N/A)	N/A			
Is a portion of the utility budget (excluding grants) budgeted to rehabilitation/replacement of the system? (YES, NO, N/A)	N/A			
<b>Safety</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the utility have a written safety policy or procedures? (YES, NO, N/A)	N/A			
Does the utility have a procedure to deal with asbestos pipe if encountered? (YES, NO, N/A)	N/A			
<b>Equipment</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does municipality have an Equipment and Parts Inventory List? (YES, NO, N/A)	N/A			
Is there a document identifying apprx. when equipment should be replaced? (YES, NO, N/A)	N/A			
<b>Management Information System</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does utility have a system for tracking maintenance activities? (YES, NO, N/A)	N/A			
<b>System Mapping</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the municipality have GIS documenting sewer assets? (YES, NO, N/A)	N/A			
At a minimum does the GIS fields include information for manhole/pipe size, manhole/pipe material, and installation/age? (YES, NO, N/A)	N/A			

Oconee County CMOM Questions

<b>Sewer Cleaning Condition Assessment</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does utility have a document standarizing O&M and documentation? (YES, NO, N/A)	N/A			
Does utility clean the the sewer system (pipe and manholes) routinely? (YES, NO, N/A)	N/A			
If so, what percentage of the system is cleaned per year on average?	N/A			
Does utility investigate the condition of the sewer system (pipes and manholes) routinely? (YES, NO, N/A)	N/A			
If so, what percentage of the system is investigated on average per year?	N/A			
Does the utility perform smoke testing or dye testing of the system to identify potential defects routinely? (YES, NO, N/A)	N/A			
If so, what percentage of the system is smoke tested/dye tested per year on average?	N/A			
<b>Pump Station</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the utility have any pump stations?	YES			
If so, does the utility have Standard Operation Procedures (SOP) and Standard Maintenance Procedures for each pump station?	N/A		OJRSA is contracted to operate and maintain Pump Station	
Is there a standard training protocol for staff to operate and maintain pump stations?	N/A		OJRSA is contracted to operate and maintain Pump Station	
<b>Capacity Assessment</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Has the utility performed a capacity analysis of the system within the last 10 years?	N/A			
If able, has the utility identified areas of concern for wet-weather vs dry-weather capacity?	N/A			
Does the utility have a continueing I/I Abatement Program or Plan?	N/A			
<b>Overflow Emergency Response Plan</b>	<b>Oconee County</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the utility have an document outlining Overflow Emergency Response Plan?	N/A		OJRSA is contracted to operate County's system at this time.	

Oconee County Staffing Requirements for Sewer Maintenance Operations												
Occupational Title	5,000		10,000		25,000		50,000		100,000		150,000	
	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs
Superintendent	1	5	1	10	1	20	1	40	1	40	1	40
Asst. Superintendent											1	40
Maint. Supervisor							1	40	2	80	2	80
Foreman	1	15	1	20	1	20	1	40	1	40	2	80
Maint. Man 2	1	15	1	20	1	20	1	40	1	40	2	80
Maint. Man 1	1	15	1	20	2	60	3	120	5	200	8	320
Maint. Eq. Op.					1	40	2	80	3	120	5	200
Constr. Eq. Op.	1	15	1	20	1	20	1	40	1	40	2	80
Auto. Eq. Op									1	40	1	40
CCTV Tech									1	40	1	40
Laborer	1	15	1	20	2	40	2	80	5	200	6	240
Dispatcher							1	40	2	80	2	80
Adminstrator							1	20	1	20	2	80
Sewer Maint. Staff	6	80	6	110	9	220	16	620	27	1,060	39	1,560
M. Mech 2 (c)	0	0	0	0	0	0	0	0	0	0	0	0
M. Mech 1 (d)	0	0	0	0	0	0	0	0	0	0	0	0
M. Mech Help (d)	0	0	0	0	0	0	0	0	0	0	0	0
Constr. Insp. (e)												
Constr. Insp. S. (f)												
<b>Total</b>	<b>12</b>	<b>160</b>	<b>12</b>	<b>220</b>	<b>18</b>	<b>440</b>	<b>30</b>	<b>1,160</b>	<b>51</b>	<b>2,000</b>	<b>74</b>	<b>2,960</b>

# Oconee County CIP

<b>Oconee County CIP</b>		
<b>Capital Improvement Projects</b>	<b>Budget Amount</b>	<b>I/I Abatement</b>

<b>System Inventory</b>	<b>OJRSA</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Gravity Sewer (mi)	56			
Pipe Diameter of System (%)				
6-in				
8-in	94,830	OJRSA GIS of Gravity System		
10-in	36,027	OJRSA GIS of Gravity System		
12-in	22,748	OJRSA GIS of Gravity System		
14-in to 16-in	52,288	OJRSA GIS of Gravity System		
18-in	34,211	OJRSA GIS of Gravity System		
21-in	17,901	OJRSA GIS of Gravity System		
24-in	8,950	OJRSA GIS of Gravity System		
27-in	6,521	OJRSA GIS of Gravity System		
30-in	9,196	OJRSA GIS of Gravity System		
36-in	7,877	OJRSA GIS of Gravity System		
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)	VPC, RCP, PVC, DIP			
Force Main (MI)	15			
2-in				
4-in				
6-in				
8-in				
10-in				
12-in				
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)	N/A			
Pump Stations (EA)	16			
Approx. Predominate Age Range (YR)	30-50 years old			
	Low			
<b>Service Area Characteristics</b>	<b>OJRSA</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Total Service Area (AC)				
Aprx. Service Population (Persons)	46,215		A sum of Westminster, Seneca, Walhalla & West Union	
Average Precip (in)				
Significant Service Type (Residential, Commercial, Industrial)				

OJRSA CMOM Questions

Engineering Design	OJRSA	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Are there design standards and/or details specific to the municipality? (YES, NO, N/A)	NO	1) OJRSA Standard Specifications and Details For Sewer Construction dated April 2018 2) Oconee Joint Regional Sewer Authority Standard Details dated June 2023 3) DRAFT OJRSA Development Policy	Draft OJRSA Development Policy in final review and approval stages.	At time of interview OJRSA was developing document specifying OJRSA design standards and specifications. OJRSA anticipated these to be approved in Spring 2024.
Is there a document describing the design review process? (YES, NO, N/A)	NO	1) OJRSA Standard Specifications and Details For Sewer Construction dated April 2018 2) Downstream Wastewater Modleing Analysis Reqeust 3) Permit for OJRSA Wastewater System Capacity	Forms for accepting and permitting flow is available. Development reviews are limited since OJRSA is not a common retail provider to date.	Director reviews plans, but also partially outsource to Engineer to review developments, if availablit is low. Pretreatment and FOG reviews are performed in house.
Does municipality have procedure to test and inspect rehabilitated system elements? (YES, NO, N/A)	NO			
Does municipality attempt to standardize sewer system equipment and materials? (YES, NO, N/A)	NO		Draft OJRSA Development Policy in final review and approval stages including OJRSA standards for Material of Construction.	OJRSA review plans and specifications for OJRSA projects to confirm equipment specified meets OJRSA preferences. There is no formal document or standard documenting this.  At time of interview OJRSA was developing document specifying OJRSA design standards and specifications. OJRSA anticipated these to be approved in Spring 2024.
Organizational Structure	OJRSA	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Is an organizational chart available showing overall staff structure including O&M staff? (YES, NO, N/A)	YES	OJRSA Gap Analysis Technical Memorandum dated January 3, 2023	OJRSA currently has seventeen (17) employees and two (2) vacant positions totalling nineteen (19) total positions	
On average how long do O&M positions remain vacant?				

OJRSA CMOM Questions

Internal Communications	OJRSA	Referenced Provided Document	Notes	Interview and Follow-Up Notes
How do utility staff typically communicate? (Staff meetings, e-mail, phone/text, other)	Staff Meetings (bi-weekly)	Response to Study Questions		
Does the sewer municipal department communicate/coordinate with other connecting municipal systems? (YES, NO, N/A)	NO	Response to Study Questions	Communication is on a "as-needed" basis. Attempt to hold regular meetings to discuss issues was poorly attended and not made a priority with attendees leaving in the middle of meetings. Meetings discontinued in 2018	
Budgeting	OJRSA	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Who is responsible for setting the priorities for the utility Capital Improvement?	OJRSA Leadership	Response to Study Questions	OJRSA leadership develops the CIP. Requires approval through committees and eventually the OJRSA board.	
Are cost for collection system O&M separated from other utility services? If not, what percent of utility overall budget is allocated to O&M?	YES	Finance & Administration Committee Agenda dated October 24, 2023 including		
Does the utility have a Capital Improvement Plan (CIP) identifying prioritized repairs/replacements/rehabilitation? (YES, NO, N/A)	YES	Finance & Administration Committee Agenda dated October 24, 2023 including		
Is a portion of the utility budget (excluding grants) budgeted to rehabilitation/replacement of the system? (YES, NO, N/A)	YES	Finance & Administration Committee Agenda dated October 24, 2023 including	1) Replacement of Seneca Creek Pump Station and Force Main (\$560,000), Consent Order Repair Project (\$360,850), CCTV for CMOM (\$79,158) 2) Other key rehabilitation projects are SCIIP funded.	
Safety	OJRSA	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Does the utility have a written safety policy or procedures? (YES, NO, N/A)	YES	1) Chlorine Safety Orientation on Plant Site 2) OJRSA Comprehensive Management Plan: Operations (CMOM) dated September 2022		
Does the utility have a procedure to deal with asbestos pipe if encountered? (YES, NO, N/A)	N/A			



OJRSA CMOM Questions

<b>Equipment</b>	<b>OJRSA</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does municipality have an Equipment and Parts Inventory List? (YES, NO, N/A)	YES	OJRSA Gap Analysis Technical Memorandum dated January 3, 2023		
Is there a document identifying apprx. when equipment should be replaced? (YES, NO, N/A)	YES	OJRSA Gap Analysis Technical Memorandum dated January 3, 2023		
<b>Management Information System</b>	<b>OJRSA</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does utility have a system for tracking maintenance activities? (YES, NO, N/A)	NO			OJRSA currently has a CMMS software but is not user friendly and not efficient. OJRSA is investigating other CMMS and Work Order platforms.
<b>System Mapping</b>	<b>OJRSA</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the municipality have GIS documenting sewer assets? (YES, NO, N/A)	YES	Review of Available GIS		
At a minimum does the GIS fields include information for manhole/pipe size, manhole/pipe material, and installation/age? (YES, NO, N/A)	YES	Review of Available GIS		

OJRSA CMOM Questions

<b>Sewer Cleaning Condition Assessment</b>	<b>OJRSA</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does utility have a document standardizing O&M and documentation? (YES, NO, N/A)	YES	OJRSA Comprehensive Management Plan: Operations (CMOM) dated September 2022		
Does utility clean the sewer system (pipe and manholes) routinely? (YES, NO, N/A)	YES	Finance & Administration Committee Agenda dated October 24, 2023 including	OJRSA O&M Budget has a line item for CCTV for CMOM/Consent Order (\$87,150)	
If so, what percentage of the system is cleaned per year on average?	10%	OJRSA Gravity Mains by CCTV Priority Area Map	CCTV'ed approx. 60,000 LF in 2022 & 2023. Some performed due to Consent Order, but some performed to begin routine inspection of the system, beginning as of 2023. OJRSA anticipated to complete Priority 1 routine investigation areas in FY 2025.	
Does utility investigate the condition of the sewer system (pipes and manholes) routinely? (YES, NO, N/A)	YES	Finance & Administration Committee Agenda dated October 24, 2023	OJRSA O&M Budget has a line item for CCTV for CMOM/Consent Order (\$87,150)	
If so, what percentage of the system is investigated on average per year?	TBD		CMOM recommends investigating assets on a maximum 10-year cycle. There has been CCTV associated with PER and OJRSA Work Plan from 2020 to 2023. OJRSA has prioritized investigation portions of the system and began routine investigation in 2023.	
Does the utility perform smoke testing or dye testing of the system to identify potential defects routinely? (YES, NO, N/A)	NO			Smoke Test is done on a "as-determined" basis. System routine CCTV and Manhole inspections being performed.
If so, what percentage of the system is smoke tested/dye tested per year on average?	NO			Smoke Test is done on a "as-determined" basis. System routine CCTV and Manhole inspections being performed.
<b>Pump Station</b>	<b>OJRSA</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the utility have any pump stations?	YES			
If so, does the utility have Standard Operation Procedures (SOP) and Standard Maintenance Procedures for each pump station?	YES	OJRSA Comprehensive Management Plan: Operations (CMOM) dated September 2022		
Is there a standard training protocol for staff to operate and maintain pump stations?	YES	OJRSA Comprehensive Management Plan: Operations (CMOM) dated September 2022		

OJRSA CMOM Questions

Capacity Assessment	OJRSA	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Has the utility performed a capacity analysis of the system within the last 10 years?	YES	Model Report 2023 7 14 Sewer Model Update	OJRSA performed an existing system model of collection system.	
If able, has the utility identified areas of concern for wet-weather vs dry-weather capacity?	YES	Model Report 2023 7 14 Sewer Model Update	OJRSA report identifies portions of the system experiencing surcharge during 2-Yr and 5-Yr Wet Weather Events	
Does the utility have a continuing I/I Abatement Program or Plan?	NO	OJRSA Preliminary Engineering Report dated March 10, 2022 1) 2022-03-10 PER.pdf	1) OJRSA PER 2) In March 2024, OJRSA sent out a notification to the member cities requiring Corrective Action Plan (CAP) from each respective sewer utility by September 2024.	
Overflow Emergency Response Plan	OJRSA	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Does the utility have an document outlining Overflow Emergency Response Plan?	YES	OJRSA Emergency Standard Operating Procedure dated July 12, 2021		

## OJRSA CIP

OJRSA CIP		
Capital Improvement Projects	Budget Amount	I/I Abatement
Consent Order Projects (Repairs)	\$ 360,850.00	YES
Consent Order Projects (Rehabilitation)	\$ 5,062,745.00	YES
Dewatering Equipment Replacement	\$ 2,875,000.00	NO
Exit 4 "Project Tiger" Pump Station/Sewer	Unknown	NO
Flat Rock PS Replacement	\$ 1,993,500.00	NO
Sewer South Phase II	\$ 12,785,947.00	NO
Thickener Sludge Pump (P-113)	\$ 25,000.00	NO

FA-Comm-2023-10-24-Agenda.pdf - Restricted Funds Capital Projects Table

Seneca CMOM Questions

<b>System Inventory</b>	<b>Seneca</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Gravity Sewer (mi)	144	From Seneca GIS Data		
Pipe Diameter of System (%)				
4-in	10,397			
6-in	53,506			
8-in	497,150			
10-in	56,709			
12-in	41,517			
15-in	8,927			
18-in	7,501			
24-in	85,120			
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)				
Force Main (MI)	20	SCDHEC Satellite Sanitary Sewer Permit Inspection of Seneca dated June 19, 2020.		
2-in				
4-in				
6-in				
8-in				
10-in				
12-in				
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)	N/A		Can the City provide the predominate pipe materials in the system?	
Pump Stations (EA)	28			
Approx. Predominate Age Range (YR)		Downtown is older than 100 years. Outside the city is estimated to be 50 years or older. In site the City lots of VCP has been replaced.		
	Low			
<b>Service Area Characteristics</b>	<b>Seneca</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Total Service Area (AC)				
Apprx. Service Population (Persons)	14,040			
Average Precip (in)				
Significant Service Type (Residential, Commercial, Industrial)				

Seneca CMOM Questions

Engineering Design				
Engineering Design	Seneca	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Are there design standards and/or details specific to the municipality? (YES, NO, N/A)	YES			City has standards beyond SCDHEC requirements
Is there a document describing the design review process? (YES, NO, N/A)	YES			City internally reviews plans.
Does municipality have procedure to test and inspect rehabilitated system elements? (YES, NO, N/A)	NO			
Does municipality attempt to standardize sewer system equipment and materials? (YES, NO, N/A)	YES			City has standards beyond SCDHEC requirements
Organizational Structure				
Organizational Structure	Seneca	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Is an organizational chart available showing overall staff structure including O&M staff? (YES, NO, N/A)	YES	Seneca Light & Water Organizational Chart	Organizational chart is for both Water & Sewer. O&M Staff count includes Sewer & Auxiliaries. Org chart appears to have fifteen (15) positions fully or partially committed to sewer.	City currently has nine (9) staff members directly dedicated to sewer. Three (3) vacant positions. Water/Sewer in total is twenty-four (24)
How many staff positions are currently vacant?	YES			
On average how long do O&M positions remain vacant?				
Communications				
Communications	Seneca	Referenced Provided Document	Notes	Interview and Follow-Up Notes
How do utility staff typically communicate? (Staff meetings, e-mail, phone/text, other)	Verbal. Limited written documentation	Response to Study Questions		
Does the sewer municipal department communicate/coordinate with other connecting municipal systems? (YES, NO, N/A)	Verbal, as required.	Response to Study Questions		

Seneca CMOM Questions

<b>Budgeting</b>	<b>Seneca</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Who is responsible for setting the priorities for the utility Capital Improvement?				
Are cost for collection system O&M separated from other utility services? If not, what percent of utility overall budget is allocated to O&M?	YES			Currently budget approx. \$4-5 Million/year to O&M. Rehabilitation and repairs is inclusive.
Does the utility have a Capital Improvement Plan (CIP) identifying prioritized repairs/replacements/rehabilitation? (YES, NO, N/A)	NO	Response to Study Questions		Rehabilitation/repair is in the O&M and not apart of CIP.
Is a portion of the utility budget (excluding grants) budgeted to rehabilitation/replacement of the system? (YES, NO, N/A)	NO			
<b>Safety</b>	<b>Seneca</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the utility have a written safety policy or procedures? (YES, NO, N/A)	YES	Sewer System Lift Station Standard Operating/Emergency Overflow Procedures dated July 2016		
<b>Equipment</b>	<b>Seneca</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does municipality have an Equipment and Parts Inventory List? (YES, NO, N/A)	YES	SCDHEC Satellite Sanitary Sewer Permit Inspection of Seneca dated June 19, 2020.		
Is there a document identifying apprx. when equipment should be replaced? (YES, NO, N/A)	NO			Replace equipment on a reactive basis on a yearly basis.
<b>Management Information System</b>	<b>Seneca</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does utility have a system for tracking maintenance activities? (YES, NO, N/A)	NO	Response to Study Questions		
<b>System Mapping</b>	<b>Seneca</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the municipality have GIS documenting sewer assets? (YES, NO, N/A)	YES	SCDHEC Satellite Sanitary Sewer Permit Inspection of Seneca dated June 19, 2020.		
At a minimum does the GIS fields include information for manhole/pipe size, manhole/pipe material, and installation/age? (YES, NO, N/A)	YES			Seneca provided GIS after interview

Seneca CMOM Questions

Sewer Cleaning Condition Assessment				
Sewer Cleaning Condition Assessment	Seneca	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Does utility have a document standardizing O&M and documentation? (YES, NO, N/A)	YES	Sewer System Lift Station Standard Operating/Emergency Overflow Procedures dated July 2016		
Does utility clean the sewer system (pipe and manholes) routinely? (YES, NO, N/A)	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of Seneca dated June 19, 2020.		
If so, what percentage of the system is cleaned per year on average?	Inconclusive	SCDHEC Satellite Sanitary Sewer Permit Inspection of Seneca dated June 19, 2020.	SCDHEC inspection report and interview response are not consistent. SCDHEC report indicated less than 10% of the system was cleaned.	During the interview the City indicated they clean, CCTV and smoke test approx. 10% of the system annually. Seneca may have increased investigation effort for entire system after SCDHEC inspection.
Does utility investigate the condition of the sewer system (pipes and manholes) routinely? (YES, NO, N/A)	Inconclusive	SCDHEC Satellite Sanitary Sewer Permit Inspection of Seneca dated June 19, 2020.		
If so, what percentage of the system is investigated on average per year?	Inconclusive			
Does the utility perform smoke testing or dye testing of the system to identify potential defects routinely? (YES, NO, N/A)	Inconclusive	SCDHEC Satellite Sanitary Sewer Permit Inspection of Seneca dated June 19, 2020.		
If so, what percentage of the system is smoke tested/dye tested per year on average?	Inconclusive			
Pump Station				
Pump Station	Seneca	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Does the utility have any pump stations?	YES	SCDHEC Satellite Sanitary Sewer Permit Inspection of Seneca dated June 19, 2020.		
Are Pump Stations inspected routinely? (1/wk w SCADA, 1/day w/o SCADA)	YES	SCDHEC Satellite Sanitary Sewer Permit Inspection of Seneca dated June 19, 2020.		
If so, does the utility have Standard Operation Procedures (SOP) and Standard Maintenance Procedures for each pump station?	YES	Sewer System Lift Station Standard Operating/Emergency Overflow Procedures dated July 2016.		



Seneca CMOM Questions

Capacity Assessment				
Capacity Assessment	Seneca	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Has the utility performed a capacity analysis of the system within the last 10 years?	Inconclusive			
If able, has the utility identified areas of concern for wet-weather vs dry-weather capacity?	Inconclusive			
Does the utility have a continuing I/I Abatement Program or Plan?	Inconclusive			
Overflow Emergency Response Plan				
Overflow Emergency Response Plan	Seneca	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Does the utility have an document outlining Overflow Emergency Response Plan?	YES	Sewer System Lift Station Standard Operating/Emergency Overflow Procedures dated July 2016.		

Seneca Staffing Requirements for Sewer Maintenance Operations												
Occupational Title	5,000		10,000		25,000		50,000		100,000		150,000	
	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs
Superintendent	1	5	1	10	1	20	1	40	1	40	1	40
Asst. Superintendent											1	40
Maint. Supervisor							1	40	2	80	2	80
Foreman	1	15	1	20	1	20	1	40	1	40	2	80
Maint. Man 2	1	15	1	20	1	20	1	40	1	40	2	80
Maint. Man 1	1	15	1	20	2	60	3	120	5	200	8	320
Maint. Eq. Op.					1	40	2	80	3	120	5	200
Constr. Eq. Op.	1	15	1	20	1	20	1	40	1	40	2	80
Auto. Eq. Op									1	40	1	40
CCTV Tech									1	40	1	40
Laborer	1	15	1	20	2	40	2	80	5	200	6	240
Dispatcher							1	40	2	80	2	80
Administrator							1	20	1	20	2	80
Sewer Maint. Staff	6	80	6	110	9	220	16	620	27	1,060	39	1,560
M. Mech 2 (c)	2	75	2	75	2	75	2	75	2	75	2	75
M. Mech 1 (d)	1	28	1	28	1	28	1	28	1	28	1	28
M. Mech Help (d)	1	28	1	28	1	28	1	28	1	28	1	28
Constr. Insp. (e)												
Constr. Insp. S. (f)												
<b>Total</b>	<b>16</b>	<b>291</b>	<b>16</b>	<b>351</b>	<b>22</b>	<b>571</b>	<b>34</b>	<b>1,291</b>	<b>55</b>	<b>2,131</b>	<b>78</b>	<b>3,091</b>

Recommended Minimum Staff

Persons	Man Hrs
16	351

# Seneca CIP

Seneca CIP		
Capital Improvement Projects	Budget Amount	I/I Abatement
Sewer line extension Sheep Farm Rd and Cliffabee Leas PS		
Richland Creek Sewer		
Hartwell Ridge		
Hwy 130 & Old Clemson Hwy		
Garrison Farms (122 units next to new Middle School)		
Seneca Falls (160+ near Wells Hwy and S. Oak St)		
Cascade (the old junk yard off of S. Oak St)		
250 apartments behind Belk		

Walhalla CMOM Questions

System Inventory	Walhalla	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Gravity Sewer (mi)	40	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022	Exact length is unknown per DHEC Report.	
Pipe Diameter of System (%)				
4-in	543	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
6-in	53,527	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
8-in	50,816	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
10-in	11,674	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
12-in	24,533	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
16-in	355	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
18-in	263	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
Unknown	80,239	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)	Majority VCP			Lots of VCP
Force Main (MI)	6			
2-in	1,000	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
4-in	300	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
6-in				
8-in				
10-in				
12-in	29,040	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		

Walhalla CMOM Questions

<b>System Inventory (con't)</b>	<b>Walhalla</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)				
Pump Stations (EA)	3	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
Approx. Prodominate Age Range (YR)	50+ Years			50 year or older
<b>Service Area Characteristics</b>				
Total Service Area (AC)				
Apprx. Service Population (Persons)	4,446	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
Average Precip (in)				
Significant Service Type (Residential, Commercial, Industrial)				
<b>Engineering Design</b>				
Are there design standards and/or details specific to the municipality? (YES, NO, N/A)	NO			The City uses SCDHEC standards only. The City planning to develop their own City sewer standard
Is there a document describing the design review process? (YES, NO, N/A)	NO			Current process is for a City staff member to review plans and coordinate with developer and/or engineer. City does not receive significant amount of plans due to limited growth.
Does municipality have proceedure to test and inspect rehabilitated system elements? (YES, NO, N/A)	NO			
Does municipality attempt to standardize sewer system equipment and materials? (YES, NO, N/A)	NO			

Walhalla CMOM Questions

<b>Organizational Structure</b>				
Is an organizational chart available showing overall staff structure including O&M staff? (YES, NO, N/A)	NO	1) City of Walhalla Water Department Organizational Chart 2) SCDHEC Satellite Sanitary Sewer Permit Inspection of Walhalla dated November 22, 2019 3) City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022	1) Org chart shows a single Maintenance Worker. The DHEC inspection write-up indicates only two (2) employee work part time on the sewer system. 2) The City currently augments gravity sewer cleaning and inspection via contracting with engineering firm and cleaning contractors. 2) Recommend to ask the Town has or attempting to hire additional staff members dedicated to the sewer system.	City has one three man crew to sewer. Lots of overlap and cross crews from other department. No immediate plans to increase staff for sewer. Trying hire to water staff so sewer staff can stay dedicated to sewer. No vacant positions at this time.  Public Utilities Staff: 13 total
How many staff positions are currently vacant?				
On average how long do O&M positions remain vacant?				
<b>Internal Communications</b>				
How do utility staff typically communicate? (Staff meetings, e-mail, phone/text, other)	Phone, E-mail	Response to Study Questions		
Does the sewer municipal department communicate/coordinate with other connecting municipal systemes? (YES, NO, N/A)	NO	Response to Study Questions	Indicated there is no set routine communication.	Would be a benefit to have routine coordination for some key program. Example is the FOG program and what has been approved.

Walhalla CMOM Questions

<b>Budgeting</b>				
Who is responsible for setting the priorities for the utility Capital Improvement?	Staff Level and send to Council			Up to now, the City Council set the priorities. The City is implementing a CIP and CMP program where City staff sets the priorities. Separates "Improvement" and "Maintenance".
Are cost for collection system O&M separated from other utility services? If not, what percent of utility overall budget is allocated to O&M?	YES	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022	Indicates City of Walahalla only had a budget of \$20,000 in 2021. Recommend to follow-up if this amount has increased since 2021. Amount appears very low to maintain 40 miles of the system.	It is left over amount from the budget. Sewer is a loss.
Does the utility have a Capital Improvement Plan (CIP) identifying prioritized repairs/replacements/rehabilitation? (YES, NO, N/A)	YES	1) SCDHEC Satellite Sanitary Sewer Permit Inspection of Walhalla dated November 22, 2019 2) !! 3) Response to Study Questions	1) SCIP funded projects include Cane Creek Rehab, Flat Rock Rehab & Coneross Rehab. Apprx \$5.3 M in gravity sewer rehabilitation 2) Recommend follow-up question asking for high priority projects and estimated costs for the next 5 years.	Previously has been 1 year, but trying to implement a 5 year moving forward.
Is a portion of the utility budget (excluding grants) budgeted to rehabilitation/replacement of the system? (YES, NO, N/A)	NO		1) Recommend asking if and/or how the City to continue address I/I outside of grant funding.	The City currently does not have money allocated, but hope the Capital Maintenance Plan (CMP) approach to address the issue
<b>Safety</b>				
Does the utility have a written safety policy or procedures? (YES, NO, N/A)	YES	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022	10 Has the City maintained training and safety records per Attachment 2.2 on the 2021 CMOM? Does the City have a standard list of training or operator certifications that some or all employees to have?	Yes and they have seen benefit
Does the utility have a procedure to deal with asbestos pipe if encountered? (YES, NO, N/A)				
<b>Equipment</b>				
Does municipality have an Equipment and Parts Inventory List? (YES, NO, N/A)	NO	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022	1) Bottom of Section 9.2 indicates a complete inventory has not been completed. 2) Recommend follow-up question if this inventory has been completed since the 2021 CMOM.	The City has indicated they have few equipment for sewer and planning to increase more.
Is there a document identifying apprx. when equipment should be replaced? (YES, NO, N/A)	NO	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022	1) Bottom of Section 9.2 indicates no life-cycle analysis on equipment has been done. 2) Recommend follow-up question if City has identified key pieces of equipment needing to soon be replaced since the 2021 CMOM.	

Walhalla CMOM Questions

<b>Management Information System</b>				
Does utility have a system for tracking maintenance activities? (YES, NO, N/A)	NO	1) SCDHEC Satellite Sanitary Sewer Permit Inspection of Walhalla dated November 22, 2019 2) City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022	1) DHEC inspection write-up indicates there are no formal records for work performed on the system. 2) Recommend asking if a CMMS system has been implemented since 2021 CMOM	The City currently uses paper copies and Google forms. The City is looking into purchasing and using a formal CMMS software.
<b>System Mapping</b>				
Does the municipality have GIS documenting sewer assets? (YES, NO, N/A)	NO	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022	1) City had a consultant develop GIS maps and map books of the existing system. The City is not able to access GIS due to lack of accessibility to GIS mapping programs. 2) Recommend asking if City plans to invest in getting computers and programs to utilize their GIS.	The City has no GIS system. Not currently planning to and was cut from the City's budget.
At a minimum does the GIS fields include information for manhole/pipe size, manhole/pipe material, and installation/age? (YES, NO, N/A)	NO	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022	1) City GIS appears to only identify the line size of existing sewer. Apprx. 36% of assets sizes are "Unknown".	GIS is very basic and skeleton.



Walhalla CMOM Questions

<b>Sewer Cleaning Condition Assessment</b>				
Does utility have a document standarizing O&M and documentation? (YES, NO, N/A)	YES	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
Does utility clean the the sewer system (pipe and manholes) routinely? (YES, NO, N/A)	NO	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		Have not done much investigation the last few years. City hopes to increase this year. Estimate approximately 2% annually recently
If so, what percentage of the system is cleaned per year on average?	2%			
Does utility investigate the condition of the sewer system (pipes and manholes) routinely? (YES, NO, N/A)	NO	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
If so, what percentage of the system is investigated on average per year?	2%			
Does the utility perform smoke testing or dye testing of the system to identify potential defects routinely? (YES, NO, N/A)	NO	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
If so, what percentage of the system is smoke tested/dye tested per year on average?	2%			
<b>Pump Station</b>				
Does the utility have any pump stations?	YES	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
If so, does the utility have Standard Operation Procedures (SOP) and Standard Maintenance Procedures for each pump station?	YES	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022	1) Recommend which City staff perform the recommended weekly & annual inspections since there are limited staff specific to the sewer.	
Is there a standard training protocol for staff to operate and maintain pump stations?	YES	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
<b>Capacity Assessment</b>				
Has the utility performed a capacity analysis of the system within the last 10 years?	NO	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		The City has not done a formal capacity studies and monitors protions of the system that is overwhelmed during storms. The City does have some temporary flow meter data.
If able, has the utility identified areas of concern for wet-weather vs dry-weather capacity?	NO	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		
Does the utility have a continueing I/I Abatement Program or Plan?	YES	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		

Walhalla CMOM Questions

Overflow Emergency Response Plan				
Does the utility have an document outlining Overflow Emergency Response Plan?	YES	City of Walhalla Capacity Management Operation and Maintenance (CMOM) dated July 2022		Have implemented the Emergency Overflow Plan and has seen benefit from it. Indicated they are retraining in it as they have new staff.

Walhalla Staffing Requirements for Sewer Maintenance Operations												
Occupational Title	5,000		10,000		25,000		50,000		100,000		150,000	
	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs
Superintendent	1	5	1	10	1	20	1	40	1	40	1	40
Asst. Superintendent											1	40
Maint. Supervisor							1	40	2	80	2	80
Foreman	1	15	1	20	1	20	1	40	1	40	2	80
Maint. Man 2	1	15	1	20	1	20	1	40	1	40	2	80
Maint. Man 1	1	15	1	20	2	60	3	120	5	200	8	320
Maint. Eq. Op.					1	40	2	80	3	120	5	200
Constr. Eq. Op.	1	15	1	20	1	20	1	40	1	40	2	80
Auto. Eq. Op									1	40	1	40
CCTV Tech									1	40	1	40
Laborer	1	15	1	20	2	40	2	80	5	200	6	240
Dispatcher							1	40	2	80	2	80
Adminstrator							1	20	1	20	2	80
Sewer Maint. Staff	6	80	6	110	9	220	16	620	27	1,060	39	1,560
M. Mech 2 (c)	1	8	1	8	1	8	1	8	1	8	1	8
M. Mech 1 (d)	1	3	1	3	1	3	1	3	1	3	1	3
M. Mech Help (d)	1	3	1	3	1	3	1	3	1	3	1	3
Constr. Insp. (e)												
Constr. Insp. S. (f)												
<b>Total</b>	<b>15</b>	<b>174</b>	<b>15</b>	<b>234</b>	<b>21</b>	<b>454</b>	<b>33</b>	<b>1,174</b>	<b>54</b>	<b>2,014</b>	<b>77</b>	<b>2,974</b>

Recommended Minimum Staff

Persons	Man Hrs
15	174

## Walhalla CIP

Walhalla CIP		
Capital Improvement Projects	Budget Amount	I/I Abatement
Cane Creek Gravity Sewer Rehab	\$ 2,767,500.00	Yes
Flat Rock Gravity Sewer Rehab	\$ 1,205,000.00	Yes
Coneross Gravity Sewer Rehab	\$ 1,259,000.00	Yes
River Hill CDBG Project	Unknown	

Westminster CMOM Questions

System Inventory	Westminster	Referenced Provided Document	Observations From Submitted Documentation	Interview and Follow-Up Notes
Gravity Sewer (MI)	28			
Pipe Diameter of System (%)				
6-in				City has information on maps. It is not currently in on the GIS. The City is working on getting into it. Tugaloo GPS each manhole and measured inverts. Data exist but Tugaloo's software did not work with Rosier GIS software. Data has to be inputted individually. 2) Predominate pipe diameter is 6-8" (8" is primary average)
8-in				
10-in				
12-in				
16-in				
18-in				
24-in				
30-in				
36-in				
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)	ACP, VCP, DIP	City of Westminster Compliance Attainment Plan for SCDHEC Consent Order 21-018-W dated June 2021	Compliance Attainment Plan FINAL.pdf - "Sewer Collection System Operations and Maintenance" - Paragraph C.b	Asbestos and vetrified clay is the predominate. Also have Orangeburg pipe
Force Main (MI)	0			
2-in				
4-in				
6-in				
8-in				
10-in				
12-in				
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)	N/A			
Pump Stations (EA)	0	SCDHEC Satellite Sanitary Sewer Permit Inspection of Westminster dated April 10, 2020	DHEC Westminster 2020 1 9 - SSS Inspection Report (Unsatisfactory).pdf - Question 6	
Approx. Predominate Age Range (YR)	Low			years (+50)
Service Area Characteristics	Westminster	Referenced Provided Document	Observations From Submitted Documentation	Interview and Follow-Up Notes
Total Service Area (AC)				
Apprx. Service Population (Persons)	3,823			
Average Precip (in)				
Significant Service Type (Residential, Commercial, Industrial)				

Westminster CMOM Questions

Engineering Design	Westminster	Referenced Provided Document	Observations From Submitted Documentation	Interview and Follow-Up Notes
Are there design standards and/or details specific to the municipality? (YES, NO, N/A)				Follow SCDHEC standards
Is there a document describing the design review process? (YES, NO, N/A)				Consultant (Rosier) reviews plans and City accepts their approval.
Does municipality have procedure to test and inspect rehabilitated system elements? (YES, NO, N/A)				
Does municipality attempt to standardize sewer system equipment and materials? (YES, NO, N/A)				
Organizational Structure	Westminster	Referenced Provided Document	Observations From Submitted Documentation	Interview and Follow-Up Notes
Is an organizational chart available showing overall staff structure including O&M staff? (YES, NO, N/A)	NO	1) Updated FY 2024 Organizational Chart 2) Response to Study Questions	1) UPDATED FY 2024 ORGANIZATIONAL CHART.pptx 2) RE_ OJRSA Regional Sewer Feasibility Study_ Data Request Additional Questions.pdf 1) Provided a Administrative Organizational Chart for the City but not for the Water/Sewer Department. All staff are categorized as "Water/Sewer Department". 3) Follow-up e-mail from the City indicated there are four (4) employees dedicated to sewer with water distribution staff utilized periodically.	All of public works is 18 staff. Two (2) staff members are committed to sewer. The do cross use staff on a as-needs basis. Not planning to increase staff dedicated to the sewer.
How many staff positions are currently vacant?				
On average how long do O&M positions remain vacant?				
Internal Communications	Westminster	Referenced Provided Document	Observations From Submitted Documentation	Interview and Follow-Up Notes
How do utility staff typically communicate?	E-mail & Phone	Response to Study Questions	OJRSA Feasibility Study Data Needs Request	
Does the sewer municipal department communicate/coordinate with other connecting municipal systems? (YES, NO, N/A)	NO	Response to Study Questions	OJRSA Feasibility Study Data Needs Request 1_Westminster.docx - Response to question 7	Indicates there is information that may benefit OJRSA if they were responsible and could get that information immediately.

Westminster CMOM Questions

Budgeting	Westminster	Referenced Provided Document	Observations From Submitted Documentation	Interview and Follow-Up Notes
Who is responsible for setting the priorities for the utility Capital Improvement?	Westminster City Council	Response to Study Questions	OJRSA Feasibility Study Data Needs Request 1_ Westminster.docx Response to Question 1	
Are cost for collection system O&M separated from other utility services? If not, what percent of utility overall budget is allocated to O&M?				City has \$884,000 for entire sewer budget. Budget is completely for O&M
Does the utility have a Capital Improvement Plan (CIP) identifying prioritized repairs/replacements/rehabilitation? (YES, NO, N/A)	YES		Rehabilitation projects appear to be funded by SCIIP and other grants.	Not currently planning to budget for rehabilitation on this year's budget. Open to adding budget to the next years budget
Is a portion of the utility budget (excluding grants) budgeted to rehabilitation/replacement of the system? (YES, NO, N/A)	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of Westminster dated April 10, 2020	Recommend follow-up question on this specifically 1) DHEC Westminster 2020 1 9 - SSS Inspection Report (Unsatisfactory).pdf - Question 7 2) DHEC Westminster 2020 1 9 - SSS Inspection Report RESPONSE.pdf - Response 3 & 7d	1) Current Sewer budget does not include any Capital Improvements. Only for O&M. City funds Capital Improvements for sewer using RIA grants. 2) City can not get SRF loans because the City has used USDA funds. 3) Working with First Tryon Financial to fund the Oak Street Basin project
Safety	Westminster	Referenced Provided Document	Observations From Submitted Documentation	Interview and Follow-Up Notes
Does the utility have a written safety policy or procedures? (YES, NO, N/A)	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of Westminster dated April 10, 2020	Recommend follow-up asking for these. 1) DHEC Westminster 2020 1 9 - SSS Inspection Report (Unsatisfactory).pdf - Question 3	City has a safety document. It is printed and not electronic.
Does the utility have a procedure to deal with asbestos pipe if encountered? (YES, NO, N/A)	NO	City of Westminster Compliance Attainment Plan for SCDHEC Consent Order 21-018-W dated June 2021	Indicates a Safety Plan "should" be developed. Recommend asking about this as a follow-up. Compliance Attainment Plan FINAL.pdf - SOS Program Paragraph C.b.2 & Paragraph L	City consulted with the South Carolina Rural Infrastructure and has an accepted procedure to remove, transport and dispose asbestos concrete. City uses wet cut approach.
Equipment	Westminster	Referenced Provided Document	Observations From Submitted Documentation	Interview and Follow-Up Notes
Does municipality have an Equipment and Parts Inventory List? (YES, NO, N/A)	YES	SCDHEC Satellite Sanitary Sewer Permit Inspection of Westminster dated April 10, 2020 City of Westminster Sewer Equipment list	1) DHEC Westminster 2020 1 9 - SSS Inspection Report (Unsatisfactory).pdf - Question 3 2) sewer equipment.docx	
Is there a document identifying apprx. when equipment should be replaced? (YES, NO, N/A)	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of Westminster dated April 10, 2020 City of Westminster Sewer Equipment list		1) City currently replacing current poor equipment. 2) City is in the process of developing a equipment replacement program. Now able to use leasing agreements to assist. 3) Equipment replacements has been a significant O&M cost in the past. No longer replacement falls under the O&M

## Westminster CMOM Questions

<b>Management Information System</b>	<b>Westminster</b>	<b>Referenced Provided Document</b>	<b>Observations From Submitted Documentation</b>	<b>Interview and Follow-Up Notes</b>
Does utility have a system for tracking maintenance activities? (YES, NO, N/A)	YES			Use QS1 to develop Work Orders and tracking. Also use paper copies.
<b>System Mapping</b>	<b>Westminster</b>	<b>Referenced Provided Document</b>	<b>Observations From Submitted Documentation</b>	<b>Interview and Follow-Up Notes</b>
Does the municipality have GIS documenting sewer assets? (YES, NO, N/A)	YES	City Provided GIS in Data Request		
At a minimum does the GIS fields include information for manhole/pipe size, manhole/pipe material, and installation/age? (YES, NO, N/A)	NO			City has information on maps. It is not currently in on the GIS. The City is working on getting into it. Tugaloo GPS each manhole and measured inverts. Data exist but Tugaloo's software did not work with Rosier GIS software. Data has to be inputted individually.
<b>Sewer Cleaning Condition Assessment</b>	<b>Westminster</b>	<b>Referenced Provided Document</b>	<b>Observations From Submitted Documentation</b>	<b>Interview and Follow-Up Notes</b>
Does utility have a document standardizing O&M and documentation? (YES, NO, N/A)	NO	City of Westminster Compliance Attainment Plan for SCDHEC Consent Order 21-018-W dated June 2021	Indicates City is developing a CMOM. Compliance Attainment Plan FINAL.pdf - Paragraph 3.3 & Paragraph 4.3 thru 4.4	Oak Street discussion. Decided not to repave Oak Street due to the finding defects in sewer as part of smoke testing. Began investigation and discovered the issues extended beyond and for the entire "Oak Street Basin".
Does utility clean the sewer system (pipe and manholes) routinely? (YES, NO, N/A)	NO			City attempts to clean and CCTV lines. Due to the sewer condition, offsets, and deteriorating AC pipe makes investigation not feasible. They have recognized majority of system is deteriorated, but due to conditions not able to provide a "percentage" of system.
If so, what percentage of the system is cleaned per year on average?	N/A			
Does utility investigate the condition of the sewer system (pipes and manholes) routinely? (YES, NO, N/A)	N/A			
If so, what percentage of the system is investigated on average per year?	N/A			
Does the utility perform smoke testing or dye testing of the system to identify potential defects routinely? (YES, NO, N/A)	N/A			City have recently been active as part of the Consent Order. They have identified hot spots.
If so, what percentage of the system is smoke tested/dye tested per year on average?	N/A			2% smoke testing system annual



Westminster CMOM Questions

<b>Pump Station</b>	<b>Westminster</b>	<b>Referenced Provided Document</b>	<b>Observations From Submitted Documentation</b>	<b>Interview and Follow-Up Notes</b>
Does the utility have any pump stations?	N/A	SCDHEC Satellite Sanitary Sewer Permit Inspection of Westminster dated April 10, 2020	1) DHEC Westminster 2020 1 9 - SSS Inspection Report (Unsatisfactory).pdf - Question 6	
If so, does the utility have Standard Operation Procedures (SOP) and Standard Maintenance Procedures for each pump station?	N/A			
Is there a standard training protocol for staff to operate and maintain pump stations?	N/A			
<b>Capacity Assessment</b>	<b>Westminster</b>	<b>Referenced Provided Document</b>	<b>Observations From Submitted Documentation</b>	<b>Interview and Follow-Up Notes</b>
Has the utility performed a capacity analysis of the system within the last 10 years?				No. City has identified problem manholes and monitor it during rain events.
If able, has the utility identified areas of concern for wet-weather vs dry-weather capacity?				
Does the utility have a continuing I/I Abatement Program or Plan?				Have identified key projects with Oak Street. Do not have funding mechanism to fund currently.
<b>Overflow Emergency Response Plan</b>	<b>Westminster</b>	<b>Referenced Provided Document</b>	<b>Observations From Submitted Documentation</b>	<b>Interview and Follow-Up Notes</b>
Does the utility have an document outlining Overflow Emergency Response Plan?	NO	1) SCDHEC Satellite Sanitary Sewer Permit Inspection of Westminster dated April 10, 2020 2) City of Westminster Compliance Attainment Plan for SCDHEC Consent Order 21-018-W dated June 2021	Recommend asking for this. 1) DHEC Westminster 2020 1 9 - SSS Inspection Report (Unsatisfactory).pdf - Question 3 2) Compliance Attainment Plan FINAL.pdf - Paragraph 4.6 - It is referenced to be an Attachment C in Appendix C (Collection System O&M), but not able to locate.	The City does not have one and the CMOM and is not complete. City is waiting on next directive from SCDHEC to complete.

Westminster Ops

Westminster Staffing Requirements for Sewer Maintenance Operations												
Occupational Title	5,000		10,000		25,000		50,000		100,000		150,000	
	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs	Persons	Man Hrs
Superintendent	1	5	1	10	1	20	1	40	1	40	1	40
Asst. Superintendent											1	40
Maint. Supervisor							1	40	2	80	2	80
Foreman	1	15	1	20	1	20	1	40	1	40	2	80
Maint. Man 2	1	15	1	20	1	20	1	40	1	40	2	80
Maint. Man 1	1	15	1	20	2	60	3	120	5	200	8	320
Maint. Eq. Op.					1	40	2	80	3	120	5	200
Constr. Eq. Op.	1	15	1	20	1	20	1	40	1	40	2	80
Auto. Eq. Op									1	40	1	40
CCTV Tech									1	40	1	40
Laborer	1	15	1	20	2	40	2	80	5	200	6	240
Dispatcher							1	40	2	80	2	80
Administrator							1	20	1	20	2	80
Sewer Maint. Staff	6	80	6	110	9	220	16	620	27	1,060	39	1,560
M. Mech 2 (c)	0	0	0	0	0	0	0	0	0	0	0	0
M. Mech 1 (d)	0	0	0	0	0	0	0	0	0	0	0	0
M. Mech Help (d)	0	0	0	0	0	0	0	0	0	0	0	0
Constr. Insp. (e)												
Constr. Insp. S. (f)												
<b>Total</b>	<b>12</b>	<b>160</b>	<b>12</b>	<b>220</b>	<b>18</b>	<b>440</b>	<b>30</b>	<b>1,160</b>	<b>51</b>	<b>2,000</b>	<b>74</b>	<b>2,960</b>

Recommended Minimum Staff

Persons	Man Hrs
12	160

## Westminster CIP

<b>Westminster CIP</b>		
<b>Capital Improvement Projects</b>	<b>Budget Amount</b>	<b>I/I Abatement</b>
Coopers Mill Subdivision		No
Heirloom Farms		No
Pump House Rd./S. Isundega St. and Spring St./Green St.	\$4,911,475	YES
Oak Street Basin	Unknown	YES
Manhole Rehabilitation	Unknown	YES

West Union CMOM Questions

<b>System Inventory</b>	<b>West Union</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Gravity Sewer (mi)	1			
Pipe Diameter of System (%)				
6-In				19 manholes. 8". PVC.
8-In				
10-in				
12-in				
16-in				
18-in				
24-in				
30-in				
36-in				
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)				
Force Main (MI)	0			
2-in				
4-in				
6-in				
8-in				
10-in				
12-in				
System Pipe Materials (ABS, PVC, DIP, RCP, VCP, etc)	N/A			
Pump Stations (EA)	0			
Approx. Prodominate Age Range (YR)	40+ years			Early 1970's to 1980's
	Low			
<b>Service Area Characteristics</b>	<b>West Union</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Total Service Area (AC)				
Apprx. Service Population (Persons)	468			
Average Precip (in)				
Significant Service Type (Residential, Commercial, Industrial)				
<b>Engineering Design</b>	<b>West Union</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Are there design standards and/or details specific to the municipality? (YES, NO, N/A)	NO	OJRSA Feasibility Study Data Needs Request 1 - Response to Operational/Technical Data Question 9		Staff member review plans and approves.
Is there a document describing the design review process? (YES, NO, N/A)	NO	OJRSA Feasibility Study Data Needs Request 1 - Response to Operational/Technical Data Question 9		
Does municipality have procedure to test and inspect rehabilitated system elements? (YES, NO, N/A)	NO	OJRSA Feasibility Study Data Needs Request 1 - Response to Operational/Technical Data Question 9		
Does municipality attempt to standardize sewer system equipment and materials? (YES, NO, N/A)	NO	OJRSA Feasibility Study Data Needs Request 1 - Response to Operational/Technical Data Question 9		

West Union CMOM Questions

<b>Organizational Structure</b>	<b>West Union</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Is an organizational chart available showing overall staff structure including O&M staff? (YES, NO, N/A)	NO	1) OJRSA Feasibility Study Data Needs Request 1 - Response to Operational/Technical Data Question 1 2) OJRSA Feasibility Study Data Needs Request 1 - Response to Operational/Technical Data Question 10	1) Only 1 staff member on staff 2) Recommend asking if West Union foresees OJRSA taking over their system and any future retail sewer?	One staff member for water, sewer, streets and public works.
On average how long do O&M positions remain vacant?				
<b>Internal Communications</b>	<b>West Union</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
How do utility staff typically communicate? (Staff meetings, e-mail, phone/text, other)	Not Known			
Does the sewer municipal department communicate/coordinate with other connecting municipal systems? (YES, NO, N/A)	NO	OJRSA Feasibility Study Data Needs Request 1 - Response to Operational/Technical Data Question 5 & 6		Does not see benefit to coordinate with OJRSA. Have not called.
<b>Budgeting</b>	<b>West Union</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Who is responsible for setting the priorities for the utility Capital Improvement?				Address issues as they arise. No budget to address.
Are cost for collection system O&M separated from other utility services? If not, what percent of utility overall budget is allocated to O&M?				
Does the utility have a Capital Improvement Plan (CIP) identifying prioritized repairs/replacements/rehabilitation? (YES, NO, N/A)	NO	OJRSA Feasibility Study Data Needs Request 1 - Response to Question 1		
Is a portion of the utility budget (excluding grants) budgeted to rehabilitation/replacement of the system? (YES, NO, N/A)	NO	OJRSA Feasibility Study Data Needs Request 1 - Response to Question 1		
<b>Safety</b>	<b>West Union</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the utility have a written safety policy or procedures? (YES, NO, N/A)	NO			Indicated they follow OSHA confined space.

West Union CMOM Questions

Equipment	West Union	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Does municipality have an Equipment and Parts Inventory List? (YES, NO, N/A)	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union dated September 15, 2020 - Question 3 & 7c	Indicate they do not have any equipment	
Is there a document identifying apprx. when equipment should be replaced? (YES, NO, N/A)	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union dated September 15, 2020 - Question 3 & 7c		
Management Information System	West Union	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Does utility have a system for tracking maintenance activities? (YES, NO, N/A)	NO			No work order system. Has a checklist and notes of work performed. Due to staff challenge, work on the sewer line is limited.
System Mapping	West Union	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Does the municipality have GIS documenting sewer assets? (YES, NO, N/A)	NO	OJRSA Feasibility Study Data Needs Request 1 - Response to Operational/Technical Data Question 2		
At a minimum does the GIS fields include information for manhole/pipe size, manhole/pipe material, and installation/age? (YES, NO, N/A)	NO	OJRSA Feasibility Study Data Needs Request 1 - Response to Operational/Technical Data Question 2		
Sewer Cleaning Condition Assessment	West Union	Referenced Provided Document	Notes	Interview and Follow-Up Notes
Does utility have a document standarizing O&M and documentation? (YES, NO, N/A)	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union dated September 15, 2020 - Question 7a	1) Recommend asking if the CMOM has been developed as mentioned in West Union response to the DHEC inspection.	
Does utility clean the the sewer system (pipe and manholes) routinely? (YES, NO, N/A)	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union dated September 15, 2020 - Question 7g		City has not been cleaned or CCTV to staff to best of knowledge.
If so, what percentage of the system is cleaned per year on average?	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union dated September 15, 2020 - Question 7g.1		
Does utility investigate the condition of the sewer system (pipes and manholes) routinely? (YES, NO, N/A)	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union dated September 15, 2020 - Question 7f & 7g		
If so, what percentage of the system is investigated on average per year?	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union dated September 15, 2020 - Question 7e.2 & 7f		
Does the utility perform smoke testing or dye testing of the system to identify potential defects routinely? (YES, NO, N/A)	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union dated September 15, 2020 - Question 7e.1		
If so, what percentage of the system is smoke tested/dye tested per year on average?	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union dated September 15, 2020 - Question 7e.1		

West Union CMOM Questions

<b>Pump Station</b>	<b>West Union</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the utility have any pump stations?	NO			
If so, does the utility have Standard Operation Procedures (SOP) and Standard Maintenance Procedures for each pump station?	N/A			
Is there a standard training protocol for staff to operate and maintain pump stations?	N/A			
<b>Capacity Assessment</b>	<b>West Union</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Has the utility performed a capacity analysis of the system within the last 10 years?	NO		Has the utility performed a dry weather and wet weather capacity analysis of the system within the last 10 years?	The City has not seen the system surcharge or overflow, but very limited monitoring due to staff challenges.
If able, has the utility identified areas of concern for wet-weather vs dry-weather capacity?	NO			
Does the utility have a continuing I/I Abatement Program or Plan?	NO			
<b>Overflow Emergency Response Plan</b>	<b>West Union</b>	<b>Referenced Provided Document</b>	<b>Notes</b>	<b>Interview and Follow-Up Notes</b>
Does the utility have an document outlining Overflow Emergency Response Plan?	NO	SCDHEC Satellite Sanitary Sewer Permit Inspection of West Union dated September 15, 2020 - Question 7a		

# West Union CIP

<b>West Union CIP</b>		
<b>Capital Improvement Projects</b>	<b>Budget Amount</b>	<b>I/I Abatement</b>



# APPENDIX E

## RIA VIABILITY TOOL SUMMARY RESULTS

<b>SC Water Utility Viability Tool Results</b>		Date Completed: 7/21/2024		Version 1.1 January 2024	
Utility Name		Oconee Joint Sewer Authority			
Viability Score		<b>52 of 100</b>			
	Benchmark	Response	Viability Points Earned	Maximum Potential Points	
<b>Step 1. Infrastructure</b>					
Primary System Service Population	> 10,000	10,001-50,000	6	22	
Services Provided	-	Sewer Only	6	6	
<b>Water Service</b>					
Age of the majority of the water distribution system: assets:	50 years 30 years	49 15	N/A		
Has your water utility had any sanitary survey inspections in the past 5 years? Unsatisfactory sanitary survey inspections? Notices of Violation for major public health violations and/or water quality violations (not routine or M/R NOVs) Consent or Administrative Orders?	Zero	0 0 0	N/A	-	
Monthly Residential Water Service Bill	-	\$0.00			
<b>Sewer Service</b>					
Age of the majority of the wastewater collection system: Age of the majority of the wastewater pumping and/or treatment assets:	50 years 30 years	49 49	0		
Has your wastewater utility had any compliance inspections in the past 5 years? Notices of Violation for major public health violations and/or major sewer overflows (not routine or M/R NOVs) Consent or Administrative Orders?	Zero	19 1	0	16	
Monthly Residential Sewer Service Bill	-	\$36.95			
<b>Water &amp; Sewer Service</b>					
Combined Non-Compliance Issues	See above	-	N/A	N/A	
System Age (Distribution, Pumping, Collection, etc.)	See above	See above	N/A	N/A	
Monthly Combined Service Bill	-	\$36.95			
<b>Step 2. Managerial/Operational</b>					
Do you have a current capital improvement plan?	Yes	Yes	1	1	
Do you have an Asset Management Program?	Yes	No	0	1	
Are your system assets mapped in a GIS System?	Yes	Yes	1	1	
How many key staff positions within the organization are vacant and have been vacant for more than 3 months?	0	2	0	1	
How many seats on the governing body (board or council) are vacant and have been vacant for more than three months?	0	0	1	1	
Have the current members of your governing body (board or council) received training related to operation and management of a utility in the last 2 years?	0	Some	0	1	
<b>Step 3. Socio-Economics</b>					
Primary Utility Service Area	-	Oconee County			
Population Change	1.31%	1.08%	0	3	
Median Household Income	\$63,623.00	\$56,710.00	0	3	
Poverty Rate	14.4%	15.7%	0	3	
Unemployment Rate	3.2%	3.1%	3	3	

Thank for using this self-assessment tool!

For information on viability resources, please visit [ria.sc.gov/utility-viability](http://ria.sc.gov/utility-viability)

SC Water Utility Viability Tool Results		Date Completed: 7/21/2024	Version 1.1 January 2024
Utility Name	Oconee Joint Sewer Authority		
Viability Score	52 of 100		

	Benchmark	Response	Viability Points Earned	Maximum Potential Points
<b>Step 4. Financial</b>				
<b>Step 4a. Balance Sheet</b>				
Unrestricted Cash	-	\$6,325,804.00	-	-
Total Outstanding Long Term Debt	-	\$0.00	-	-
Net Plant Assets	-	\$16,848,340.00	-	-
<b>Step 4b. Income Statement</b>				
Operating Revenue	-	\$5,689,302.00	-	-
Operating Expenses	-	\$5,785,722.00	-	-
Annual Depreciation Expense	-	\$1,222,487.00	-	-
Change in Net Assets	Greater than \$0	\$743,165.00	5	5
Annual Interest Expense	-	\$0.00	-	-
<b>Step 4c. Statement of Cash Flows</b>				
Annual Debt Principal Payments	-	\$0.00	-	-
<b>Step 4d. Fund Transfers</b>				
Transfers to/from General	None	No	-	-
Transfers from General	None	No	5	5
Transfers between 5% and 10% of Gross Revenues)	None	No		
Transfers Exceeding 10% of Gross Revenues	None	No		
<b>Step 4e. Calculation</b>				
Debt Service Coverage	Greater than 1.10x	0	0	10
Days Cash on Hand (Unrestricted)	Greater than 90 days	506	10	10
Debt to Net Plant Assets	Less than 50%	0	5	5
Asset Conditions	Greater than 25 years	14	0	5
Free Cash Flow as % of Depreciation	Greater than 50%	92.1	5	5
Annual Bill as % of MHI			10	10
Water	2.00%	0.00%		
Sewer	2.00%	0.80%		
Combined	4.00%	0.00%		
State Benchmark			0	5
Water	\$45.02	0		
Sewer	\$57.60	Above 80th Percentile Benchmark		
Combined	\$102.62	Above 80th Percentile Benchmark		

<b>SC Water Utility Viability Tool Results</b>		Date Completed: 7/18/2024	Version 1.1 January 2024
<b>Utility Name</b>	<b>City of Seneca</b>		
<b>Viability Score</b>	<b>56 of 100</b>		

	Benchmark	Response	Viability Points Earned	Maximum Potential Points
<b><u>Step 1. Infrastructure</u></b>			<b>6</b>	<b>22</b>
Primary System Service Population	> 10,000	10,001-50,000	6	6
Services Provided	-	Water & Sewer	-	-
<b>Water Service</b>				
Age of the majority of the water distribution system: assets:	50 years 30 years	50 15	See Below	
Has your water utility had any sanitary survey inspections in the past 5 years? Unsatisfactory sanitary survey inspections? Notices of Violation for major public health violations and/or water quality violations (not routine or M/R NOV's) Consent or Administrative Orders?	Zero	0 0 0	See Combined Below	-
Monthly Residential Water Service Bill	-	\$34.18		
<b>Sewer Service</b>				
Age of the majority of the wastewater collection system: Age of the majority of the wastewater pumping and/or treatment assets:	50 years 30 years	50 45	See Below	
Has your wastewater utility had any compliance inspections in the past 5 years? Notices of Violation for major public health violations and/or major sewer overflows (not routine or M/R NOV's) Consent or Administrative Orders?	Zero	16 0	See Combined Below	-
Monthly Residential Sewer Service Bill	-	\$63.67		
<b>Water &amp; Sewer Service</b>				
Combined Non-Compliance Issues	See above	16	0	10
System Age (Distribution, Pumping, Collection, etc.)	See above	See above	0	6
Monthly Combined Service Bill	-	\$97.85		
<b><u>Step 2. Managerial/Operational</u></b>			<b>2</b>	<b>6</b>
Do you have a current capital improvement plan?	Yes	No	0	1
Do you have an Asset Management Program?	Yes	No	0	1
Are your system assets mapped in a GIS System?	Yes	Yes	1	1
How many key staff positions within the organization are vacant and have been vacant for more than 3 months?	0	3	0	1
How many seats on the governing body (board or council) are vacant and have been vacant for more than three months?	0	0	1	1
Have the current members of your governing body (board or council) received training related to operation and management of a utility in the last 2 years?	0	Some	0	1
<b><u>Step 3. Socio-Economics</u></b>			<b>3</b>	<b>12</b>
Primary Utility Service Area	-	Seneca city		
Population Change	1.31%	1.14%	0	3
Median Household Income	\$63,623.00	\$48,108.00	0	3
Poverty Rate	14.4%	16.8%	0	3
Unemployment Rate	3.2%	3.1%	3	3

SC Water Utility Viability Tool Results		Date Completed: 7/18/2024	Version 1.1 January 2024
Utility Name	City of Seneca		
Viability Score	56 of 100		

	Benchmark	Response	Viability Points Earned	Maximum Potential Points
<b>Step 4. Financial</b>				
<b>Step 4a. Balance Sheet</b>				
Unrestricted Cash	-	\$97,855.00	-	-
Total Outstanding Long Term Debt	-	\$16,494,764.00	-	-
Net Plant Assets	-	\$75,625,643.00	-	-
<b>Step 4b. Income Statement</b>				
Operating Revenue	-	\$34,405,258.00	-	-
Operating Expenses	-	\$28,788,091.00	-	-
Annual Depreciation Expense	-	\$2,707,543.00	-	-
Change in Net Assets	Greater than \$0	\$1,902,128.00	5	5
Annual Interest Expense	-	\$446,337.00	-	-
<b>Step 4c. Statement of Cash Flows</b>				
Annual Debt Principal Payments	-	\$2,468,565.00	-	-
<b>Step 4d. Fund Transfers</b>				
Transfers to/from General	None	Yes	-	-
Transfers from General	None	Yes	0	5
Transfers between 5% and 10% of Gross Revenues)	None	No		
Transfers Exceeding 10% of Gross Revenues	None	No		
<b>Step 4e. Calculation</b>				
Debt Service Coverage	Greater than 1.10x	2.86	10	10
Days Cash on Hand (Unrestricted)	Greater than 90 days	1	0	10
Debt to Net Plant Assets	Less than 50%	21.8	5	5
Asset Conditions	Greater than 25 years	28	5	5
Free Cash Flow as % of Depreciation	Greater than 50%	199.8	10	10
Annual Bill as % of MHI			10	10
Water	2.00%	0.90%		
Sewer	2.00%	1.60%		
Combined	4.00%	2.40%		
State Benchmark			0	5
Water	\$45.02	Below 80th Percentile Benchmark		
Sewer	\$57.60	Above 80th Percentile Benchmark		
Combined	\$102.62	Below 80th Percentile Benchmark		

<b>SC Water Utility Viability Tool Results</b>		Date Completed: 7/18/2024	Version 1.1 January 2024
Utility Name	City of Walhalla		
Viability Score	25 of 100		

	Benchmark	Response	Viability Points Earned	Maximum Potential Points
<b>Step 1. Infrastructure</b>				
Primary System Service Population	> 10,000	3,301-10,000	0	6
Services Provided	-	Sewer Only	-	-
<b>Water Service</b>				
Age of the majority of the water distribution system: assets:	50 years 30 years	45 15	N/A	
Has your water utility had any sanitary survey inspections in the past 5 years? Unsatisfactory sanitary survey inspections? Notices of Violation for major public health violations and/or water quality violations (not routine or M/R NOVs) Consent or Administrative Orders?	Zero	0 0 0	N/A	-
Monthly Residential Water Service Bill	-	\$0.00		
<b>Sewer Service</b>				
Age of the majority of the wastewater collection system: Age of the majority of the wastewater pumping and/or treatment assets:	50 years 30 years	50 50	0	
Has your wastewater utility had any compliance inspections in the past 5 years? Notices of Violation for major public health violations and/or major sewer overflows (not routine or M/R NOVs) Consent or Administrative Orders?	Zero	4 1	0	16
Monthly Residential Sewer Service Bill	-	\$39.78		
<b>Water &amp; Sewer Service</b>				
Combined Non-Compliance Issues	See above	-	N/A	N/A
System Age (Distribution, Pumping, Collection, etc.)	See above	See above	N/A	N/A
Monthly Combined Service Bill	-	\$39.78		
<b>Step 2. Managerial/Operational</b>				
Do you have a current capital improvement plan?	Yes	Yes	1	1
Do you have an Asset Management Program?	Yes	No	0	1
Are your system assets mapped in a GIS System?	Yes	No	0	1
How many key staff positions within the organization are vacant and have been vacant for more than 3 months?	0	1	0	1
How many seats on the governing body (board or council) are vacant and have been vacant for more than three months?	0	0	1	1
Have the current members of your governing body (board or council) received training related to operation and management of a utility in the last 2 years?	0	Some	0	1
<b>Step 3. Socio-Economics</b>				
Primary Utility Service Area	-	Walhalla city		
Population Change	1.31%	0.64%	0	3
Median Household Income	\$63,623.00	\$40,176.00	0	3
Poverty Rate	14.4%	33.5%	0	3
Unemployment Rate	3.2%	3.1%	3	3

SC Water Utility Viability Tool Results		Date Completed: 7/18/2024	Version 1.1 January 2024
Utility Name	City of Walhalla		
Viability Score	25 of 100		

	Benchmark	Response	Viability Points Earned	Maximum Potential Points
<b>Step 4. Financial</b>			20	60
<b>Step 4a. Balance Sheet</b>				
Unrestricted Cash	-	\$13,256.00	-	-
Total Outstanding Long Term Debt	-	\$0.00	-	-
Net Plant Assets	-	\$27,332,310.00	-	-
<b>Step 4b. Income Statement</b>				
Operating Revenue	-	\$1,318,143.00	-	-
Operating Expenses	-	\$1,480,632.00	-	-
Annual Depreciation Expense	-	\$51,283.00	-	-
Change in Net Assets	Greater than \$0	-\$162,489.00	0	5
Annual Interest Expense	-	\$0.00	-	-
<b>Step 4c. Statement of Cash Flows</b>				
Annual Debt Principal Payments	-	\$0.00	-	-
<b>Step 4d. Fund Transfers</b>				
Transfers to/from General	None	Yes	-	-
Transfers from General	None	Yes	0	5
Transfers between 5% and 10% of Gross Revenues)	None	No		
Transfers Exceeding 10% of Gross Revenues	None	No		
<b>Step 4e. Calculation</b>				
Debt Service Coverage	Greater than 1.10x	0	0	10
Days Cash on Hand (Unrestricted)	Greater than 90 days	3	0	10
Debt to Net Plant Assets	Less than 50%	0	5	5
Asset Conditions	Greater than 25 years	533	5	5
Free Cash Flow as % of Depreciation	Greater than 50%	-216.8	0	10
Annual Bill as % of MHI			10	10
Water	2.00%	0.00%		
Sewer	2.00%	1.20%		
Combined	4.00%	0.00%		
State Benchmark			0	5
Water	\$45.02	0		
Sewer	\$57.60	Above 80th Percentile Benchmark		
Combined	\$102.62	Above 80th Percentile Benchmark		

<b>SC Water Utility Viability Tool Results</b>		Date Completed: 7/18/2024	Version 1.1 January 2024
Utility Name	City of Westminster		
Viability Score	23 of 100		

	Benchmark	Response	Viability Points Earned	Maximum Potential Points
<b><u>Step 1. Infrastructure</u></b>			<b>0</b>	<b>22</b>
Primary System Service Population	> 10,000	3,301-10,000	0	6
Services Provided	-	Water & Sewer	-	-
<b>Water Service</b>				
Age of the majority of the water distribution system: assets:	50 years 30 years	50 15	See Below	
Has your water utility had any sanitary survey inspections in the past 5 years? Unsatisfactory sanitary survey inspections? Notices of Violation for major public health violations and/or water quality violations (not routine or M/R NOVs) Consent or Administrative Orders?	Zero	0 0 0	See Combined Below	-
Monthly Residential Water Service Bill	-	\$30.35		
<b>Sewer Service</b>				
Age of the majority of the wastewater collection system: Age of the majority of the wastewater pumping and/or treatment assets:	50 years 30 years	50 0	See Below	
Has your wastewater utility had any compliance inspections in the past 5 years? Notices of Violation for major public health violations and/or major sewer overflows (not routine or M/R NOVs) Consent or Administrative Orders?	Zero	1 1	See Combined Below	-
Monthly Residential Sewer Service Bill	-	\$65.15		
<b>Water &amp; Sewer Service</b>				
Combined Non-Compliance Issues	See above	2	0	10
System Age (Distribution, Pumping, Collection, etc.)	See above	See above	0	6
Monthly Combined Service Bill	-	\$95.50		
<b><u>Step 2. Managerial/Operational</u></b>			<b>5</b>	<b>6</b>
Do you have a current capital improvement plan?	Yes	Yes	1	1
Do you have an Asset Management Program?	Yes	Yes	1	1
Are your system assets mapped in a GIS System?	Yes	Yes	1	1
How many key staff positions within the organization are vacant and have been vacant for more than 3 months?	0	0	1	1
How many seats on the governing body (board or council) are vacant and have been vacant for more than three months?	0	0	1	1
Have the current members of your governing body (board or council) received training related to operation and management of a utility in the last 2 years?	0	Some	0	1
<b><u>Step 3. Socio-Economics</u></b>			<b>3</b>	<b>12</b>
Primary Utility Service Area	-	Westminster city		
Population Change	1.31%	-7.13%	0	3
Median Household Income	\$63,623.00	\$40,750.00	0	3
Poverty Rate	14.4%	26.5%	0	3
Unemployment Rate	3.2%	3.1%	3	3



SC Water Utility Viability Tool Results		Date Completed: 7/18/2024	Version 1.1 January 2024
Utility Name	City of Westminster		
Viability Score	23 of 100		

	Benchmark	Response	Viability Points Earned	Maximum Potential Points
<b>Step 4. Financial</b>			15	60
<b>Step 4a. Balance Sheet</b>				
Unrestricted Cash	-	\$1,071,418.00	-	-
Total Outstanding Long Term Debt	-	\$938,535.00	-	-
Net Plant Assets	-	\$10,419,468.00	-	-
<b>Step 4b. Income Statement</b>				
Operating Revenue	-	\$8,085,305.00	-	-
Operating Expenses	-	\$9,354,904.00	-	-
Annual Depreciation Expense	-	\$526,328.00	-	-
Change in Net Assets	Greater than \$0	-\$514,364.00	0	5
Annual Interest Expense	-	\$20,390.00	-	-
<b>Step 4c. Statement of Cash Flows</b>				
Annual Debt Principal Payments	-	\$71,083.00	-	-
<b>Step 4d. Fund Transfers</b>				
Transfers to/from General	None	Yes	-	-
Transfers from General	None	Yes	0	5
Transfers between 5% and 10% of Gross Revenues)	None	No		
Transfers Exceeding 10% of Gross Revenues	None	No		
<b>Step 4e. Calculation</b>				
Debt Service Coverage	Greater than 1.10x	-8.13	0	10
Days Cash on Hand (Unrestricted)	Greater than 90 days	44	0	10
Debt to Net Plant Assets	Less than 50%	9	5	5
Asset Conditions	Greater than 25 years	20	0	5
Free Cash Flow as % of Depreciation	Greater than 50%	-158.6	0	10
Annual Bill as % of MHI			10	10
Water	2.00%	0.90%		
Sewer	2.00%	1.90%		
Combined	4.00%	2.80%		
State Benchmark			0	5
Water	\$45.02	Below 80th Percentile Benchmark		
Sewer	\$57.60	Above 80th Percentile Benchmark		
Combined	\$102.62	Below 80th Percentile Benchmark		

# APPENDIX F

## VIABILITY/SUSTAINABILITY REGULATORY INFORMATION

# FACT SHEET

## Water System Restructuring Assessment Rule

The U.S. Environmental Protection Agency (EPA) is proposing the Water System Restructuring Assessment Rule (WSRAR), which would provide a regulatory framework for states<sup>1</sup>, public water systems (PWSs), and the communities they serve to identify and assess restructuring options for systems that struggle to provide safe drinking water. The proposed regulation includes three main elements: a new mandatory assessment authority for states; requirements for performing mandatory restructuring assessments to help the water system sustainably provide safe, affordable drinking water; and eligibility requirements for three incentives for public water systems to restructure.

### Why did EPA propose the Water System Restructuring Assessment Rule (WSRAR)?

As part of the America's Water Infrastructure Act of 2018 (AWIA), Congress amended the Safe Drinking Water Act (SDWA), directing EPA to promulgate a rule that implements the provisions of Section 1414(h). These provisions provide a structure for states and PWSs to identify, evaluate, and implement restructuring alternatives.

### What does the Water System Restructuring Assessment Rule (WSRAR) propose?

The proposed regulation includes:

- *A New Mandatory Assessment Authority.* AWIA amended Section 1414(h)(3) of SDWA (42 U.S.C. 300g-3) to add a new mandatory assessment authority for states. As part of their approved program revisions, states would mandate restructuring assessments and approve restructuring plans eligible for restructuring incentives.
- *Requirements for Performing Mandatory Restructuring Assessments.* The proposed rule would require that mandatory restructuring assessments describe how restructuring would ensure that the community served by the assessed PWS would receive safe, affordable drinking water. A mandatory restructuring assessment would involve: notifying the public water system that it is the subject of a mandatory restructuring assessment; performing an evaluation to identify feasible restructuring alternatives; preparing a detailed assessment report; holding a public meeting with community members; making physical and electronic copies of the assessment report publicly available; and consulting with the PWS and community about the assessment and any next steps.

---

<sup>1</sup> *State* means the agency of the State or Tribal government which has jurisdiction over public water systems. During any period when a State or Tribal government does not have primary enforcement responsibility pursuant to section 1413 of the Act, the term "State" means the Regional Administrator, U.S. Environmental Protection Agency.

- *Eligibility Requirements for Three Restructuring Incentives.* The proposed WSRAR includes three restructuring incentives. DWSRF eligibility: If a state approves a completed mandatory restructuring assessment, the assessed water system may apply for DWSRF funding to implement the restructuring activities identified in the assessment. Additionally, PWSs may voluntarily develop and submit restructuring plans to become eligible for the SDWA restructuring incentives outlined in the rule. Enforcement relief: If a state approves an eligible restructuring plan, then for up to two years no enforcement action may be taken against the noncompliant system for any violation that is identified in the approved plan. Liability protection: If a state determines that all restructuring activities under a state-approved plan are complete, then a compliant water system acquiring or consolidating with an assessed water system is not liable for the assessed system's fines or penalties.

### When may a state mandate a restructuring assessment?

A state may mandate a restructuring assessment if the state finds that:

- the PWS has repeatedly violated one or more health-based drinking water standards.
- the PWS is unable or unwilling to implement restructuring activities, or already has attempted to implement such activities but has not achieved compliance.
- restructuring of the PWS, including a form of consolidation or a transfer of ownership, is feasible.
- restructuring of the PWS could result in greater compliance with health-based drinking water standards.

### What would a mandatory restructuring assessment include?

Under the proposed WSRAR, the mandatory assessment would include collecting data; identifying and evaluating feasible options based on the physical and socio-economic characteristics of the water system; preparing a detailed assessment report; holding a public meeting with community leaders and the broader community; making physical and electronic copies of the assessment report publicly available; and consulting with the assessed PWS and community about the assessment and any next steps. Although the assessed water system is not required to implement the restructuring options identified in the mandatory assessment, the proposed incentives could encourage the assessed system to restructure to sustainably provide safe drinking water.

### What are EPA's guiding principles for water system restructuring?

As outlined in the proposal, EPA's three guiding principles of restructuring are:

- Evaluate restructuring alternatives based on the needs of the community.
- Engage affected communities directly in restructuring decision making.
- Ensure community capacity to make affordable investments in safe drinking water.

EPA is highlighting these three guiding principles to help ensure collaborative restructuring efforts between states, local authorities, water utilities, and community leaders and members. These guiding principles are applicable to all public water systems considering restructuring to ensure that every community receives safe, affordable, and reliable drinking water.

### **When would states and water systems need to comply?**

EPA is proposing that the WSRAR would become effective 60 days from the date on which the final rule is published. States would be required to update their primacy requirements two years from the date of promulgation, with an optional two-year extension as described in [40 CFR Part 142.12\(b\)](#).

### **How can I get involved?**

EPA will host an informational webinar for states, water systems, and other interested stakeholders to provide an overview of the proposed Water System Restructuring and Assessment Rule. In addition, during the comment period, EPA will host two listening sessions to provide opportunity for interested stakeholders to provide comment. EPA is also accepting comments in the public docket. Comments can be submitted at [www.regulations.gov](http://www.regulations.gov), Docket ID: EPA-HQ-OW-2022-0678. For more information on the proposed rule and to register for the webinars, please visit the project webpage: <https://www.epa.gov/dwcapacity/water-system-restructuring-assessment-rule>.



# Utility Sustainability Assessment



Please return a completed assessment along with 1) a copy of the utility’s organizational chart, 2) rate schedule(s), and 3) the most recent comprehensive annual financial report (CAFR) or a currently active link to your most recent CAFR.

*If the system operates as a combined utility but the drinking water and wastewater programs function separately, fill out an assessment for the program that corresponds to the SRF project for which you are seeking funding.)*

System Name: \_\_\_\_\_

Combined Utility?  No  Yes - programs combined  Yes - programs separate

Unique Entity Identifier (UEI): \_\_\_\_\_

Drinking Water System #: \_\_\_\_\_

Wastewater System #: \_\_\_\_\_

Contact Name and Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

1. Facility and operator information. *(Please attach additional information as needed.)*

Facility Name	Treatment/Distribution or Environmental Classification	Certification Required

Operator Name	Operator Grade			PT/FT/Contract	Years Employed
	Water Treatment	Water Distribution	Biological		

2. Is there an Operations and Maintenance manual(s) for the system?

Yes  No  Don’t know

3. Does the system’s income exceed operating expenses?

Yes  No  Don’t know

4. Does the system produce enough revenue to cover debt service?

Yes  No  Don’t know

Please fill out the following table of the system’s outstanding debt:  
*(Attach additional information if necessary.)*

Outstanding Debt	Owed To	Term Remaining
\$		
\$		
\$		

- 5. Are there written job descriptions/duties for each employee?  
 Yes     No     Don't know
- 6. If "yes" for #5, are these signed by the employee?  
 Yes     No     Don't know
- 7. Are there written Standard Operating Procedures?  
 Yes     No     Don't know
- 8. Does the system have an asset management plan?  
 Yes     No     Don't know
- 9. Is there a written list of all system assets?  
 Yes     No     Don't know
- 10. Is there a written depreciation schedule for system assets?  
 Yes     No     Don't know
- 11. Is there a written plan for repair and replacement of assets?  
 Yes     No     Don't know
- 12. Summarize the most recent compliance inspection and/or sanitary survey and regulatory compliance monitoring results and enforcement orders below. *(Please attach additional information if necessary.)*

**Drinking Water:**

Sanitary Survey				
Date	Rating	# Items Unsatisfactory & Needs Improvement	# Significant Deficiencies	# Open Enforcement Orders

Regulatory Compliance Monitoring			
	Date of most recent monitoring	# Violations of MCL	# Enforcement Orders
BacT			
Chemical			
Radiological			
Other			

**Wastewater:**

Most Recent Compliance Inspection		
Date	Rating	# Violations

# Open Enforcement Orders Resulting From	
Compliance Inspections	Self-reporting

- 13. Have all deficiencies from the previous inspection/survey been corrected?  
 Yes     No (Explain below)     Don't know

- 14. Is there a current map of your system, including source, storage, lines (distribution/collection/interceptors), valves, hydrants, and pump stations?  
 Yes     No     Don't know

15. Does the drinking water system have a Source Water Protection Plan?

- Yes     No     Don't know     NA

16. Does the drinking water system have non-revenue water of

- Less than 10%     Greater than 10%     Don't Know     NA

How often is water loss calculated?

- Monthly     Quarterly     Semi-annually     Annually     Don't know

17. Has the wastewater system had an infiltration/inflow analysis performed within the last 5 years?

- Yes     No     Don't know

18. Do system operators have the appropriate tools and equipment (or contracts) to operate, maintain, or repair the system?

- Yes     No     Don't know

19. Is the board/council informed about results of operations?

- Yes     No     Don't know

If yes, how often is the board/council informed of results of operations?

- Monthly     Quarterly     Semi-annually     Annually  
 Other (please specify \_\_\_\_\_)     Don't know

20. Is there a training plan for staff responsible for various critical operations or processes?

- Yes     No     Don't know

21. Does the training plan include making the board/council aware of critical operations and processes?

- Yes     No     Don't know

22. Are customer complaints tracked?

- Yes     No     Don't know

If yes, how many customer complaints were there in the past year? \_\_\_\_\_

23. Is the system's annual budget approved by the board/council?

- Yes     No     Don't know

24. Have the costs for future capital improvements been projected?

- Yes     No     Don't know

25. Does the board/council review monthly summaries of revenue and expenses?

- Yes     No     Don't know

26. Is operator input solicited for planning and budgeting?

- Yes     No     Don't know

27. Is the system's budget compared to actual operating results?

- Yes     No     Don't know

If yes, how often?

- Weekly     Monthly     Quarterly     Semi-annually  
 Annually     Don't compare     Don't know

28. Does the system fund a depreciation/reserve capital improvement account?

- Yes     No     Don't know

29. Does the system have financial reserves for emergencies?

- Yes     No     Don't know



30. Does the system retain all of its revenues for its own operations?

- Yes
- No (Explain below)
- Don't know

31. Are all funds for operations of the system generated by the system itself?

- Yes
- No (Explain below)
- Don't know

32. Is the system's rate structure regularly evaluated?

- Yes
- No
- Don't know

If yes, how often?

- Monthly
- Quarterly
- Semi-annually
- Annually

Other (please specify \_\_\_\_\_)

When was the rate structure last adjusted? \_\_\_\_\_

Check all that are covered:

- Current expenses
- Replacement costs
- Reserves
- Contractual obligations
- No to all
- Don't know

33. Are the system's financial statements audited by a public accountant?

- Yes
- No
- Don't know

34. Are all services metered?

- Yes
- No
- Don't know

35. Is there a regular meter calibration/replacement schedule?

- Yes
- No
- Don't know

36. Did the system's board/council provide input on preparing this Utility Sustainability Assessment?

- Yes
- No
- Don't know

37. Are there current discussions with another utility about merging or consolidating?

- Yes
- No
- Don't know

Comments/Additional Information:

Name of Person Completing Survey: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

## Utility Sustainability Assessment (UtSA) Instructions for Completing DHEC 0574

**PURPOSE:** This form collects basic information on drinking water/wastewater system operation for DHEC staff to use in the evaluation of the financial, technical, and managerial capacity of systems interested in, or scheduled to enter into, a State Revolving Fund (SRF) loan. The UtSA must be submitted for all projects, including Study-only and Engineering-Services-Only projects, prior to receiving SRF funding.

**EVALUATION/SCORING:** An SRF staff member reviews/evaluates the assessment and assigns points according to an established scoring guide. The maximum number of points available is 100, with a score of at least 80, and affirmative answers to 4 key questions required for a determination of *Sustainable*. A system that cannot meet the above criteria is declared *Not Sustainable* and may not proceed to closing an SRF loan unless 1) the system chooses to improve its score by making improvements and submitting a revised assessment or 2) the proposed SRF project will make the system sustainable.

### GENERAL INSTRUCTIONS:

- Answer questions based on operation of the utility at present. Where the assessment fails to capture the complete picture, additional comments or explanations to individual questions are encouraged and should be submitted as attachments.
- Return the UtSA to DHEC's SRF Section along with copies of 1) the utility's organization chart, 2) rate schedule, and 3) the most recent comprehensive annual financial report.

### INSTRUCTIONS AND CLARIFICATIONS FOR ANSWERING INDIVIDUAL QUESTIONS:

Utility Name and Contact information:

**System Name:** Self-explanatory

**Combined Utility:** Regardless of whether the utility is asking for only drinking water or only wastewater assistance, if the utility operates both drinking water and wastewater systems under one utility, please indicate "Yes" for combined utility and fill out the survey to reflect the combined "operation."

**Drinking Water System #:** The drinking water system operating permit number(s)

**Wastewater System #:** National Pollutant Discharge Elimination System (NPDES) permit number(s) - to include No Discharge (ND) numbers, or Sanitary Sewer System (SSS) number

**Unique Entity Identifier (UEI):** Enter the organization's UEI.

*Note: A Unique Entity Identifier (UEI) is a number that identifies your entity registration in SAM.gov. This identifier is assigned by SAM.gov and used in federal award systems. The Office of Management and Budget (OMB) requires the Unique Entity ID to be used across federal systems, governmentwide, for federal award purposes.*

*Instructions for viewing the UEI can be found at:*

[https://www.fsd.gov/gsafsd\\_sp?id=kb\\_article\\_view&sysparm\\_article=KB0041254](https://www.fsd.gov/gsafsd_sp?id=kb_article_view&sysparm_article=KB0041254).

**Contact information:** Someone who can answer questions about the information contained in the assessment

Questions:

Please note: "Don't know" is a possible answer for many questions, however an answer of "Don't know" will be considered equivalent to "No" and is strongly discouraged.

1. The term "facility" as used here includes wastewater treatment facilities, surface water treatment facilities, groundwater extraction facilities (with or without accompanying treatment), and drinking water distribution systems. Only wastewater collection systems can indicate "NA."

Wastewater treatment facilities will have an Environmental Classification (either Group I-IV Phys/Chem or Group I-IV Biological), which shall be reported where indicated. Similarly, drinking water facilities will have a classification (Group I-VI treatment facilities, Group I-V distribution facilities) that should also be reported where indicated.

Required operator grade(s) shall be reported for wastewater treatment facilities, water treatment plants, and drinking water distribution systems. Attach additional information as needed.

List all operators employed by the utility, either full-time, part-time or on contract and their operator grades. Attach a complete list if more than 3 operators are employed.

2. Answer "Yes" if Operations and Maintenance manuals exist for all facilities and/or major processes involved in wastewater and drinking water treatment and drinking water distribution (e.g., booster pump stations). Answer "No" if there is one or more major process without an O&M manual.
3. *System income* includes recurring revenue from operations (payment for services, fees, penalties, etc.), but does not include one-time transfers from other funds or capital contributions. *Operating expenses* include actual costs incurred (salaries, maintenance, electricity, debt service, insurance, etc.). Depreciation is not included in this definition of "expenses," but if operating income exceeds expenses even after including depreciation, then please state so.
4. Self-explanatory. If there are more than three creditors, please attach a complete list in the same format as on this form.
5. This question refers to key operating employees, such as operators, supervisors, mechanics, field personnel, etc. Administrative and other non-technical, non-essential employees (e.g. janitors, secretaries) are not to be included in the answer.
6. Self-explanatory. Contact the SRF Section if clarification is required.
7. This question refers to the organization as a whole. Standard Operating Procedures (SOPs) are different than Operation and Maintenance manuals in this question. By SOPs, the Department is asking if the organization has procedures in place for all staff to read and follow in performing routine duties and for events such as: fires, process interruption, loss of power, equipment failures, main breaks, etc.
8. The term "asset management plan" in this question means a listing or database of all utility assets with some or all of the following information: description, rating/specifications, purchase date, installation date, retirement date (or anticipated useful life), current condition, probability of failure, consequence of failure, backup or redundancy status/availability, maintenance schedule, depreciation schedule, salvage value, replacement/renewal strategy, etc.
9. Answer "Yes" if the system has, as part of or in the absence of a full asset management plan as described in #8 above, a list of all equipment (brand, model, type, capacity, purchase date, installation date) considered to be assets.
10. Answer "Yes" if the system has, as part of or in the absence of a full asset management plan as described in #8 above, a depreciation schedule for each asset that assigns a value and an estimate of (or method for estimating) annual depreciation.
11. Answer "Yes" if the system has, as part of or in the absence of a full asset management plan as described in #8 above, a written plan that takes into account the age, condition, and remaining useful life of each piece of equipment and provides a pre-determined replacement or renewal date, so that unexpected, catastrophic equipment failure can be avoided.
12. Self-explanatory. Contact the SRF Section if clarification is required.
13. If deficiencies/violations are indicated in #12, explain in the comment section whether one of the following applies to deficiencies (or violations): 1) deficiencies have been corrected, 2) deficiencies have not been corrected but are being addressed, 3) deficiencies are not being addressed but a plan has been developed, or 4) deficiencies exist and are not being addressed and no plan exists for addressing.
14. Self-explanatory. Contact the SRF Section if clarification is required.
15. Only wastewater systems can indicate "NA."
16. The term "non-revenue water" means any loss of drinking water from the plant or distribution system that does not generate revenue for the system. Examples of non-revenue water include: filter backwashing, line flushing, unmetered destinations, leaks in distribution system, fire flow, etc. Only wastewater systems can indicate "NA."
17. The term "infiltration/inflow analysis" means a detailed investigation of the amount of water that infiltrates the sanitary sewer system from sources that are unknown or unaccounted for (e.g., groundwater infiltration, storm water runoff, illegal dumping into manholes, etc.). The analysis should cover the entire sewer collection system. Water systems or wastewater treatment without collection systems can indicate "NA."
18. Self-explanatory. Contact the SRF Section if clarification is required.
19. Self-explanatory. Contact the SRF Section if clarification is required.

20. "Staff" means all technical, managerial, and financial staff that are responsible for various critical operations or processes in the fulfillment of the utility's mission. This term does not include administrative, janitorial, customer service, and other non-critical personnel.
21. Self-explanatory. Contact the SRF Section if clarification is required.
22. Answer "Yes" if the utility has a formal system for collecting, inventorying, addressing, and resolving customer complaints.
23. Self-explanatory. Contact the SRF Section if clarification is required.
24. Answer "Yes" if the utility has a capital improvement plan that forecasts when capital projects (new or expanded treatment plants, new or expanded collection/distribution systems, rehabilitation of existing infrastructure, etc.) will be required. Such a plan should incorporate cost estimates, timelines for implementation, any foreseeable logistical or organizational issues that will have to be addressed, and corresponding financial planning that forecasts things such as revenues, expenses, total assets, rate increases, debt burden, repayment schedules, etc., so that the utility can be prepared both financially and with respect to operations when the time comes to undertake a capital project.
25. Self-explanatory. Contact the SRF Section if clarification is required.
26. Self-explanatory. Contact the SRF Section if clarification is required.
27. Self-explanatory. Contact the SRF Section if clarification is required.
28. Answer "Yes" if the utility has the ability and foresight to set aside funds to pay for replacement of equipment or capital improvements in accordance with timelines established in either an asset management plan or a capital improvement plan.
29. Self-explanatory. Contact the SRF Section if clarification is required.
30. Answer "Yes" if the utility is structured in such a way that it retains its assets in a separate fund or funds from the funds of other government departments (or a general fund), and that assets (cash, facilities, equipment, etc.) are prohibited from being transferred to other funds or departments or used or spent by the utility for activities unrelated to utility operations. If this is not the case and assets are or have been transferred away from the utility to other departments (i.e., a "No" answer), then an explanation is requested.
31. Answer "Yes" if the utility generates sufficient revenue (charges for services, fees, etc.) to cover its expenses, or if transfers of assets from other funds or departments to the utility have been necessary to support continued operations. If transfers from other funds are or have been necessary (i.e., a "No" answer), then an explanation is requested.
32. Self-explanatory for most utilities. However, if a wastewater utility doesn't determine its own rates, or bases its rates on a drinking water rate structure, please respond to this question as the authority responsible for evaluating and setting rates would respond.
33. Self-explanatory. Contact the SRF Section if clarification is required.
34. Self-explanatory for most utilities. However, where a wastewater utility serves customers that are on wells or for some other reason do not have water meters, please provide an explanation of how sewer charges are determined for these customers.
35. Self-explanatory. Contact the SRF Section if clarification is required.
36. Self-explanatory. Contact the SRF Section if clarification is required.
37. Self-explanatory. Contact the SRF Section if clarification is required.

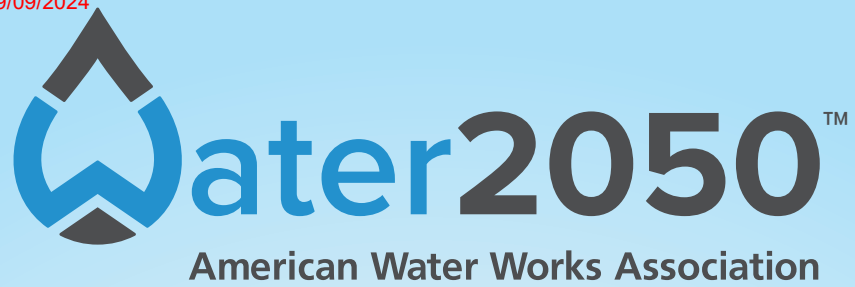
Comments and Signature: Self-explanatory.

**OFFICE MECHANICS AND FILING:** A fillable PDF file is available via RIMS. A link to the form is posted on the DHEC website.

The form, supporting documents and the resulting score sheet will be retained per DHEC Retention Schedule 08283.

# APPENDIX G

## AWWA WATER2050 GOVERNANCE REPORT



# GOVERNANCE THINK TANK

Reservoir Center For Water Solutions | Washington, D.C. | February 27–March 1, 2023



# Water is the world's most vital resource.



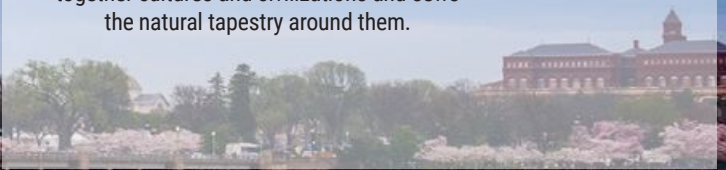
It supports all life, sustains the natural environment and undergirds national and local economies.



It grows food, transports goods, and keeps communities healthy and clean.



It is the common thread that stitches together cultures and civilizations and sews the natural tapestry around them.



# Water also faces an uncertain future.

**In the next 30 years, the most salient environmental and social issues will involve water: who has it, who does not, whether it is safe, whether it is affordable and accessible, how it is managed and by whom.**

Water issues will impact economies, shift populations, and drive innovative technologies.

Water will be central to pivotal governance decisions, intractable social debates and climate initiatives.

**But we are not powerless to create a bright water future. With bold thinking and collaboration, we can act to assure a successful and sustainable future.**

**It is out of this reality that Water 2050 was born.**

## Water 2050

**Water 2050 is a collaborative initiative to envision the future of water and chart a course for future success and sustainability.**

Under the leadership of the American Water Works Association (AWWA), this effort brings together diverse voices to explore water's long-term challenges and opportunities.

*A central component of this journey is five intimate think tanks that examine water through the prism of these core drivers:*

- Sustainability
- Technology
- Economics
- Governance
- Social/Demographics



At each gathering, a small group of influential thinkers engage in thoughtful, intentional discourse. They are experts from within and outside of the water profession. They are both experienced and emerging leaders and represent diversity from many perspectives.

Their charge is to explore together what our communities could look like in the year 2050 and examine how water could be managed, accessed and valued. Each collection of thought leaders is asked to emerge with a set of recommended actions that guides the water community toward a future in which the world's most vital resource is affordable and accessible for everyone.

### **AWWA's Role**

AWWA is uniquely positioned to host the Water 2050 conversation.

With 50,000 members from North America and over 90 countries, AWWA is the largest and oldest water association in the world. Members represent the full spectrum of the water community, including utility professionals, consultants and manufacturers, regulators, elected leaders, academics and many others involved in an essential sector with a worldwide market size of \$500 billion.



# Water 2050 Governance Think Tank

From Feb. 27–March 1, 2023, 27 influential thinkers and subject matter experts came together in Washington, D.C., for the Water 2050 Governance Think Tank. Think tank participants spent three days envisioning the future of water governance and discussing the core principles, frameworks and approaches to assure a successful and sustainable water future.

The think tank was hosted at the Reservoir Center for Water Solutions, located on the banks of the Anacostia River in Washington D.C.'s Navy Yard neighborhood. Designed to “bring together leaders and thinkers from across the water sector, policy world and beyond... to develop breakthrough ideas and solutions, eliminate barriers, and advance the water sector’s work,” Reservoir Center for Water Solutions is sponsored by water technology provider Xylem. It served as a perfect setting for deep conversations on the future of water policy, regulation, access and management.



## Water 2050 Think Tank Process

Participants at the Water 2050 Governance Think Tank came together over three days to explore the future of water governance and to develop a set of recommended actions.

They engaged in a series of facilitated small and large group conversations, private reflection and panel discussions to identify and build upon common themes. The group included highly respected voices from the water and wastewater utility community, regulatory agencies, international development agencies, manufacturing and consulting firms, advocates, academics, and CEOs.

*“A water rich community today may not be a water rich community in the future.”*

## Recommended Actions

Participants identified nine recommended actions that can be grouped into four broad categories: Implement a “One Water” Governance Approach, Optimize Utility Governance and Business Models, Develop Governance that Promotes Innovation and Sustainability, and Advance Collaboration to Drive (Governance) Innovation.

The recommendations are a starting point from which more detailed actions will be developed through future think tanks, scientific research and other contributions to the Water 2050 initiative.

CATEGORY	RECOMMENDED ACTIONS
Implement a “One Water” governance approach	<ul style="list-style-type: none"> <li>① Encourage national governance structures with a One Water focus and regulatory frameworks that include diverse stakeholders.</li> <li>② Establish widely accepted fit-for-purpose standards.</li> </ul>
Optimize utility governance and business models	<ul style="list-style-type: none"> <li>③ Regionalize water utilities on the basis of watersheds.</li> <li>④ Integrate water-related utilities and partner with other utilities, to contribute to a circular economy.</li> <li>⑤ Set rates that reflect the full cost of service, while advancing affordable access and recognition of the human need for water.</li> </ul>
Develop governance that promotes innovation and sustainability	<ul style="list-style-type: none"> <li>⑥ Enable a flexible governance framework that advances water resource and system resilience.</li> <li>⑦ Promote the integration of utility performance standards that support better technical, managerial and financial practices.</li> </ul>
Advance collaboration to drive (governance) innovation	<ul style="list-style-type: none"> <li>⑧ Integrate research and data across agencies to drive a culture of change and innovation.</li> <li>⑨ Take a multilateral and cooperative approach to water governance.</li> </ul>



# Focus Areas

Water 2050 Governance Think Tank participants self-selected into three focus areas to initiate conversations. The focus areas were defined by the Water 2050 leadership team in advance of the gathering.

The nine recommended actions germinated in these focus areas and were nurtured through a series of discussions. They matured through an iterative process of engagement with all participants.

## Focus areas included:

- Evolving today's regulations for tomorrow's world
- Reshape water utility governance to strengthen quality water service
- Water on the world stage: how much should water drive decisions or be responsive to them?

## Focus Area 1

### Evolving today's regulations for tomorrow's world

In the United States, for example, the Safe Drinking Water Act is nearly 50 years old and the Clean Water Act even older, and although both have undergone modest revisions, these regulatory frameworks are essentially unchanged. In addition to these regulatory frameworks, a variety of regulatory strategies have emerged around the world. Are regulations having their intended effect? Is the process of developing regulations working? Are we protecting public health and the environment with a reasonable burden on the utility community? Can regulatory models be updated by using lessons learned from other sectors or other parts of the world? What will future governance look like, and how do we get there?

*"Absolutely critical to success here is having a knowledgeable, apolitical, competent utility board that understands the mission and vision of the executive team, and meets minimum capabilities and expertise criteria."*

## Focus Area 2

### Reshape water utility governance to strengthen quality water service

Recent events have shown that governance challenges in the utility sector remain despite decades of emphasis on building and maintaining technical, managerial and financial capacity. Several recent significant utility incidents can ultimately be linked back to under-investment and lack of capacity. Are these incidents the beginning of a long chain of dominos that will fall and undermine the public's trust in water? What governance changes must be made to mitigate future service challenges? Should the water community decouple its operations from other political agendas? Is one or several new structures necessary to prevent this type of community challenge from recurring?

## Focus Area 3

### Water on the world stage: how much should water drive decisions or be responsive to them?

Numerous factors drive decisions around development and management of natural resources. Sometimes they are political, sometimes economic, and sometimes because of resource limitations. Although water resources drove much of early planning (e.g., locations of older cities), in recent history, water has usually been responsive to the demands of plans made regardless of the availability and proximity of water resources. To what extent should water resource concerns drive land use and development plans rather than the reverse? How do we assure sustainable resources while helping to meet global sustainable development goals as well as local needs in both water-rich and water-stressed areas? Where do the concepts of water rights (as it exists and ways it may change in the future), corporate stewardship (e.g., ESG), and virtual/embodied water fit into these concepts?

# Recommended Actions

from Governance Think Tank Participants

## 1. Encourage national governance structures with a One Water focus and regulatory frameworks that include diverse stakeholders

To meet the water quality and quantity challenges of 2050, countries will increasingly develop national approaches to manage and regulate water. Broad governing bodies will introduce strategies to oversee multiple aspects of the water cycle, from source to use, to recovery and discharge. Resource and resiliency concerns will advance a “One Water” mindset, as governments incorporate source water protection, stormwater and wastewater management, potable and non-potable reuse into their management strategies.

Unifying water governance under one agency singularly focused on water in its various stages through the water cycle will allow for:

- 1) the integration of existing regulations into a single, holistic framework;
- 2) centralization of resources and data;
- 3) unified messaging and public education campaigns;
- 4) integrated approaches to overcome challenges throughout the full water cycle.

This governance structure will require a drastic shift – in mindset and operationally – in how water is managed today. It will engage a broader set of stakeholders, including atmospheric scientists, planners, land and water managers and many others to incorporate these standards into urban and regional development decisions. To support this shift, the water community will develop utility leaders and regulators whose expertise cut across many water disciplines and nurture a workforce that maximizes the value of water throughout the natural and built water environment.

## 2. Establish widely accepted fit-for-purpose standards

As climate change exacerbates water scarcity concerns, the water community will develop standards that allow for a more integrated and efficient approach to water treatment and management. By 2050, the scope of water regulations will expand from “drinking” and “wastewater” quality to include a range of fit-for-purpose standards, allowing for treatment specifically to the needs of the end user. Having widely accepted standards for a broad range of end uses - drinking, washing, toilet flushing, urban and agricultural irrigation, industry - will allow for expansion of reuse for non-potable and potable purposes. Advances in point-of-use treatment technologies will encourage standards that allow consumers and end-users to customize and monitor their own water quality. Still, a framework must be designed at the highest level of government in order to establish a set of consistent standards that can be applied broadly. To ensure true adoption, there will need to be regulatory flexibility for innovation and customization based upon local conditions.



### 3. Regionalize water utilities on the basis of watersheds

In the United States alone, there are more than [50,000 community water systems](#) and around [16,000 permitted wastewater treatment facilities](#). By 2050, the water community must be able to balance the efficiencies gained by consolidation with meeting the needs of communities. This can be achieved by viewing water management from the perspective of watersheds, i.e., making a shift towards a regional-focused water sector, made up of far fewer utilities, that is managed through collaboration among many partners. Regionalization could allow for the integration of regional infrastructure and technology and create opportunities for strategic partnerships within and beyond the water community, in particular, agriculture, manufacturing and land-use stakeholders within and across watersheds. Approaching water governance from a watershed rather than geo-political perspective will encourage collaboration to sustain and make efficient use of resources, while encouraging new and innovative water management strategies. The scale and complexities of a regionalized model would transcend traditional political boundaries and will demand a new portfolio of competencies from all stakeholders, including public officials and utility employees, with continuously evolving engagement and education required to achieve this scale of utility transformation.

### 4. Integrate water-related utilities and partner with other utilities, to contribute to a circular economy

Water utilities do not exist in a vacuum. They are part of a larger ecosystem of public service utilities, which intricately depend on one another. A clear example exists in the [water-energy nexus](#), where water treatment and management requires energy and energy production requires water. By 2050, the water community will develop and enhance a circular economy in which streams of “waste” are valued as renewable resources. For example, heat from wastewater treatment can be captured as energy to power other utility processes. As one think tank participant noted, “there is no such thing as wastewater, there is only wasted water.” Achieving a circular economy will require a One Water approach that integrates water, wastewater, reuse and stormwater utility services and increases overall operational and management efficiencies. However, to assure a sustainable water future, the water community will collaborate with all utilities, including waste management, energy and broadband. Strategic partnerships will lead to partially or completely integrated operations and shared common services, such as metering/billing, customer service, finance/accounting, procurement and asset management. As they pursue efficiencies, these partnerships will minimize utility costs and support customer affordability.



*“The benefits of consolidation will be better economies of scale, better efficiency, and most importantly, improved public health.”*

## 5. Set rates that reflect the full cost of service, while advancing affordable access and recognition of the human need for water

A successful water future requires sustainable funding for all water services. By 2050, as communities face increased resource and resilience challenges, new approaches will be required to make water services affordable and equitable throughout the full water cycle. While the [United Nations](#) recognizes “human right to water is indispensable for leading a life in human dignity,” cost-of-service pricing will remain critical. Rates that reflect the full cost of service will assure continuous investments are made to sustain water resources, provide drinking water and wastewater treatment that protects public health and the environment, and maintain and expand systems to serve people of all incomes and geographies. Providing universal access to water and affordable pricing is achievable. However, governments will need to play a role in supporting households with low incomes in order for full cost pricing and affordability to coexist. Government-led customer assistance programs will help struggling households pay their water bills, while also assuring utilities have the necessary revenue to maintain their systems. In addition, equitable allocation of water among communities will require a reexamination of water rights laws to assure that downstream or disadvantaged communities have access. Government programs will incentivize agriculture and industrial users to be responsible stewards of an increasingly stressed resource.

## 6. Enable a flexible governance framework that advances water resource and system resilience

Over the next three decades, the water community must proactively and purposefully focus on building resilient resources and systems. The coming challenges from climate change, including water scarcity and extreme weather events, as well as other natural or human-caused disasters, demand an all-hazards approach and collaboration among government at all levels. This can be achieved by establishing a coordinated governance structure or approach at the federal, state/provincial or local level that:

- 1) incentivizes communities, water suppliers and other industry stakeholders to be more accountable for evaluating and planning for sustainability and resilience risks, particularly as they impact economically stressed and vulnerable communities;
- 2) mandates proactive, holistic planning and regional collaboration across multiple sectors;
- 3) uses technologies to better predict and mitigate the impact of potential crises;
- 4) implements regulatory and legislative changes to water management based on uncertainties and extreme events.

This type of framework for long-term, interconnected planning will promote informed, responsible system management and development decisions and ultimately increase the resiliency of water resources and systems.



## 7. Promote the integration of utility performance standards that support better technical, managerial and financial practices

By 2050, water governance and regulatory frameworks will expand far beyond water quality standards to encompass effective utility management. Best practices in utility operations and financial practices – defined and promoted by the water community – will be better understood by decision-makers, businesses and consumers, encouraging accountability in the utility sector and strengthening public trust in water services. Performance metrics and targets will be established for water management throughout the water cycle, allowing utilities to track and report on key performance outcomes and incentivizing utilities to demonstrate excellence. Management standards will range from controlling water losses, to asset management, to preparing for climate change, while financial standards will promote full-cost rate-setting, assure that water revenues are properly collected and used, and encourage consumer assistance programs. In some cases, key performance indicators (KPIs) will be used as criteria for receiving government funding. Whether these governance standards are voluntary or integrated into new or existing regulatory frameworks, they will require flexibility in implementation and alignment with federal, state/provincial and local oversight agencies.



## 8. Integrate research and data across agencies to drive a culture of change and innovation

Over the next 30 years, the water community will embrace a culture of innovation and collaboration that will allow it to overcome a host of resource and resilience challenges. Doing so will require access to credible, integrated, and current research and data that are easily shared and accessible across the water community. This knowledge sharing can be achieved through a number of mechanisms, including the development of regional, national and global research centers of excellence, partnerships across a broad network of research organizations within and beyond the water community, and national and global repositories that take inspiration from examples like the [National Oceanic and Atmospheric Administration \(NOAA\) Institutional Repository](#) or the [U.S. National Library of Medicine's ClinicalTrials.gov](#) database. Regardless of the infrastructure put in place to coordinate, consolidate and integrate research and data outcomes, ultimately this effort will only be successful if the water community takes a truly One Water approach that explores solutions across the full water spectrum. Public education about the meaning of water quality information will be as important as the data itself.

## 9. Take a multilateral and cooperative approach to water governance

Access to water is a cross-boundary issue spanning communities, municipalities, states/provinces and countries. By 2050, with climate change, population growth and other factors impacting water resources, a multilateral collaborative approach will be needed to address inequities in water access and diminish the potential for conflicts. While cases of global transboundary and multilateral cooperation exist today – the [Convention on the Protection and Use of Transboundary Watercourses and International Lakes \(Water Convention\)](#) of 1992, for example – truly sustainable water management will require broader participation. The [United Nations Economic Commission for Europe \(UNECE\)](#) notes that “more than 3 billion people depend on water that crosses national borders,” and over 60% of the world’s freshwater flow is comprised of transboundary rivers, lakes, and groundwater reserves shared by 153 countries. The water community must take action to mitigate conflict and address water disparities. It is noteworthy that only 24 of the 153 have operational agreements in place for all their transboundary basins. Multilateral cooperation at this scale will require a dedicated effort to bring together, understand, and align the interests of a variety of regional, national and international organizations.

*“Fundamentally, water is going to be part of cross-border conflict ... It will require collaboration across borders, in a multilateral sense, to mitigate a complex conflict.”*





## Get Involved!

A vital component of the Water 2050 process is broad engagement – tapping into the diverse perspectives of voices from within and outside of AWWA and the greater water community. A collaborative exploration is essential to challenge currently held beliefs, put forth bold solutions and cultivate the most resilient course for the future.

*“For Water 2050 to reach its potential, it needs your voice.”*

AWWA CEO David LaFrance

Water 2050 invites participation beyond the think tanks in many ways. At the 2022 AWWA Annual Conference and Exposition, the opening general session featured a video of young professionals sharing their thoughts on water in the year 2050. In the exhibition hall, an artist collected insights from attendees and created colorful sketches expressing the combined vision for each Water 2050 driver. Board members have engaged in multiple deep-dive discussions. AWWA members and staff answered Water 2050 surveys in the weeks following the initiative’s launch, and each of the organization’s six volunteer leadership councils and 43 sections are also providing insights.

But Water 2050 is far upstream from its final destination. Ultimately, the recommended actions from each think tank will be aggregated and analyzed for common themes and synergies. What emerges will help guide AWWA and the entire water community for decades to come.

To navigate toward a sustainable water future, Water 2050 needs your voice. If you, someone you know, or an organization you recommend want to be part of this journey, please contact the Water 2050 team at [Water2050@awwa.org](mailto:Water2050@awwa.org).



# Water 2050 Advisory Board & Staff / Consultant Support

## Advisory Board

### Sue McCormick

Former CEO of Great Lakes Water Authority

Ms. McCormick is CEO of 4Leaders, LLC supporting leaders developing high performance teams, engagement and public partnerships. She has over 40 years of water utility leadership, including as CEO during the standup of one of the nation's largest public water authorities with more than 120 communities, the Great Lakes Water Authority. She achieved a 96 %-member satisfaction rating within the first years, earning many awards and recognitions and championed engagement strategies and innovations in the Detroit area and in Ann Arbor and public partnerships in the Lansing area.

### Andrew Richardson

Former Chairman and CEO of Greeley and Hansen

In his more than four decades with the Firm, Mr. Richardson worked on almost every aspect of engineering projects, including feasibility studies, designs, construction, and start-up commissioning for many major water, water reuse and wastewater treatment programs across the country. He has authored over 70 technical papers and made numerous presentations at national and international water and wastewater conferences. He is a past president of AWWA and was inducted into the AWWA Water Industry Hall of Fame.

### Jennifer Sara

Global Director, Climate Change Group, World Bank Group

Ms. Sara is responsible for overseeing the key strategic priorities and implementation of the World Bank Group's Climate Change Action Plan and leading five Practice groups on: Climate Operationalization and Impact, Climate Economics and Finance, Climate Funds Management, Climate Investment Funds Secretariat, and Strategy, Knowledge and Outreach. Prior to taking on this position, Ms. Sara served for eight years as Director and Global Director for the Water Global Practice, overseeing the Bank's \$30B water portfolio, analytics, trust fund management and knowledge agenda.

## Staff / Consultant Support

### Greg Kail

Director of Communications  
AWWA

### Angie Miller

Executive Assistant  
AWWA

### Chris Barber

Senior Graphic Designer  
AWWA

### Derek Fisch

Creative Services Manager  
AWWA

### Kavita Sienknecht

Principal and Co-Founder  
UPLift Collaborative

### Kristin Centanni

Principal and Co-Founder  
UPLift Collaborative

### Ken Lund

Subject Matter Expert  
UPLift Collaborative

## Photography

Water 2050 Technology Think Tank Photography  
by Chris Barber

*"Resilient" is the most common word AWWA members believe will best describe the water community in 2050.*

[AWWA Water 2050 Member Survey](#)

## Recommended Reading & Resources

Developing, Protecting and Managing Water Resources. AWWA Policy Statement. 2017.

[www.awwa.org/Policy-Advocacy/AWWA-Policy-Statements/Developing-Protecting-and-Managing-Water-Resources](http://www.awwa.org/Policy-Advocacy/AWWA-Policy-Statements/Developing-Protecting-and-Managing-Water-Resources)

Management of Groundwater. AWWA Policy Statement. 2018.

[www.awwa.org/Policy-Advocacy/AWWA-Policy-Statements/Management-of-Groundwater](http://www.awwa.org/Policy-Advocacy/AWWA-Policy-Statements/Management-of-Groundwater)

OECD Principles on Water Governance. Organisation for Economic Co-operation and Development. 2015.

[www.oecd.org/governance/oecd-principles-on-water-governance.htm](http://www.oecd.org/governance/oecd-principles-on-water-governance.htm)

Recommendations and Report of APA's Water Task Force. Cesanek B, Wordlaw L. 2015. American Planning Association.

Regional Collaboration by Water Utilities. AWWA Policy Statement. 2019.

[www.awwa.org/Policy-Advocacy/AWWA-Policy-Statements/Regional-Collaboration-by-Water-Utilities](http://www.awwa.org/Policy-Advocacy/AWWA-Policy-Statements/Regional-Collaboration-by-Water-Utilities)

The Future of Utility Governance. Carpenter A. 2023. *Journal AWWA*. 115:1:6.

<https://doi.org/10.1002/awwa.2030>

The Safe Drinking Water Act of 1974 and Its Role in Providing Access to Safe Drinking Water in the United States. Weinmeyer R, Norling A, Kawarski M, Higgins E. 2017. *AMA Journal of Ethics*. 19:10:1018.

<https://doi.org/10.1001/journalofethics.2017.19.10.hlwa1-1710>

Total Water Solutions: Integrated Water Resource Management. Davis WY, Sham CH, Dumm TE, Kammereck LR. 2016. *Journal AWWA*. 108:5:18.

<https://doi.org/10.5942/jawwa.2016.108.0087>

Troubled Utilities: Seeing the Way Forward. Young J. 2023. *Journal AWWA*. 115:3:24.

<https://doi.org/10.1002/awwa.2069>

Water 2050 website. AWWA. 2023.

[www.awwa.org/Resources-Tools/Water-2050](http://www.awwa.org/Resources-Tools/Water-2050)

Water 2050: Governance. LaFrance D. 2022. *Journal AWWA*. 114:10:120.

<https://doi.org/10.1002/awwa.2027>

Water 2050 Think Tank Reports. AWWA. 2023.

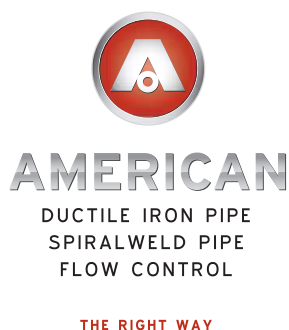
[www.awwa.org/Resources-Tools/Water-2050/Water-2050-Reports](http://www.awwa.org/Resources-Tools/Water-2050/Water-2050-Reports)

Water in Circular Economy and Resilience (WICER). The World Bank. 2021.

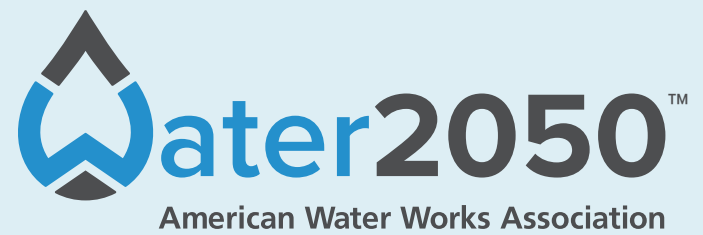
[www.worldbank.org/en/topic/water/publication/wicer](http://www.worldbank.org/en/topic/water/publication/wicer)

Waterborne Illness Sparks Major Water Reform in New Zealand. Graham J. 2020. *Journal AWWA*. 112:3:30.

<https://doi.org/10.1002/awwa.1461>



Proud Sponsors of AWWA Water 2050 Initiative



---

**GOVERNANCE**  
**THINK TANK**

---

Reservoir Center For Water Solutions  
Washington, D.C.  
February 27–March 1, 2023